

Farmland Partners Inc. Announces Agreement for Acquisition of Approximately 22,300 Acres in Illinois for \$197 Million

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Farmland Partners Inc. →

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DENVER, Nov. 9, 2015 /PRNewswire/ -- Farmland Partners Inc. (NYSE: **FPI**) (the "Company") today announced that it has entered into a purchase agreement to acquire approximately 22,300 acres of farmland in Illinois for a total purchase price of \$197 million. The consideration consists of \$50 million in cash, a combination of common stock of the Company and common units of limited partnership interest in the Company's operating partnership ("OP Units") valued at \$30 million and \$117 million in newly classified preferred OP Units ("Preferred OP Units").

The 2,608,695 shares common stock and OP Units to be issued were valued at \$11.50 per share. The Preferred OP Units will receive 3.0% annual cash distributions and will become convertible into OP Units after 10 years. Beginning on the fifth anniversary of issuance, the Company will have an option to call the Preferred OP Units for cash at par plus all accrued but unpaid distributions.

While no lease agreements have been entered into as of yet, the Company intends to negotiate new lease agreements with the tenants who are currently farming the properties. The acquisition is expected to close in the first quarter of 2016, subject to customary closing conditions, including satisfactory completion of the Company's due diligence.

After closing, the Company intends to use the acquired properties as collateral for additional secured debt, which is expected to provide approximately \$100 million of capital for additional acquisitions, many of which already have been identified and are in various stages of due diligence and negotiation.

"This farmland acquisition, one of the largest ever, will be a landmark transaction for us, increasing our acreage from approximately 74,400 to nearly 100,000," said Paul Pittman, CEO of the Company. "The seller has accumulated, over decades, a portfolio of some of the best farmland in Illinois. On top of the benefit of scale, the transaction will strengthen our balance sheet from the financing structure that provides us with a low cost, long-term preferred equity. Further demonstrating the efficiency of our business model, this transaction will add \$197 million of assets totaling over 22,000 acres, which are expected to generate over \$6 million in revenue annually, without adding a single employee."

This transaction is expected to significantly strengthen the Company's position in one of the best primary crop growing regions in the world, in step with the Company's strategy to invest in the global food demand theme.

Although no assurances can be given, based on our expectation of the revenue to be generated through this transaction and our assumptions for future potential acquisitions that may be financed by the additional secured debt described above, we expect the overall impact of this transaction to be accretive to AFFO per share by approximately \$0.10.

We can provide no assurances that any of our acquisitions under contract or other future acquisitions will close on the timeline that we anticipate, or at all, or that the rents we obtain on acquired farmland will be consistent with our current projections, or that the impact on AFFO will be in the amounts we currently anticipate.

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. The Company owns or has under contract 248 farms with an aggregate of 96,725 acres (including 125 farms totaling 24,302 acres under contract) in Arkansas, Colorado, Georgia, Illinois, Kansas, Louisiana, Michigan, Mississippi, Nebraska, North Carolina, South Carolina and Virginia. 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 contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws, including statements regarding the pending acquisition and other potential future acquisitions, timing of closing, expected revenue from the pending acquisition and impact on AFFO per share. Forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be beyond the Company's control. The Company faces many risks that could cause its actual performance to differ materially from the results contemplated by its

forward-looking statements, including, without limitation, the risks related to leasing farmland to third-party tenants, including delays in executing new leases, failure to negotiate leases on terms that will enable the Company to achieve its expected returns and the inability to obtain additional financing secured by the Company's farms on favorable terms, or at all. These forward-looking statements are based upon the Company's present expectations, but the events, expectations, intentions or prospects suggested by or reflected in these statements are not guaranteed to occur or be achieved, and you should not place undue reliance on such statements. Furthermore, the Company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes, except as may be required by law. For a further discussion of these and other factors that could impact the Company's future results, performance or transactions, see the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 and other documents filed by the Company with the Securities and Exchange Commission.

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