

FRP Holdings, Inc.

A Real Estate Company



John D. Baker II
Chief Executive Officer

Investor Presentation

This presentation and discussion may include comments or information about the future of FRP Holdings, Inc. and subsidiaries, including plans, expectations and, in some cases, predictions. These forward-looking statements reflect management's current views with respect to financial results related to future events and are based on assumptions and expectations that may not be realized and are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, financial or otherwise, may differ, perhaps materially, from the results discussed in the forward-looking statements.

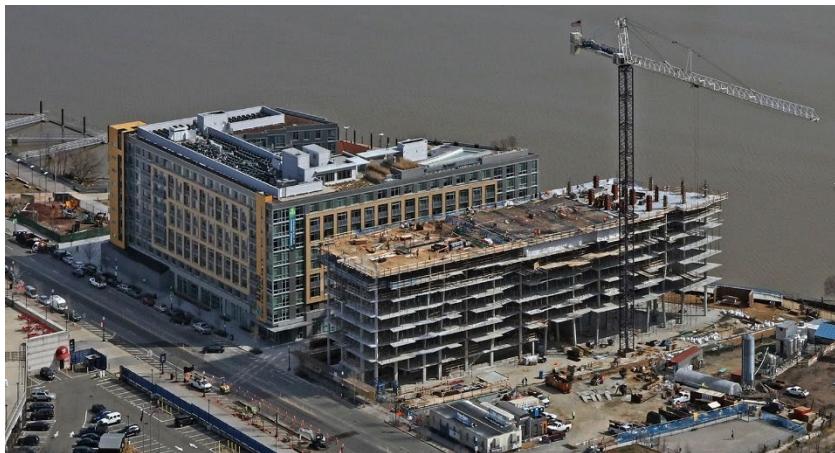
Risk factors include, but are not limited to, levels of construction activity in the markets served by our mining properties, demand for commercial and residential properties in the Baltimore-Washington-Northern Virginia area, our ability to obtain zoning and entitlements necessary for property development, the impact of lending and capital market conditions on our liquidity, our ability to finance projects or repay our debt, general real estate investment and development risks, vacancies in our properties, risks associated with developing and managing properties in partnership with others, competition, our ability to renew leases or re-lease spaces as leases expire, illiquidity of real estate investments, bankruptcy or defaults of tenants, the impact of restrictions imposed by our credit facility, the level and volatility of interest rates, environmental liabilities, inflation risks, cybersecurity risks, as well as other risks listed from time to time in our SEC filings.

Company Overview

- Our company began in 1986 as a result of a spin-off of the real-estate and transportation businesses of Florida Rock Industries, Inc. (now Vulcan Materials) into a newly formed public company which eventually went under the name of Patriot Transportation Holding, Inc. (“PATR”).
- In January, 2015 we spun-off our transportation business and changed our name to FRP Holdings, Inc. (NASDAQ ticker symbol “FRPH”).
- In May of 2018, we sold our industrial real estate portfolio (40 industrial buildings and 3 land parcels) to an affiliate of Blackstone Real Estate Partners for \$347.2M. The remainder of the proceeds that did not go to pay debt, taxes, and subsequent investments have been retained by the company in the form of \$187.96M of cash and short-term investment grade bonds (as of 12/31/2018)
- FRPH is now a pure real-estate company with four distinct business segments:
 - Development
 - Asset Management
 - Mining Royalty Lands
 - Stabilized Joint Ventures



Stabilized Joint Ventures



Development



Mining Royalty Lands



Asset Management

Development

Developed Lots for Warehouses

<u>Location</u>	<u>SF +/-</u>	<u>Acreage</u>	<u>Status</u>
Lakeside, MD (Remainder)	187,500	15	2 lots ready for building construction
Hollander 95 Business Park, MD	230,000	14	2-3 lots ready for building construction
Total	417,500	29	

Development Lands

<u>Location</u>	<u>Approx. Acreage</u>	<u>Status</u>
The Maren	1.1	Under construction
Anacostia Phase III-IV	2.6	First stage of PUD Approval
Bryant St	5.0	Under construction
Square 664 E	2.0	Under interim lease to Vulcan
1801 62 nd St at Hollander 95	7.0	Shell construction complete Q2 2019
St. John JV	35	Shell construction complete on Phase I
Brooksville Quarry JV (Residential/mixed use)	4,280	Master development plan approved
Hampstead Overlook	118	Seeking PUD entitlements for tract
Gulf Hammock Levy County, FL (Residential/Recreation)	1,600	Listed for sale
Ft. Myers 105 Waterfront Residential Lots (Residential)	105	Zoning approved for future development
Total	6,156	

Development Lands

Hampstead Overlook

- We acquired the Hampstead property located in Carroll County, MD north of Baltimore in March, 2008 using the proceeds from the sale of another property in a 1031 exchange.
- The property consists of 118 total acres, and was annexed into the town of Hampstead in 2010.
- In the first quarter of this year, Hampstead Overlook received non-appealable rezoning from industrial to residential
- FRP is currently pursuing a PUD approval for 255 residential units, consisting of 164 single-family homes and 91 town homes

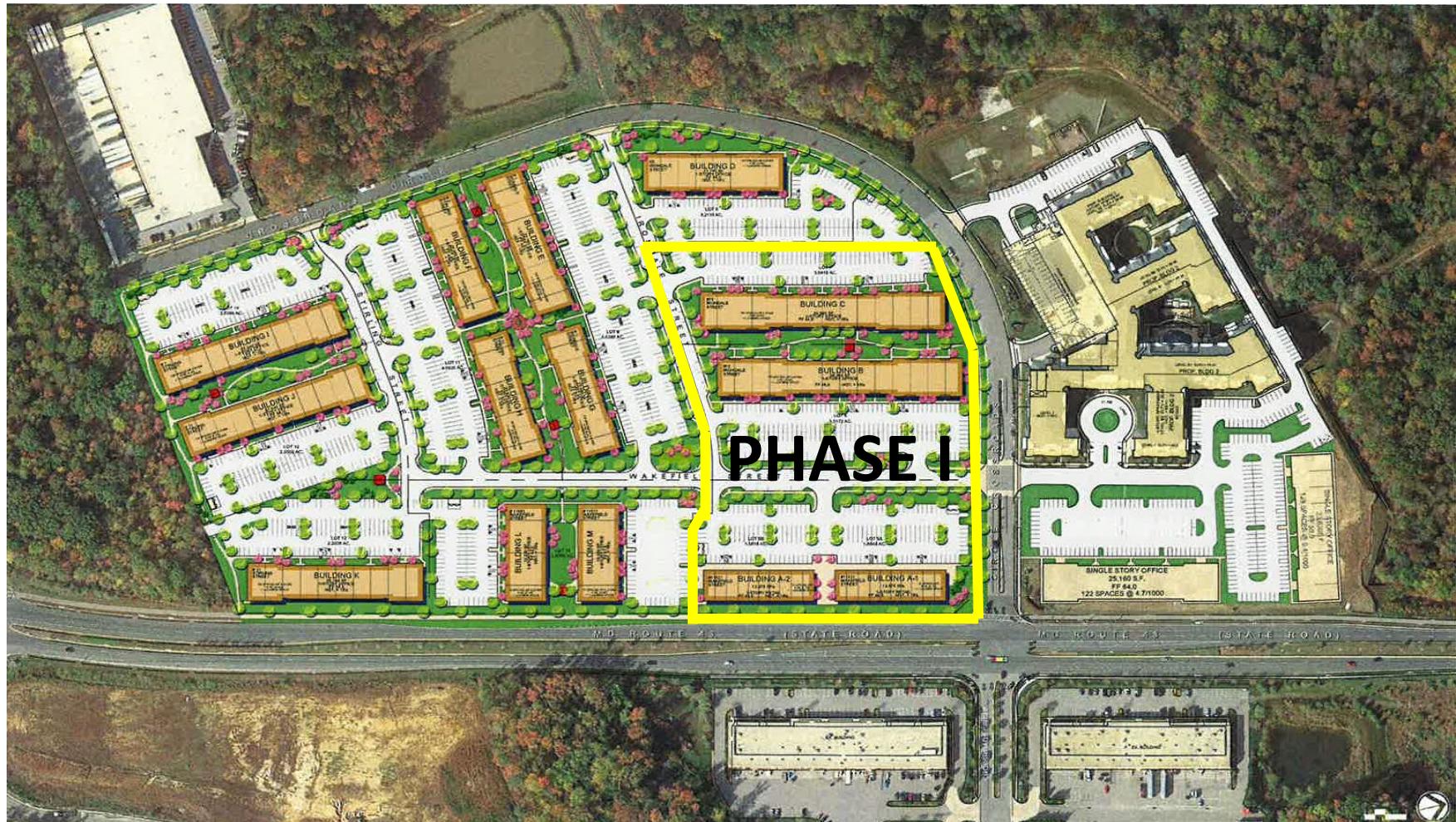
- Residential Plan



St. John Joint Venture

- In 2016, FRP entered into an agreement with St. John Properties, Inc. to jointly develop what remained of our Windlass Run Business Park
- 50/50 partnership combined FRP's 25 acres with St. John Properties' adjacent 10 acres fronting on a major state highway
- Venture will jointly develop the combined properties into a multi-building business park to consist of approximately 329,000 square feet of single story office/ retail space
- In Q3 2017, the JV obtained \$17.25M in construction financing commitments
- Completed shell construction on the first phase (two office and two retail buildings) in January 2019. One of the office buildings is already 100% leased and the second office building is 20% leased

- 329,000 sf Spec Office and Retail



Illustrative Site Plan

- Phase I and site for future development



Hollander Business Park

- In the second quarter of 2018, we began construction on a 94,350 sf, Class “A” spec building at one of our remaining lots at Hollander
- This is our first building with a 32-foot clear ceiling height. Shell construction will be finished in Q2 2019 and is currently being marketed for lease. Once the building receives its certificate of occupancy, it will become a part of the Asset Management Segment



Hollander Business Park

- Three lots remaining with 230,000 sf of potential developable warehouse space



Hyde Park

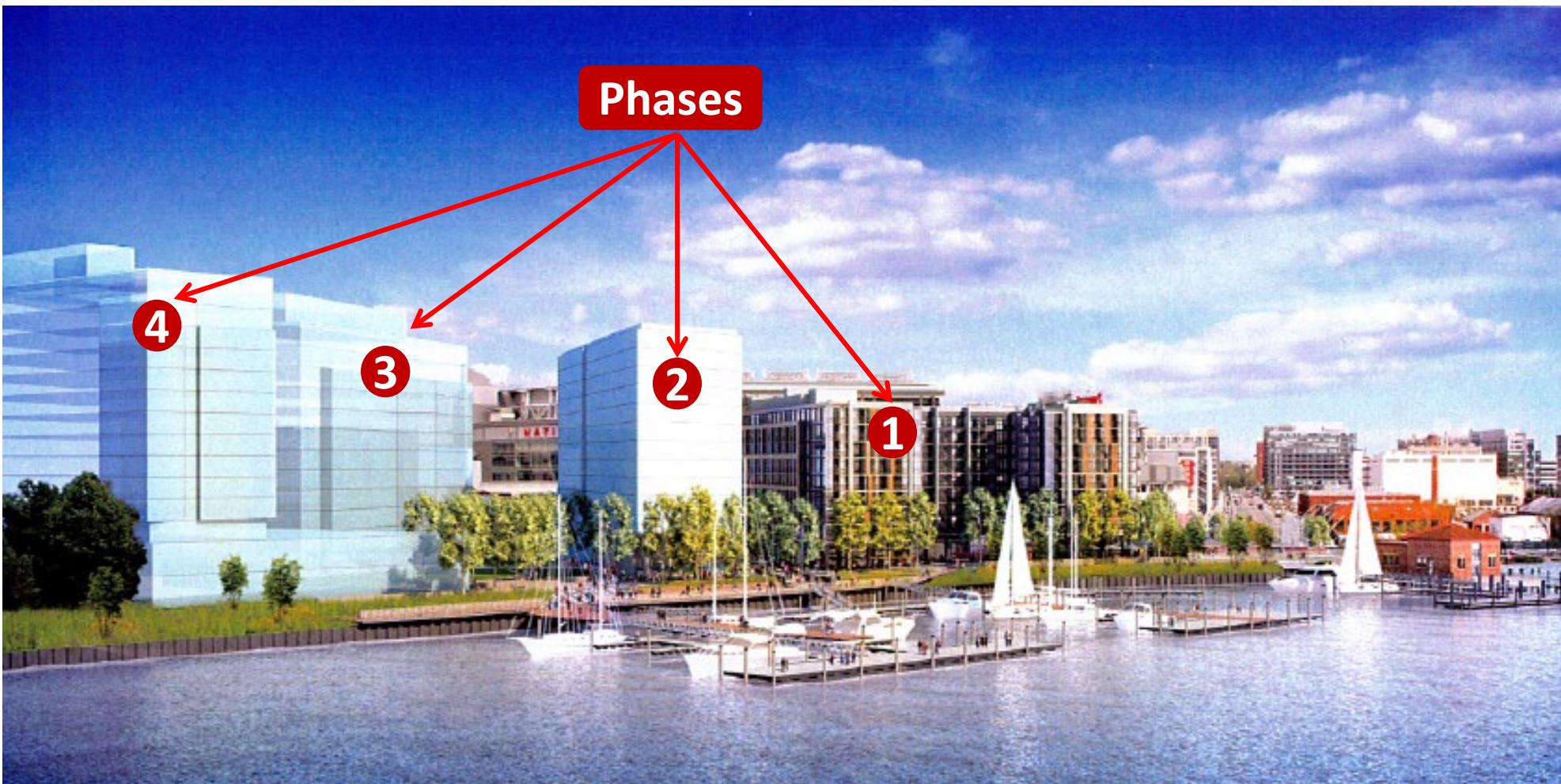
- We are the principal capital source of a residential development venture in Baltimore County, Maryland known as “Hyde Park”
- We have committed \$9.2M in exchange for an interest rate of 10% and a preferred return of 20% after which a “waterfall” determines the split of proceeds from sale. This project will hold 122 town homes and 4 single family lots and received Development Plan approval in the Q1 2019



Overview of RiverFront on the Anacostia

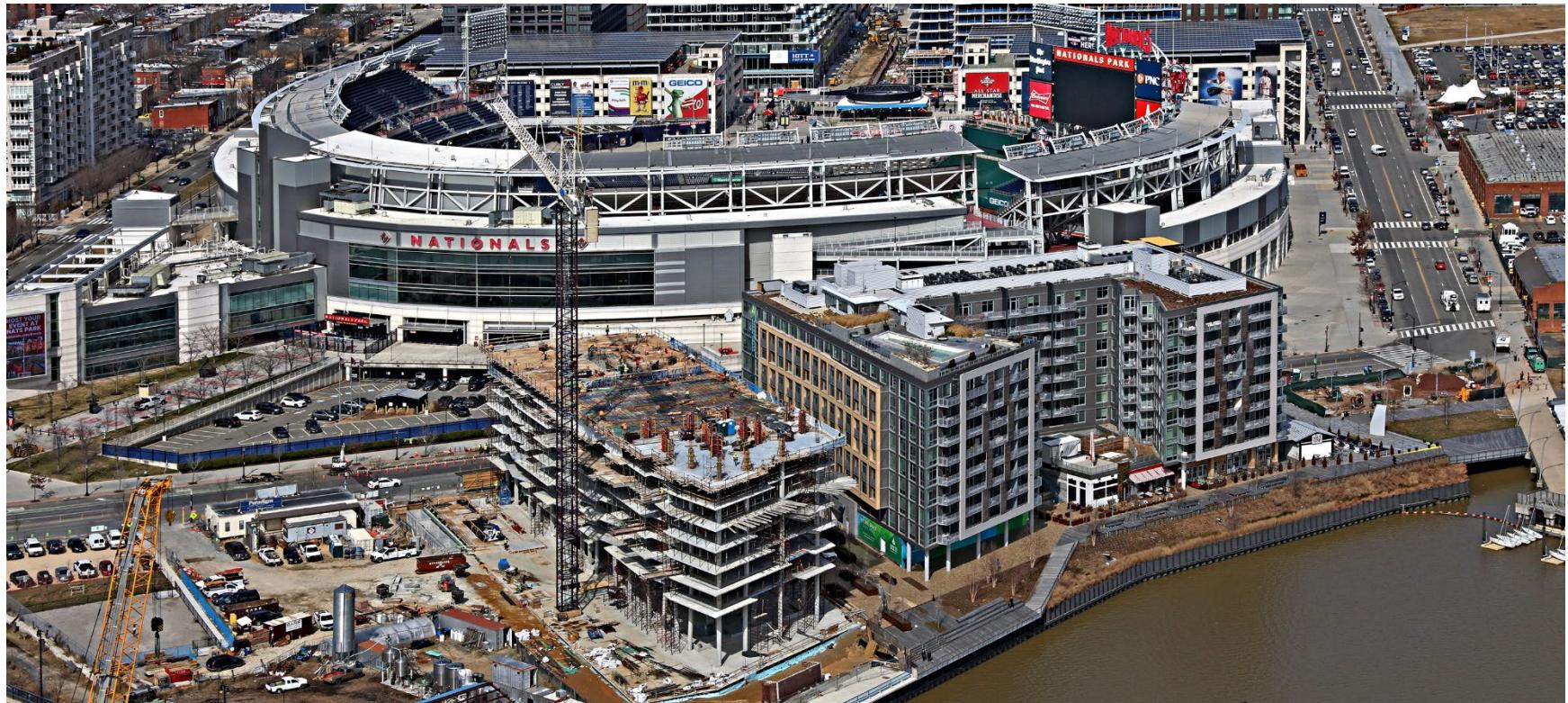
- This property consists of six acres on the Anacostia River and sits immediately adjacent to the Washington Nationals' baseball park.
- We began the process to obtain mixed use zoning (PUD) approvals in the Fall of '94.
- Our property is now zoned for approximately 1M sf of mixed use development in four phases including a shared public esplanade along the waterfront.
- Since the Nationals' baseball park opened in 2008, the Capitol Riverfront submarket has seen one of the most rapid and impressive redevelopments in the country.
- Phase I now known as Dock 79 is complete and stabilized
- Phase II (The Maren) is currently under construction.
- Phases III and IV have Stage I PUD approvals for 559,545 sf of mixed-use development

RiverFront on the Anacostia



RiverFront on the Anacostia – Phase II: The Maren

- Just as we did with Phase I of our RiverFront on the Anacostia project (Dock 79), we partnered with MRP for Phase II (The Maren)
- The purpose of the venture is to develop, own, lease and maximize the value of the 250,000 sf of mixed-use space inclusive of 264 apartments and 7,000 sf of retail
- In April of 2018, we broke ground on construction of The Maren. We expect to deliver the building in the first half of 2020



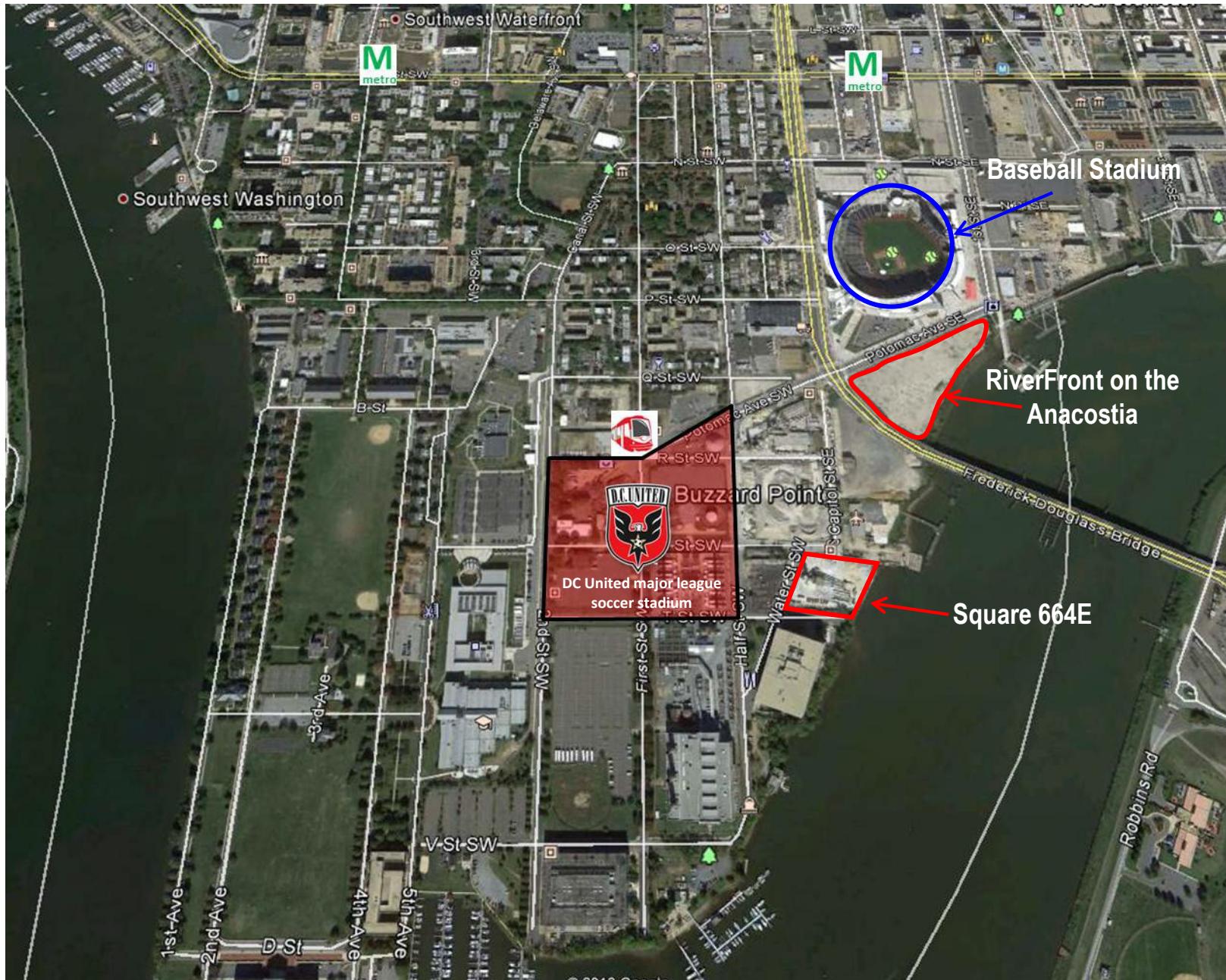
RiverFront on the Anacostia – Phase II: The Maren



Square 664E

- This property sits on the Anacostia River at the base of South Capitol Street, DC in an area named Buzzard Point, less than one mile down river from our RiverFront on the Anacostia property.
- The Square 664E property consists of approximately two acres and is currently under lease to Vulcan Materials for use as a concrete batch plant. The lease terminates on August 31, 2021 and Vulcan has the option to renew for one additional period of five years.
- In July 2018, Audi Field, the home of the DC United professional soccer club, opened its doors to patrons in Buzzard Point. The 20,000-seat stadium will host 17 home games each year in addition to other outdoor events. The stadium is separated from our property by just one small industrial lot and two side streets.

Development



Bryant Street

- Joint Venture with MRP on the first of four phases of a multi-family, mixed use development in northeast DC along the red line of the Metro, two stops north of Union Station
- Five acres supporting 516,000 sf with 487 residential units and 86,000 sf of commercial space including an Alamo Draft House movie theater
- Represents an overall investment of \$55M (\$32M in common equity, \$23M in preferred)
- Land is in an Opportunity Zone and could defer a significant tax liability associated with last year's asset sale
- Construction began in February 2019 and should be finished in 2021

Bryant Street



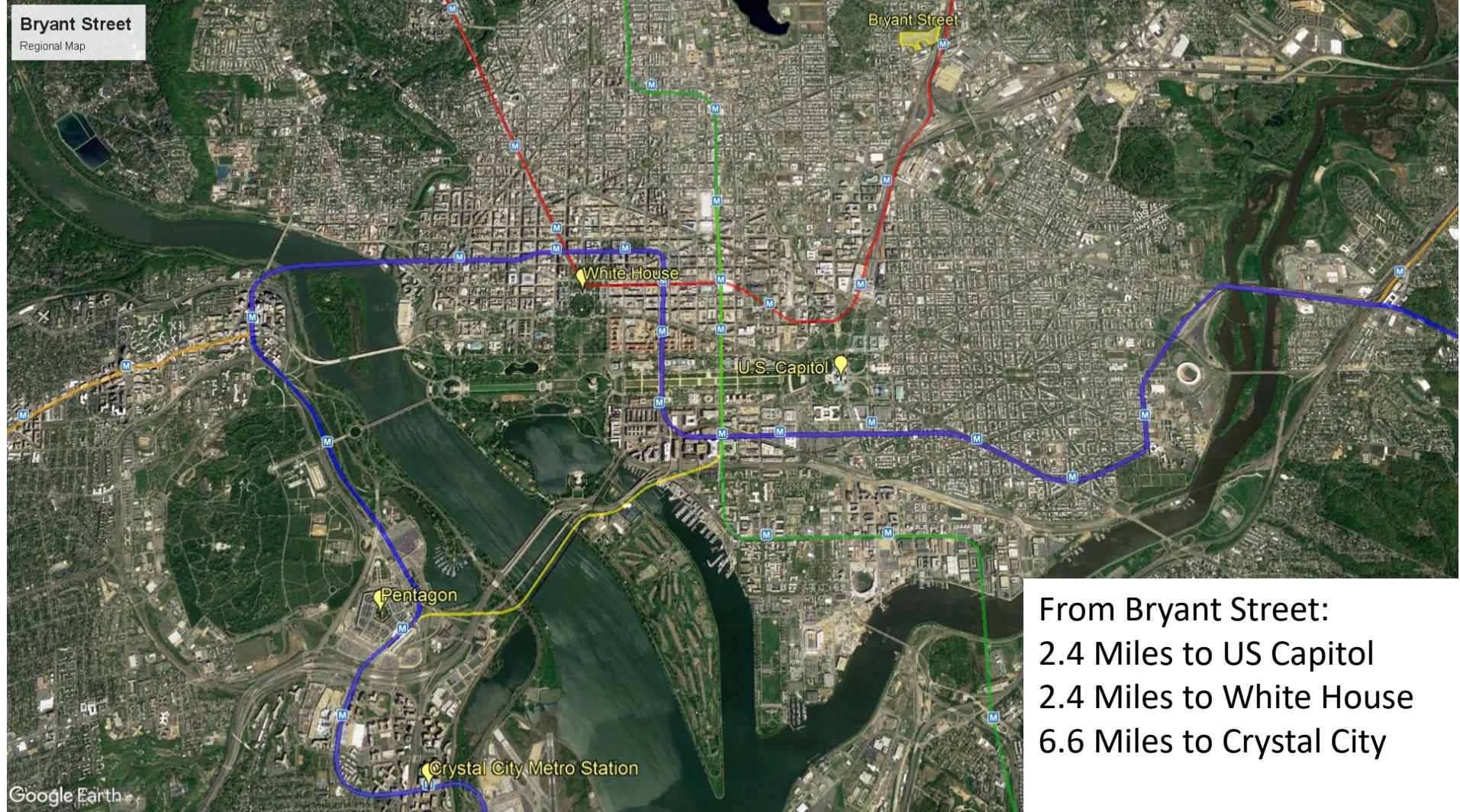
Bryant Street



Bryant Street



Bryant Street



Asset Management

Segment Overview

- The vast majority of the Asset Management segment was part of the asset sale in May of 2018. All that remains of the segment are three commercial properties and one recent industrial acquisition:
 - 7030 Dorsey Road in Anne Arundel, Maryland- this 63,122 sf office building is 67.9% leased and under contract for sale. We expect to close in Q3 2019.
 - 155 E. 21st Street in Jacksonville, Florida- we allowed the tenant to demolish all buildings on the property in 2018. All that remains is a vacant lot, but the tenant will continue paying rent until 2026.
 - 34 Loveton Circle in suburban Baltimore County, Maryland- this 33,708 sf building is 95.2% occupied, though 24% of the space is used by the Company for its Baltimore headquarters
 - Cranberry Run was acquired during the first quarter of this year. This five-building park totaling 268,010 sf of industrial/ flex space is 13% leased. We believe the value-add potential of this space to be well worth our time and capital
- We plan to add to this business segment by developing our remaining industrial pad-sites and finding opportunistic value-add projects.

Mining Royalty Lands

Astatula Sand



Tyrone Quarry



Grandin Sand



Newberry Cement





Segment Overview

- We own 13 properties comprising approximately 15,000 acres currently under lease for mining rents or royalties (not including the Brooksville property – 4,280 acres – owned in a JV with Vulcan Materials through which we also collect mining royalties as Vulcan continues to mine that property).
- Other than one location in Virginia, all of these properties are located in Florida and Georgia. Based on history, we believe strongly in the future construction growth potential of these two states which directly benefits our potential for increased mining royalties. Additionally, the second life of many of these assets could be potentially valuable when converted to commercial and/or residential communities.
- Our current mining tenants include Vulcan Materials, Martin Marietta, Cemex, and The Concrete Company.
- Mining royalties are collected on lands where mineable reserves exist. These royalties are based on the greater of (i) a fixed annual minimum royalty charge, or (ii) the volume of tons mined and sold from our property in a given year multiplied by a percentage of the average annual sales price.
- Minimum rents are typically collected on lands where the reserves have been substantially depleted but the land still has operational value to the mine operator (e.g., their processing plant is on our property, serves as buffer lands, etc.).
- We experience no additional costs with increased volumes or prices in this business so additional royalty revenue drops straight to our bottom line.
- Our total estimated reserves were just over 528,000,000 tons as of December 31, 2018.

Mining Royalty Lands

Location	Acres	Tenant	Lease Termination	Renewal Options	Minimum Royalty (Annually)	2018 Royalty Paid	2018 Tons Sold
Newberry, Alachua Co, FL	1,107	ARGOS	11/30/2098	None	\$600,000	\$936,223	123,101
Forest Park, Clayton Co. GA	116	Vulcan Materials	7/31/2037	(2) 25 year terms	93,012	93,012	0
Tyrone, Fayette Co, GA	98	Martin Marietta	4/30/2026	(2) 10 year terms	138,912	536,858	588,133
Airgrove (Lake Sand), Lake Co, FL	578	Vulcan Materials	4/30/2040	None	150,000	150,000	0
Ft. Myers, Lee Co, FL	1,993	Vulcan Materials	4/30/2021	(1) 15 year terms	370,404	451,149	444,045
Columbus, Muscogee Co., GA	143	Foley/Concrete Co.	12/31/2028	(1) 20 year term	136,404	309,648	1,048,588
Macon, Monroe Co. ,GA	459	Vulcan Materials	10/31/2019	(8) 5 year terms	338,418	1,133,114	2,370,907
Grandin, Putnam Co., FL	6,829	Vulcan Materials	8/31/2026	(2) 10 year terms	1,000,000	1,000,000	790,341
Keuka, Putnam Co, FL	1,155	Vulcan Materials	4/30/2026	None	185,184	505,990	259,394
Lake Louisa, Clermont, FL	1,196	Cemex	5/31/2038	None	728,136	1,456,273	0
Manassas, VA	51	Vulcan Materials	5/31/2020	(1) 10 year terms	4,800	762,755	1,042,566
Marion Sand	562	Vulcan Materials	3/31/2031	None	146,005	146,005	0
Astatula	326	Vulcan Materials	3/31/2031	None	146,005	759,510	594,647
Subtotal FRP Mines	14,613				\$4,037,280	\$8,240,537	7,261,722
Brooksville JV Land	4,280	Vulcan Materials	12/31/2032	None	250,000	297,650	341,917
TOTAL					\$4,287,280	\$8,538,187	7,603,639

Historical Tons and Royalty Information

Aggregates	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Tons	10,295,167	8,215,584	6,983,772	4,951,961	4,377,904	4,648,370	3,943,841	3,798,401	3,940,340	5,006,743	5,501,374	5,009,383	7,138,621
Total Royalty	\$5,307,820	\$4,784,110	\$4,598,289	\$3,632,870	\$3,542,740	\$3,396,258	\$3,506,444	\$4,176,073	\$4,271,123	\$4,913,142	\$6,098,558	\$6,412,310	\$7,304,314
Avg royalty per ton	\$0.52	\$0.58	\$0.66	\$0.73	\$0.81	\$0.73	\$0.89	\$1.10	\$1.08	\$0.98	\$1.11	\$1.28	\$1.02

Cement	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Tons	810,325	749,573	733,126	555,571	652,652	619,697	537,040	709,039	642,588	705,605	1,038,614	924,236	123,101
Total Royalty	\$671,763	\$709,575	\$707,320	\$501,792	\$576,756	\$457,784	\$385,169	\$512,209	\$496,337	\$580,233	\$984,626	\$897,429	\$936,223
Avg royalty per ton	\$0.83	\$0.95	\$0.96	\$0.90	\$0.88	\$0.74	\$0.72	\$0.72	\$0.77	\$0.82	\$0.95	\$0.97	\$7.61*

*To allow our tenant a more efficient mining plan, we are paid a royalty on all cement products sold from the plant on our leased lands, even if the limestone used to produce the cement came from land adjacent to ours. This accounts for the fact that in 2019, the royalty grew, though the tons used from our land fell significantly

Ft. Myers Property

- We own approximately 2,000 acres leased to Vulcan Materials of which 475 acres are approved for mining with estimated mineable reserves of +/- 16M tons.
- During the second quarter of 2017, Lee County issued Vulcan a Mine Operating Permit (MOP) for our section of their operations in Ft. Myers, the last of the permits required to begin mining this property
- Mining Plan:
 - We divided our mining land into three areas (Phases 1-5 (6M tons), Phase 6 (7.5M tons) and Phase 7 (2.5M tons))
 - On Phases 1-5 - Vulcan agreed to commence mining as soon as permits are received and to complete mining and reclaiming that area no later than December 2027. Additionally, Vulcan agreed to leave land in place around those lakes (approximately 100 acres) sufficient to accommodate up to 105 one acre residential lots that are already approved under our current zoning.
 - Phase 6 - As soon as practicable following completion of Phases 1-5, Vulcan agreed to commence mining Phase 6 to completion
 - No time frame placed on mining Phase 7 (2.5M tons)
- We plan to market the residential land as soon as practicable following completion of mining of Phases 1-5

Mining Royalty Lands

Ft Myers Mining Plan



Mining Royalty Lands

Ft. Myers Florida – Area Map



Mining Royalty Lands

Miromar Lakes Assessments and Sales



Miromar Lakes

- Land values in our area of future development
- 2018 Lee County Property Assessor's Land Value:
 - 10771 Isola Bella Ct:
 - .55 acres,
 - \$552,000
 - 10701 Isola Bella Ct:
 - .70 acres
 - \$718,250
 - 11780 Via Sorrento Pl:
 - .52 acres
 - \$850,000
- Recent Sales
 - February 2019: 10520 Via Torino Way
 - .25 acres, vacant
 - Sold for \$1,555,000
 - January 2019: 17845 Miromar Lakes Pkwy
 - Less than 1 acre, vacant
 - Sold for \$1,200,000
- Current Listings:
 - 17837 Miromar Lakes Pkwy
 - .28 acres, vacant
 - List Price \$1,100,000
 - 10601 Via Torino Way
 - .55 acres, vacant
 - List Price \$1,400,000

Stabilized Joint Ventures

Dock '79– October 2014



Dock '79 Today



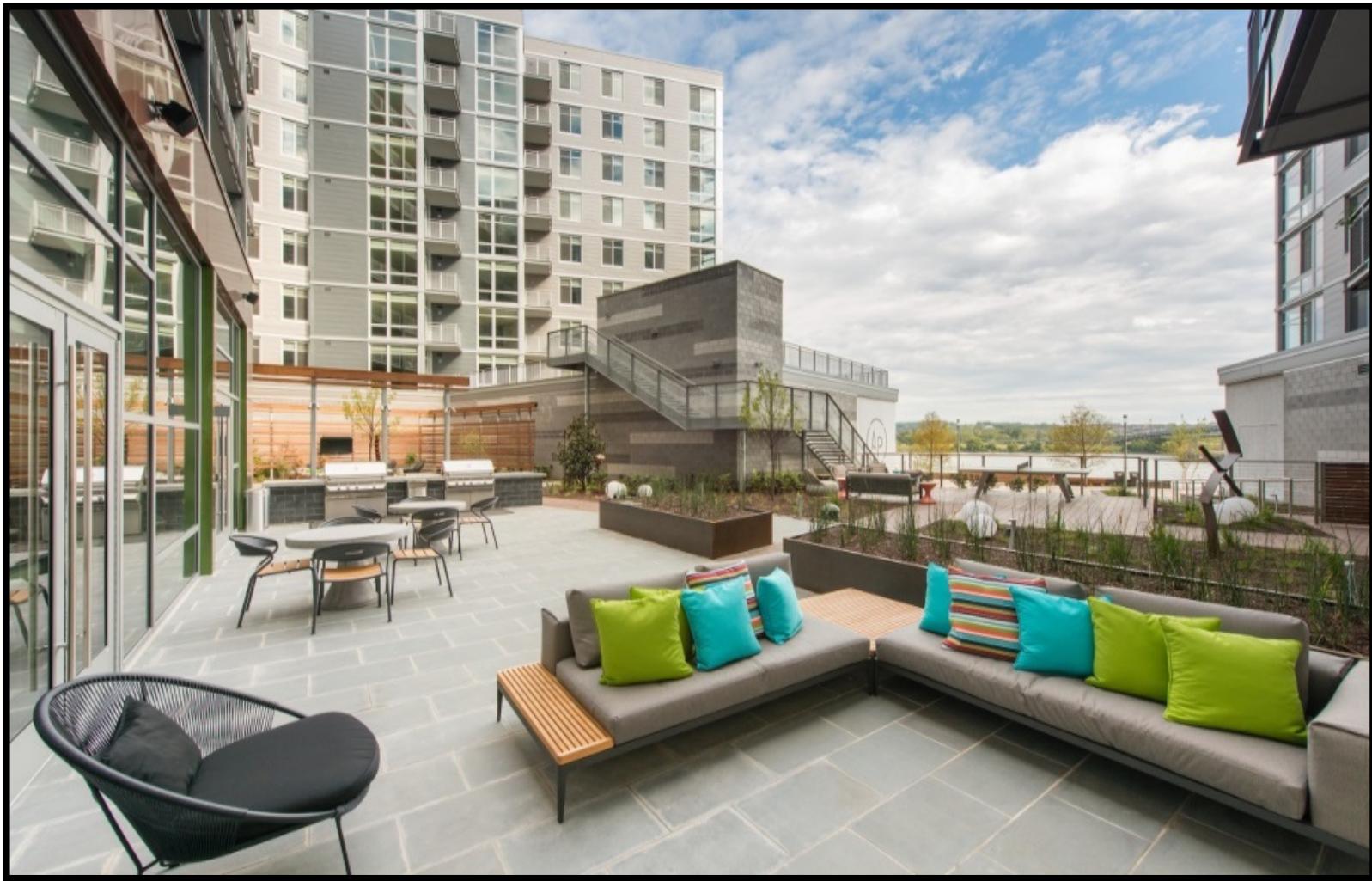
Overview

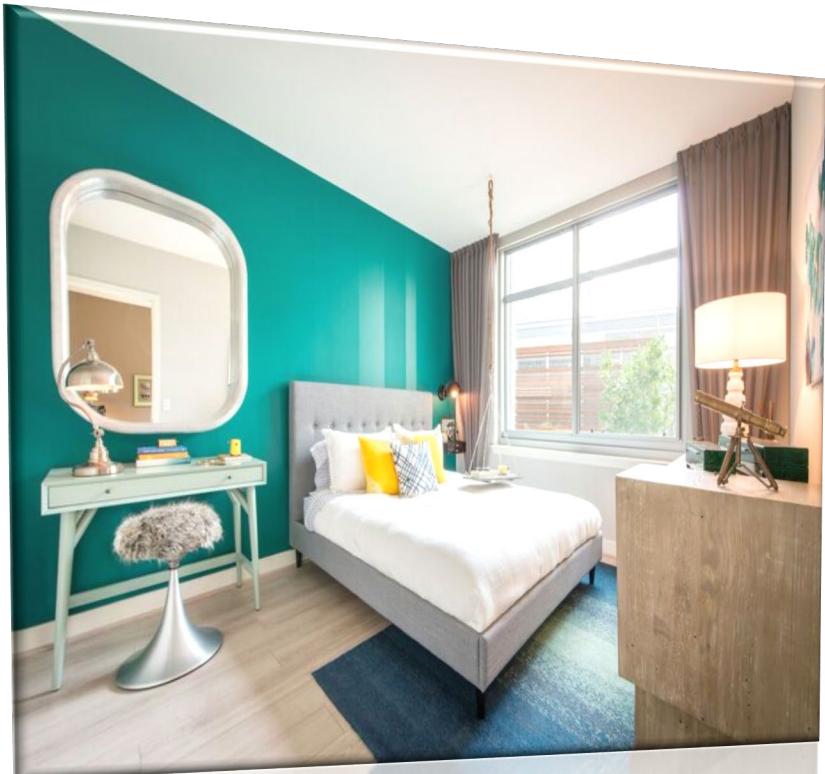
- Dock 79 is the first of up to five developments on our property along the Anacostia River in Washington, D.C.
- It is a 305 unit residential apartment building with 14,160 sf of ground floor retail directly across the street from the Washington Nationals' baseball stadium
- In July 2017, after less than a year in service, the occupancy of the residential units finally exceeded 90%. Per the agreement with our partner, MRP, stabilization represented a change in control of the project from MRP to FRP
- 2018 was Dock 79's first full fiscal year as a stabilized entity, and average occupancy was 94.77% with a renewal rate on expiring leases of 58.40% and an average increase in rent of 3.29%. At the end of the year, Dock 79 was 96.39% leased and 95.08% occupied
- Three of the four retail spaces are leased and occupied. We will wait until we complete construction on Phase II to determine the best use for the remaining space

Dock '79 - Lobby



Dock '79 - Patio





Dock '79 - Unit





Dock '79 - Recreation



Financial Information

(in thousands)

Twelve Months Ended

December 31,

2018

2017

2018

2017

Assets:

Land	\$ 83,721	87,235	Liabilities:	
Buildings and improvements	144,543	147,670	Line of credit payable	\$ - -
Projects under construction	6,683	1,764	Secured notes payable, current portion	- 125
Total investments in properties	234,947	236,669	Secured notes payable, less current portion	88,789 90,029
Less accumulated depreciation and depletion	28,394	26,755	Accounts payable and accrued liabilities	3,545 2,081
Net investments in properties	206,553	209,914	Environmental remediation liability	100 2,037
Real estate held for investment, at cost	7,167	7,176	Deferred revenue	27 107
Investments in joint ventures	88,884	13,406	Deferred income taxes	27,981 25,982
Net real estate investments	302,604	230,496	Deferred compensation	1,450 1,457
Cash and cash equivalent	22,547	4,524	Tenant security deposits	53 54
Cash held in escrow	202	333	Liabilities of discontinued operations	288 32,280
Accounts receivable, net	564	615	Total Liabilities	122,233 154,152
Investments available for sale at fair value	165,212	-	Equity:	
Federal and state income taxes receivable	9,854	2,962	Common stock, \$.10 par value	997 1,001
Unrealized rents	53	223	Capital in excess of par value	58,004 55,636
Deferred costs	773	2,708	Retained earnings	306,307 186,855
Other assets	455	179	Accumulated other comprehensive income (loss), net	(701) 38
Assets of discontinued operations	3,224	176,694	Total shareholders' equity	364,607 243,530
Total assets	\$ 505,488	418,734	Noncontrolling interest MRP	18,648 21,052
			Total equity	383,255 264,582
			Total liabilities and shareholders equity	\$ 505,488 418,734
			Shares outstanding	9,969,174 10,014,667

Strategic Direction

- Anacostia
 - Develop Phases III, IV and 664E sequentially as market allows
 - Be conscious of putting too many eggs in one basket
- Ft. Myers
 - Determine at the right time whether outright sale or partnering with a developer is best approach for our 105 waterfront lots
- Maintain fortress balance sheet
 - Grow our asset base through development, acquisitions, and joint-ventures while maintaining a conservative ratio of Debt to EBITDA
- Use proceeds from asset sale to play offense and defense
 - We will be very cautious in deploying any funds in the immediate future
 - Would prefer to be able to move aggressively in a downturn as well as protect the assets currently in development

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