



 **GLADSTONE LAND**  
A Farmland Real Estate Investment Trust

## \$500,000,000 Series C Cumulative Redeemable Preferred Stock Offering

AS OF FEBRUARY 19, 2020

# Legal Disclaimers

## ESTIMATES

This presentation contains industry and market data, forecasts, and projections that are based on internal data and estimates, independent industry publications, reports by market research firms, or other published independent sources. We believe these data to be reliable as of the date of this presentation, but there can be no assurance as to the accuracy or completeness of such information. We have not independently verified all market and industry data obtained from these third-party sources. Our internal data and estimates are based upon information obtained from trade and business organizations, other contacts in the markets in which we operate, and our management's understanding of industry conditions. You should carefully consider the inherent risks and uncertainties associated with the market and other industry data contained in this presentation.

## FORWARD-LOOKING STATEMENTS

This presentation may include statements that constitute "forward-looking statements" within the meaning of the Securities Act of 1933 or the Securities Exchange Act of 1934. These forward-looking statements include comments with respect to our objectives and strategies and the results of our operations and our business. By their nature, these forward-looking statements involve numerous assumptions, uncertainties and opportunities, both general and specific. The risk exists that these statements may not be fulfilled. We caution readers of this presentation not to place undue reliance on these forward-looking statements, as a number of factors could cause future Company results to differ materially from these statements, including those factors listed under the caption, "Risk Factors," in our Form 10-K and 10-Q filings and our registration statement, including our prospectus and prospectus supplement, as filed with the Securities and Exchange Commission ("SEC"), all of which can be found on our website, [www.GladstoneLand.com](http://www.GladstoneLand.com), or the SEC website, [www.SEC.gov](http://www.SEC.gov). Any results or performance implied by forward-looking statements may be influenced in particular by factors such as fluctuations in interest rates and stock indices, the effects of competition in the areas in which we operate, and changes in economic, political, regulatory, and technological conditions. We caution that the foregoing list is not exhaustive. When relying on forward-looking statements to make decisions, investors should carefully consider the aforementioned factors as well as other uncertainties and events. The Company has no duty to, and does not intend to, update or revise any forward-looking statements, except as required by law.

## PAST OR PRESENT PERFORMANCE DISCLAIMER

This presentation includes information regarding past or present performance of the Company. Please note that past or present performance is not a guarantee of future performance or future results.

# Risk Factors

Please consult the prospectus supplement for this offering for a recitation of the risk factors of this offering. If any of the risks contained in or incorporated by reference into the prospectus supplement or the accompanying prospectus develop into actual events, our business, financial condition, liquidity, results of operations, FFO, adjusted funds from operations or our prospects could be materially and adversely affected, we may be unable to timely pay the dividends accrued on the Series C Preferred Stock (the "Shares"), the value of the Shares could decline and you may lose all or part of your investment. In addition, new risks may emerge at any time and we cannot predict such risks or estimate the extent to which they may affect our financial performance. Some statements in the prospectus supplement, including statements in the risk factors, constitute forward-looking statements. See the "Forward-Looking Statements" and "Risk Factors" sections in the prospectus supplement, the accompanying prospectus and in our regular filings with the SEC for additional risks which may affect us or the Shares.

- > There will initially be no public market for the Shares as we do not intend to apply for quotation on Nasdaq until after the Termination Date, and even after listing, if achieved, a liquid secondary trading market may not develop and the features of the Shares may not provide you with favorable liquidity options.
- > The Shares have not been rated.
- > Dividend payments on the Shares are not guaranteed.
- > We operate as a holding company dependent upon the assets and operations of our subsidiaries, and because of our structure, we may not be able to generate the funds necessary to make distributions on the Shares.
- > We will be required to terminate this offering if both our Common Stock and our Series A Preferred Stock are no longer listed on Nasdaq or another national securities exchange.
- > The ability to redeem shares of Shares may be limited.
- > The Shares will bear a risk of redemption by us.
- > The cash distributions you receive may be less frequent or lower in amount than you expect.
- > If you elect to exercise the Stockholder Redemption Option, the cash payment that you receive as a result of your optional redemption will be a substantial discount to the price that you paid for the Shares.
- > Upon the sale of any individual property, holders of Shares do not have a priority over holders of our common stock regarding return of capital.
- > Your percentage of ownership may become diluted if we incur additional debt or issue new shares of stock or other securities, and incurrence of indebtedness and issuances of additional preferred stock or other securities by us may further subordinate the rights of the holders of our common stock and preferred stock.
- > Our ability to pay dividends and/or redeem shares of Shares may be limited by Maryland law.
- > You will experience dilution in your ownership percentage of Shares if you do not participate in our dividend reinvestment plan.
- > Our charter contains restrictions upon ownership and transfer of the Shares, which may impair the ability of holders to acquire or dispose of the Shares.

## Risk Factors (cont.)

- > Holders of the Shares will be subject to inflation risk.
- > An investment in the Shares bears interest rate risk.
- > Holders of Shares will bear reinvestment risk.
- > Holders of Shares will have no control over changes in our policies and operations, and have extremely limited voting rights.
- > Our management will have broad discretion in the use of the net proceeds from this offering and may allocate the net proceeds from this offering in ways that you and other stockholders may not approve.
- > We may be unable to invest a significant portion of the net proceeds of this offering on acceptable terms.
- > We have paid, may continue to pay, or may in the future pay, distributions from offering proceeds, borrowings or the sale of assets to the extent our cash flow from operations or earnings are not sufficient to fund declared distributions. Rates of distribution to holders of our common stock and preferred stock will not necessarily be indicative of our operating results. If we make distributions from sources other than our cash flows from operations or earnings, we will have fewer funds available for the acquisition of properties and your overall return may be reduced.
- > If the properties we acquire or invest in do not produce the cash flow that we expect in order to meet our REIT minimum distribution requirement, we may decide to borrow funds to meet the REIT minimum distribution requirements, which could adversely affect our overall financial performance.
- > Gladstone Securities, the dealer manager in this offering, is our affiliate, and we established the offering price and other terms for the Shares pursuant to discussions between us and our affiliated dealer manager; as a result, the actual value of your investment may be substantially less than what you pay.
- > Payment of fees to our Adviser and its affiliates, including our affiliated dealer manager will reduce the cash available for investment and distribution and will increase the risk that you will not be able to recover the amount of your investment in our shares of Shares.
- > We may have conflicts of interest with our affiliates, which could result in investment decisions that are not in the best interests of our stockholders.
- > If you fail to meet the fiduciary and other standards under ERISA or the Code as a result of an investment in this offering, you could be subject to liability and civil or criminal penalties.

Gladstone Land Corporation ("LAND") has filed a registration statement (including a prospectus) and a prospectus supplement with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement, the prospectus supplement and other documents that LAND has filed with the SEC for more complete information about LAND and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, Gladstone Securities, LAND's dealer manager for this offering, will arrange to send you the prospectus and prospectus supplement if you request it by calling toll-free at (833) 849-5993.

# Offering Summary

## OFFERING

### **Up to \$500 million Series C Preferred Stock offering of a public REIT**

- > Up to an additional \$150 million Series C Preferred Stock (the "Shares") issued through a Dividend Reinvestment Plan ("DRIP")
- > The Shares will rank senior to Gladstone Land Corporation's (the "Company" or "we") Common Stock, which has traded on Nasdaq under the ticker "LAND" since our 2013 IPO

## DIVIDEND

### **Annualized 6.00% dividend, payable monthly**

- > Dividends on the shares are cumulative and must be paid in preference to dividends on our Common Stock
- > There is no guarantee of capital preservation or continuous dividends

## OFFERING TYPE

### **Continuous Offering of Registered, Non-Listed Preferred**

## LIQUIDITY OPTIONS

### **Redeemable at \$22.50 per share throughout the offering**

- > 10% discount to the Liquidation Preference of \$25 per share
- > Our obligation to redeem the Shares is limited to the extent that our Board of Directors determines that it does not have sufficient funds available or it is restricted by applicable law from making such redemption

### **Nasdaq listing after the offering terminates**

- > We anticipate applying to list the Shares on Nasdaq or another national securities exchange within one calendar year after the offering ends, but there can be no assurance that we will achieve this objective
- > There is currently no public market for the Shares, and we do not expect one to develop prior to listing the Shares on exchange, if at all

## COMMISSIONS, FEES & EXPENSES

### **Up to 6.0% selling commission, 3.0% dealer-manager fee, and up to 2.5% expenses**

- > We, through Gladstone Securities, will pay all commissions and expenses associated with the sale of the Shares
- > We and Gladstone Securities will not pay selling commissions on sales to fee-based (and certain other) accounts, as described in the prospectus supplement



## DIVERSIFIED PORTFOLIO

The Company owns a portfolio of 113 farms with approximately 88,000 acres across ten states valued at approximately \$885 million, as of February 19, 2019

- > Most farms have been farmed for decades, and most farms have their own water sources

## INFLATION

The prices of produce crops have historically outpaced inflation, according to data from the U.S. Department of Labor<sup>1</sup>

- > The Company primarily owns farms that grow fresh produce crops, some nut orchards, and only a few that grow corn, wheat, or soy
- > Management seeks to structure leases with contractual rent escalators.  
***There can be no guarantee that rental rates on lease renewals will continue to increase***

## TRANSPARENCY

The Company went public in 2013 and has been in business since 1997

- > Common stock is listed on Nasdaq under "LAND"
- > The Company files annual, quarterly, and periodic reports with the SEC
- > Because the Shares are not traded, it may be difficult to determine the value of your Shares or your return on investment

## DIVIDEND COVERAGE

In 2019, Gladstone Land covered its preferred stock dividends by approximately 2.86x (i.e., earned \$2.86 of AFFO to pay every \$1 of preferred dividends)

- > The Company is unable to pay distributions to common stockholders unless it has paid dividends on all Preferred Stock

# Investment Features



## Gladstone Land Overview

---



Owens farmland and farm-related facilities leased to high-quality farmers, primarily on a triple-net basis, meaning the farmer pays rent, insurance, maintenance, and taxes.



Currently owns 113 farms with 87,860 total acres in 10 states, valued at approximately \$885 million. Our acreage is currently 100% leased.



Primarily buys farmland used to grow healthy foods, such as fruits, vegetables, and nuts.



One of four public companies managed by an SEC-registered investment advisor with over \$2.9 billion of assets under management and over 65 professionals.



## Three Areas of Farming

---

**PRIMARY FOCUS | ANNUAL FRESH PRODUCE**

**SECONDARY FOCUS | PERMANENT CROPS**

**TERTIARY FOCUS | GRAINS & OTHER CROPS**

We believe that farmland growing fresh produce (e.g., fruits and vegetables) and permanent crops (e.g., nuts and blueberries) is a superior investment over land growing commodity crops (e.g., corn, wheat, and soy), due to:

- > Higher profitability and rental income
- > Lower price volatility
- > Lower government dependency
- > Lower storage costs
- > Ground typically closer to major urban populations, thus higher development potential

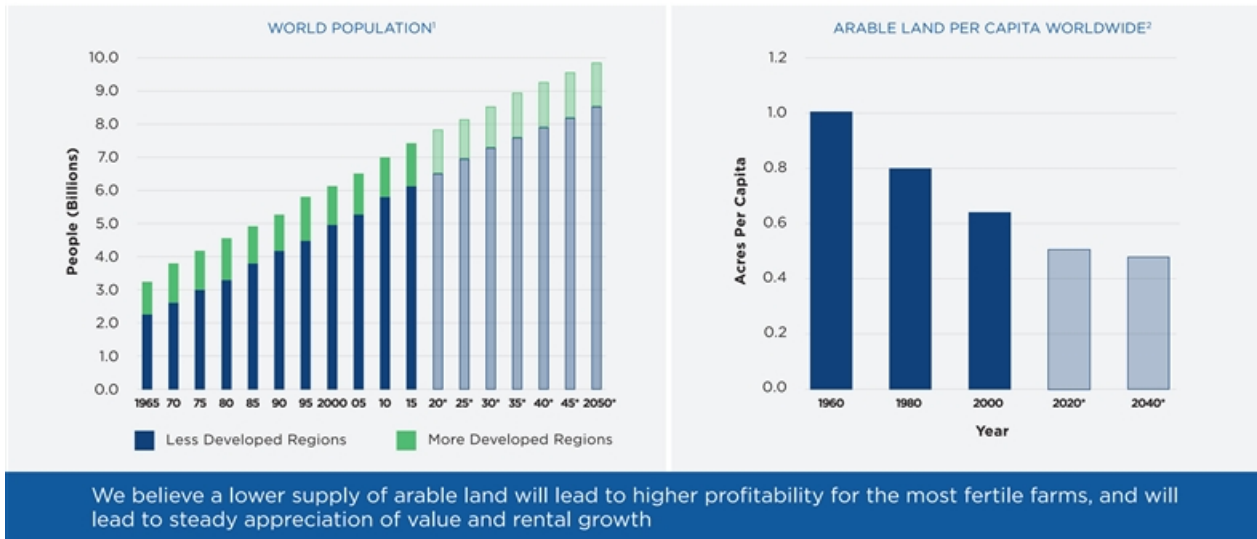


# U.S. Farmland: Decreasing Supply, Increasing Demand

As available farmland to feed the world's growing population continues to decline, U.S. cropland has steadily appreciated in value. Further, we believe the amount of available farmland in the U.S. will continue to decrease.

- Every year, large amounts of farmland are converted to suburban uses, such as housing subdivisions, schools, parks, office buildings, government buildings, and industrial buildings

We believe climate change has already negatively impacted many growing regions across the world, putting prime farmland in optimal climates in even higher demand.



We believe a lower supply of arable land will lead to higher profitability for the most fertile farms, and will lead to steady appreciation of value and rental growth

Note: \*Estimated  
Sources:  
1. Population Division of the Department of Economic and Social Affairs of the United Nations  
2. "World Agriculture Towards 2030/2050: The 2012 Revision", Food and Agriculture Organization of the United Nations, June 2012 (latest publication date)



# Farmland Market Opportunity

## ANNUAL FRESH PRODUCE | PRIMARY FOCUS

### SHORT-LIVED ROW CROPS **GENERALLY PLANTED ANNUALLY**

Beans, blackberries, cabbage, cantaloupe, celery, lettuce, melons, peas, peppers, radicchio, raspberries, strawberries, sweet corn, tomatoes, and other leaf produce



**3,000**  
Top-Tier Farms\*



**\$15 BILLION**  
Market Value\*

## PERMANENT CROPS | SECONDARY FOCUS

### LONG-LIVED BUSHES, ORCHARDS, TREES, AND VINES **PLANTED EVERY 10-25+ YEARS**

Almonds, apples, avocados, blueberries, cherries, figs, grapes, lemons, oranges, peaches, pears, pecans, pistachios, plums, and walnuts



**6,625**  
Top-Tier Farms\*



**\$33.1 BILLION**  
Market Value\*

## GRAINS & OTHER CROPS | TERTIARY FOCUS

### SHORT-LIVED ROW CROPS **GENERALLY PLANTED ANNUALLY**

Barley, beets, corn, cotton, rice, soybeans, sugar cane, and wheat



**22,580**  
Top-Tier Farms\*



**\$112.9 BILLION**  
Market Value\*

Notes: \*Company estimates based on data compiled by the USDA, using assumptions to reflect the top 10%-25% of farms in each category, which we believe represents the types of high-valued farms that would fall into our investment focus.  
Sources: USDA, 2007, 2012, and 2017 Censuses (2017 is the latest census available)



# Investment Focus

WE FOCUS ON ACQUIRING HIGH-VALUE FARMLAND THAT WE BELIEVE WILL GENERATE ABOVE-AVERAGE REVENUES AND PROFITS



Adequate & clean water supply with fertile soil that is rich in nutrients



Excellent weather combined with long growing seasons that provide adequate sunshine and low wind conditions



Locations in established rental markets with a prominent farming presence and an abundance of strong operators



 GLADSTONE LAND

## Fresh Produce is our Primary Focus

While we invest in farmland growing a variety of crop types, our primary focus is farmland growing fresh produce.

We view this type of farmland as the most productive (in terms of revenue per acre), the most profitable for farmers, and earns the highest rents for landlords.



## Investment Focus

### WE BELIEVE FRESH PRODUCE HAS LOWER RISKS THAN COMMODITY CROPS

#### **WATER ACCESS**

Commodity crops usually depend solely on rain for water, whereas fresh produce crops are typically irrigated from farm wells and county-supplied water. Almost all of our farms have their own water supply.

#### **PRICE VOLATILITY**

Commodity crops largely depend on foreign market prices that make them volatile, whereas fresh produce grown and consumed in the U.S. is more insulated.

#### **GOVERNMENT DEPENDENCY**

Commodity crops often depend on government subsidies and tariffs for protection that are subject to change.

#### **STORAGE COSTS**

There are added costs to dry and store commodity crops, whereas fresh produce is usually consumed within days.

#### **RENTS**

Fresh produce farmland has higher rental rates than commodity crop farmland, even though commodity crops carry higher risks.

# Investment Focus

WE SEEK TO ACQUIRE HIGH-VALUE FARMLAND AND FARM-RELATED FACILITIES THAT WE LEASE TO CORPORATE AND INDEPENDENT FARMERS, PRIMARILY ON A TRIPLE-NET LEASE BASIS

## PROPERTY TYPES

High-value cropland with on-site water sources

## LOCATIONS

Regions with established rental markets and an abundance of strong operators

## PRIMARY FOCUS

Annual fresh produce (most fruits and vegetables)

## SECONDARY FOCUS

Permanent crops (blueberries, nuts, etc.)

## TRANSACTION SIZES

\$2M to \$50M+

## LEASE TERMS

5 to 10+ years, with annual escalations and upward market resets. ***There can be no guarantee that rental rates on lease renewals will continue to increase***

## RENTAL PAYMENTS

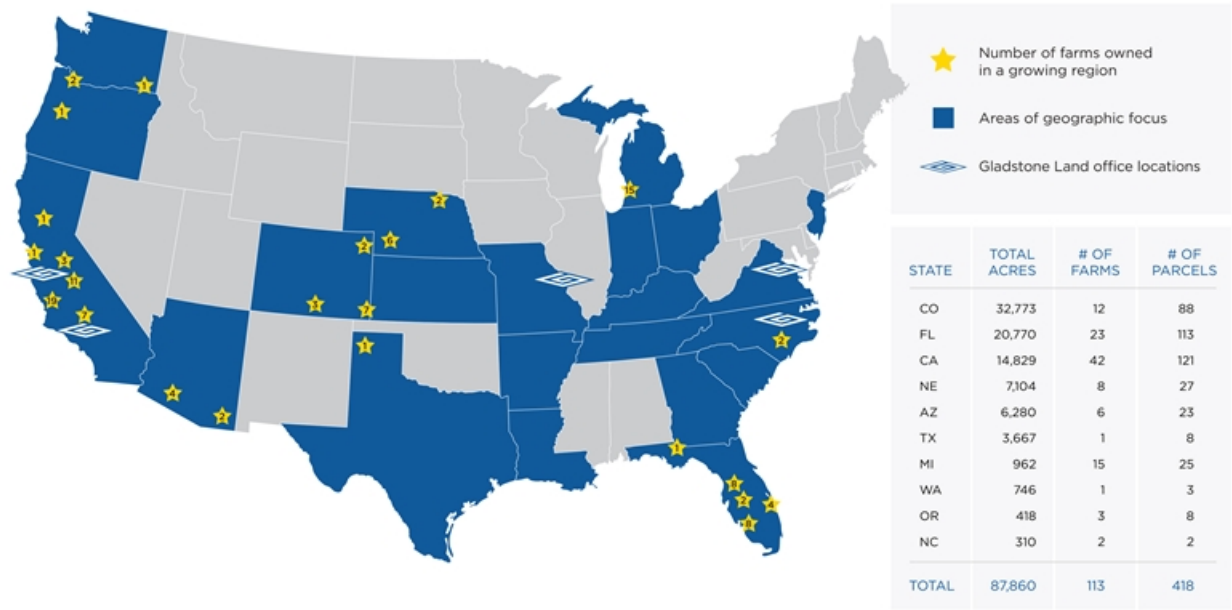
(i) Fixed cash rent, or (ii) fixed cash rent plus a percentage of the farm's gross revenues (participating leases)

## TENANT-FARMERS

Corporate and independent tenants with strong operating histories and substantial farming resources



# Geographic Focus & Diversity



Diversified across many major growing regions

As of February 19, 2020

# Selected Properties



**PALM CITY, FLORIDA**  
Snap Peas



**OXNARD, CALIFORNIA**  
Strawberries



**WATSONVILLE, CALIFORNIA**  
Raspberries



**COALINGA, CALIFORNIA**  
Pistachios



**ARVIN, CALIFORNIA**  
Almond Trees



**OKEECHOBEE, FLORIDA**  
Cabbage

# Underwriting Process

DUAL-FOCUSED UNDERWRITING PROCESS FOR EACH NEW INVESTMENT, LEVERAGING OUR MANAGEMENT TEAM'S EXTENSIVE EXPERIENCE IN CREDIT UNDERWRITING AND KNOWLEDGE OF FARMLAND

## DUE DILIGENCE ON THE FARM

- Appraisal on each property by an independent licensed expert in farmland appraising
- Visit property to ensure that the farm is in an active rental market
- Water and well testing to determine availability of water
- Soil tests to determine quality
- Zoning and title report to assure there are no deed problems

## DUE DILIGENCE ON THE TENANT

- Detailed underwriting of the farming tenant's operations
- Investigate the management of the farming operations
- Determine the tenant's ability to sell their crops
- Evaluate the labor needs of the tenant
- Evaluate the probability of the tenant missing future rental payments (probability of default)

Leading to high quality farms with strong, established tenants

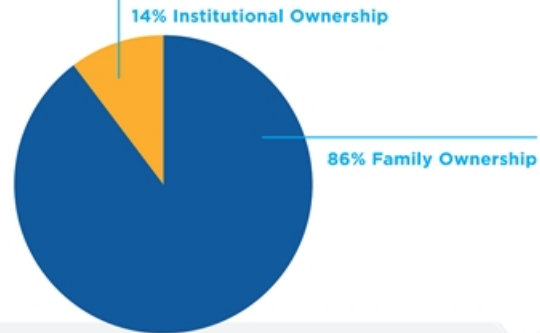
# Growth Opportunity

## U.S. FARM OWNERSHIP: A FRAGMENTED INDUSTRY<sup>1</sup>

Total U.S. farmland value is approximately \$2.4 trillion<sup>2</sup>

Approximately 62% of U.S. farm operators are over 55 years of age, and the average age is 58 years old<sup>1</sup>

40% of all U.S. farm acreage is leased to and operated by non-owners<sup>1</sup>



### WE TARGET FAMILY-OWNED FARMS

Target Purchase Price: \$2 - \$50M+  
(relatively small for most institutions)

Offer sale-leaseback opportunities to allow  
the seller to continue farming the land

Able to offer shares of our operating  
partnership to allow for a tax-free exchange

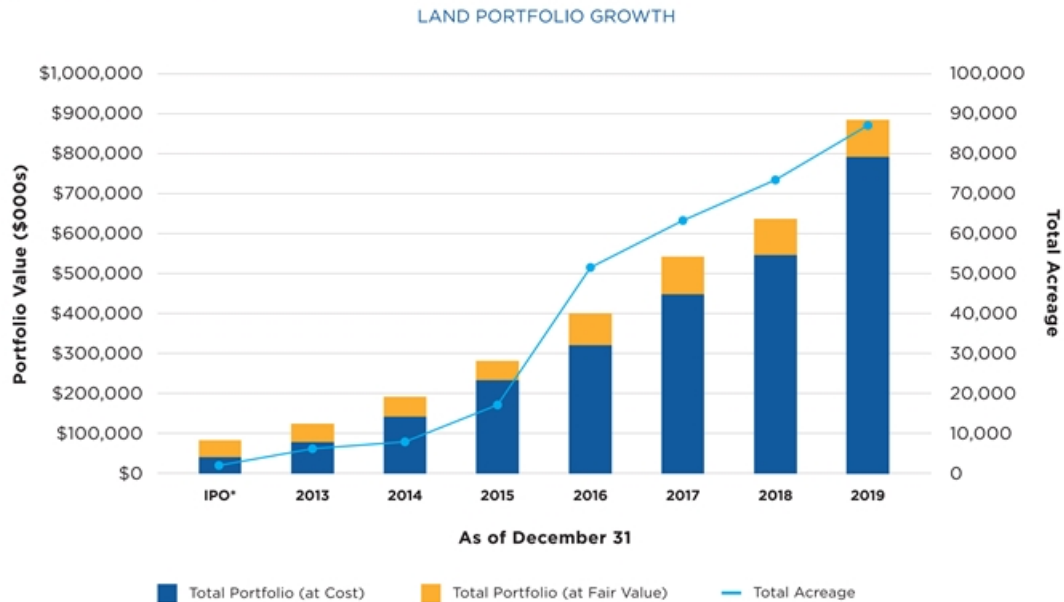
Note: "As of February 19, 2020  
Sources:  
1. USDA National Agricultural Statistics Service, Census of Agriculture, 2017 (latest published data)  
2. US Department of Agriculture, Economic Research Service, 2018

### RECENT ACQUISITIONS

PERIOD	PROPERTY LOCATIONS	NO. OF FARMS	PRIMARY CROP(S)	GROSS ACRES	AGGREGATE PURCHASE PRICE (\$M)
Q1 2019	NE	1	Edible beans & popcorn	695	\$2.4
Q2 2019	CA & MI	12	Blueberries, cranberries, olives (olive oil), & pistachios	1,986	\$45.5
Q3 2019	CA & FL	7	Pistachios, sod, strawberries, vegetables, water retention, & wine grapes	5,700	\$153.3
Q4 2019	CA & NE	6	Corn, edible beans, pistachios, & soybeans	4,949	\$51.7
Q1 2020*	CO	2	Sugar beets, edible beans, potatoes, & corn	1,325	\$7.5

## Company Performance – Portfolio Growth

SINCE OUR IPO OF COMMON STOCK IN 2013, WE HAVE PURCHASED OVER \$807 MILLION OF NEW FARM ASSETS





## Company Performance – Earnings Growth

CONSISTENT UPWARD TREND IN REVENUE SINCE OUR IPO (LEASE REVENUE HAS GROWN BY A MULTIPLE OF 10.1X) AND INCREASES IN COMMON ADJUSTED FUNDS FROM OPERATIONS (AFFO)<sup>1</sup>



Notes: 1. For a definition of AFFO and a reconciliation to the most directly-comparable GAAP measure, net income (loss), please see the Appendix.  
AFFO per share is AFFO divided by the aggregate weighted-average number of shares of our common stock plus OP Units held by non-controlling limited partners of our operating partnership.

\*The Company completed its IPO on January 29, 2013.



## Valuation of Farms



While most REITs do not disclose the fair value of their properties, we provide updated valuations of our farms in our quarterly filings with the SEC to show the estimated fair value of our farmland portfolio



At least once every three years, we will have each of our farms appraised by an independent, third-party agricultural appraiser

- > We use appraisers who are certified by a society of agricultural appraisers and are trained in the methods used by farm appraisers
- > Between appraisals, the farmland values are determined by our valuation staff, using updated market data obtained from third-party appraisal reports on other properties in the same regions

AS OF DECEMBER 31, 2019, THE FAIR VALUE OF OUR FARMLAND PORTFOLIO WAS DETERMINED:

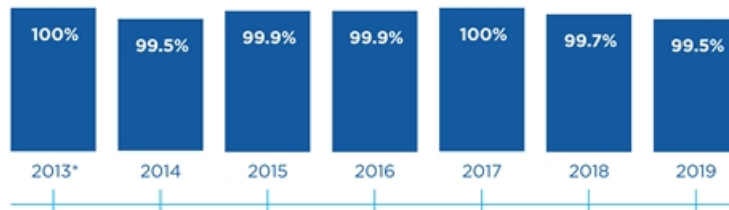
VALUATION METHOD	# OF FARMS	TOTAL FAIR VALUE (\$M)	% OF TOTAL FAIR VALUE
Purchase Price	26	\$252.90	28.8%
Third-Party Appraisal	85	\$624.60	71.2%
<b>TOTAL</b>	<b>111</b>	<b>\$877.50</b>	<b>100.0%</b>

We believe the quality of our farmland portfolio allows us to maintain consistent occupancy levels and rental rates. We further believe that the relative safety of farmland as an overall asset class allows us to borrow at favorable terms.

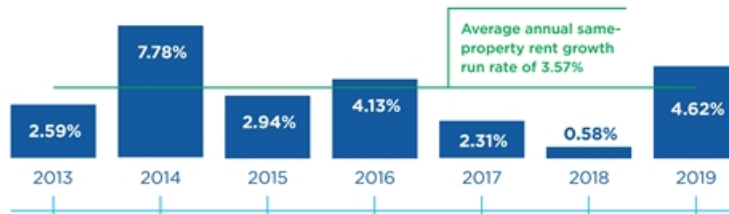
In our view, these combined factors enhance returns to our shareholders while maintaining the security provided by a strong and stable asset base.

## Consistent Portfolio with Steady Rental Growth

CONSISTENT OCCUPANCY LEVELS<sup>1</sup>  
Wtd-avg of 99.8%, and Lowest Wtd-avg of 99.5%



YEAR-OVER-YEAR SAME-PROPERTY RENTAL INCOME GROWTH RATES

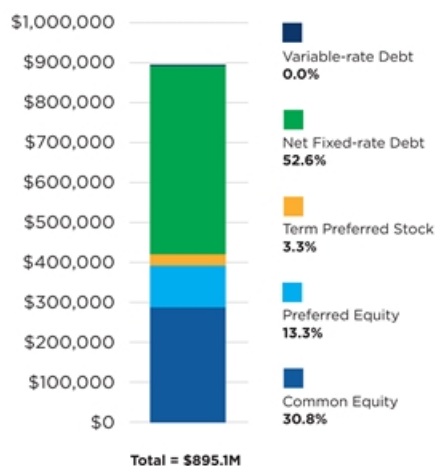


Notes: 1. Occupancy rates based on gross acreage and represent the weighted-average rates throughout each year.  
\*The Company completed its IPO on January 29, 2013.

 GLADSTONE LAND

# Capital Structure Overview

## CURRENT CAPITAL STRUCTURE (AS OF 12/31/2019)



## CAPITAL STRUCTURE DETAILS @ 12/31/2019<sup>1</sup>

DOLLARS IN 000s, EXCEPT STOCK PRICE	WTD-AVG TERM TO MATURITY (YRS)	WTD-AVG RATE <sup>2</sup>	WTD-AVG FIXED PRICE TERM (YRS)	VALUE
Lines of credit	4.3	L + 2.00%	N/A	\$100
<b>Variable-rate Debt</b>				<b>\$100</b>
Notes and bonds payable - principal	10.5	3.595%	6.0	\$484,950
Less cash and cash equivalents				(13,688)
<b>Net Fixed-rate Debt</b>				<b>\$471,262</b>
Series A - shares outstanding				1,150,000
Series A stock price				\$25.70
<b>Term Preferred Stock</b>	1.7	6.201%	1.7	<b>\$29,555</b>
Series B - shares outstanding				4,755,869
Series B - fair value				\$25.00
<b>Preferred Equity</b>	N/A	6.000%	Perpetuity	<b>\$118,897</b>
Diluted common shares outstanding <sup>3</sup>				21,224,961
Common stock price				\$12.97
<b>Common Equity</b>	N/A	4.126%	N/A	<b>\$275,288</b>
<b>TOTAL ENTERPRISE VALUE</b>				<b>\$895,101</b>

## CURRENT LENDERS



Notes:  
1. Stock prices for the Series A Term Preferred Stock and the common stock represent the respective closing stock prices per share as of the measurement date. Fair value of the Series B Preferred Stock determined with the assistance of an unrelated third-party valuation expert, which value equals the security's liquidation value.  
2. Rate on certain fixed-rate debt is shown net of expected interest patronage, or refunded interest. Rate on the Series A Term Preferred Stock represents the effective yield based on the stock's closing stock price as of the measurement date. Rate on the common stock represents the resulting yield based on the dividend in place and the closing stock price as of the measurement date.  
3. Includes GP Units held by non-controlling GP Unitholders.



# Gladstone Land | Executive Management

## DAVID GLADSTONE | CHAIRMAN & CEO

- > Chairman and CEO since inception
- > Former owner of Coastal Berry, one of the largest strawberry farm operations in CA (1997-2004)
- > Former Chairman of American Capital (Nasdaq: ACAS) (1997-2001)
- > Former Chairman and CEO of Allied Capital Corporation (NYSE: ALD) (1974-1997)
- > Over 30 years of experience in the farming industry

## TERRY LEE BRUBAKER | VICE CHAIRMAN & COO

- > Vice Chairman and COO since 2004
- > Founded Heads Up Systems in 1999
- > Vice President of the paper group for the American Forest & Paper Association (1996-1999)

## LEWIS PARRISH | CFO

- > CFO since July 2014
- > Over 14 years of public accounting and industry experience
- > Licensed CPA in the Commonwealth of Virginia

## JAY BECKHORN | TREASURER

- > Treasurer since January 2015
- > Former Senior Vice President with Sunrise Senior Living (2000-2008)
- > Over 25 years of experience in securing debt financing for real estate properties

## JOHN KENT | MANAGING DIRECTOR (CAPITAL MARKETS)

- > Joined Gladstone Management in 2017
- > Formerly in investment banking at UBS, Nomura and Macquarie
- > Over 20 years experience in public and private capital markets

Experienced management that owns approximately 15% of our common stock



## Gladstone Land | Deal Team

### BILL FRISBIE | MANAGING DIRECTOR (EAST COAST)

- > Joined Gladstone Management in 2006; helped take Gladstone Land public in 2013
- > Responsible for sourcing and executing farmland acquisitions across the U.S., with focus on the east coast
- > Former Chairman of the NCREIF Farmland Index

### BILL HUGHES | MANAGING DIRECTOR (MIDWEST)

- > Fourth-generation farmer focused on the Midwest
- > 14 years of experience in agricultural investing with U.S. Trust's Specialty Investments group
- > Current President of U.S. Agri-Services Group

### BILL REIMAN | MANAGING DIRECTOR (WEST COAST)

- > Fifth-generation farmer focused on coastal California
- > Built and managed a \$25M strawberry and raspberry farming operation
- > Recent Chairman of California Strawberry Commission & Ventura County Agricultural Association

### TONY MARCI | MANAGING DIRECTOR (WEST COAST)

- > Joined Gladstone Land in 2018
- > Focused on farmland acquisitions and managing existing properties
- > Served for several years on the board of directors of the California Strawberry Commission

Deal team with strong farm operating background and investment-oriented focus

## GOAL TO PROVIDE CASH RETURNS

Our goal is a cash distribution rate per share of \$0.125 per month, or \$1.50 per year and is paid in preference to the common stock distributions

*There is no guarantee of continuous distributions*

## MANAGEMENT TEAM & OWNERSHIP

Management has more than 100 combined years of industry experience and owns approximately 15% of our common stock

Management has owned farms since 1997

## SOURCING ADVANTAGE

Farmland in the US is worth approx. \$2.4 trillion, 86% of which is owned by individuals

Strong relationships with farmland brokers and corporate & independent farmers, leading to an advantage with sourcing properties and finding quality tenants

## ACQUISITION FLEXIBILITY

Can pay cash or offer tax-free exchanges with units of our operating partnership

## MACROECONOMIC TRENDS

With global population increasing and demand for food rising, farmland is expected to become more valuable

## DIVERSIFIED PORTFOLIO

Owning stock in Gladstone Land provides investors with diversification across 24 distinct growing regions; over 45 crop types; and 70 different, unrelated tenants

# Why Invest in Gladstone Land

## Appendix

---

# Adjusted Funds from Operations (AFFO)

## FUNDS FROM OPERATIONS (FFO)

The National Association of Real Estate Investment Trusts (NAREIT) developed FFO as a relative non-GAAP supplemental measure of operating performance of an equity REIT in order to recognize that income-producing real estate historically has not depreciated on the basis determined under GAAP. FFO, as defined by NAREIT, is net income (computed in accordance with GAAP), excluding gains (or losses) from sales of property and impairment losses on property, plus depreciation and amortization of real estate assets, and after adjustments for unconsolidated partnerships and joint ventures. The Company believes that FFO provides investors with an additional context for evaluating its financial performance and as a supplemental measure to compare it to other REITs; however, comparisons of the Company's FFO to the FFO of other REITs may not necessarily be meaningful due to potential differences in the application of the NAREIT definition used by such other REITs.

## CORE FFO (CFFO)

CFFO is FFO, adjusted for items that are not indicative of the results provided by the Company's operating portfolio and affect the comparability of the Company's period-over-period performance. These items include certain non-recurring items, such as acquisition-related expenses, income tax provisions and property and casualty losses or recoveries. Although the Company's calculation of CFFO differs from NAREIT's definition of FFO and may not be comparable to that of other REITs, the Company believes it is a meaningful supplemental measure of its sustainable operating performance. Accordingly, CFFO should be considered a supplement to net income computed in accordance with GAAP as a measure of our performance. For a full explanation of the adjustments made to arrive at CFFO, please read the Company's most recent Form 10-Q or Form 10-K, as appropriate, as filed with the SEC.

## ADJUSTED FFO (AFFO)

AFFO is CFFO, adjusted for certain non-cash items, such as the straight-lining of rents and amortizations into rental income (resulting in cash rent being recognized ratably over the period in which the cash rent is earned). Although the Company's calculation of AFFO differs from NAREIT's definition of FFO and may not be comparable to that of other REITs, the Company believes it is a meaningful supplemental measure of its sustainable operating performance on a cash basis. Accordingly, AFFO should be considered a supplement to net income computed in accordance with GAAP as a measure of our performance. For a full explanation of the adjustments made to arrive at AFFO, please read the Company's most recent Form 10-Q or Form 10-K, as appropriate, as filed with the SEC.

*The Company's presentation of FFO, as defined by NAREIT, or CFFO or AFFO, as defined above, does not represent cash flows from operating activities determined in accordance with GAAP and should not be considered an alternative to net income as an indication of its performance or to cash flow from operations as a measure of liquidity or ability to make distributions.*

## AFFO (cont.)

A reconciliation of AFFO to its most directly-comparable GAAP measure, net income (loss), for the most recently-completed period is presented below:

(Dollars in thousands, except per-share data)

### Net income

Less: Dividends declared on Series B Preferred Stock  
Net (loss) income available to common stockholders and non-controlling OP Unitholders  
Plus: Real estate and intangible depreciation and amortization  
Plus (less): Losses (gains) on dispositions of real estate assets, net  
Adjustments for unconsolidated entities<sup>1</sup>

FFO available to common stockholders and non-controlling OP Unitholders

Plus: Acquisition- and disposition-related expenses  
(Less) plus: Other (receipts) charges, net<sup>2</sup>

CFFO available to common stockholders and non-controlling OP Unitholders

Net rent adjustment<sup>3</sup>

Plus: Amortization of debt issuance costs

**AFFO available to common stockholders and non-controlling OP Unitholders**

Weighted-average shares of common stock outstanding – basic and diluted

Weighted-average non-controlling common OP Units outstanding

Weighted-average total common shares outstanding

**Diluted net income (loss) per weighted-average total common share**

**Diluted AFFO per weighted-average total common share**

**Dividends paid per common share**

For the Years Ended	
12/31/2019	12/31/2018
(Unaudited)	
<b>\$1,762</b>	<b>\$2,766</b>
(4,240)	(379)
(2,478)	2,387
12,790	9,375
328	(5,532)
1	-
10,641	6,230
380	274
(1)	1,790
11,020	8,294
(382)	(485)
630	582
<b>\$11,268</b>	<b>\$8,391</b>
19,602,533	15,503,341
235,613	809,022
19,838,146	16,312,363
<b>\$(0.1249)</b>	<b>\$0.1463</b>
<b>\$0.5680</b>	<b>\$0.5144</b>
<b>\$0.5343</b>	<b>\$0.5319</b>

Notes:

1. Represents our pro-rata share of depreciation expense recorded in unconsolidated entities during the period.

2. For the period ended 12/31/2018, consists primarily of the net incremental impact of the farming operations conducted through our TRS.

3. This adjustment removes the effects of straight-lining rental income, as well as the amortization related to above-market lease values and lease incentives and accretion related to below-market lease values, tenant improvements, and other deferred revenue, resulting in rental income reflected on a modified accrual cash basis. The effect to AFFO is that cash rents received pertaining to a lease year are normalized over that respective lease year on a straight-line basis, resulting in cash rent being recognized ratably over the period in which the cash rent is earned.



# Net Asset Value (NAV)

## NET ASSET VALUE (NAV)

Pursuant to a valuation policy approved by our board of directors, our valuation team, with oversight from the chief valuation officer, provides recommendations of value for our properties to our board of directors, who then review and approve the fair values of our properties. Per our valuation policy, our valuations are derived based on either the purchase price of the property; values as determined by an independent, third-party appraiser; or through an internal valuation process, which process is, in turn, based on values as determined by independent, third-party appraisers. In any case, we intend to have each property valued by an independent, third-party appraiser at least once every three years, or more frequently in some instances. Various methodologies are used, both by the appraisers and in our internal valuations, to determine the fair value of our real estate on an "As Is" basis, including the sales comparison, income capitalization (or a discounted cash flow analysis) and cost approaches of valuation. NAV is a non-GAAP, supplemental measure of financial position of an equity REIT and is calculated as total equity, adjusted for the increase or decrease in fair value of our real estate assets and encumbrances relative to their respective cost bases. Further, we calculate NAV per share by dividing NAV by our total shares outstanding.

Comparison of estimated NAV and estimated NAV per share to similarly-titled measures for other REITs may not necessarily be meaningful due to possible differences in the calculation or application of the definition of NAV used by such REITs. In addition, the trading price of our common shares may differ significantly from our most recent estimated NAV per share calculation. The Company's independent auditors have neither audited nor reviewed our calculation of NAV or NAV per share. For a full explanation of our valuation policy, please read the Company's most recent Form 10-Q or Form 10-K, as appropriate, as filed with the SEC.

## NAV (cont.)

A reconciliation of NAV to total equity, which the Company believes is the most directly-comparable GAAP measure, is provided below:

(Dollars in thousands, except per-share data)

	As of 12/31/2019
	(Unaudited)
<b>Total equity per balance sheet</b>	<b>\$278,970</b>
<i>Fair value adjustment for long-term assets:</i>	
Less: net cost basis of tangible and intangible real estate holdings <sup>1</sup>	\$(794,769)
Plus: estimated fair value of real estate holdings <sup>2</sup>	877,485
Net fair value adjustment for real estate holdings	82,716
<i>Fair value adjustment for long-term liabilities:</i>	
Plus: book value of aggregate long-term indebtedness <sup>3</sup>	513,699
Less: fair value of aggregate long-term indebtedness <sup>3,4</sup>	(514,233)
Net fair value adjustment for long-term indebtedness	(534)
<b>Estimated NAV</b>	<b>361,152</b>
Less: fair value of Series B Preferred Stock <sup>5</sup>	(118,897)
<b>Estimated NAV available to common stockholders and non-controlling OP Unitholders</b>	<b>\$242,255</b>
Total common shares and OP Units outstanding	21,224,961
<b>Estimated NAV per common share and non-controlling OP Unit</b>	<b>\$11.41</b>

Notes:

1. Consists of the initial acquisition price (including the costs allocated to both tangible and intangible assets acquired and liabilities assumed), plus subsequent improvements and other capitalized costs associated with the properties, and adjusted for accumulated depreciation and amortization.
2. As determined by the Company's valuation policy and approved by its board of directors.
3. Includes the principal balances outstanding of all long-term borrowings (consisting of mortgage notes and bonds payable) and the Series A Term Preferred Stock.
4. Long-term notes and bonds payable were valued using a discounted cash flow model. The Series A Term Preferred Stock was valued based on its closing stock price as of the valuation date.
5. Valued at the security's liquidation value.

