



CO-INVESTING IN US FARMLAND ALONGSIDE FAMILY FARMERS

frontierTM
FARMLAND



FRONTIER FARMLAND* HAS LAUNCHED A FARMLAND INVESTMENT VEHICLE TO CO- INVEST IN HIGH QUALITY FARMS ALONGSIDE PROGRESSIVE FAMILY FARMERS IN THE US.

This vehicle combines the massive grower network and debt financing platform of FBN® with the data science platform and deep industry expertise of Frontier Farmland.

Co-investment provides supplemental non-debt capital so that farmers can take cash out of their most valuable assets without the burden of additional debt.

In turn, investors get access to a hyper-diversified portfolio of high quality farmland that aligns incentives towards longer term sustainability and higher returns.



*FRONTIER FARMLAND WAS RECENTLY ACQUIRED BY FARMERS BUSINESS NETWORK (FBN), A GLOBAL AGRICULTURE TECHNOLOGY LEADER.



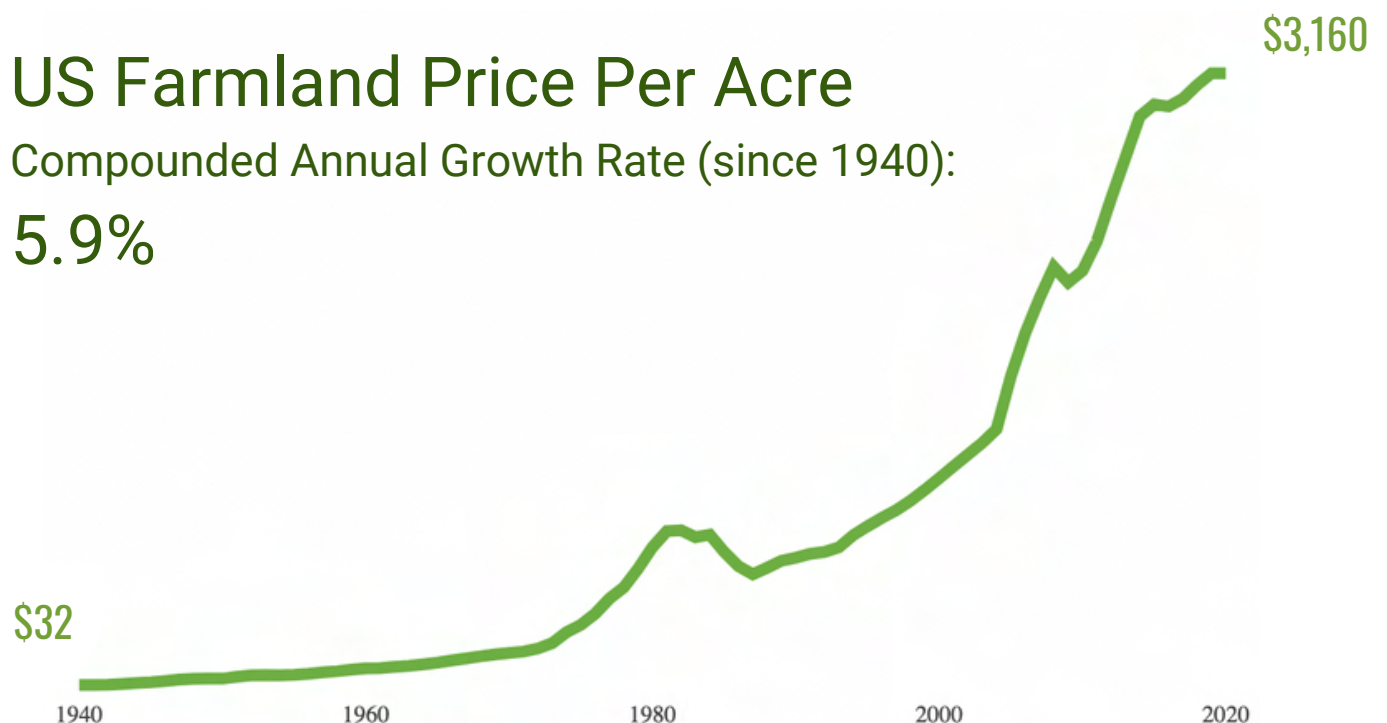
WHY IT MAKES SENSE TO INVEST IN FARMLAND NOW

- Monetary policy is driving higher inflation. Farmland has historically provided sound protection against inflation, with returns exceeding CPI by 9.0% when inflation was over 5.0%. Farmland produced average returns of 10.9% (with 5.9% appreciation) since 1950.*
- Asset classes are increasingly correlated yet farmland has historically provided exceptional diversification against other asset classes such as stocks and bonds. Farmland is also incredibly stable as it experienced no drop in rents or land values during the COVID era.
- Growing farm management technology adoption (still ~20%) coupled with carbon revenue opportunities (\$50B market by 2030) leading to improved farm NOIs, land appreciation potential and high sustainability impact.^

US Farmland Price Per Acre

Compounded Annual Growth Rate (since 1940):

5.9%



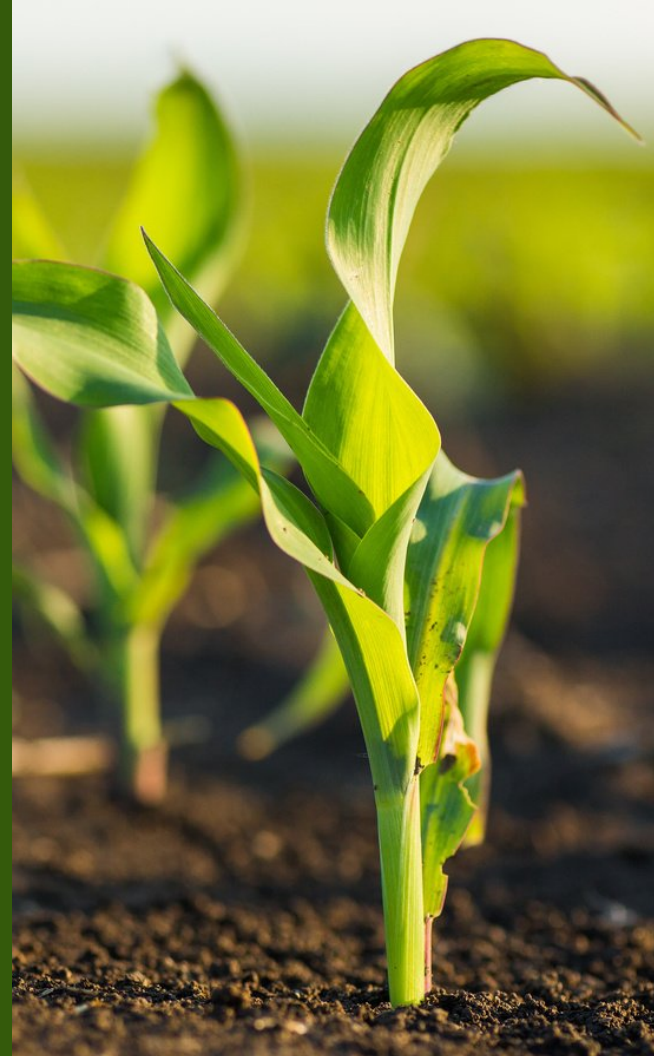
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*USDA and FRED data. Analysis based on Illinois State Data.
<https://quickstats.nass.usda.gov/#AC5453E6-1619-3DD7-AD9C-A4F783942CE9>
https://opensiuclib.siu.edu/cgi/viewcontent.cgi?article=2014&context=gs_rp
<https://fred.stlouisfed.org/series/GS10>
^<https://agecon.unl.edu/cornhusker-economics/2017/precision-agriculture-adoption-profitability>

PROVIDING FARMERS A UNIQUE SOURCE OF NEEDED LIQUIDITY

Farming is a capital intensive business with thin margins. Farmers face a choice to either buy land with a large investment, or rent land without certainty that the lease won't be terminated or rent won't go up.

For these reasons, farmers value land ownership over renting and cash flows over capital appreciation. But access to capital is a major issue as banks will typically lend up to 60% LTV.



FRONTIER'S FINANCING SOLUTION

- Investing 10-25% of farmland value alongside family farmers. This allows farmers to control more land and/or make necessary investments in their business.
- Farmer agrees to buy back the co-investment portion or sell the farm before the expiration of contract term (10 years).
- Farmer owns the majority of the farm equity and manages the property, lowering management costs and aligning incentives with investors .
- Investors participate in appreciation/depreciation alongside farmer on an accelerated basis.

COMPETITIVE DIFFERENTIATION

Deal Flow

TAM: Most farmland investors compete for the 1% of farms that are transacted in the open market every year. By partnering with farmers through a minority ownership structure, Frontier can tap into the equity of over 60% of US farmland in a way that traditional institutional investors cannot, including owner operated farms, sales among family members and land in states with corporate ownership restrictions.

FBN has a network of 27,000+ progressive farmers operating ~13% of US cropland. These farmers bring co-investment deals to the platform with perfectly aligned incentives and better bargaining power as insiders.

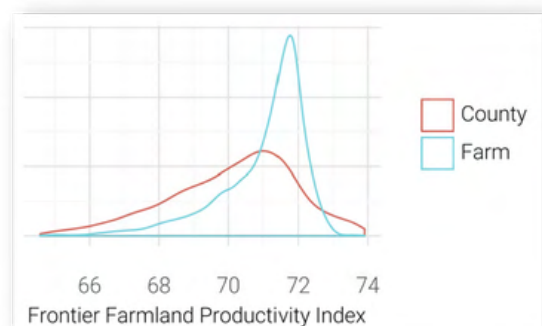
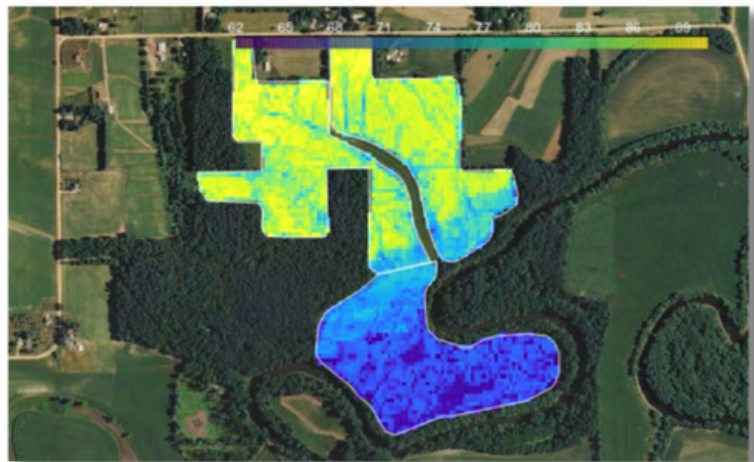
Gresham's law: higher quality farms are held by owner-operators while lower quality farms are passed between the same external parties (most of the land sold to non-relatives was also originally acquired from non-relatives).

Cost Structure

Co-Investing with local farmers allows Frontier to avoid finder fees (2% of asset) as well as farm management fees (6% of revenue).

Technology Platform

Frontier's proprietary data science approach enables more precise and scalable farm assessment and valuation, improving the quality of investments (detecting undervalued and underutilized farms) and lowering the cost per transaction which opens the door to smaller investment ticket sizes.



ENVIRONMENTAL, SOCIAL & GOVERNANCE

Social Outcomes

Co-investment allows farmers to acquire and control more land (2X+) without the added burden of debt or the insecurity of working with absentee landlords on single year leases.

DEI: Young farmers and farmers from diverse backgrounds often do not have the same access to capital as the status quo. Frontier can empower these farmers by providing equity financing that banks can't or won't provide.

Environmental Outcomes

Farm ownership (as opposed to renting) incentivizes more sustainable land management practices (cover cropping, conservation tillage, etc) over the long term. And flexibility in annual payments enables farmers to transition to more sustainable/higher value farming systems (organic/regenerative/carbon markets) that banks won't finance.

Carbon: Frontier, in combination with Gradable, is building an investment vehicle that supports local farmer participation in carbon markets. These credits provide an added revenue stream for family farmers and the credits can be retired by investors or sold in the open market.

KEY FARMER USE CASES

A farmer will come to Frontier when they want to...



Buy new land



Buy out family members from property that is co-owned



Take cash out of existing equity to reinvest in business (capital improvements, new equipment, working capital)



Transition to organic/regenerative practices and/or monetize carbon sequestration in their soils

RISK MITIGATION

Farmland Downside Protection

Farmland has inherent value, capacity to grow multiple commodities, as well as zero vacancy. It is insulated from operational risk (taken by farmer) and mitigated by crop insurance that protects farmer's revenue.

Business Model Downside Protection

Frontier invests at the lower of purchase price or appraised value (both risk-adjusted) and participates alongside farmer in appreciation and depreciation of farmland. Price floors during initial years to avoid volatility. Farmers are screened for credit quality and farms are selected based on potential performance. Portfolio is hyper-diversified across multiple crops and geographies in states with high liquidity in North America. Farmer owners have historically stayed put during farmland market downturns. Close to the peak of farmland cycles is when Farmers typically have more cash available to buy out the Frontier portion.

This co-investment business model has been proven in the residential real estate space by companies such as Point, Unison and Landed with over \$2 Billion in AUM.



LEADERSHIP



Pepo Peschiera

14 years of farmland investment experience (Fall Line Capital, AgroMeridional). Led 32 farmland investments for over \$100M. Agronomist and Master in Finance. Born and raised in Latin America.



Michael Sesko

17 years of experience in Ag Technology (Climate Corp), Farming Operations (Woolf Farming) and Equity Research (JP Morgan and Prudential). MBA/MEM from Yale University.



Graham Jeffries

PhD in agricultural data science from Tufts University. Previous work at The Climate Corporation, USDA-ARS, and The Earth Institute.



FARMERS

BUSINESS NETWORKSM

Market leading Ag Tech Company with 24,000 farmers operating 10% of US Cropland and growing +70% YOY. Founded in 2014, FBN has already raised \$570M to provide solutions that empower farmers to strengthen their business including: seed, chemicals and fertilizer sales, crop marketing services, crop insurance and debt financing.

Data Science Platform
25 software engineers
9 data scientists

Debt Financing Platform
19 land advisors
9 underwriters
5 closers

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