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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
Farmland Value and Appreciation	17
Equity Analyst Coverage	18
Company Information	19
Definitions and Reconciliations	20

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 Third Quarter 2019 Results

DENVER, November 11, 2019 /PRNewswire/ - Farmland Partners Inc. (NYSE: FPI) (the "Company") today reported financial results for the quarter ended September 30, 2019.

"Despite the disappointing quarterly results, largely due to non-recurring events, we are comfortable with the quality of our assets and the continued long-term appreciation trends indicated by the annual USDA Land Value Survey published in August," said Paul A. Pittman, the Company's CEO. "We look forward to an eventual recovery in the ag economy after the compounded impact of negative international trade conditions and extreme weather events."

Financial Results

The Company's financial performance for the three and nine months ended September 30, 2019, was impacted by a number of factors, including but not limited to the timing of certain variable rent payments, asset sales, costs related to adverse weather events, the impact of trade conflicts on tree nut prices, alternate bearing nature of pistachio yields, and litigation expenses. These negative factors were partially offset by a reduction in general and administrative expenses. Management believes that the Company's financial performance for periods shorter than the full year are not necessarily indicative of the expected full year comparison because the majority of bonus and crop share rent payments are expected to be received in the fourth quarter.

For the three months ended September 30, 2019, the Company recorded a net loss of \$1.5 million and a basic net loss to common stockholders of \$0.15 per share, as compared to net income of \$4.2 million and a basic net income to common stockholders of \$0.02 per share for the same period during 2018. For the nine months ended September 30, 2019, the Company recorded net income of \$5.1 million and a basic net loss to common stockholders of \$0.16 per share, as compared to net income of \$5.6 million and a basic net loss to common stockholders of \$0.14 per share for the same period during 2018.

For the three months ended September 30, 2019, the Company recorded Adjusted Funds from Operations ("AFFO") of -\$2.0 million and AFFO per fully diluted share of -\$0.06, as compared to AFFO of \$0.7 million and AFFO per fully diluted share of \$0.02 for the same period during 2018. For the nine months ended September 30, 2019, the Company recorded AFFO of -\$4.6 million and AFFO per fully diluted share of -\$0.14, as compared to AFFO of \$0.9 million and AFFO per fully diluted share of \$0.02 for the same period during 2018.

For the three months ended September 30, 2019, the Company recorded Adjusted Earnings Before Interest Taxes Depreciation and Amortization for real estate ("Adjusted EBITDAre") of \$5.9 million, as compared to \$8.8 million for the same period during 2018. For the nine months ended September 30, 2019, the Company recorded Adjusted EBITDAre of \$19.5 million, as compared to \$24.1 million for the same period during 2018.

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 September 30, 2019, the Company recorded total operating revenues of \$9.8 million, as compared to \$12.5 million for the same period during 2018. For the nine months ended September 30, 2019, the Company recorded total operating revenues of \$31.7 million, as compared to \$35.2 million for the same period during 2018.

For the three months ended September 30, 2019, the Company recorded total operating income of \$3.2 million and net operating income ("NOI") of \$7.8 million, as compared to total operating income of \$6.2 million and NOI of \$11.0 million for the same period in 2018. For the nine months ended September 30, 2019, the Company recorded total operating income of \$11.7 million and NOI of \$25.5 million, as compared to total operating income of \$16.2 million and NOI of \$29.9 million for the same period in 2018.

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

[Continued on Next Page]



Acquisition and Disposition Activity

During the quarter ended September 30, 2019, the Company completed a \$1.1 million farm disposition, resulting in a \$0.4 million gain over gross book value.

Balance Sheet

During the quarter ended September 30, 2019, the Company repurchased 243,541 shares of common stock at a weighted average price of \$7.04 per share for an aggregate purchase price of \$1.7 million. The Company also repurchased 1,900 shares of the Series B Participating Preferred stock at an average price of \$23.85 per share for an aggregate purchase price of \$0.05 million.

Following the quarter's end, the Company's Board of Directors authorized an increase in the Company's share buyback program of \$50.0 million. After such increase, total availability under the Company's share buyback program is \$51.9 million.

As of September 30, 2019, the Company had 31,980,634 shares of common stock outstanding on a fully diluted basis.

During the quarter the Company repaid \$1.1 million in outstanding debt.

The Company had total debt outstanding of \$512.9 million at September 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 January 15, 2020, to stockholders and unit holders of record on January 1, 2020.

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 December 31, 2019 to holders of Series B Participating Preferred Stock of record on December 13, 2019.

Conference Call Information

The Company has scheduled a conference call on November 12, 2019 at 11:00 a.m. (Eastern Time) to discuss its financial results for the quarter ended September 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. Third 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. A replay of the conference call will be available beginning November 12, 2019 at 1:00 p.m. (Eastern Time) until December 6, 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: 10136766. 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 extreme weather events 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 or dispositions under contract and the other factors described in the section entitled “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018, and the Company’s 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 the Company does not undertake any obligation to update or revise any forward-looking information to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.



Financial Highlights

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

Capitalization	9/30/19	9/30/18
Common shares	30,076,842	31,695,673
Common OP units	1,903,792	4,581,979
Fully diluted shares ¹	31,980,634	36,277,652
Common equity market capitalization	\$213,631	\$243,060
Preferred equity – Series A	\$119,633	\$119,633
Preferred equity – Series B	\$142,861	\$146,383
Preferred equity	\$262,494	\$266,016
Total debt outstanding, net of cash	\$502,829	\$499,817
Total capitalization	\$978,953	\$1,008,893
Share price	\$6.68	\$6.70

Financial Highlights	3Q19	3Q18
Revenues	\$9,848	\$12,549
NOI ²	\$7,797	\$11,047
Adjusted EBITDAre ²	\$5,941	\$8,801
Fully diluted net income (loss) per share	\$(0.15)	\$0.02
Fully diluted AFFO per share ²	\$(0.06)	\$0.02

Balance Sheet Highlights	9/30/19	9/30/18
Net debt to gross assets	45.2%	43.9%
Net debt to total capitalization	51.4%	49.5%
Fixed debt	71.1%	71.8%
Floating debt	28.9%	28.2%
Net debt to Adjusted EBITDAre ³	14.1x	13.6x

- 1) As of November 8, 2019, the Company had 31,982,952 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.



Balance Sheet

(\$ in thousands)	September 30, 2019	December 31, 2018
ASSETS		
Land, at cost	\$ 934,799	\$ 957,516
Grain facilities	12,103	12,184
Groundwater	11,473	11,473
Irrigation improvements	53,751	53,458
Drainage improvements	12,311	12,271
Permanent plantings	52,089	52,989
Other	7,827	8,196
Construction in progress	10,835	10,262
Real estate, at cost	1,095,188	1,118,349
Less accumulated depreciation	(23,317)	(18,202)
Total real estate, net	<u>1,071,871</u>	<u>1,100,147</u>
Deposits	50	—
Cash	8,563	16,891
Notes and interest receivable, net	7,765	11,877
Right of Use Asset	104	—
Deferred offering costs	—	218
Deferred financing fees, net	196	261
Accounts receivable, net	5,347	6,136
Inventory	1,196	341
Prepaid and other assets	1,956	3,638
TOTAL ASSETS	<u>\$ 1,097,048</u>	<u>\$ 1,139,509</u>
LIABILITIES AND EQUITY		
LIABILITIES		
Mortgage notes and bonds payable, net	\$ 511,393	\$ 523,641
Lease Liability	104	—
Dividends and distributions payable	1,599	1,681
Derivative Liability	1,815	865
Accrued interest	3,630	4,296
Accrued property taxes	2,630	1,666
Deferred revenue	248	238
Accrued expenses	4,256	3,581
Total liabilities	<u>\$ 525,675</u>	<u>\$ 535,968</u>
Series B Participating Preferred Stock, \$0.01 par value, 100,000,000 shares authorized; 5,972,059 shares issued and outstanding at September 30, 2019, and 6,013,587 December 31, 2018	142,861	143,758
Redeemable non-controlling interests in operating partnership, Series A preferred units	119,633	120,510
EQUITY		
Common stock, \$0.01 par value, 500,000,000 shares authorized; 30,076,842 shares issued and outstanding at September 30, 2019, and 30,594,592 shares issued and outstanding at December 31, 2018	292	300
Additional paid in capital	338,791	332,996
Retained earnings	179	4,852
Cumulative dividends	(47,268)	(42,695)
Other Comprehensive Income	(1,815)	(865)
Non-controlling interests in operating partnership	18,700	44,685
Total equity	<u>308,879</u>	<u>339,273</u>
TOTAL LIABILITIES, SERIES B PARTICIPATING PREFERRED STOCK, REDEEMABLE NON-CONTROLLING INTERESTS IN OPERATING PARTNERSHIP AND EQUITY	<u>\$ 1,097,048</u>	<u>\$ 1,139,509</u>



Income Statement

(\$ in thousands)

	For the Three Months Ended September 30,	
	2019	2018
OPERATING REVENUES:		
Rental income	\$9,111	\$11,216
Tenant reimbursements	458	984
Crop sales	(145)	—
Other revenue	424	349
Total operating revenues	9,848	12,549
OPERATING EXPENSES		
Depreciation, depletion, and amortization	2,087	2,154
Property operating expenses	2,050	1,502
Acquisition and due diligence costs	—	34
General and administrative expenses	1,444	1,688
Legal and accounting	421	1,016
Other operating expenses	620	—
Total operating expenses	6,622	6,394
OPERATING INCOME	3,226	6,155
OTHER (INCOME) EXPENSE:		
Other income	(147)	(53)
Loss (gain) on disposition of assets	18	(2,950)
Interest expense	4,818	5,001
Total other expense	4,689	1,998
Net income before income tax expense	(1,463)	4,157
Income tax expense	—	—
NET INCOME (LOSS)	(1,463)	4,157
Net income attributable to non-controlling interests in operating partnership	99	(518)
Net income attributable to the Company	(1,364)	3,639
Nonforfeitable distributions allocated to unvested restricted shares	(18)	(15)
Distributions on redeemable non-controlling interests in operating partnership, Series A preferred units and dividends on Series B Participating Preferred Stock	(3,117)	(3,140)
Net income available to common stockholders of Farmland Partners Inc.	(4,499)	484



Income Statement

(\$ in thousands)

	For the Nine Months Ended September 30,	
	2019	2018
OPERATING REVENUES:		
Rental income	\$28,480	\$31,214
Tenant reimbursements	1,392	2,526
Crop sales	788	410
Other revenue	1,024	1,026
Total operating revenues	31,684	35,176
OPERATING EXPENSES		
Depreciation, depletion, and amortization	6,294	6,410
Property operating expenses	6,171	5,299
Acquisition and due diligence costs	1	175
General and administrative expenses	4,237	5,352
Legal and accounting	2,437	1,764
Other operating expenses	843	11
Total operating expenses	19,983	19,011
OPERATING INCOME	11,701	16,165
OTHER (INCOME) EXPENSE:		
Other income	(283)	(224)
Loss (gain) on disposition of assets	(7,891)	(3,086)
Interest expense	14,805	13,833
Total other expense	6,631	10,523
Net income before income tax expense	5,070	5,642
Income tax expense	—	—
NET INCOME (LOSS)	5,070	5,642
Net income attributable to non-controlling interests in operating partnership	(375)	(701)
Net income attributable to the Company	4,695	4,941
Nonforfeitable distributions allocated to unvested restricted shares	(60)	(99)
Distributions on redeemable non-controlling interests in operating partnership, Series A preferred units and dividends on Series B Participating Preferred Stock	(9,368)	(9,423)
Net income available to common stockholders of Farmland Partners Inc.	(4,733)	(4,581)



FFO and AFFO Reconciliation

(in thousands except per share amounts)

	For the Three Months Ended September 30,	
	2019	2018
Net income (loss)	\$ (1,463)	\$ 4,157
(Gain) loss on disposition of assets	18	(2,950)
Depreciation, depletion and amortization	2,087	2,154
FFO	<u>\$ 642</u>	<u>\$ 3,361</u>
Stock based compensation	481	406
Real estate related acquisition and due diligence costs	-	34
Dividends on Series B Participating Preferred Stock and distributions on Series A preferred units	(3,117)	(3,140)
AFFO	<u>\$ (1,994)</u>	<u>\$ 661</u>
AFFO per diluted weighted average share data:		
Net income per share available to common stockholders	\$ (0.15)	\$ 0.02
Income available to redeemable non-controlling interest and non-controlling interest in operating partnership	0.11	0.09
Depreciation, depletion and amortization	0.07	0.06
Stock based compensation	0.02	0.01
Real estate related acquisition and due diligence costs	-	-
(Gain) loss on disposition of assets	0.00	(0.08)
Dividends on Series B Participating Preferred Stock and distributions on Series A preferred units	(0.10)	(0.08)
AFFO per diluted weighted average share	<u>\$ (0.06)</u>	<u>\$ 0.02</u>
AFFO weighted average common shares ¹	32,015	37,122

1) As of November 8, 2019, the Company had 31,982,952 fully diluted shares outstanding.



FFO and AFFO Reconciliation

(in thousands except per share amounts)

	For the Nine Months Ended September 30,	
	2019	2018
Net income (loss)	\$ 5,070	\$ 5,642
(Gain) loss on disposition of assets	(7,891)	(3,086)
Depreciation, depletion and amortization	6,294	6,410
FFO	<u>\$ 3,473</u>	<u>\$ 8,966</u>
Stock based compensation	1,259	1,134
Real estate related acquisition and due diligence costs	1	175
Dividends on Series B Participating Preferred Stock and distributions on Series A preferred units	(9,368)	(9,423)
AFFO	<u>\$ (4,635)</u>	<u>\$ 852</u>
AFFO per diluted weighted average share data:		
Net income per share available to common stockholders	\$ (0.16)	\$ (0.14)
Income available to redeemable non-controlling interest and non-controlling interest in operating partnership	0.31	0.29
Depreciation, depletion and amortization	0.19	0.17
Stock based compensation	0.04	0.03
Real estate related acquisition and due diligence costs	0.00	0.00
(Gain) loss on disposition of assets	(0.24)	(0.08)
Dividends on Series B Participating Preferred Stock and distributions on Series A preferred units	(0.28)	(0.25)
AFFO per diluted weighted average share	<u>\$ (0.14)</u>	<u>\$ 0.02</u>
AFFO weighted average common shares ¹	33,287	37,522

1) As of November 8, 2019, the Company had 31,982,952 fully diluted shares outstanding.

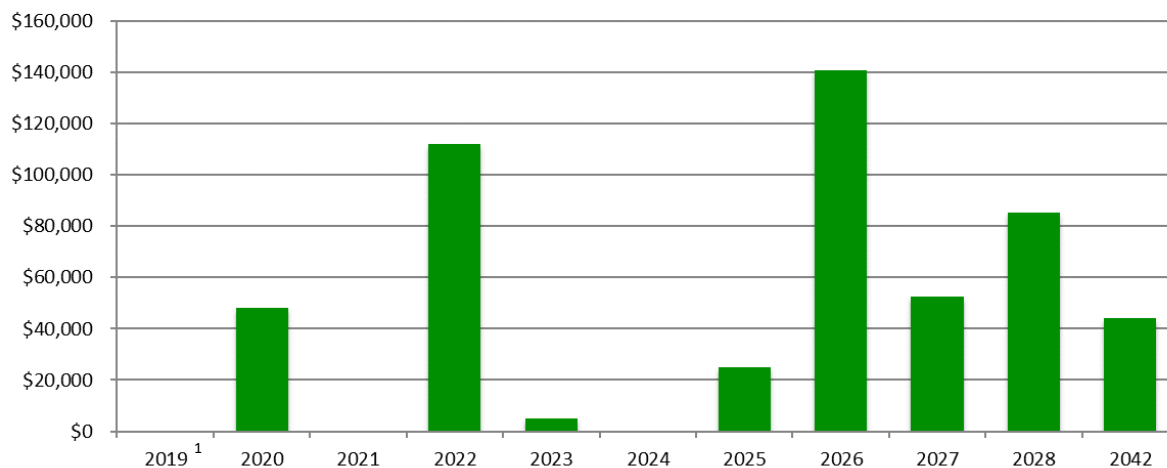
Debt Composition

Type	Total Outstanding Principal	% of Total	Weighted Average Term	Weighted Average Interest Rate	Weighted Average Interest Rate Duration (Years)
Fixed	\$364,804	71.1%	8.1	3.74%	2.1
Floating	\$148,091	28.9%	3.6	3.90%	0.2
Total	\$512,895	100.0%	6.8	3.79%	1.5

Debt Maturity Schedule

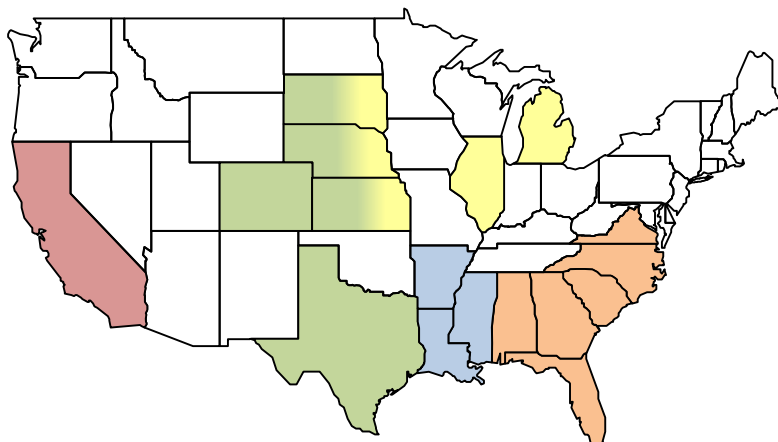
Year	Balance	% of Total	Weighted Average Interest Rate
2019 ¹	\$0	0%	3.20%
2020	\$48,300	9%	3.22%
2021	\$0	0%	0.00%
2022	\$112,000	22%	3.78%
2023	\$4,932	1%	4.81%
2024	\$0	0%	0.00%
2025	\$24,987	5%	3.69%
2026	\$140,627	27%	3.69%
2027	\$52,690	10%	3.30%
2028	\$85,359	17%	4.39%
2042	\$44,000	9%	4.12%
Total	\$512,895	100%	3.79%

Debt Maturities by Year



1) Remainder of year only.

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%



Recent Acquisition Activity

(\$ in thousands)

LTM Acquisition Activity, at Cost

	Total Acres	Purchase Price
Corn Belt	0	0
Delta & South	0	0
High Plains	0	0
Southeast	126	454
West Coast	0	0
Total	126	\$454

2019 3Q Acquisition Activity, at Cost

No acquisitions closed

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
Total	126	\$454



Recent Disposition Activity

(\$ in thousands)

Disposition Activity

	Gross Sales Proceeds	Depreciation	Net Book Value	Gain	Unlevered IRR ¹	Levered IRR ¹
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%
3Q19 Dispositions	\$1,100	\$0	\$687	\$401	9.9%	34.2%
Total	\$67,443	\$299	\$54,304	\$11,123	16.0%	26.5%

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%
Weighted Average		4.37%	

Key NAV Components

(\$ and shares in thousands)

Farmland Gross Asset Value	Trailing 12 Months Ended September 30, 2019
Total operating revenues¹	\$52,578
Crop sales ¹	(\$789)
Other revenue ¹	(\$1,314)

Selected Balance Sheet Information

As of 9/30/19

Other tangible assets

Development properties	13,430
Construction in progress	10,835
Cash	8,564
Notes and interest receivable, net	7,765
Accounts receivable, net	5,347
Inventory	1,196
Prepaid and other assets	1,956
	49,093
Total liabilities	\$25,675
Preferred equity – Series A	119,633
Preferred equity – Series B	142,861
Mark-to-market adjustment for preferred equity ²	(16,117)
Net preferred equity	246,376
Fully Diluted Shares Outstanding at 9/30/2019	31,981
Fully Diluted Shares Outstanding at 11/08/2019	31,983

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.



Farmland Value and Appreciation¹

Cropland Value per Acre

The following table lists average farmland value per acre, nationally and by state in which Farmland Partners owns land, according to the annual Land Values Summary which is produced by the USDA and National Agricultural Statistics Service. Cropland is defined as land which is used to grow field crops, vegetables or land harvested by hay. The Land Values Summary is based on the June Area Survey which covers roughly 7 million acres nationally.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
NATIONAL	\$2,090	\$2,150	\$2,300	\$2,520	\$2,730	\$2,940	\$3,000	\$2,990	\$3,030	\$3,100	\$3,160
ALABAMA	\$2,250	\$2,300	\$2,340	\$2,390	\$2,500	\$2,640	\$2,710	\$2,820	\$2,910	\$2,980	\$3,100
ARKANSAS	\$2,340	\$2,400	\$2,440	\$2,620	\$2,700	\$2,830	\$3,020	\$3,000	\$3,110	\$3,160	\$3,320
CALIFORNIA	\$6,580	\$6,660	\$6,670	\$6,880	\$6,900	\$7,360	\$7,820	\$8,080	\$8,970	\$9,350	\$10,000
COLORADO	\$1,100	\$1,080	\$1,100	\$1,170	\$1,280	\$1,380	\$1,500	\$1,500	\$1,540	\$1,560	\$1,570
FLORIDA	\$5,300	\$5,090	\$5,130	\$5,160	\$5,200	\$5,290	\$5,480	\$5,510	\$5,860	\$5,900	\$5,950
GEORGIA	\$4,030	\$3,770	\$3,610	\$3,260	\$3,300	\$3,300	\$3,270	\$3,410	\$3,560	\$3,510	\$3,470
ILLINOIS	\$4,450	\$4,720	\$5,390	\$6,210	\$7,100	\$7,480	\$7,430	\$7,300	\$7,160	\$7,280	\$7,280
KANSAS	\$1,010	\$1,060	\$1,240	\$1,510	\$1,750	\$2,060	\$2,050	\$1,910	\$1,890	\$1,850	\$1,960
LOUISIANA	\$1,970	\$2,050	\$2,200	\$2,400	\$2,550	\$2,660	\$2,780	\$2,870	\$2,960	\$3,040	\$3,120
MICHIGAN	\$3,670	\$3,490	\$3,600	\$3,890	\$4,300	\$4,730	\$4,970	\$4,900	\$4,940	\$4,960	\$4,960
MISSISSIPPI	\$2,020	\$2,080	\$2,200	\$2,250	\$2,270	\$2,380	\$2,500	\$2,590	\$2,660	\$2,740	\$2,800
NEBRASKA	\$1,320	\$1,470	\$1,840	\$2,420	\$2,800	\$3,100	\$3,010	\$2,890	\$2,820	\$2,750	\$2,850
NORTH CAROLINA	\$4,210	\$4,120	\$4,340	\$4,330	\$4,340	\$4,540	\$4,560	\$4,550	\$4,580	\$4,640	\$4,680
SOUTH CAROLINA	\$2,930	\$2,950	\$2,980	\$3,010	\$2,980	\$3,070	\$3,130	\$3,180	\$3,240	\$3,310	\$3,400
SOUTH DAKOTA	\$879	\$945	\$1,090	\$1,330	\$1,690	\$2,050	\$2,280	\$2,190	\$2,100	\$2,070	\$2,070
TEXAS	\$1,530	\$1,600	\$1,670	\$1,690	\$1,680	\$1,810	\$1,860	\$1,840	\$1,920	\$2,050	\$2,120
VIRGINIA	\$4,750	\$4,500	\$4,350	\$4,260	\$4,310	\$4,380	\$4,440	\$4,470	\$4,590	\$4,620	\$4,650

Farmland Appreciation Trends

The following table measures annual change in average farmland value per acre, nationally and by state in which Farmland Partners owns land, based on the results of the annual Land Values Summary, indexed to 100 in 2006.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	10-Yr CAGR
NATIONAL	2.9%	7.0%	9.6%	8.3%	7.7%	2.0%	-0.3%	1.3%	2.3%	1.9%	4.22%	
ALABAMA	2.2%	1.7%	2.1%	4.6%	5.6%	2.7%	4.1%	3.2%	2.4%	4.0%	3.26%	
ARKANSAS	2.6%	1.7%	7.4%	3.1%	4.8%	6.7%	-0.7%	3.7%	1.6%	5.1%	3.56%	
CALIFORNIA	1.2%	0.2%	3.1%	0.3%	6.7%	6.3%	3.3%	11.0%	4.2%	7.0%	4.27%	
COLORADO	-1.8%	1.9%	6.4%	9.4%	7.8%	8.7%	0.0%	2.7%	1.3%	0.6%	3.62%	
FLORIDA	-4.0%	0.8%	0.6%	0.8%	1.7%	3.6%	0.5%	6.4%	0.7%	0.8%	1.16%	
GEORGIA	-6.5%	-4.2%	-9.7%	1.2%	0.0%	-0.9%	4.3%	4.4%	-1.4%	-1.1%	-1.48%	
ILLINOIS	6.1%	14.2%	15.2%	14.3%	5.4%	-0.7%	-1.7%	-1.9%	1.7%	0.0%	5.05%	
KANSAS	5.0%	17.0%	21.8%	15.9%	17.7%	-0.5%	-6.8%	-1.0%	-2.1%	5.9%	6.85%	
LOUISIANA	4.1%	7.3%	9.1%	6.3%	4.3%	4.5%	3.2%	3.1%	2.7%	2.6%	4.71%	
MICHIGAN	-4.9%	3.2%	8.1%	10.5%	10.0%	5.1%	-1.4%	0.8%	0.4%	0.0%	3.06%	
MISSISSIPPI	3.0%	5.8%	2.3%	0.9%	4.8%	5.0%	3.6%	2.7%	3.0%	2.2%	3.32%	
NEBRASKA	11.4%	25.2%	31.5%	15.7%	10.7%	-2.9%	-4.0%	-2.4%	-2.5%	3.6%	8.00%	
NORTH CAROLINA	-2.1%	5.3%	-0.2%	0.2%	4.6%	0.4%	-0.2%	0.7%	1.3%	0.9%	1.06%	
SOUTH CAROLINA	0.7%	1.0%	1.0%	-1.0%	3.0%	2.0%	1.6%	1.9%	2.2%	2.7%	1.50%	
SOUTH DAKOTA	7.5%	15.3%	22.0%	27.1%	21.3%	11.2%	-3.9%	-4.1%	-1.4%	0.0%	8.94%	
TEXAS	4.6%	4.4%	1.2%	-0.6%	7.7%	2.8%	-1.1%	4.3%	6.8%	3.4%	3.32%	
VIRGINIA	-5.3%	-3.3%	-2.1%	1.2%	1.6%	1.4%	0.7%	2.7%	0.7%	0.6%	-0.21%	

1) Source: USDA, National Agricultural Statistics Service



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**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

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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.

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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 September 30, 2019, the Company is reporting EBITDAre and Adjusted EBITDAre in place of EBITDA and Adjusted EBITDA.

	For the Three Months Ended September 30,	
	2019	2018
<i>(in thousands)</i>		
Net income (loss)	\$ (1,463)	\$ 4,157
Interest expense	4,818	5,001
Income tax expense	—	—
Depreciation, depletion and amortization	2,087	2,154
(Gain) loss on disposal of assets	18	(2,950)
EBITDAre	\$ 5,460	\$ 8,362
Stock based compensation	481	406
Real estate related acquisition and due diligence costs	—	34
Adjusted EBITDAre	\$ 5,941	\$ 8,802



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 September 30,	
	2019	2018
<i>(in thousands except per share amounts)</i>		
Total operating revenues	\$ 9,848	\$ 12,549
Property operating expenses	2,050	1,502
Net operating income (NOI)	\$ 7,797	\$ 11,047

	For the Three Months Ended September 30,	
	2019	2018
<i>(in thousands except per share amounts)</i>		
NET INCOME (LOSS)	\$ (1,463)	\$ 4,157
Depreciation, depletion, and amortization	2,087	2,154
Acquisition and due diligence costs	-	34
General and administrative costs	1,444	1,688
Legal and accounting	421	1,016
Other operating expenses	620	0
Other income	(147)	(53)
Loss (gain) on disposition of assets	18	(2,951)
Interest expense	4,818	5,001
Net Operating Income (NOI)	\$ 7,797	\$ 11,047



Definitions and Reconciliations

Trailing 12-Month Calculations

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

	Trailing 12-Month Period	Quarter Ended September 30, 2019	Quarter Ended June 30, 2019	Quarter Ended March 31, 2019	Quarter Ended December 31, 2018
Total operating revenues	\$ 52,578	\$9,848	\$10,948	\$10,889	\$20,893
<i>Of which</i>					
Crop sales	789	(145)	484	450	0
Other revenue	1,314	424	300	300	290
Depreciation and depletion	8,428	2,087	2,092	2,115	2,134
Property operating expenses	8,704	2,050	2,188	1,932	2,534
Acquisition and due diligence costs	7	0	1	0	6
General and administrative expenses	6,361	1,444	1,419	1,374	2,124
Legal and accounting	3,003	421	1,293	723	566
Other operating expenses	843	620	1	222	0
Total operating expenses	27,346	6,622	6,994	6,366	7,364
Operating income	\$ 25,232	3,226	3,954	4,523	13,529
	Trailing 12-Month Period	Quarter Ended September 30, 2019	Quarter Ended June 30, 2019	Quarter Ended March 31, 2019	Quarter Ended December 31, 2018
Net income (loss)	\$ 13,470	(1,463)	6,525	9	8,399
Interest expense	19,771	4,818	5,031	4,956	4,966
Income tax expense	1	1	0	(0)	0
Depreciation and depletion	8,428	2,087	2,092	2,115	2,134
(Gain) loss on sale of assets	(7,687)	18	(7,491)	(418)	204
EBITDAre	33,983	5,459	6,157	6,662	15,703
Stock-based compensation	1,777	481	382	396	518
Real estate related acquisition and due diligence costs	7	0	1	0	6
Adjusted EBITDAre	\$ 35,767	5,491	6,540	7,058	16,227