



IROQUOIS VALLEY

FARMLAND REIT

Annual Investor Update
August 23, 2019

IROQUOIS VALLEY FARMLAND REIT, PBC

“The nation that destroys its soils destroys itself”

President Franklin D. Roosevelt

Main Street Project

IROQUOIS VALLEY FARMLAND REIT, PBC

We are a:

- Real estate investment company that provides land access for the next generation of organic farmers through innovative leases and mortgages.
- Public Benefit Corporation and B Corp focused on triple bottom line returns.

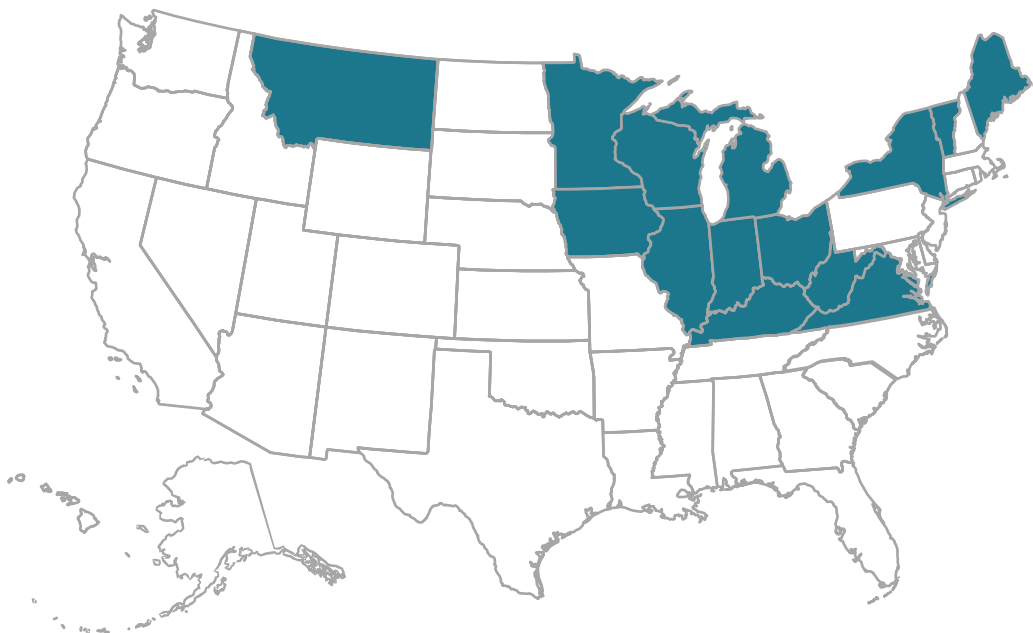


AGENDA

- Welcome
- Financials
- Operations
- Investor Snapshot
- Fundraising Update
- Shareholder News
- Impact Reporting
- Communications & Marketing
- Looking Ahead
- Questions – 30 mins

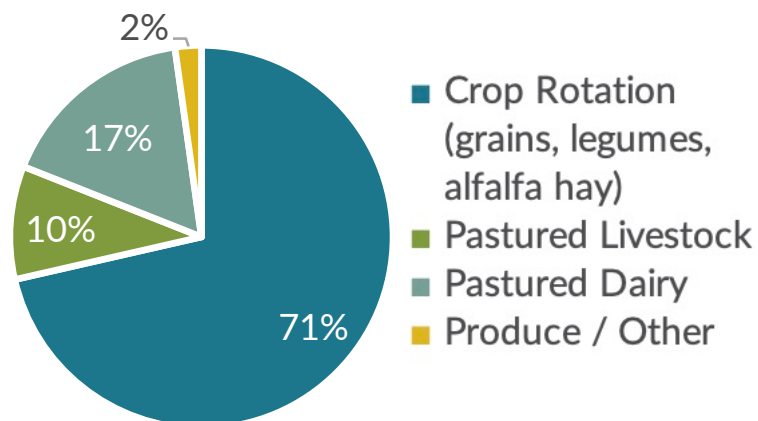
PORTFOLIO TODAY

INVESTMENT MAP

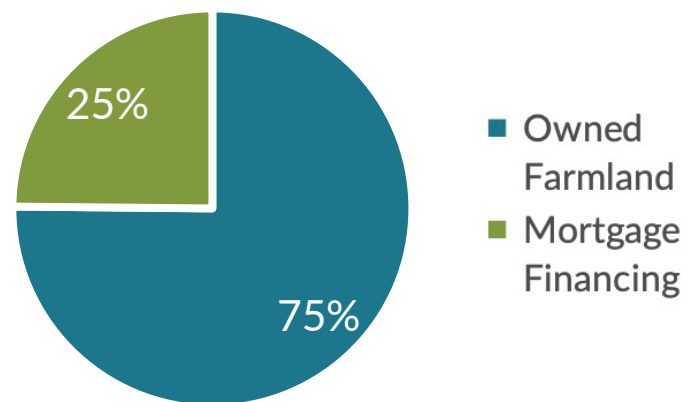


Iroquois Valley has purchased / financed over **60** farms. Our farmers are rooted in over **35** counties across **14** states.

PRODUCTION MIX

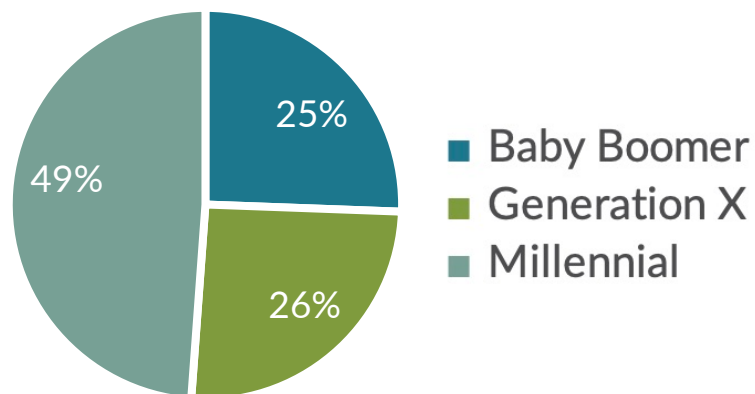


OWNED VS. MORTGAGE

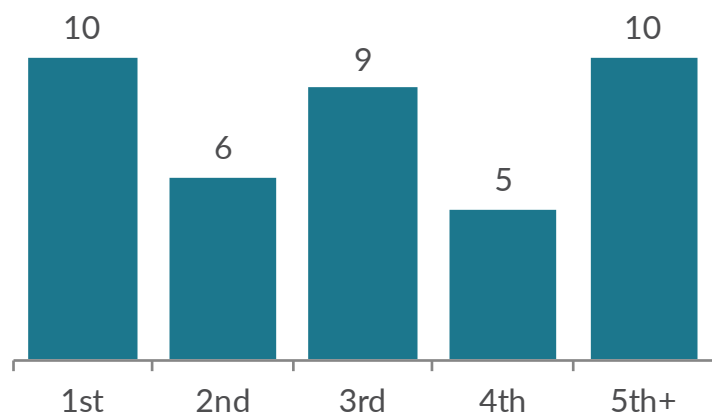


PORTFOLIO TODAY

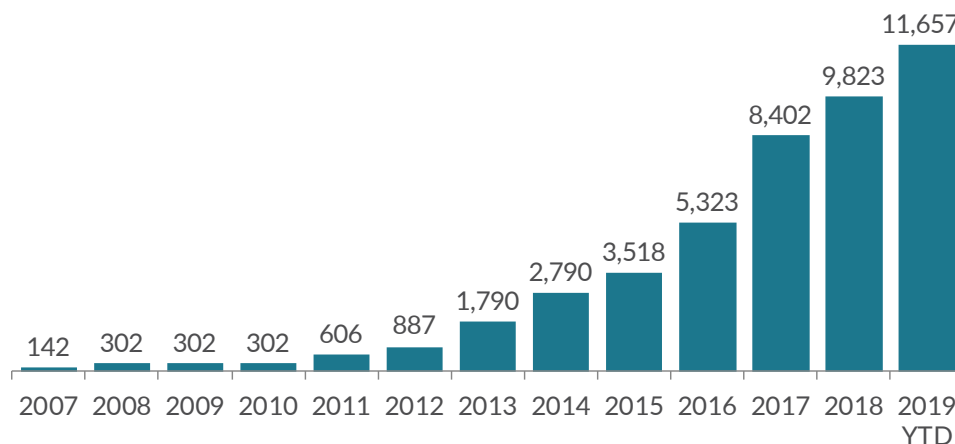
FARMER AGE



FARMER BY GENERATION



OWNED & FINANCED ACRES



FINANCIALS

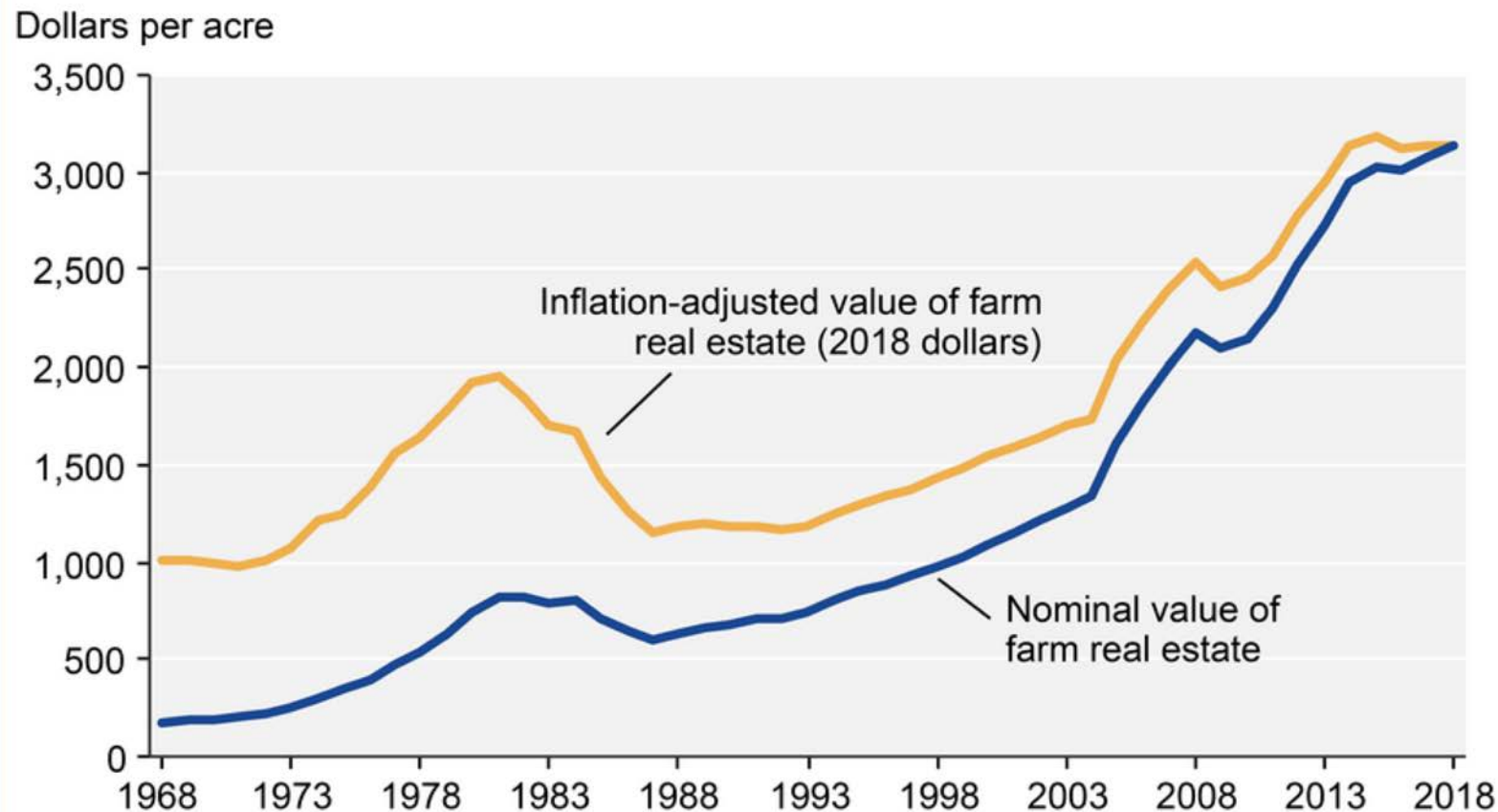
MARK D. SCHINDEL CFO & CIO



- BS Finance – University of Illinois
- MBA Finance, Accounting, Marketing – Northwestern University Kellogg School of Management
- Private Equity, Consulting, CFO positions

FARMLAND REAL ESTATE VALUES

Average U.S. farm real estate value, nominal and real (inflation adjusted), 1968-2018



IROQUOIS VALLEY BY DIVISION

Division	Run Rate Revenue	% of Total Run Rate	Number of Acres	Number of Farms	Average Revenue per Farm	Average Acres per Farm
Grains / Legumes	\$1,062,582	66%	8,091	35	\$30,359	231
Grasslands	\$494,412	31%	3,260	22	\$22,473	148
Other / Specialty	\$61,374	4%	306	4	\$15,344	77
Total	\$1,618,368	100%	11,657	61	\$26,531	152

CHALLENGES IN 2019

- Weather
- Dairy



RAIN, RAIN, AND MORE RAIN...



Extreme weather is pummeling the Midwest and farmers are in deep trouble – The Washington Post, May 30, 2019



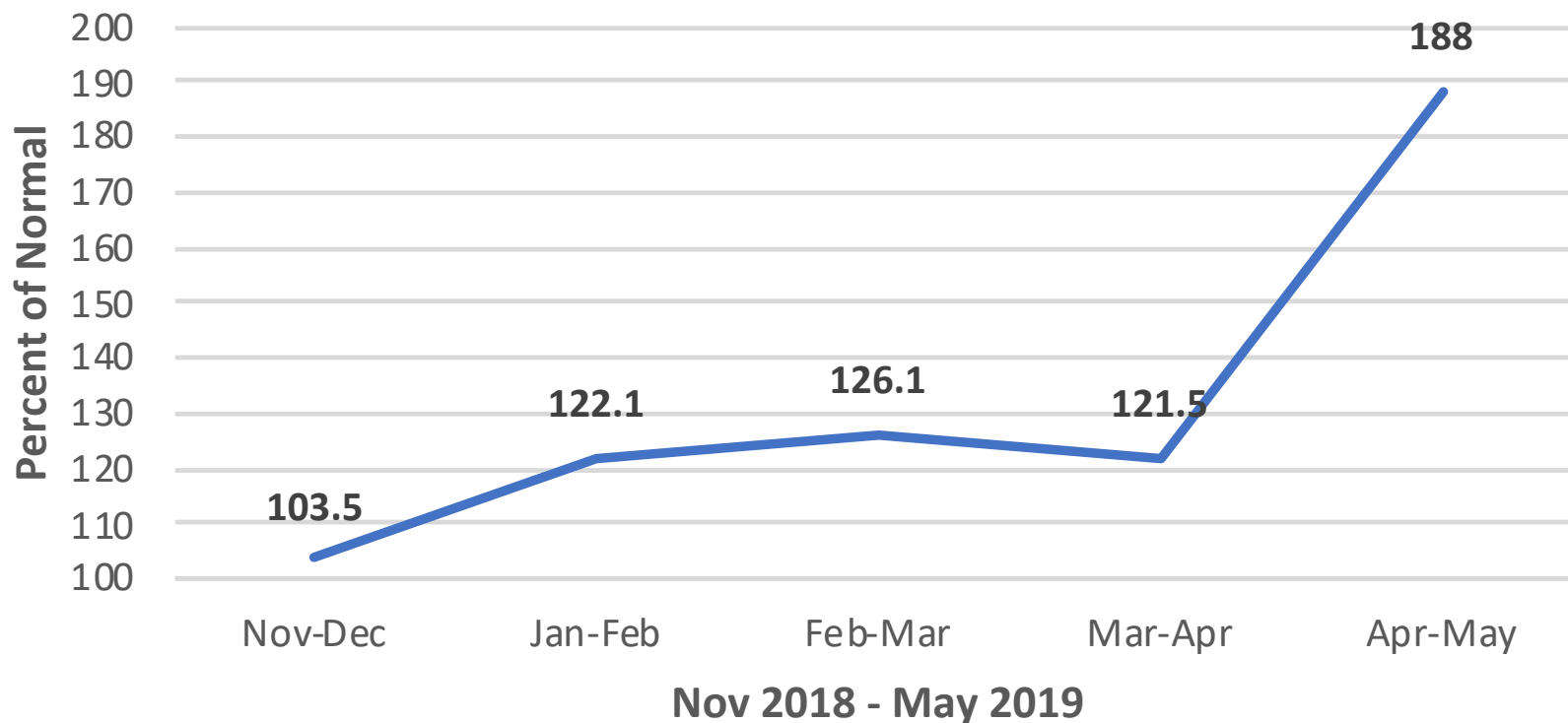
Midwest flooding is drowning corn and soybean crops – National Geographic, June 3, 2019



Catastrophic Midwest flooding threatening farmers' crops – CBS News, June 3, 2019

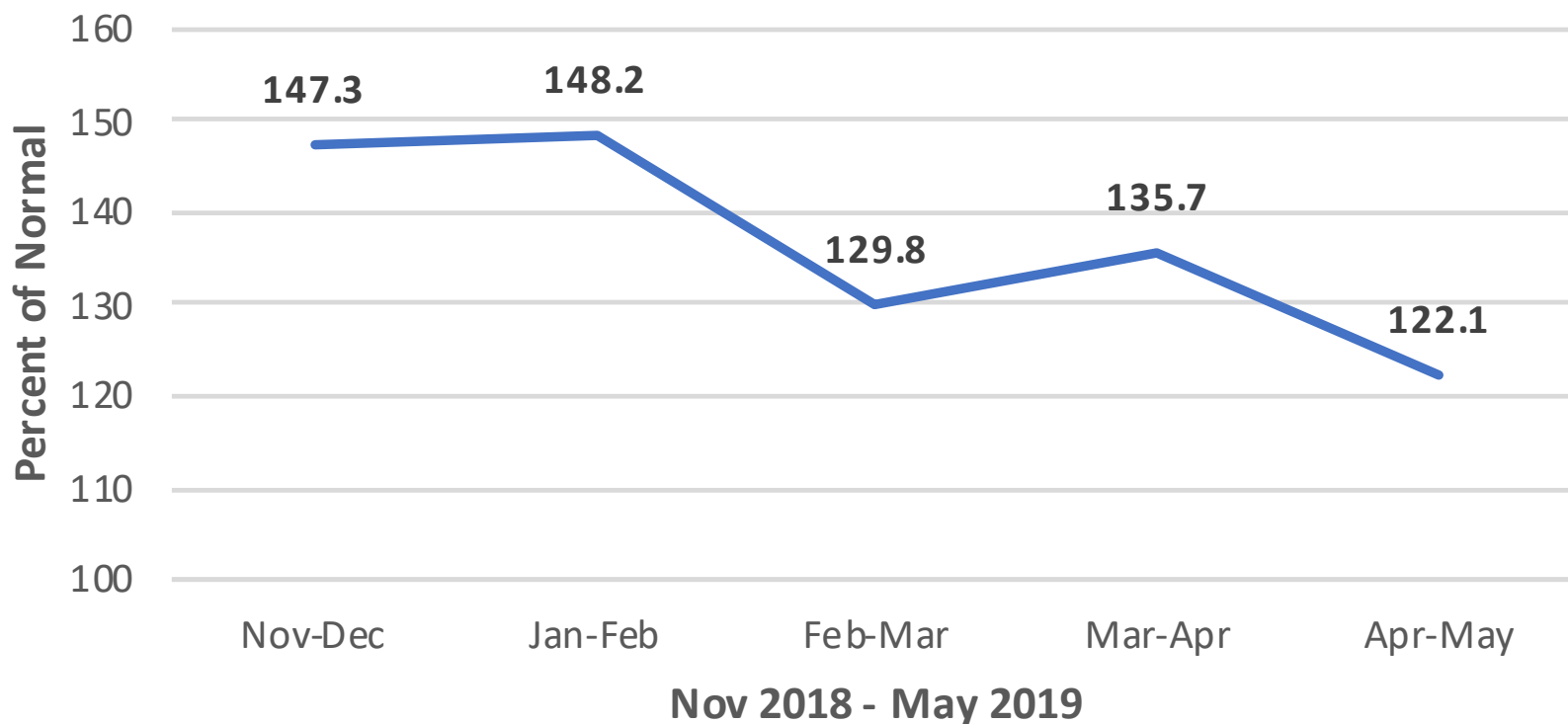
RAINFALL IN IROQUOIS COUNTY

Iroquois County
Rain Totals as a % of Normal



RAINFALL IN SENECA COUNTY

Seneca County
Rain Totals as a % of Normal

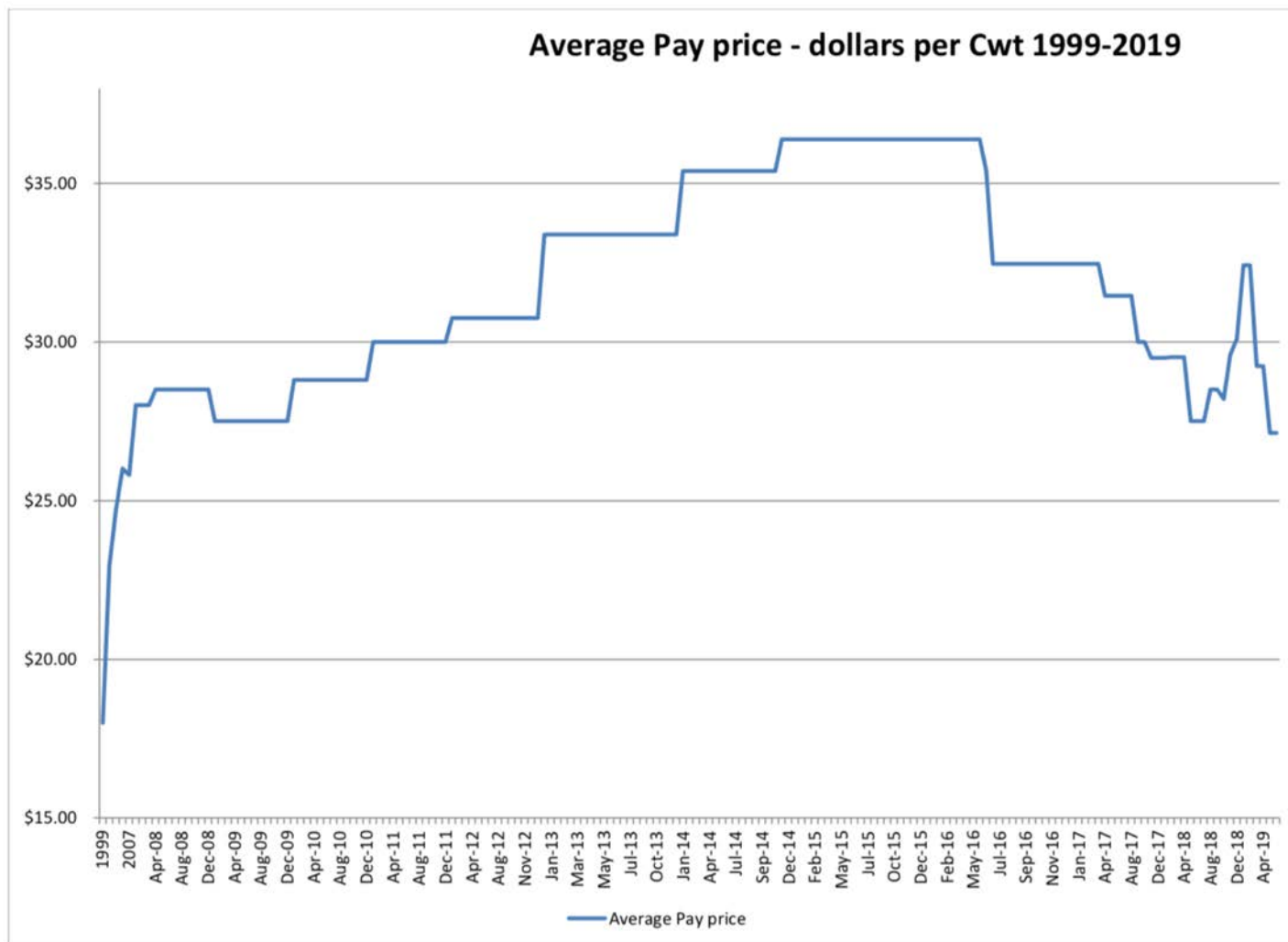


RAIN'S IMPACT ON IROQUOIS VALLEY

ACRES AFFECTED BY RAIN

STATES	ACRES
IA	77
IL	2,092
IN	1,443
MI	668
MN	799
OH	485
WI	506
Total Impacted Acres	6,070
Total Iroquois Valley Acres	11,657
Percent of Total Impacted	52%

DECLINE IN ORGANIC DAIRY PRICES



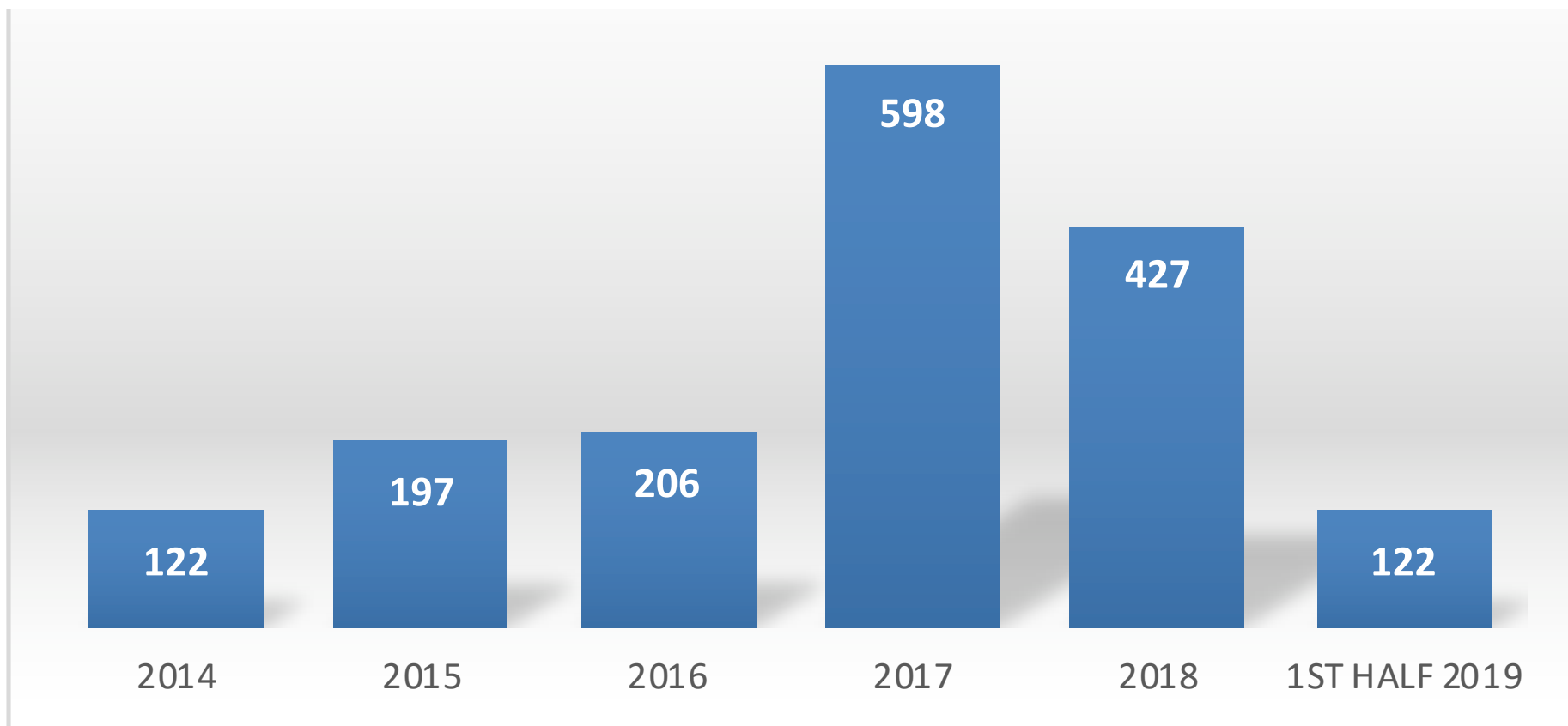
YTD RESULTS – JUNE 2019

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Revenue			
Rental income	\$ 531,205	\$ 601,607	\$ 538,783
Lease reimbursement	73,395	58,770	49,135
Mortgage interest income	401,494	278,203	154,259
Other income	8,133	1,532	521
Total revenue	1,014,227	940,112	742,698
Operating expenses			
General and administrative, net *	424,474	287,349	167,316
Provision for bad debts and loan losses	88,153	-	-
Professional fees	195,468	225,159	103,009
Real estate taxes	80,769	77,885	60,387
Insurance	9,964	9,715	9,337
Option-based compensation expense	-	4,461	19,634
Depreciation and amortization	93,647	78,771	71,477
Total operating expenses	892,475	683,340	431,160
Operating income	121,752	256,772	311,538
Interest expense	265,013	258,767	181,935
Net income (loss) before net gain on sales of real estate	(143,261)	(1,995)	129,603
Net gain on sales of real estate	-	131,390	-
NET INCOME (LOSS)	\$ (143,261)	\$ 129,395	\$ 129,603

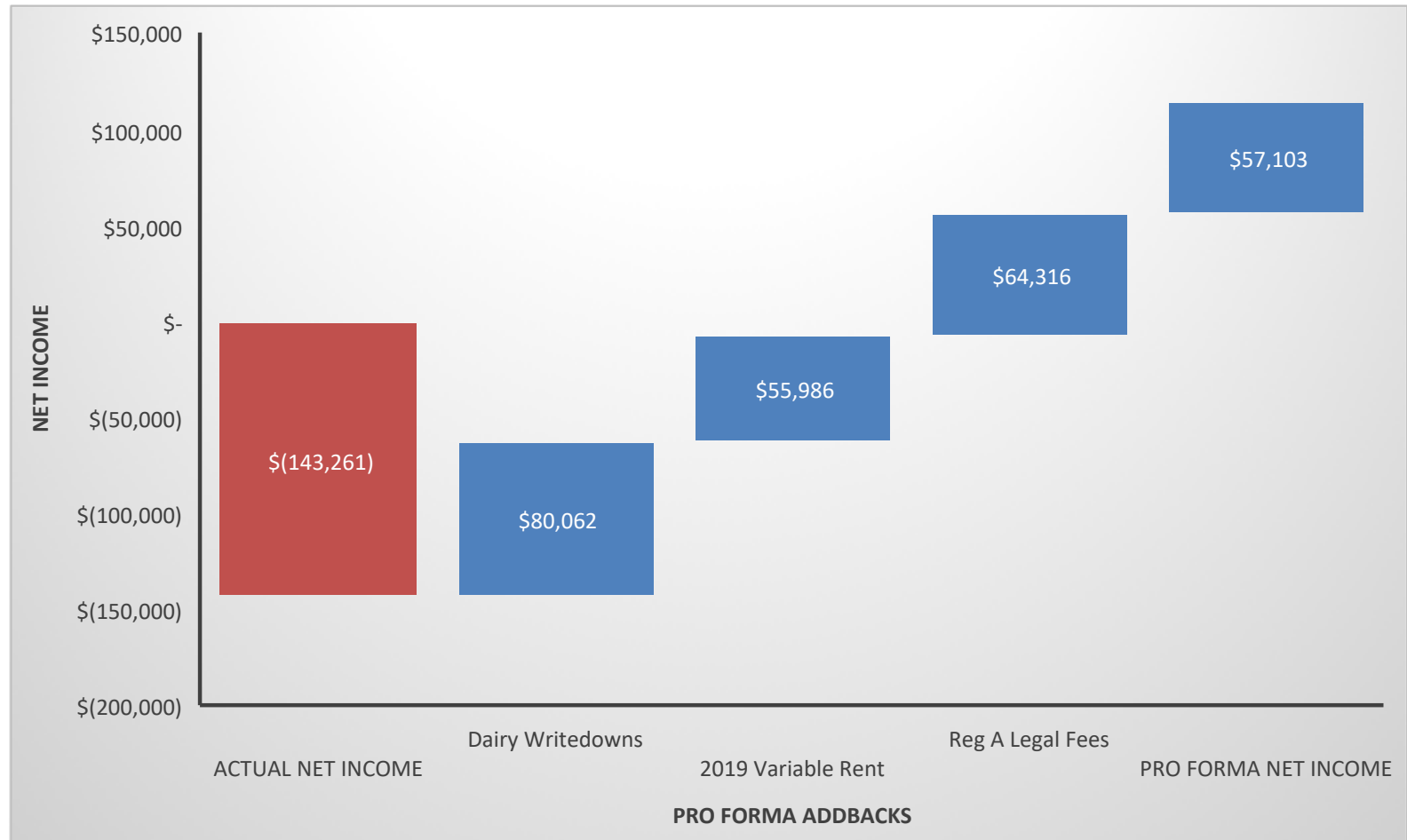
* Net of approximately \$117,000, \$126,000, and \$183,000 of grant reimbursements in 2019, 2018 and 2017, respectively.

OPERATING INCOME

\$ in thousands



HOW WE WOULD HAVE DONE WITHOUT WEATHER, DAIRY & REG A+



BALANCE SHEET – JUNE 30, 2019

<u>ASSETS</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Investments in real estate, at cost:			
Land	\$ 35,346,301	\$ 33,507,795	\$ 27,788,174
Land improvements, machinery and equipment	1,713,759	1,464,546	1,170,315
Buildings and building improvements	1,184,591	986,581	859,496
Total investment in real estate	38,244,651	35,958,922	29,817,985
Less accumulated depreciation	766,239	612,807	455,148
Net investment in real estate	37,478,412	35,346,115	29,362,837
Cash and cash equivalents	1,876,035	426,021	369,897
Accrued income	110,507	-	-
Accounts receivable, less allowance for doubtful accounts of \$140,250, \$20,951, and \$62,827 respectively	342,248	645,584	434,606
Prepays and other assets	164,754	121,686	188,606
Mortgage interest receivable, less allowance for doubtful accounts of \$39,508, \$0, and \$0, respectively	108,996	72,296	41,527
Mortgage notes receivable, net of deferred origination fees and loan loss of \$113,310, \$59,107, and \$25,651, respectively	12,073,352	11,033,469	8,050,715
Total other assets	14,675,892	12,299,056	9,085,351
Total assets	\$ 52,154,304	\$ 47,645,171	\$ 38,448,188
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>			
Accounts payable and accrued expenses	\$ 378,616	\$ 249,222	\$ 233,876
Line of credit	-	230,000	1,000,000
Mortgages payable	3,147,776	8,911,734	7,595,992
Notes payable, subordinated	11,590,000	9,700,000	5,530,000
Total liabilities	15,116,392	19,090,956	14,359,868
STOCKHOLDERS' EQUITY	37,037,912	28,554,215	24,088,320
Total liabilities and stockholders' equity	\$ 52,154,304	\$ 47,645,171	\$ 38,448,188

2019 – 2nd HALF

- Profitable
- Reducing ratio of total debt to total assets to 25%
- Limit write downs
- Reduced G&A expenses
- Reduced Reg A+ expenses

RESERVES, ASSETS & EQUITY

	June 30, 2019	June 30, 2018	June 30, 2017
Accounts Receivable Reserve	\$140,250	\$20,951	\$62,827
Mortgage Interest Receivable Reserve	\$39,508	-	-
Mortgage Notes Receivable Reserve	\$180,379	\$59,107	\$25,651
Total Reserves	\$360,137	\$80,058	\$88,478
Reserves / Total Assets	0.7%	0.2%	0.2%
Reserves / Total Equity	1.0%	0.3%	0.4%

DEBT LEVELS

	June 30, 2019	June 30, 2018	June 30, 2017
Debt to Assets	29%	40%	37%
Debt to Equity	41%	67%	60%

OPERATING LINE OF CREDIT

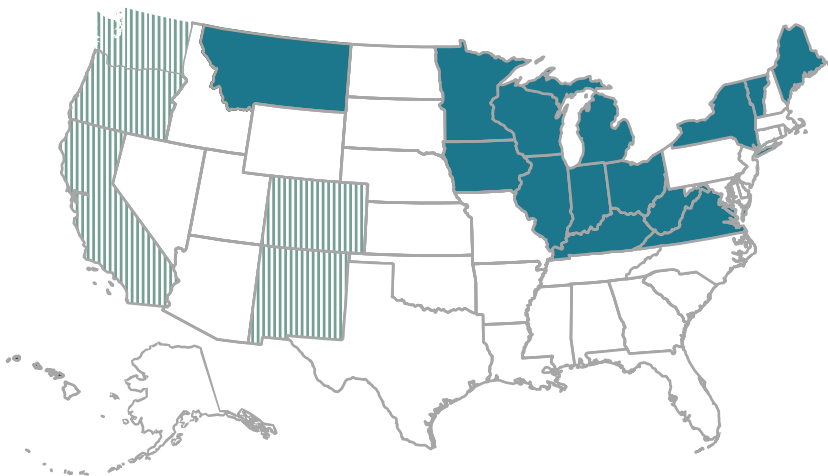
- Completed our first \$500,000 operating line of credit
 - Increasing demand for this product
 - Higher yield
 - 3 year term
 - Borrowing base and drawdowns determined by inventory formulas
 - Secured by all collateral of the farm and farmer
 - No additional debt without Iroquois Valley consent
 - Cross default provisions
- Gives us better control and visibility of farmer finances

IMPROVING PERFORMANCE & LOWERING RISK

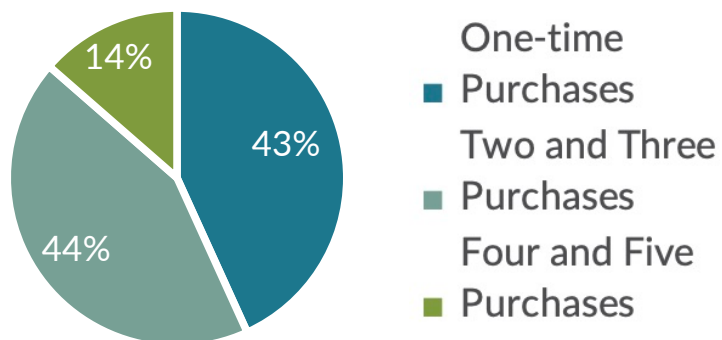
- Increase yields, collect fees
- More selective on the deals we pursue
- Higher quality may equal lower volume
- Work with farmers on financial forecasts
- De-risk deals: Pre-payments, ACH collections, work with partners
- Relationship managers for each farmer to flush out problems
- Geographic and crop diversification
- Focus on profitability
- Restructured deals can still work
- Don't set the farmer up to fail

LOOKING AHEAD

OUR TARGET FARM FOOTPRINT



REPEAT PURCHASES



SCALING OUR MODEL

- Develop partnerships with co-lenders and local organizations to support expansion and geographic diversification
- Proactively build relationships with established farmers looking to expand
- Continue to develop innovative financial products to support our farmers (working capital)

NEW DEALS - LEASES

HI-LINE FARMS
Hill County, MT

FARMERS

Doug & Anna Jones-Crabtree – Vilicus Farms

SIZE

2,200 acres of certified organic farmland

WHAT THEY RAISE

Ancient and specialty varieties of grains and legumes
in 5-7 year crop rotations



NEW DEALS - LEASES

HIDDEN PASTURE Schoharie County, NY

FARMERS

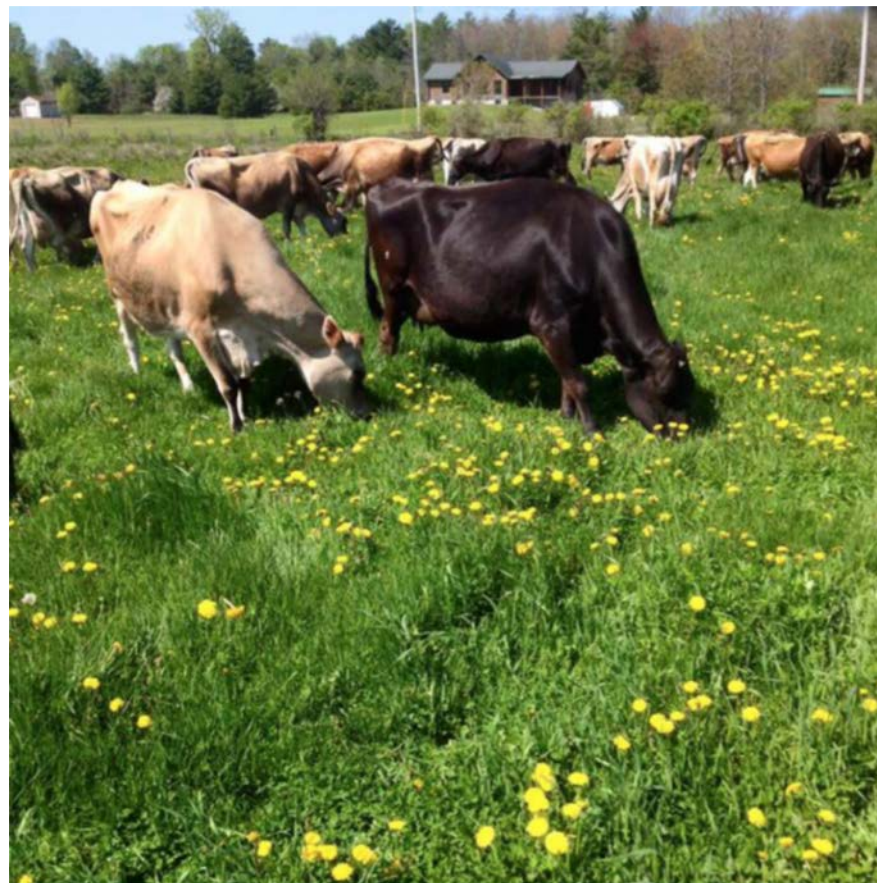
Anne & Dan Krug

SIZE

57 acres of transitioning farmland

WHAT THEY RAISE

100% grass-fed dairy



NEW DEALS - LEASES

TEN MILE FARM
Lucas County, OH

FARMERS

Eric & Andy Ford

SIZE

57 acres of transitional farmland

WHAT THEY RAISE

Grains, beans, and hay in a multi-year crop rotation
& pasture-raised beef



NEW DEALS - MORTGAGES

MEADOWLARK ORGANICS Iowa County, WI

FARMERS

Paul Bickford and John & Halee Wepking

SIZE

120 acres of certified organic farmland

WHAT THEY RAISE

Specialty milling grains, edible beans, and corn in multi-year crop rotations



NEW DEALS - MORTGAGES

THE PASTURAGE Oceana County, MI

FARMER

Julie Engel

SIZE

40 acres of transitional farmland

WHAT SHE RAISES

Pasture-raised rabbits, sheep, duck, hogs, turkey



NEW DEALS - MORTGAGES

HEPATICA FARM Washington County, NY

FARMERS

Arthur Kraamwinkel & Melanie Seserman

SIZE

100 acres of transitional farmland

WHAT THEY RAISE

Pasture-raised poultry, pigs, sheep, dairy cattle and vegetables



NEW DEALS - MORTGAGES

DIAMOND H FARMS
Wabasha County, MN

FARMERS

Chad & Jess Hofschulte

SIZE

309 acres of certified organic farmland

WHAT THEY RAISE

Pasture-raised cattle, pigs, poultry, grains, and hay



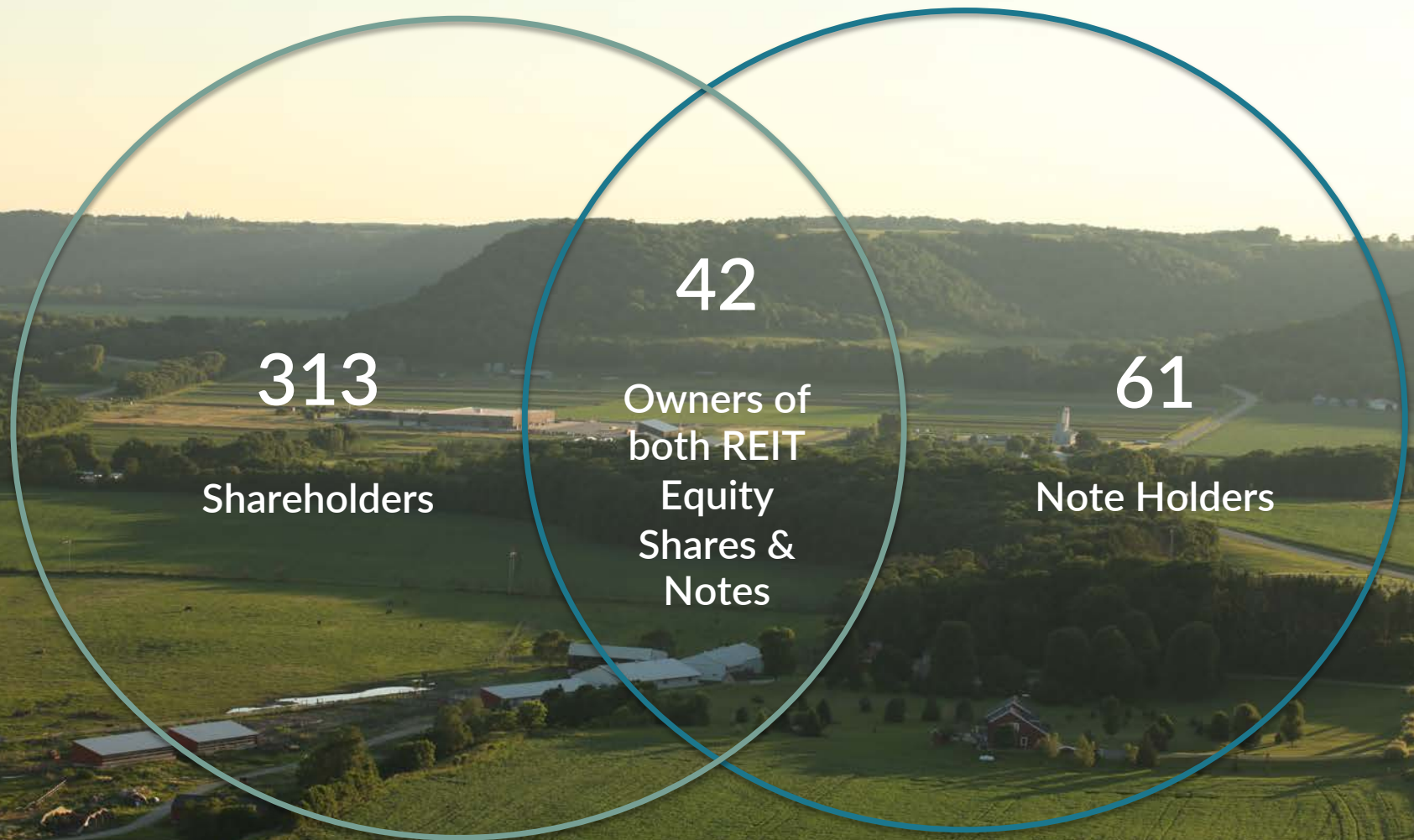
SUCCESS STORIES

MORTGAGES PAID OFF BY:

- Strafford Village Farm
- Local Farms Fund
- Fair Acres Farm



INVESTOR SNAPSHOT



INVESTOR SNAPSHOT

EQUITY

- Investments range from \$10,183 to \$5MM
- Average Investment: \$107,000
- Most common investment approximately \$50,000

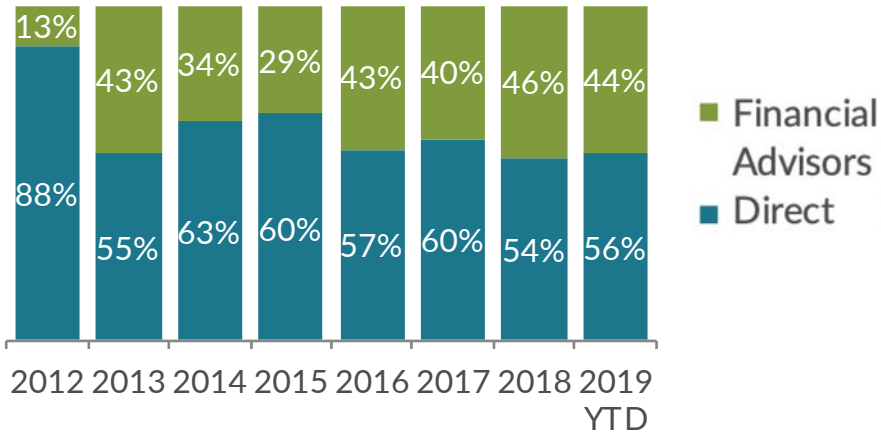
NOTES

- Investments range from \$10,000 to \$915,000
- Average Investment: \$92,000
- *Most common investment approximately \$25,000

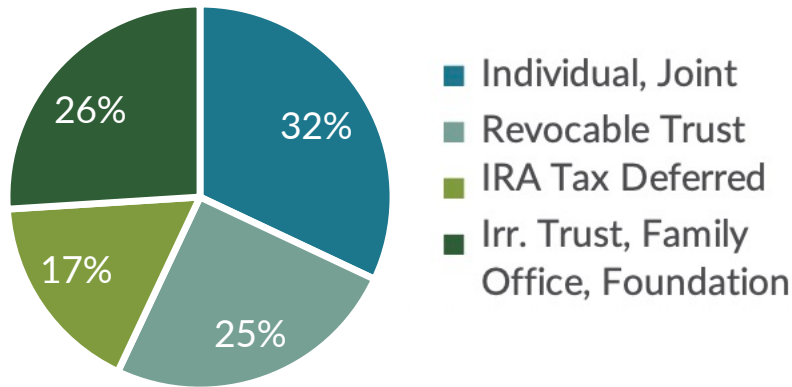
Vilicus Farms

FUNDRAISING UPDATE

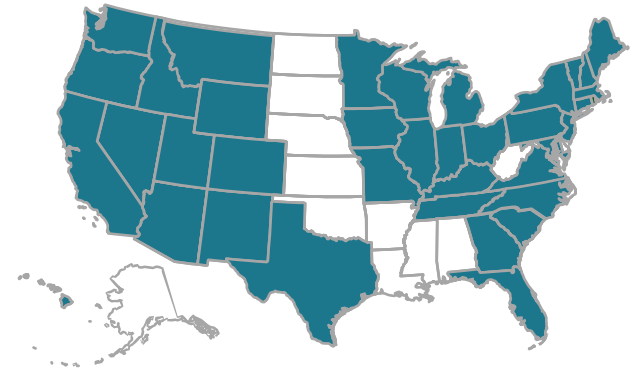
FUNDING SOURCE



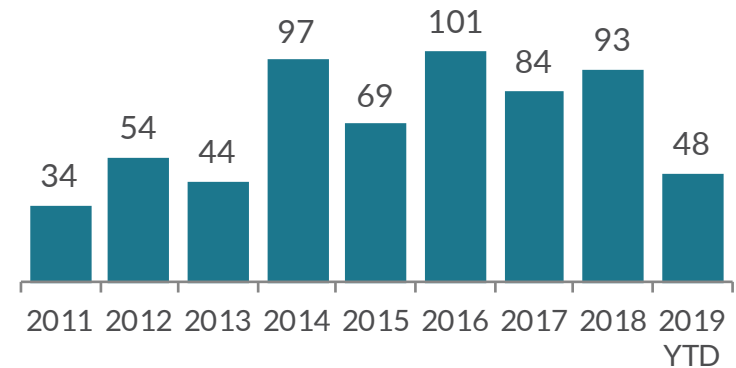
ACCOUNT TYPE



INVESTOR MAP



NUMBER OF INVESTMENTS



FINANCIAL ADVISOR NETWORK



INVESTMENT ACCESSIBILITY

NOW AVAILABLE
THROUGH TWO TRADITIONAL
CUSTODIANS

- New minimum: \$10,183
- Redemption eligibility after 5 years
- Online investment at invest.iroquoisvalley.com

55%

of REIT investments
since the DPO opened
have been from
non-accredited investors

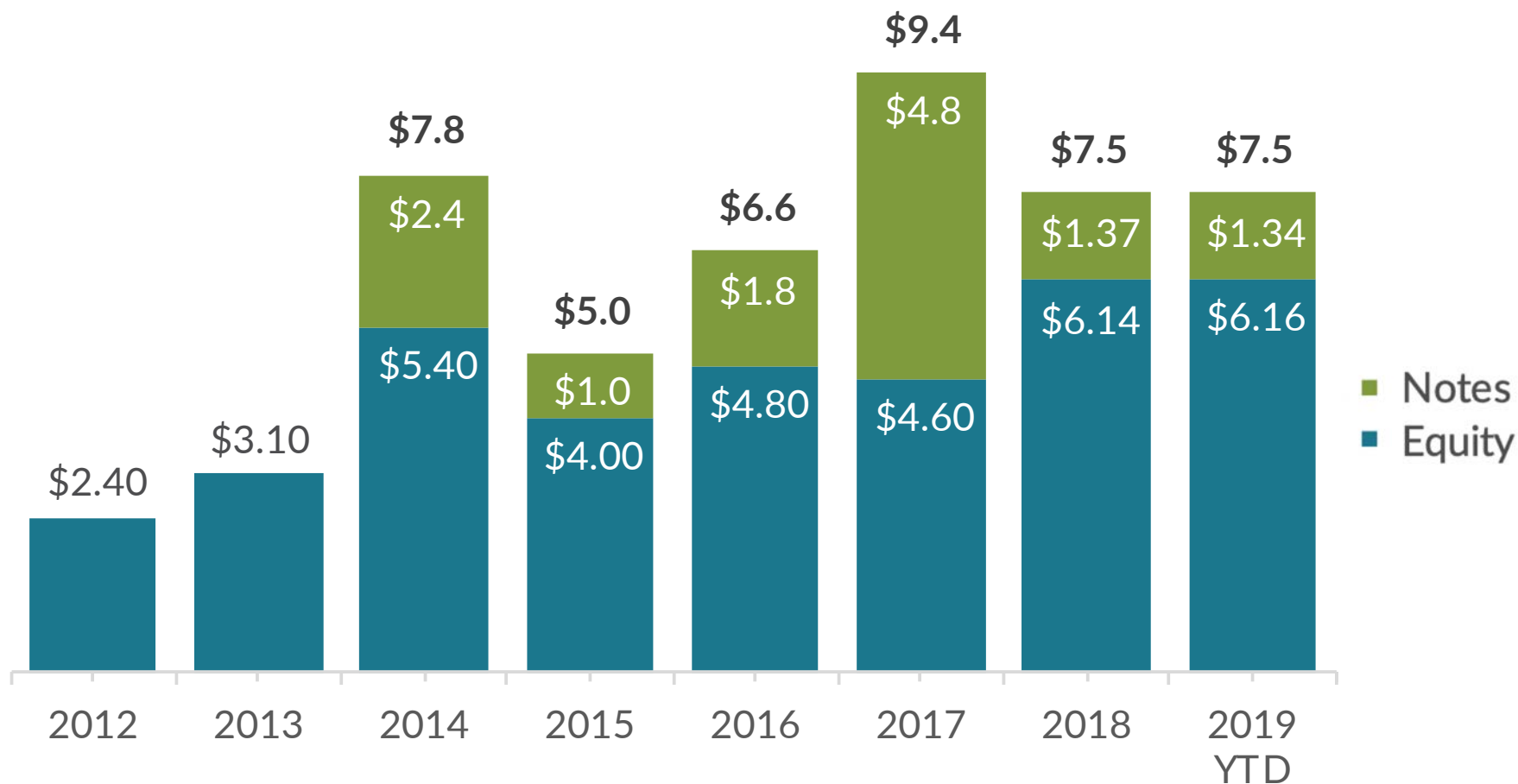


FUNDRAISING MOVING FORWARD

Broad Investment Support	Improved “Plumbing”	Ongoing Visibility
<ul style="list-style-type: none"> • Retail investors • Investment advisors • Family offices & foundations • Mission-aligned non-profits • DAF’s • Strategic partners with regional focus 	<ul style="list-style-type: none"> • Online Portal • Working more closely with third-party custodians • Approaching more traditional platforms • Broker dealer relationships if appropriate 	  

FUNDRAISING UPDATE

\$ in millions



INVESTOR ADMINISTRATION



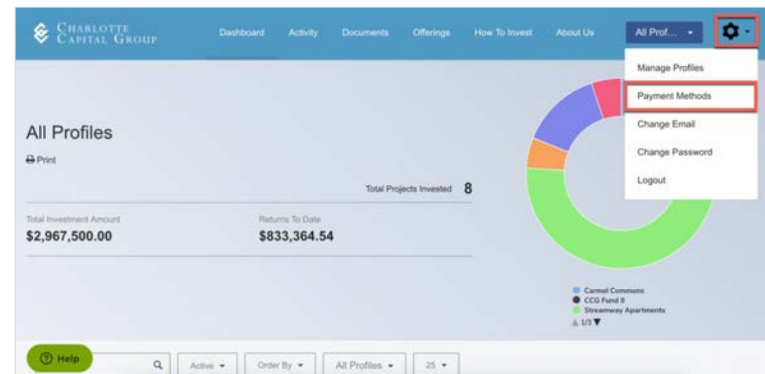
IMPROVED USE OF THE INVESTOR PORTAL

- www.invest.iroquoisvalley.com
- ACH payments now available for distributions
- All historical subscription documents soon available
- Tax documents & valuation statements available for download online

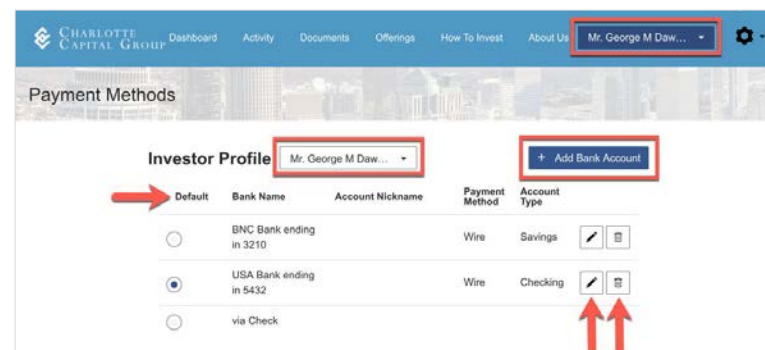
Add Bank Info for Investor Dashboard

(Updated 10/11/2018)

Step 1: Click the **gear** button at the top right. Click **Payment Methods**.



Step 2: Choose the applicable profile in the dropdown (if needed). Click **+ Add Bank Account** to add a new bank account. Note the option to **Edit** or **Delete** an existing bank account in the list. Also, note the option to choose your **Default** bank account for that profile.



FIRST TENDER OFFER – UPCOMING

NEW REDEMPTION POLICY

- Board-approved in February
- Redemption only during tender offers
- Tender offers occur every 12-18 months
- Eligibility based on date of countersignature on Subscription Agreement
- 5-year lock up (instead of 7)

TENDER OFFER DETAILS

- Target dates: planned for Q4
- Tender open for 1 month
- Tendering 5% of outstanding equity (approximately \$2MM)
- Redemptions funded by year-end 2019
- All eligible shareholders will be notified

IMPACT REPORTING

IROQUOIS VALLEY
FARMLAND REIT PBC

Aeris® Impact Management Assessment

Assessment Date — December 31, 2018

Disclaimer: This assessment and this certification address the impact measurement and management systems, practices, and metrics employed by the investment manager. It does not address financial performance and is not a recommendation to invest. Each investor must evaluate whether a contemplated investment meets the investor's specific goals and risk tolerance. Aeris, its staff, and the Aeris analysts are not liable for any decisions made by any recipient of this assessment or this certification.

This assessment relies on the written and oral information provided by the investment manager at the time of the Aeris analysis. Under no circumstances will Aeris, its staff, or the Aeris analysts have any liability to any person or entity for any loss or damage in whole or in part caused by, resulting from, or relating to any error (negligent or otherwise) or other circumstances related to this assessment or certification.

AERISINSIGHT.COM



AERIS IMPACT ASSESSMENT

- Reviews impact management systems & processes
- Evaluates a company's ability to make investments in alignment with its impact goals

IMPACT REPORTING

B CORP ASSESSMENT 2018-19

- Assessments every 3 years
- Best for the World honors occur when a company scores in the top 10% of all assessments



IMPACT REPORTING

CONSERVATION INNOVATION GRANT

60

Soil Restoration Notes sold

**\$4.6
million**

invested through Soil
Restoration Notes

\$13,724

provided directly to farmers
through Organic Transition Pool
payments in 2019

\$48,000

paid & planned for 2019
Farmer Benefit Fund to pay
farmers for soil-building projects



Meadowlark Organics

IMPACT REPORTING



Mint Creek Farm

LAUNCH OF PUBLIC BENEFIT REPORT

- Implements standardized self-reporting metrics that correspond to 3rd party assessments
- Expands our annual impact reporting and allows us to participate more deeply in Public Benefit Corporation community
- Report will be released at year-end

COMMUNICATIONS & MARKETING

Investor Login [↗](#)



[ABOUT](#) [INVEST](#) [FARMS](#) [IMPACT](#) [CONTACT](#) [BLOG](#)

We work with mission-driven investors to finance the future of organic agriculture in America, from the ground up

DISCOVER OUR ORGANIC FARMLAND REAL ESTATE INVESTMENT TRUST (REIT)



Our Model



Farm
Footprint



Invest in
Organic



Business For
Good



PUBLIC BENEFIT
CORPORATION



COMMUNICATIONS & MARKETING



David E. Miller
CO-FOUNDER AND CEO

[About David](#)



Mark Schindel
CHIEF FINANCIAL &
INVESTMENT OFFICER

[About Mark](#)



Arnold Lau
CHIEF OPERATING OFFICER

[About Arnold](#)



Sally Dodge
NORTHEAST COMMUNITY
DEVELOPMENT MANAGER

[About Sally](#)



Dale Guldbrandsen
NORTHEAST COMMUNITY
DEVELOPMENT MANAGER

[About Dale](#)



John Steven Bianucci
DIRECTOR OF IMPACT

[About John Steven](#)



Alex Mackay
DIRECTOR OF BUSINESS
DEVELOPMENT AND
INVESTOR RELATIONS

[About Alex](#)



Claire Mesesan
COMMUNICATIONS
DIRECTOR

[About Claire](#)

NEW WEBSITE & BRANDING

- Improved functionality and look to better capture who we are
- New features include blog and investor portal
- Ability to track analytics and make data-driven marketing decisions

COMMUNICATIONS & MARKETING

Featured Farm Stories

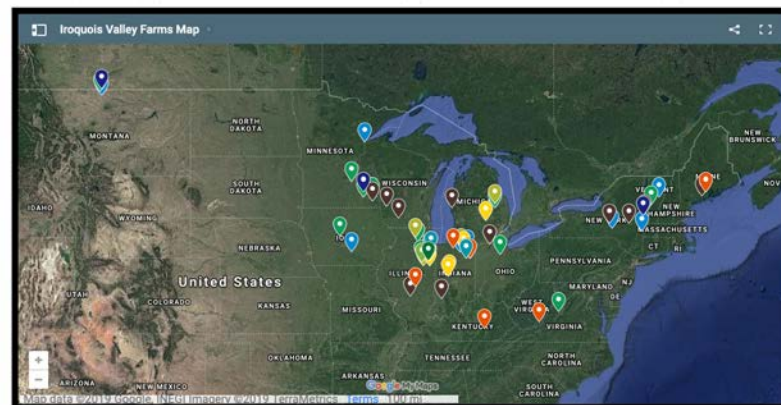
Learn more about some of our partner farms:



www.iroquoisvalley.com/farms

Google Map Of Farms

OUR ORGANIC FARM PARTNERS ACROSS THE UNITED STATES. CLICK THE MAP PINS TO VIEW FARM DETAILS.



DPO MARKETING CAMPAIGN

Video project launching in fall 2019
featuring:

- Main Street Project
- Yker Acres
- Featherstone Farm



BUILDING COMMUNITY



Food:Land:Opportunity
Localizing the Chicago Foodshed



**ORGANIC AGRICULTURE
REVITALIZATION STRATEGY**



ReGenerate IL



United States Department of Agriculture
Natural Resources Conservation Service



**CLEAN
PORTFOLIO
PROJECT**

COMMUNITY RISK-SHARING

OUR CONSERVATION PARTNERS

Iroquois Valley partners with land trusts to:

- help make farms more affordable for our farmers
- ensure that the land stays in agriculture in perpetuity

By selling farm development rights to a Land Trust through a conservation easement, the farm can be purchased for as much as a 40% to 50% lower price.



Vermont Land Trust
Conserving Land for the Future of Vermont



**Iowa
Natural Heritage
Foundation**

COMMUNITY RISK-SHARING

OUR CONSERVATION PARTNERS

Agricultural Stewardship Association

- Taconic Ridge Farm
- Hepatica Farm

Vermont Land Trust

- Vermont Natural Beef
- Strafford Village Farm*

*conservation easement in progress



COMMUNITY RISK-SHARING

OUR CONSERVATION PARTNERS

Maine Farmland Trust

- Singing Prairie Farm*
- Union Fair Farm*

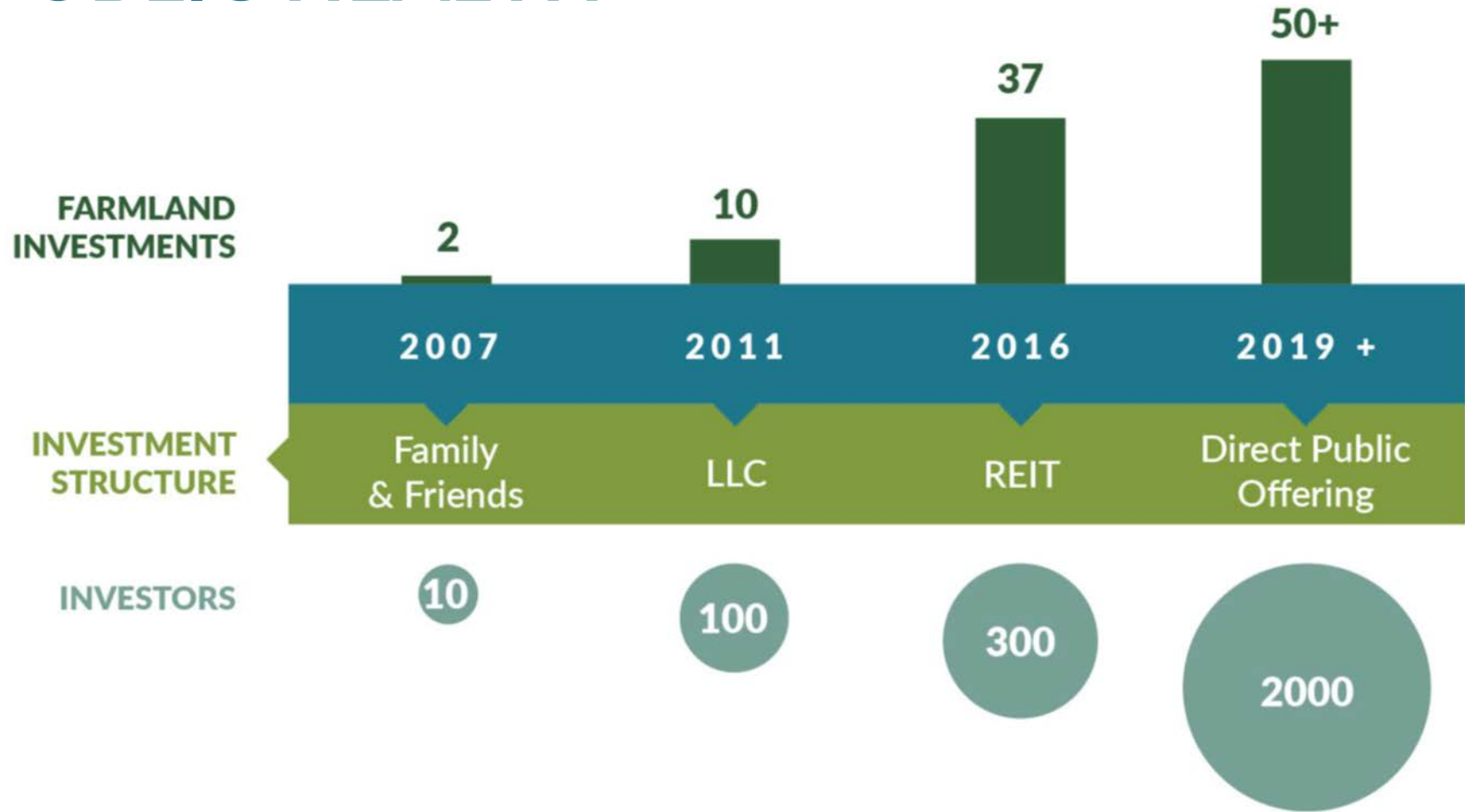
Iowa Natural Heritage Foundation

- Fair Acres Farm

*conservation easement in progress



ENGAGING THE PUBLIC TO INVEST IN PUBLIC HEALTH



QUESTIONS

