

American Farmland Company
Notes to Unaudited Pro Forma Consolidated Financial Statements

I. Adjustments to the Pro Forma Consolidated Balance Sheet and Income Statements

^(A) Reflects the sale of shares of our common stock in this offering. The Company accounts for specific incremental costs directly attributable to this offering by offsetting them against the gross proceeds of this offering and recognizing those costs directly in equity issued. Such costs are comprised of underwriting discount, accounting fees, legal fees and other professional fees. A summary is as follows:

Gross proceeds of this offering (12,000,000 shares at the mid-point of the price range on the cover of the prospectus)	\$114,000,000
Less:	
Underwriting discount	(7,125,000)
Other costs	(6,625,000)
Net proceeds of this offering	<u>\$100,250,000</u>

Pro forma adjustment for cash and cash equivalents comprises the following:

Gross proceeds of this offering, net of underwriting discount	\$106,875,000
Other estimated offering costs, net of payment as of June 30, 2015(1)	(3,969,572)
Repayment of indebtedness as of June 30, 2015(2)	(24,250,000)
Redemption of our Preferred Stock	(31,900)
Performance fee payable to AFA that would not have been paid (see (D) below)(3)	1,231,398
Increased acquisition fee payable to the Sub-Adviser (see (E) below)(3)	(195,719)
Additional costs associated with the Transitional Services Agreement (see (F) below)	(3,888,750)
Cash and cash equivalents pro forma adjustment	<u>\$ 75,770,457</u>

- (1) The deferred offering costs on the consolidated balance sheet as of June 30, 2015 includes \$860,000 in expenses associated with the Internalization and \$3,893,393 in expenses connected with this offering. Based on the estimate of other costs referred to above, we have incurred and expect to incur an additional \$2,731,607 in offering costs after June 30, 2015. The total offering costs to be paid out of the proceeds of the offering includes the \$2,731,607 referred to above and the \$1,237,965 offering costs accrued as of June 30, 2015 and not paid as of that date.
- (2) The actual repayment of borrowings will amount to \$52.2 million, \$24.25 million of which was outstanding as of June 30, 2015 and \$27.95 million of which has been drawn down between July 1, 2015 and the date of this prospectus.
- (3) Cumulative pro forma adjustments for the year ended December 31, 2014 and the six months ended June 30, 2015.