Gyrodyne, LLC

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Submission Information

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ex Transition Period	False
Reporting Period	9/30/2026
Smaller Reporting Company?	True

Documents

10-Q	FORM 10-Q
EX-31.1	Exhibit 31.1
EX-32.1	Exhibit 32.1

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number **001-37547**

Gyrodyne, LLC

(Exact name of registrant as specified in its charter)

New York	46-3838291
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1 Flowerfield, Suite 24, St. James, NY 11780
(Address and Zip Code of principal executive offices)

(631) 584-5400
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Exchange on which Registered
Common Shares of Limited Liability Company Interests	GYRO	Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐
Non-accelerated filer ☒
Emerging growth company ☐

Accelerated filer ☐
Smaller reporting company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

On November 13, 2026, there were 2,199,308 common shares outstanding.

INDEX TO QUARTERLY REPORT OF GYRODYNE, LLC
QUARTER ENDED SEPTEMBER 30, 2026

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PART I - FINANCIAL INFORMATION
Item 1. Financial Statements.

GYRODYNE, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF NET ASSETS
AS OF SEPTEMBER 30, 2026 (UNAUDITED) AND DECEMBER 31, 2025
(Liquidation Basis)

	September 30, 2026 (Unaudited)	December 31, 2025
ASSETS:		
Real estate held for sale	$ 46,550,000	$ 53,990,000
Cash and cash equivalents	3,346,118	4,529,597
Rent receivable	157,501	155,205
Other receivables	15,899	15,899
Total Assets	$ 50,069,518	$ 58,690,701
LIABILITIES:		
Accounts payable	$ 2,073,778	$ 2,086,306
Accrued liabilities	2,646,913	2,312,459
Deferred rent liability	9,954	-
Tenant security deposits payable	220,639	229,790
Loans payable	10,634,946	10,868,531
Estimated liquidation and operating costs net of estimated receipts	10,843,149	17,334,618
Total Liabilities	26,429,379	32,831,704
Net assets in liquidation	$ 23,640,139	$ 25,858,997

See notes to consolidated financial statements

GYRODYNE, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE NINE-MONTHS ENDED SEPTEMBER 30, 2026
(Liquidation Basis)
(Unaudited)

Net assets in liquidation, as of December 31, 2025		$ 25,858,997
Changes in assets and liabilities in liquidation:		
Change in liquidation value of real estate	(7,440,000)	
Remeasurement of assets and liabilities	5,221,142	
Net decrease in liquidation value		(2,218,858)
Net assets in liquidation, as of September 30, 2026		$ 23,640,139

See notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (LIQUIDATION BASIS) FOR THE NINE-MONTHS ENDED SEPTEMBER 30, 2026 (unaudited)

1. The Company

Strategic Overview

Gyrodyne, LLC's (including its subsidiaries, "Gyrodyne", the "Company" or the "Registrant") corporate strategy is to pursue entitlements on our two remaining properties, so that they can be sold to one or more developers with increased development flexibility at higher prices, thereby maximizing value and distributions. Gyrodyne intends to dissolve after we complete the disposition of our assets, apply the proceeds to settle debts and claims, and then pay liquidating distributions to our shareholders.

Gyrodyne filed subdivision applications in March 2017 with respect to Cortlandt Manor and Flowerfield. The COVID-19 pandemic caused significant delays in the regulatory approval process, as state, county and local staff charged with processing our subdivision applications all postponed activity due to work-from-home transitions.

Flowerfield

On March 30, 2022, the Town of Smithtown Planning Board (the "Planning Board") voted four to zero with one abstention to grant Gyrodyne's application for preliminary approval to divide the Flowerfield property into eight lots, subject to certain conditions (the "Flowerfield Subdivision Application").

On April 26, 2022, the Incorporated Village of Head of the Harbor and certain other parties (collectively, the "Petitioners"), commenced a special proceeding under Article 78 of New York's Civil Practice Law & Rules (the "Article 78 Proceeding") against the Town of Smithtown and certain other parties, including Gyrodyne, seeking to annul the Planning Board's determinations relating to the Flowerfield Subdivision Application. Specifically, the petition commencing the Article 78 Proceeding (the "Petition") seeks to annul the Planning Board's (i) approval of a findings statement pursuant to the State Environmental Quality Review Act ("SEQRA"), dated September 16, 2021, and adopted by the Planning Board on March 30, 2022 (the "Findings Statement"), concerning the Flowerfield Subdivision Application, and (ii) preliminary approval on March 30, 2022 of the Flowerfield Subdivision Application. The arguments made in the Petition are substantially similar to those made by opponents of the Flowerfield Subdivision Application during the SEQRA and subdivision process. Gyrodyne and the Town of Smithtown are vigorously defending the Planning Board's determinations against the Petition. In June 2022, Gyrodyne and the Town of Smithtown filed motions to dismiss the Petition (the "Motions"). On February 6, 2024, the Supreme Court of the State of New York, Suffolk County issued an order (the "Order"), denying the Motions in part and granting them in part. Specifically, the Order (i) denied the Motions as to three individual Petitioners and the St. James-Head of the Harbor Neighborhood Preservation Coalition, Inc., (ii) granted the Motions as to the remaining twenty (20) individual Petitioners and the Village of Head of the Harbor, (iii) denied the branch of Gyrodyne's motion alleging that Petitioners failed to state a claim. On October 11, 2024, the Supreme Court of the State of New York issued a ruling in favor of the Company dismissing the Petition in its entirety. On October 28, 2024, the Company received a notice of appeal filed by the petitioners in this proceeding seeking to appeal the court's dismissal of the Article 78 petition, citing as grounds for appeal "whether the court erred in denying the petition and dismissed the Article 78 proceeding, and any and all other issues which may arise upon further review of the record on appeal".

On November 12, 2024, the petitioners filed a notice of motion to renew and reargue, seeking to have the court direct the respondents to undertake a supplemental environmental impact statement to address retaining of storm water at the property being developed in light of a recent storm, and to annul the resolution approving the preliminary site plan.

On March 17, 2025, the Supreme Court of the State of New York, Suffolk County issued an order denying the appellants motion to stay enforcement of the order, pending hearing and determination of appeal. On March 21, 2025, the Supreme Court of the State of New York, Suffolk County issued an order denying the Petitioners motion to renew and reargue. On April 16, 2025 the Petitioners filed a notice of appeal seeking to appeal the March 17, 2025 order denying the appellants motion to stay enforcement of the order dismissing the Petition pending the appeal.

On April 28, 2025 the Petitioners perfected their appeal on the original Petition. The Petitioners' memorandum of law largely repeats their earlier position and arguments, which the Supreme Court previously found to be an insufficient basis for overturning the Planning Board's determinations. Gyrodyne filed its response to the Appeal on July 25, 2025 and the Town submitted its reply to the Appeal on July 28, 2025.

Pleadings filed in the Article 78 Proceeding may be accessed through a link (and related instructions) to the New York State Unified Court System which appears on the Company's website at https://www.gyrodyne.com.

Gyrodyne remains confident in its defense of the appeal, the motion to renew and reargue and the motion to appeal the denial of the Petitioners' motion to stay enforcement of the order. Gyrodyne believes that both the Article 78 Proceeding and the process of negotiating purchase agreements, securing final subdivision approval and final unappealable site plan approval and consummating the sale of our properties will extend into 2028, although there can be no assurance that Gyrodyne and the Town of Smithtown will be successful in the defense of the appeals and any other motions or that other factors beyond our control will not necessitate a further extension of the timeline.

The estimated timeline assumes that the developed portion of Flowerfield is not sold until the culmination of the Article 78 Proceeding. The developed portion of Flowerfield, situated on two separate lots, may be sold together or separately upon the resolution of the Article 78 Proceeding and the filing of the final subdivision map without site plan approval. As discussed below, the Company does not currently expect the Article 78 Proceeding to have a material effect on the closing of a sale of the undeveloped portion of Flowerfield to New York State (the "State").

Cortlandt Manor

On March 20, 2023, the Town of Cortlandt Town Board adopted the SEQRA findings statement and approved local law establishing the Medical Oriented Zoning District (the "MOD") which includes Gyrodyne's Cortlandt Manor property (the "CM Findings Statement"). Pursuant to the adopted MOD, Gyrodyne received designation for total density of 154,000 square feet to be comprised of 150,000 square feet of medical use and 4,000 square feet of retail use.

Based on an extensive marketing campaign the mixed-use plan that only includes medical and retail but not residential uses, as envisioned by the Town Board, has resulted in medical office development supply that significantly exceeds market demand. The Company is working with JLL and the Town of Cortlandt to develop an alternative mixed-use development and marketing strategy to navigate within these challenging regulatory and market conditions so as to close on the sale no later than the end of 2028 and potentially earlier contingent on when the Company enters into a Purchase and Sale Agreement and the time for such buyer to obtain site plan approval.

Timeline and Marketing Campaign

Various other factors will continue to impact the timeline to achieve approvals, including the backlog of land use applications, zoning authority labor shortages, environmental concerns and whether the Company sells the undeveloped portion of the Flowerfield property (currently under contract with B2K) to the State. Nevertheless, we will continue to market the properties and, although there can be no assurances, the Company believes final subdivision approval for Flowerfield will be received shortly after the closing of a sale of the undeveloped portion of Flowerfield to the State (as described below) or later if sold under the current agreement with B2K and subdivision approval for Cortlandt Manor in mid-2027.

On July 30, 2025, GSD Flowerfield LLC, a *New* York limited liability company ("GSD") wholly-owned by the Company, entered into a Purchase and Sale Agreement (as amended, the "B2K Agreement") for the sale of an approximate 49 acre parcel of vacant land to B2K Smithtown LLC ("B2K"), an affiliate of B2K Development LLC, which property forms a portion of the Company's Flowerfield complex in St. James, New York, for a purchase price of between $24,000,000 and $28,740,000, subject to conditions and contingencies set forth in the B2K Agreement. Included among the conditions set forth in the B2K Agreement is receipt of subdivision and site plan approval. Based on the terms of the B2K Agreement, the Company previously estimated the gross value of the B2K Agreement at $28,740,000, contingent on approval of a pending site plan submission, which the Company no longer expects to be approved in its current form. Under the terms of the B2K Agreement, the Company would be required to issue B2K a credit at closing for the industrial park's proportionate share of costs for a sewer treatment plant ("STP") and on-site infrastructure aggregating $4,020,222. In light of the proposed termination of the B2K Agreement described below, this credit is no longer included in the Company's estimated costs in excess of receipts as of September 30, 2026.

Furthermore, B2K's progress toward satisfying the conditions precedent to closing has been delayed, in part because B2K and Flowerfield Celebrations have not reached agreement that B2K's proposed site plan is consistent with the visual easement rights held by Flowerfield Celebrations (whose lot borders the 49-acre parcel under contract to B2K). If these matters are not resolved, the Company believes there is a material risk that the B2K Agreement will not close by the end of 2028, if at all.

In light of the foregoing, the Company has been in discussions regarding a sale of the undeveloped portion of Flowerfield to the State, which, if consummated, is expected to eliminate the requirement to construct a sewage treatment plant and to eliminate or mitigate the on-site and off-site infrastructure obligations that are conditions of the subdivision under the Findings Statement. The Company received a non-binding offer from the New York State Department of Environmental Conservation ("NYSDEC") to acquire this property for $21.3 million, subject to the negotiation and execution of a definitive purchase and sale agreement and the completion of the State's acquisition process, including required State, county and town approvals. The offer would permit the property to be subdivided without any investment by the Company in a sewage treatment plant or on-site or off-site infrastructure. The offer is not binding, and there can be no assurance that a definitive agreement will be entered into, or that a sale to the State will be consummated on the terms described or at all. The $21.3 million offer price is less than the $28,740,000 estimated gross value of the B2K Agreement, and the Company has reduced the estimated value of its real estate by $7,440,000 as of September 30, 2026 to reflect the offer price. Concurrently, the Company has been negotiating with B2K a termination of the B2K Agreement that will be contingent on the closing of a sale of the property to the State. The Company and B2K have reached an agreement in principle on the terms of a termination of the B2K Agreement, including the amount of the termination payment, which would be contingent on the closing of a sale of the property to the State and payable from the proceeds of that sale. The estimated termination payment is included in estimated selling costs as of September 30, 2026. The agreement in principle is not binding and remains subject to the negotiation and execution of definitive documentation and approval by the Company's Board. There can be no assurance that a definitive termination agreement will be executed on these terms or at all, or that B2K will not seek to enforce its rights under the B2K Agreement.

If the Company and the State enter into a definitive purchase and sale agreement by December 31, 2026, the Company currently anticipates that a closing could occur between late in the second quarter of 2027 and the end of 2027, subject to the completion of the State's acquisition process, including required county and town approvals. There can be no assurance that a definitive agreement will be executed or that a closing will occur within that time frame or at all. The Company will continue to market its properties and, although there can be no assurances, the Company believes final subdivision approval for Flowerfield would follow shortly after a closing with the State, and that subdivision approval for Cortlandt Manor would be obtained in mid-2027 (if a subdivision is ultimately pursued by the future buyer of that property).

We anticipate that future purchase agreements for Flowerfield (other than a sale to the State) or Cortlandt or any portions thereof will similarly identify receipt of subdivision approval. In addition, we anticipate the Cortlandt Manor property will be sold as a development deal that will also require site plan approval as conditions to closing which the Company believes can be pursued simultaneously rather than sequentially.

Consistent with the Company's plan of liquidation the Company continues to engage JLL to identify potential purchasers for the remaining Flowerfield and Cortlandt Manor properties as individual lots or combined. In addition, Gyrodyne would entertain offers for the acquisition of the Company itself if we believe such acquisition from a timing and value perspective would maximize the net asset in liquidation value for Gyrodyne's shareholders.

Business

Gyrodyne is a limited liability company formed under the laws of the State of New York whose primary business is the management of, and the pursuit of entitlements on, a portfolio of medical office and industrial properties located in Suffolk ("Flowerfield") and Westchester Counties ("Cortlandt Manor"), New York State.

Substantially all of our developed properties are subject to leases in which the tenant reimburses the Company for a portion, all of or substantially all of the costs and/or cost increases for utilities, insurance, repairs, maintenance and real estate taxes. Certain leases provide that the Company is responsible for certain operating expenses.

Our efforts to generate the highest values for Flowerfield and Cortlandt Manor may involve in limited circumstances other strategies to manage risk and or enhance the net value of Flowerfield and Cortlandt Manor to maximize the returns for our shareholders. Gyrodyne intends to dissolve after we complete the disposition of all of our real property assets, apply the proceeds of such dispositions first to settle any debts and claims, pending or otherwise, against Gyrodyne, and then pay distributions to holders of Gyrodyne common shares. The process of seeking entitlements and the amount and timing of distributions from proceeds of asset sales involve risks and uncertainties. As such, it is impossible at this time to determine with certainty the ultimate amount of proceeds that will actually be distributed to our shareholders or the timing of such payments. Accordingly, no assurance can be given that the distributions will equal or exceed the estimate of net assets presented in our consolidated statements of net assets. The actual nature, amount and timing of all distributions will be determined by Gyrodyne's Board in its sole discretion and will depend in part upon the Company's ability to convert our remaining assets into cash in compliance with our obligations under the Stipulation entered into in connection with a class action lawsuit settled in 2015 (See Note 13 – Contingencies) and satisfy our remaining liabilities and obligations. Under Gyrodyne's Amended and Restated Limited Liability Company Agreement (the "LLC Agreement"), such dissolution may be effected upon an election to dissolve the Company by the Board that is approved by the vote of holders of a majority of Gyrodyne common shares or, in the Board's sole discretion and without any separate approval by the holders of Gyrodyne common shares, at any time the value of Gyrodyne's assets, as determined by the Board in good faith, is less than $1,000,000.

The Company's two remaining real estate properties, each of which is held in a single asset limited liability company wholly owned by the Company, consist of:

- Cortlandt Manor:13.8 acres in Cortlandt Manor, New York, consisting of the 31,000 square foot Cortlandt Manor Medical Center; and
- Flowerfield: 63 acres in St. James, New York, including a 14-acre multi-tenanted industrial park comprising 135,000 rentable square feet.

2. Basis of Quarterly Presentations

The accompanying interim quarterly financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP"). The consolidated financial statements of the Company included herein have been prepared by the Company pursuant to the rules and regulations of the SEC and, in the opinion of management, reflect all adjustments which are necessary to present fairly the results for the nine-months ended September 30, 2026.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations; however, management believes that the disclosures are adequate to make the information presented not misleading.

This report should be read in conjunction with the audited consolidated financial statements and footnotes therein included in the Annual Report on Form 10-K for the year ended December 31, 2025.

3. Summary of Significant Accounting Policies

Gyrodyne intends to dissolve after we complete the disposition of all of our real property assets, apply the proceeds of such dispositions first to settle any debts and claims, pending or otherwise, against Gyrodyne, and then pay distributions to holders of Gyrodyne common shares. Therefore, effective September 1, 2015 Gyrodyne adopted the liquidation basis of accounting. This basis of accounting is considered appropriate when, among other things, liquidation of the entity is "imminent", as defined in ASC 205-30, Presentation of Financial Statements Liquidation Basis of Accounting. Under the LLC Agreement, the Board may elect, in its sole discretion and without any separate approval by shareholders, to dissolve the Company at any time the value of the Company's assets, as determined by the Board in good faith, is less than $1 million. The LLC Agreement also provides that the Company will dissolve, and its affairs wound up, upon the sale, exchange or other disposition of all the real properties of the Company. As a result, liquidation is deemed to be "imminent" in accordance with the guidance provided in ASC 205-30.

Principles of Consolidation - The consolidated financial statements include the accounts of Gyrodyne and all subsidiaries. All consolidated subsidiaries are wholly owned. All inter-company balances and transactions have been eliminated.

Basis of Presentation - Liquidation Basis of Accounting – Under the liquidation basis of accounting the consolidated balance sheet and consolidated statements of operations, equity, comprehensive income and cash flows are no longer presented. The consolidated statements of net assets and the consolidated statements of changes in net assets are the principal financial statements presented under the liquidation basis of accounting.

Under the liquidation basis of accounting, all the Company's assets have been stated at their estimated net realizable value, or liquidation value, (which represents the estimated amount of cash that Gyrodyne will collect on the disposal of assets (prior to any credits for contribution amounts which are reflected in the costs in excess of receipts) as it carries out the plan of liquidation), which is based on independent third-party appraisals, estimates and other indications of sales value. All liabilities of the Company, including those estimated costs associated with implementing the plan of liquidation, have been stated at their estimated settlement amounts. These amounts are presented in the accompanying statements of net assets. These estimates are periodically reviewed and adjusted as appropriate. There can be no assurance that these estimated values will be realized. Such amounts should not be taken as an indication of the timing or amount of future distributions or our actual dissolution. The valuation of assets at their net realizable value and liabilities at their anticipated settlement amount represent estimates, based on present facts and circumstances, of the net realizable value of the assets and the costs associated with carrying out the plan of liquidation. The actual values and costs associated with carrying out the plan of liquidation may differ from amounts reflected in the accompanying consolidated financial statements because of the plan's inherent uncertainty. These differences may be material. In particular, the estimates of our costs will vary with the length of time necessary to complete the plan of liquidation, which is currently anticipated to be completed in 2028.

The Company (and B2K for the respective property lots pursuant to the B2K Agreement until such agreement is terminated) is in the process of pursuing entitlements and density approvals, and our ability to obtain required permits and authorizations is subject to factors beyond our control, including environmental concerns of governmental entities, community groups and purchasers. The process has involved extensive analysis at the government entity level, as well as between government entities such as town planning departments and Gyrodyne and or purchasers, and will continue up until such time as entitlement and density decisions (which may also include site plan approval of prospective purchasers) are made by the relevant government entities. The Company hopes to secure favorable decisions on entitlements and density so that we can then seek the sale of our remaining properties with increased development flexibility. Any deviation in use or density between what we are pursuing in our entitlement efforts and what is ultimately permitted could have a material impact on values.

The Company believes the process of negotiating purchase agreements, securing final approvals and consummating the sale of our properties will culminate in 2028 contingent on the termination of the B2K Agreement and the execution and consummation of a definitive agreement with the State. The Company is actively marketing its properties and intends to negotiate contracts in an effort to complete the process as soon as practicable with the ultimate timeline being largely dependent on factors outside the Company's control, including without limitation the Article 78 Proceeding and delays in securing final regulatory approvals caused by the ongoing backlog of land use applications, zoning authority labor shortages and environmental concerns. Consequently, there can be no assurance that the Company will be able to meet our formal stated target of 2028.

The Company's assumptions and estimates (including the sales proceeds of all its real estate holdings, selling costs, retention bonus payments, rental revenues, rental expenses, capital expenditures, land entitlement costs, general and administrative fees, director and officer liability and reimbursement, post liquidation insurance tail coverage policy and final liquidation costs) are based on completing the liquidation in 2028. On an ongoing basis, Gyrodyne evaluates the estimates and assumptions that can have a significant impact on the reported net assets in liquidation and will update respective information accordingly for any costs and value associated with a change in the duration of the liquidation, as we cannot give any assurance on the timing of the ultimate sale of all the Company's properties.

Management Estimates – In preparing the consolidated financial statements in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") and the liquidation basis of accounting, management is required to make estimates and assumptions that affect the reported amounts of assets, including net assets in liquidation, and liabilities, and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of receipts and expenditures for the reporting period. Actual results could differ from those estimates. The real estate market is cyclical in nature. Property values are affected by, among other things, the availability of capital, occupancy rates, rental rates, interest rates and inflation rates. As a result, determining real estate values involves many assumptions. Amounts ultimately realized may vary significantly from the net assets in liquidation values presented. The Company's most significant accounting estimate relates to the determination of the value of net assets in liquidation.

Fair Value of Real Estate - The Company also considers in its valuation estimates the receipt of any expressions of interest/letters from perspective buyers adjusted to reflect the Company's best estimate of any contingent financial terms inclusive of approval density and related site plans.

Cash equivalents - The Company considers all certificates of deposits, money market funds, treasury securities and other highly liquid debt instruments purchased with short-term maturities to be cash equivalents.

Allowance for credit losses – Rent receivable is carried at net realizable value. Management makes estimates of the collectability of rents receivable. Management specifically analyzes receivables and historical bad debts, tenant concentrations, tenant creditworthiness, current economic trends and changes in tenant payment patterns when evaluating the adequacy of the allowance for credit losses.

Estimated Distributions per Share – Under the liquidation basis of accounting, the Company reports estimated distributions per share data by dividing net assets in liquidation by the number of shares outstanding.

Industry Segments - Gyrodyne's corporate strategy is to enhance the value of Flowerfield and Cortlandt Manor by pursuing entitlement opportunities to provide purchasers increased development flexibility, and by enhancing the value of our leases, and then selling our properties in an orderly manner at higher values. The Company manages this strategy on an aggregated, single segment basis for purposes of assessing performance and making decisions (inclusive of capital allocation, leasing, entitlements and sales). Therefore, the Company has only one reporting segment.

As reported, the Company is on a liquidation basis of accounting. The detailed information regularly provided to the chief operating decision maker ("CODM"), the President and CEO, is reported in Note 5 in detail supporting the estimated liquidation and operating costs net of estimated receipts. This information allows the CODM to manage and forecast any impact the operations have on the estimated real estate value and in the aggregate allows the CODM to calculate estimated distributions. The net assets in liquidation as of September 30, 2026 ($23,640,139) and December 31, 2025 ($25,858,997) results in estimated distributions of approximately $10.75 and $11.76 per common share, respectively, based on 2,199,308 shares outstanding.

New Accounting Pronouncements - Management has evaluated the impact of newly issued accounting pronouncements, whether effective or not as of September 30, 2026, and has concluded that they will not have a material impact on the Company's consolidated financial statements since the Company reports on a liquidation basis.

4. Statements of Net Assets in Liquidation

Net assets as of September 30, 2026 and December 31, 2025 would result in estimated liquidating distributions of $23,640,139 and $25,858,997, respectively, or approximately $10.75 and $11.76 per common share, respectively, based on 2,199,308 shares outstanding. The decrease of $2,218,858 in estimated liquidating distributions is mainly attributable to a decrease in the estimated selling price of real estate of $7,440,000 and an increase in estimated selling costs (inclusive of fees relating to the termination of the B2K Agreement) of approximately $900,000 partially offset by (i) savings in retention bonuses resulting from the decrease in real estate value of approximately $308,000, savings in land development including the B2K closing credit of $4,323,700, an increase in operating income mainly due to timing of sales and employee restructuring of $1,233,000, and a savings on the estimated prepayment penalty on the Cortlandt Manor loan of approximately $70,000.

The cash balance at the end of the liquidation period (currently estimated to be December 31, 2028, although the estimated completion of the liquidation period may change), excluding any interim distributions, is estimated based on adjustments for the following items which are estimated through December 31, 2028:

1. The estimated cash receipts from the operation of the Company's properties net of rental property related expenditures as well as costs expected to be incurred to preserve the net realizable value of the properties at their estimated gross sales proceeds.
2. Net proceeds from the sale of all the Company's real estate holdings.
3. The general and administrative expenses and or liabilities associated with operations and the liquidation of the Company including severance, director and officer liability coverage including post liquidation tail policy coverage, and financial and legal fees (inclusive of the Article 78 Proceeding) to complete the liquidation.
4. Costs for the pursuit of entitlements on the Flowerfield and Cortlandt Manor properties.
5. Retention bonus amounts (see Note 12).
6. Debt service on the Company's credit facilities.

The Company estimates the net realizable value of its real estate assets by using income and market valuation techniques. The Company may estimate net realizable values using market information such as broker opinions of value, appraisals, and recent sales data for similar assets or discounted cash flow models, which primarily rely on Level 3 inputs, as defined under FASB ASC Topic No. 820, Fair Value Measurement. The Company also considers in its valuation estimates the receipt of any credible expressions of interest/letters from perspective buyers adjusted to reflect the Company's best estimate of any contingent financial terms such as approved density and related site plans. The cash flow models include estimated cash inflows and outflows over a specified holding period. These cash flows may include contractual rental revenues, projected future rental revenues and expenses and forecasted capital improvements and lease commissions based upon market conditions determined through discussion with local real estate professionals and relevant Company experience with its current and previously owned properties. Capitalization rates and discount rates utilized in these models are estimated by management based upon rates that management believes to be within a reasonable range of current market rates for the respective properties based upon an analysis of factors such as property and tenant quality, geographical location, local supply and demand observations and no sewage treatment plant. To the extent the Company underestimates or overestimates forecasted cash outflows (capital improvements, lease commissions. operating costs and credit costs) or overestimates or underestimates forecasted cash inflows (rental revenue rates) or other unfavorable or favorable variances of the aforementioned assumptions, the estimated net realizable value of its real estate assets could be overstated or understated.

The Company estimates that it will incur approximately $820,000 in land entitlement costs included in the consolidated statement of net assets as part of the estimated liquidation and operating costs net of receipts, (see Note 5) from October 2026 through the end of the liquidation period, currently estimated to conclude in 2028, in an effort to obtain entitlements. The Company believes the commitment of these resources will enable the Company to position the properties for sale with all entitlements necessary to maximize the aggregate Flowerfield and Cortlandt Manor property values and resulting distributions. During the nine-months ended September 30, 2026, the Company incurred approximately $202,000 of land entitlement costs, consisting predominately of engineering fees, legal fees and real estate taxes. The Company believes the remaining balance of $820,000 (over half of which is real estate taxes and subdivision related regulatory fees) will be incurred from October 2026 through the end of the liquidation period. The Company does not intend on developing the properties but rather positioning the properties for increased development flexibility in the shortest period of time with the least amount of risk to the Company. The costs and time frame to achieve the entitlements could change due to a range of factors including a shift in the value of certain entitlements making it more profitable to pursue a different mix of entitlements and the dynamics of the real estate market. As a result, the Company has focused and will continue to focus its land entitlement efforts on achieving the highest and best use while considering the time and direct and indirect costs necessary to achieve such entitlements. During the process of pursuing such entitlements, the Company may entertain offers from potential buyers (which include but not limited to the sale to the State – see Note 1) who may be willing to pay premiums for the properties that the Company finds more acceptable from a timing or value perspective than completing the entitlement processes itself. There can be no assurance that our value enhancement efforts will result in property value increases that exceed the costs we incur in such efforts, or even any increase at all.

The net assets in liquidation as of September 30, 2026 ($23,640,139) and December 31, 2025 ($25,858,997) results in estimated distributions of approximately $10.75 and $11.76 per common share, respectively, based on 2,199,308 shares outstanding, based on estimates and other indications of sales value. This estimate of distributions includes projections of costs and expenses to be incurred during the period required to complete the plan of liquidation. There is inherent uncertainty with these projections, and they could change materially based on the timing of the sales, terms for the sale to the State and estimated termination fees associated with the B2K Agreement, change in values of the Cortlandt Manor and/or Flowerfield properties (whether market driven or resulting from the land entitlement efforts) net of any bonuses, favorable or unfavorable changes in the land entitlement costs, the performance of the underlying assets, the market for commercial real estate properties generally and any changes in the underlying assumptions of the projected cash flows.

5. Estimated Liquidation and Operating Costs Net of Estimated Receipts

The liquidation basis of accounting requires the Company to estimate net cash flows from operations and to accrue all costs associated with implementing and completing the plan of liquidation. The Company currently estimates that it will incur liquidation and operating costs net of estimated receipts during the remaining liquidation period of $10,843,149 (inclusive of selling costs (inclusive of estimated fees incurred in the event we terminate the B2K Agreement), and retention bonuses aggregating approximately $5.8 Million). These amounts can vary significantly due to, among other things, land entitlement costs, the timing and estimates for executing and renewing leases, capital expenditures to maintain the real estate at its current estimated realizable value and estimates of tenant improvement costs, costs to defend the Article 78 Proceeding, the timing of property sales and any direct/indirect costs incurred that are related to the sales (e.g., retention bonuses on the sale of the Cortlandt Manor and Flowerfield properties, real estate commissions, costs to address buy side due diligence inclusive of administrative fees, legal fees and property costs to address items arising from such due diligence and not previously known), the timing and amounts associated with discharging known and contingent liabilities and the costs associated with the winding up of operations. These costs are estimated and are anticipated to be paid during the remaining liquidation period.

The change in the liability for estimated costs in excess of estimated receipts during liquidation from January 1, 2026 through September 30, 2026 is as follows:

	January 1, 2026	Expenditures/ (Receipts)	Remeasurement of Assets and Liabilities	September 30, 2026
Assets:				
Estimated rents and reimbursements	$ 7,793,680	$ (2,174,998)	$ 1,157,285	$ 6,775,967
Prepaid expenses and other assets	506,396	(77,515)	-	428,881
Liabilities:				
Property operating costs	(5,209,378)	1,488,290	(624,660)	(4,345,748)
Capital expenditures	(350,000)	89,811	-	(260,189)
Land entitlement costs	(1,325,969)	202,203	303,478	(820,288)
Closing credit for infrastructure costs	(4,020,222)	-	4,020,222	-
Corporate expenditures	(9,438,950)	1,659,193	963,343	(6,816,414)
Selling costs on real estate assets *	(3,055,351)	76,149	(899,298)	(3,878,500)
Retention bonus payments to officers and employees**	(2,234,824)	7,194	300,772	(1,926,858)
Liability for estimated liquidation and operating costs net of estimated receipts	$ (17,334,618)	$ 1,270,327	$ 5,221,142	$ (10,843,149)

* Selling costs include estimated fees contingent on terminating the B2K Agreement and closing on a sale to the State.
**The amounts reported are based on the provisions of the retention bonus plan and the reported amount of the real estate assets estimated net realizable value.

6. Disposition Activities

Purchase and Sale Agreement with B2K Smithtown LLC

On July 30, 2025, GSD Flowerfield LLC, a *New* York limited liability company ("GSD") wholly-owned by the Company, entered into a Purchase and Sale Agreement (as amended, the "B2K Agreement") for the sale of an approximate 49 acre parcel of vacant land to B2K Smithtown LLC ("B2K"), an affiliate of B2K Development LLC, which property forms a portion of the Company's Flowerfield complex in St. James, New York, for a purchase price of between $24,000,000 and $28,740,000, subject to conditions and contingencies set forth in the B2K Agreement. Included among the conditions set forth in the B2K Agreement is receipt of subdivision and site plan approval. Based on the terms of the B2K Agreement, the Company previously estimated the gross value of the B2K Agreement at $28,740,000, contingent on approval of a pending site plan submission, which the Company no longer expects to be approved in its current form. Under the terms of the B2K Agreement, the Company would be required to issue B2K a credit at closing for the industrial park's proportionate share of costs for a sewer treatment plant ("STP") and on-site infrastructure costs aggregating $4,020,222. In light of the proposed termination of the B2K Agreement described below, this credit is no longer included in the Company's estimated costs in excess of receipts as of September 30, 2026.

Among other provisions, the B2K Agreement provides for: (i) an earnest money deposit of $250,000 to be delivered to the escrow agent, subject to a 90-day investigation period, during which time B2K will have the right to terminate the B2K Agreement by written notice to GSD if B2K will not be fully satisfied, in B2K's sole discretion, as to the status of title, suitability of the Premises and all factors concerning same, prior to the expiration of the investigation period, in which case B2K will have the right to receive a refund of its earnest money deposit; and (ii) unless B2K terminates the B2K Agreement on or prior to the end of the investigation period (the "Investigation Period Notice Date"), the closing to occur on the earlier of: (A) that certain date that is no later than eight (8) months after the Town of Smithtown grants Site Plan Approval (as defined in the B2K Agreement), or (B) sixty (60) days after B2K waives the Site Plan Approval contingency. The Company's estimated timeline to complete the liquidation is December 31, 2028. As described above (see Note 1) the Company has been negotiating a termination of the B2K Agreement contingent on a sale of the property to the State, and the Company no longer expects the transaction with B2K to close. The Company and B2K have reached an agreement in principle on the terms of a termination of the B2K Agreement, including the amount of the termination payment, which would be contingent on the closing of a sale of the property to the State and payable from the proceeds of that sale. The estimated termination payment is included in estimated selling costs as of September 30, 2026. The agreement in principle is not binding and remains subject to the negotiation and execution of definitive documentation and approval by the Company's Board. There can be no assurance that a definitive termination agreement will be executed on these terms or at all, or that B2K will not seek to enforce its rights under the B2K Agreement. If the B2K Agreement is not terminated, the B2K Agreement's outside closing date (if it closes at all), if B2K exercises its extension options, could extend to October 2029 or, if both options are exercised, February 2030 which is after our forecasted December 31, 2028 liquidation completion date. Because we do not control the regulatory approval timing on which B2K's extension rights depend, there can be no assurance the closing will occur on or before our forecasted completion date, if at all, and any delay could increase our liquidation and operating costs and reduce or delay amounts ultimately available for distribution.

The B2K Agreement is also contingent on the receipt of Subdivision Approval (as defined in the B2K Agreement) and B2K obtaining, at B2K's sole cost and expense, certain other required approvals (the "Approvals") beyond all relevant appeal periods within 18 months following the later of: (i) a designated number of days following the Investigation Period Notice Date or (ii) a designated number of days following the issuance of Subdivision Approval (the "Approval Period").

If B2K fails to obtain the Approvals prior to the expiration of the Approval Period (subject to certain extension rights), B2K may terminate the B2K Agreement or waive the foregoing approval contingencies and close title within 60 days.

The B2K Agreement also contains additional customary covenants, conditions, representations and warranties.

The foregoing description of the B2K Agreement is only a summary of its material terms, does not purport to be a complete description of the rights and obligations of the parties thereunder and is qualified in its entirety by reference to the full text of the B2K Agreement, which was filed as an exhibit to the Company's Current Report on Form 8-K on August 4, 2025.

On October 28, 2025, the Company entered into the first amendment to the B2K Agreement which extended the investigation period to December 5, 2025.

On January 6, 2026, the Company entered into the second amendment to the B2K Agreement which among other provisions provides as follows:

- **On-Site Improvements.** At closing, the Company will credit B2K $1,520,222 toward the purchase price for specified on-site improvements to Lots 1 and 3 of Flowerfield (which is in addition to the $2.5 million cap for the Company's proportionate share of the STP as reflected in the original agreement), with no increase if additional work is required. B2K will be responsible for constructing all common facilities and offsite improvements, while the Company will use commercially reasonable efforts to cooperate by providing access at no cost to the Company.
- **Investigation Period.** The parties acknowledge that the investigation period, as extended, has expired and that B2K's right to terminate the Agreement under Section 3.1(D) of the Agreement is null and void and of no further force nor effect.

7. Loans Payable

The Company secured a non-revolving credit line for up to $3,000,000 (the "Original Line") with a bank, which closed on March 21, 2018. The original line included an interest-only phase. On April 30, 2021, the loan converted to the Permanent Phase with an outstanding principal balance of $2,200,000. During the Permanent Phase, the Company is paying interest at a fixed rate of 3.85%, plus principal based on a 20-year amortization period. The loan will mature on April 30, 2028. The outstanding balance as of September 30, 2026 was $1,762,123.

To secure access to additional working capital through the final sale date of the Flowerfield industrial buildings, the Company secured a second loan evidenced by a non-revolving business line of credit agreement and promissory note with the Original Line bank for up to $3,000,000, which closed on January 24, 2019. This loan included an interest only phase. On May 20, 2021, the loan converted to the Permanent Phase with an outstanding principal balance of $3,000,000. During the Permanent Phase, the Company pays interest at a fixed rate of 3.85%, plus principal based on a 20-year amortization period. The loan will mature on May 20, 2028. The outstanding balance as of September 30, 2026 was $2,413,182.

Both lines are secured by approximately 31.8 acres of the Flowerfield Industrial Park including the related buildings and leases. As of September 30, 2026, the Company is in compliance with the loan covenants.

On September 15, 2021, the Company, through its subsidiary GSD Cortlandt, LLC ("GSD Cortlandt"), secured a $4.95 million term loan (the "2021 Mortgage Loan") with Signature Bank (the loan is currently held by SIG CRE 2023 Venture LLC and serviced by Rialto Capital Advisors LLC), the proceeds of which were used to pay off the previous GSD Cortlandt debt facility of which $1,050,000 was outstanding. The term of the 2021 Mortgage Loan is five years with an option to extend for an additional five years (the "Extension Period"). Until the initial maturity date (October 10, 2026), the 2021 Mortgage Loan bears interest at an annual rate equal to 3.75%. If the maturity date is extended for the Extension Period, the rate of interest on the 2021 Mortgage Loan will adjust and be fixed for the Extension Period to the greater of (i) 3.75% or (ii) 275 basis points in excess of the weekly average yield on United States Treasury Securities adjusted to a constant maturity of five years as most recently made available by the Federal Reserve Board as of thirty days prior to the first day of the Extension Period. The 2021 Mortgage Loan will be paid in monthly installments of principal and interest calculated on the basis of a thirty-year amortization schedule. If the maturity date is extended for the Extension Period, the amount of each monthly installment will be recalculated for the Extension Period based on the adjusted interest rate on the 2021 Mortgage Loan and an amortization schedule of twenty-five years. The lender has the right, but not the obligation, to decline to extend the term of the 2021 Mortgage Loan if the loan to value ratio of the property is greater than seventy percent (70%), or the property does not support a debt service coverage ratio (as calculated by the lender) of at least 1.3 to 1, in each case on the date the extension is exercised.

The 2021 Mortgage Loan may be prepaid in whole or in part, at any time, provided the borrower (GSD Cortlandt) pays the bank with each prepayment a prepayment fee equal to (i) during the first loan year and, if applicable, the first loan year of the Extension Period, five percent of the amount of such prepayment; (ii) during the second loan year and, if applicable, during the second loan year of the Extension Period, four percent of the amount of such prepayment; (iii) during the third loan year and, if applicable, during the third loan year of the Extension Period, three percent of the amount of such prepayment; (iv) during the fourth loan year and, if applicable, during the fourth loan year of the Extension Period, two percent of the amount of such prepayment; and (v) during the fifth loan year and, if applicable, during the fifth loan year of the Extension Period, one percent of the amount of such prepayment. There will be no prepayment fee for any prepayment made during the sixty-day period immediately preceding the initial maturity date or the last sixty days of the Extension Period. All prepayments must include accrued and unpaid interest through the date of prepayment. On December 14, 2023, the FDIC transferred the 2021 Mortgage Loan to SIG CRE 2023 Venture LLC, which continues to be the holder of the 2021 Mortgage Loan. The outstanding balance as of September 30, 2026 was $4,481,812.

GSD Cortlandt, Gyrodyne LLC (the "Company" as guarantor), entered into a letter agreement as of October 19, 2026, effective as of October 10, 2026 (the "Extension Agreement") with SIG CRE 2023 Venture LLC (the "Lender"), as lender, holder and servicer, with respect to that certain loan in the original principal amount of $4,950,000 (the "Loan") originally made by Signature Bank to GSD Cortlandt and secured by a mortgage on GSD Cortlandt's property located at 1985 Crompond Road, Cortlandt Manor, New York and supported by a limited guaranty executed by the Company.

The Extension Agreement extends the maturity date of the Loan for five years to October 10, 2031, resets the interest rate and monthly payments in accordance with the terms of the existing note, and provides for a principal paydown of the Loan as a condition to the extension. Under the Extension Agreement, the interest rate on the Loan reset to 7.28% per annum and GSD Cortlandt made a principal paydown of $431,411, following which, after giving effect to the scheduled payment of principal and interest, the outstanding principal balance of the Loan is $4,041,482. The Company, as guarantor, reaffirmed its obligations under its limited guaranty and environmental indemnity agreement, and GSD Cortlandt and the Company provided a customary release of claims in favor of the Lender and related parties.

Except as modified by the Extension Agreement, all terms of the existing loan documents remain in full force and effect.

The 2021 Mortgage Loan is secured by the Cortlandt Manor property located at 1985 Crompond Road (5.01 acres).

On December 27, 2023, the Company, through its subsidiaries GSD Cortlandt, LLC ("GSD Cortlandt") and Buttonwood Acquisition, LLC ("Buttonwood"), secured a term mortgage loan (the "2023 Mortgage Loan") in the principal amount of $1,500,000 with LLYR Resources, LLC ("LLYR"). The net proceeds of the 2023 Mortgage Loan will be used for general working capital. The 2023 Mortgage Loan is unconditionally and irrevocably guaranteed by the Company. The term of the 2023 Mortgage Loan is two years. Until the maturity date, the 2023 Mortgage Loan bears interest at a floating interest rate of 1.5% per annum in excess of the Wall Street Prime Rate, with such interest payable monthly, which may be prepaid, in whole or in part, at any time, without payment of a prepayment fee.

The 2023 Mortgage Loan is secured by a first mortgage in the amount of $1,500,000 on the interests of GSD Cortlandt in 1989 Crompond Road and 1987 Crompond Road in Cortlandt Manor, New York, and the interests of Buttonwood in 206 Buttonwood Avenue and certain vacant land off of Buttonwood Road in Cortlandt Manor, New York. The Company closed on a loan modification with LLYR to extend the loan for an additional 24 months, commencing January 1, 2026 at a revised interest rate of 15% which the Company may refinance with no early repayment penalty.

On February 1, 2024, an agreement was signed with one vendor who had previously agreed to defer 50% of payment until the closing of the first property lot sale that is the subject of either the Flowerfield or Cortlandt Manor subdivision. The agreement called for a $200,000 payment on outstanding invoices plus an interest payment on such invoices, interest to accrue monthly on the outstanding balance, agreement to pay all future invoices in full, and conversion of the remaining outstanding balance of $477,829 (balance due after the $200,000 payment) to a loan payable within 15 days of the sale of one of the Company's properties. The loan accrued interest at 0.75% per month through 2024 and 1.0% per month starting January 2025.

The total debt payable, inclusive of the impact of the October 2026 loan extension agreement, matures as follows:

Years Ending September 30,	
2027	$ 688,787
2028	5,976,462
2029	44,964
2030	48,349
2031	51,988
Thereafter	3,824,396
Total	$ 10,634,946

8. Accounts payable and Accrued Liabilities

	Accounts Payable			Accrued Liabilities	
	September 30, 2026	December 31, 2025		September 30, 2026	December 31, 2025
Current accounts payable	$ 569,956	$ 731,708	Accrued liabilities	$ 461,412	$ 264,662
Deferred accounts payable[(a)]	1,503,822	1,354,598	Deferred Compensation to Directors[(b)]	2,185,501	2,047,797
Total	$ 2,073,778	$ 2,086,306	Total	$ 2,646,913	$ 2,312,459

(a) Represents amount of deferred fees pursuant to informal agreements the Company reached with certain service vendors to defer payment until certain dates, some of which include the closing of the first property lot sale that is the subject of either the Flowerfield or Cortlandt Manor subdivision, respectively.

(b) The director fees and interest accrued under the deferred Compensation Plan where most directors elected to defer 100% of their fees for the years 2020 thru 2025 excluding Jan Loeb who was nominated to the Board on July 28, 2023, and elected to a three-year term at the annual shareholder meeting on October 12, 2023. Two of the four directors have elected not to defer any fees during 2026; the other two directors elected to defer approximately 71% of their respective 2026 director fees. This amount also includes the deferred compensation of a former Board advisor per an agreement to defer payments due under an advisor agreement and three previous Board members.

9. Income Taxes

As a limited liability company, Gyrodyne is not subject to an entity level income tax but rather is treated as a partnership for tax purposes, with its items of income, gain, deduction, loss and credit being reported on the Company's information return, on Form 1065, and allocated annually on Schedule K-1 to its members pro rata. The Company's open tax years are 2023, 2024, and 2025.

The Bipartisan Budget Act of 2015 (the "2015 Act") changed the procedure for partnership tax audits and audit adjustments for partnership returns of large partnerships for fiscal years beginning after December 31, 2017. Pursuant to the 2015 Act, if any audit by the IRS of our income tax returns for any fiscal year beginning after December 31, 2017 results in any adjustments, the IRS may collect any resulting taxes, including any applicable penalties and interest, directly from Gyrodyne. IRS tax audit assessments on tax years beginning January 1, 2018 will require Gyrodyne to: a) bear any tax liability resulting from such audit, or b) elect to push out the tax audit adjustments to the respective shareholders once it has been calculated at the company level.

10. Credit Quality of Rents Receivable

The Company's standard lease terms include rent due on the first of the month. The Company credit terms extend a standard ten-day grace period across its tenant portfolio and do not normally provide extensions beyond one year.

The Company manages its billing and collection process internally to enable timely identification of collection issues. The controls and related processes enable the Company to timely identify and establish payment plans to minimize material losses from defaults. In accordance with generally accepted accounting principles, the Company identifies high risk collectibles, records them on a cash basis and does not include them in revenue or accounts receivable.

As of September 30, 2026 and December 31, 2025, the Company had a zero balance in its allowance for credit losses.

As of September 30, 2026, one of the Company's three largest tenants, representing approximately 10% of rental income for the nine months ended September 30, 2026, a material percentage of our rental income, was in default under its lease. Management is actively working with the tenant to bring it back into compliance and believes it is probable that the default will be cured. However, if the Company is unable to bring the tenant into compliance, the Company may pursue eviction proceedings, which could result in a temporary loss of rental revenue, additional legal costs and costs associated with re-leasing the space. The Company has not recorded an allowance for credit losses related to this tenant as of September 30, 2026 as the revenue from this tenant is recorded on a cash basis only. Approximately $456,000 of rental income from this tenant is included in the estimated liquidation and operating costs net of estimated receipts. See Note 11 (Concentration of Credit Risk) for a discussion of the Company's increasing tenant concentration risk as it executes on the sale of its assets.

11. Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash and cash equivalents. The Company places its temporary cash investments with high credit quality financial institutions and generally limits the amount of credit exposure in any one financial institution. The Company maintains bank account balances, which exceed insured limits. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on cash. Management does not believe significant credit risk existed on September 30, 2026 and December 31, 2025. As the Company executes on the sale of its assets, its regional concentration in tenants will increase thereby resulting in the increased credit risk from exposure of the local economies. One of the Company’s tenants representing a material percentage of our rental income is currently in default, although management is working with this tenant to bring it back into compliance.

For the nine-months ended September 30, 2026 rental income from the Company’s three largest tenants represented approximately 29%, 18% and 10% of total rental income. The three largest tenants by revenue as of September 30, 2026 consist of New York Presbyterian Medical Group located in the Cortlandt Manor Medical Center, Stony Brook University Hospital located in the industrial park and an athletic facility in the industrial park.

There can be no assurance that the Company’s leases will renew for the same square footage, at favorable rates net of tenant improvements, if at all.

12. Commitments

As of September 30, 2026, other commitments and contingencies are summarized in the below table:

Management employment agreements with bonus* and severance commitment contingencies	$	250,000

**Excludes Retention Bonus Payments*

Employment agreements - The Company has an employment agreement with its Chief Executive Officer. The agreement provides for a bonus of $125,000 payable upon a change of control as defined in the agreement. In addition, the agreement provides for severance equivalent to 6 months of base salary and the vesting and related payment of the change of control bonus.

Retention Bonus Plan- In May 2014, the Board of Directors approved a retention bonus plan (as amended (5 amendments), the “Plan”) designed to recognize the nature and scope of the responsibilities of our directors, executives and employees related to the Company’s strategic plan to enhance the property values, liquidate and dissolve, to reward and incent performance in connection therewith, to align the interests of directors, executives and employees with our shareholders and to retain such persons during the term of such plan. The Plan provides for bonuses to officers by the gross sales proceeds from the sale of each property and the date of sale.

The bonus pool is distributable in the following proportions to the named participants in the bonus plan for so long as they are directors or employees of the Company:

Employees	Amendment No. 5 RSP approved
Chief Executive Officer	44.211%
Chief Operations Officer[a]	39.789%
Officer Discretionary Amount[b]	16.000%
Total	100.000%

(a)The Chief Operating Officer was terminated, without cause effective October 2, 2026. Based on the terms of the plan, the allocation percentage to Mr. Pitsiokos would be reduced in the event the final closing prices of one or more properties fall below the threshold defined by the Plan for former employees.
(b)The officer discretionary amount will be allocated to the officers within the discretion of the Board

Under the Plan, there were no payments made during the nine-months ended September 30, 2026.

Restricted Stock Award Plan – The Gyrodyne, LLC Restricted Stock Award Plan (the "Stock Plan") was approved by the Board on September 5, 2023 and by the shareholders of the Company on October 12, 2023 and became effective on October 12, 2023. Under the Stock Plan, the Company issued to the former director participants in the Retention Bonus Plan (the "Bonus Plan"), in exchange for the waiver and forfeiture of their Bonus Plan benefits, an aggregate of 91,628 Gyrodyne shares, subject to vesting, effective November 14, 2023.

The primary features of the Stock Plan are as follows:

- ***Purpose:*** The purpose of adoption of the Stock Plan was to incentivize the former director participants in the Bonus Plan to exchange their interests in the Bonus Plan for shares in the Company issuable under the Stock Plan, which would allow for compensation plan separation between directors and employees and better alignment of interests between director participants and shareholders.

- ***Eligibility:*** Directors of the Company who were participants in the Bonus Plan were eligible to receive grants under the Stock Plan. The eligible directors were Paul Lamb, Ronald Macklin, Nader Salour and Richard Smith. All such individuals agreed to exchange their Bonus Plan benefits for shares under the Stock Plan, subject to shareholder approval of the Stock Plan. Jan Loeb was not a participant in the Bonus Plan and was not eligible to participate in the Stock Plan.

- ***Maximum Shares:*** The total number of shares that were authorized for issuance under the Stock Plan at the effective time is 91,628 shares, or approximately 5.8% of the common shares outstanding at the effective time of the adoption of the Stock Plan after giving effect to the issuance of the Stock Plan shares (or 4.2% of the current total common shares outstanding after giving effect to the rights offering). All 91,628 Stock Plan shares were issued effective November 14, 2023 to Stock Plan participants. There are no remaining shares issuable in the Stock Plan.

- ***Administration:*** Pursuant to the terms of the Stock Plan, the Stock Plan is administered and interpreted by a committee consisting of either (i) the Board, or (ii) the President and at least two other directors appointed by the Board. The committee has full power and authority to administer and interpret the Stock Plan, to make factual determinations and to adopt or amend such rules, regulations, agreements and instruments for implementing the Stock Plan and for the conduct of its business as it deems necessary or advisable, to waive requirements relating to formalities or other matters that do not modify the substance of rights of participants or constitute a material amendment of the Stock Plan, to correct any defect or supply any omission of the Stock Plan or any grant document and to reconcile any inconsistencies in the Stock Plan or any grant document.

- ***Restricted Stock:*** Incentives under the Stock Plan consisted of grants of restricted stock. No shares issued under the Stock Plan, or any interest therein, are transferrable by a participant, whether voluntarily or involuntarily, unless and until a liquidating distribution is made to the shareholders, except by will or by the laws of descent or distribution, and may not be subject to any voluntary or involuntary pledge, assignment, alienation, attachment, or similar encumbrance or transfer. All shares issued in connection with a grant are subject to the terms, conditions, and restrictions set forth in the Company's articles of organization, amended and restated limited liability company agreement, or other governing documents of the Company, as amended.

- ***Vesting:*** Vesting of shares issued under the Stock Plan occurs (i) in equal one-third tranches on each of the first three anniversaries of the grant date, and (ii) at such time as a liquidating distribution is made to the shareholders of the Company. Unvested Stock Plan shares will be forfeited by a participant if such participant is no longer serving on the Board at or prior to such time that liquidating distributions are paid to the shareholders other than as a result of death, disability or failure to be reelected.

- ***Amendments:*** The Board may amend, suspend or terminate the Stock Plan at any time, in its discretion, except that shareholder approval is required for any amendment that increases the number of shares available for grant, accelerates vesting or results in a material increase in benefits or a change in eligibility requirements.

The shares under the Stock Plan were distributed as follows in lieu of the director portion of the Bonus Plan of $2,702,285:

Board Member	Shares of Restricted Stock
Paul Lamb (a)	30,542
Ronald Macklin	20,362
Nader Salour	20,362
Richard Smith	20,362
Total	91,628

(a) Effective November 5, 2025, Mr. Lamb is no longer a Board member. Pursuant to the Restricted Stock Plan, Mr. Lamb did not forfeit any shares because the reason for his cessation of service as a director was due to his not being nominated for another term, which satisfies one of the forfeiture exceptions under the Stock Plan.

Deferred Compensation Plan – On December 6, 2019, the Company's Board of Directors approved the Gyrodyne, LLC Nonqualified Deferred Compensation Plan for Employees and Directors (the "DCP") effective as of January 1, 2020. The DCP is a non-qualified deferred compensation plan maintained for officers and directors of the Company. Under the DCP, officers and directors may elect to defer a portion of their compensation to the DCP and receive interest on such deferred payments at a fixed rate of 5%. All DCP benefits will be paid in a single lump sum cash payment on December 15, 2031, unless a Plan of Liquidation is established for Gyrodyne before the distribution date in which case all benefits will be paid in a single lump sum cash payment after execution of an amendment to terminate the DCP. Each of the Directors elected (under the DCP) to defer 100% of their director fees for the years 2020 thru 2025 excluding Jan Loeb who was nominated to the Board on July 28, 2023 and elected to a three-year term at the annual shareholder meeting on October 12, 2023. Two of the four directors have elected not to defer any fees during 2026; the other two directors elected to defer approximately 71% of their respective 2026 director fees.

13. Contingencies

Putative Class Action Lawsuit – On August 14, 2015, the Company entered a Stipulation of Settlement (the "Settlement") providing for the settlement of a putative class action lawsuit against the Company and certain related parties. Under the Settlement, Gyrodyne agreed that any sales of its properties would be effected only in arm's-length transactions at prices at or above their appraised values as of 2014.

As of September 30, 2026 and December 31, 2025, the value of the remaining unsold properties exceeded the respective 2014 appraised values.

Article 78 Proceeding – On April 26, 2022, the Incorporated Village of Head of the Harbor and certain other parties, commenced a special proceeding (the "Article 78 Proceeding"), against the Town of Smithtown and certain other parties, including the Company, seeking to annul the Town of Smithtown Planning Board's (the "Planning Board") determinations relating to the Flowerfield Subdivision Application. The Article 78 Proceeding was commenced by the filing of a petition (the "Petition") in the Supreme Court of the State of New York, Suffolk County, pursuant to Article 78 of the N.Y. Civil Practice Law and Rules. Specifically, the Petition seeks to annul the Planning Board's (i) approval of a findings statement, pursuant to the SEQRA, dated September 16, 2021, and adopted by the Planning Board on March 30, 2022, concerning the Flowerfield Subdivision Application, and (ii) preliminary approval on March 30, 2022 of the Flowerfield Subdivision Application. The arguments made in the Petition are substantially similar to those made by opponents of the Flowerfield Subdivision Application during the SEQRA and subdivision process. The Company and the Town of Smithtown are vigorously defending the Planning Board's determinations against the Petition. In June 2022, Gyrodyne and the Town of Smithtown filed motions to dismiss the Petition. During the third quarter of 2023, the Article 78 Proceeding was re-assigned to a different judge for the second time. On February 6, 2024, the Supreme Court of the State of New York, Suffolk County issued an order (the "Order"), denying the Motions in part and granting them in part. Specifically, the Order (i) denied the Motions as to three individual Petitioners and the St. James-Head of the Harbor Neighborhood Preservation Coalition, Inc., (ii) granted the Motions as to the remaining twenty (20) individual Petitioners and the Village of Head of the Harbor, (iii) denied the branch of Gyrodyne's motion alleging that Petitioners failed to state a claim. On October 11, 2024, the Supreme Court of the State of New York issued a ruling in favor of the Company dismissing the Article 78 petition in its entirety. On October 28, 2024, the Company received a notice of appeal filed by the petitioners in this proceeding seeking to appeal the court's dismissal of the Article 78 petition, citing as grounds for appeal "whether the court erred in denying the petition and dismissed the Article 78 proceeding, and any and all other issues which may arise upon further review of the record on appeal".

On November 12, 2024, the petitioners filed a notice of motion to renew and reargue, seeking to have the court direct the respondents to undertake a supplemental environmental impact statement to address retaining of storm water at the property being developed in light of a recent storm, and to annul the resolution approving the preliminary site plan.

On March 17, 2025, the Supreme Court of the State of New York, Suffolk County issued an order denying the appellants motion to stay enforcement of the order, pending hearing and determination of appeal. On March 21, 2025, the Supreme Court of the State of New York, Suffolk County issued an order denying the Petitioners motion to renew and reargue. On April 16, 2025 the Petitioners filed a notice of appeal seeking to appeal the March 17, 2025 order denying the appellants motion to stay enforcement of the order dismissing the Petition pending the appeal.

On April 28, 2025 the Petitioners perfected their appeal on the original Petition. The Petitioners' memorandum of law largely repeats their earlier position and arguments, which the Supreme Court previously found to be an insufficient basis for overturning the Planning Board's determinations. Gyrodyne filed its response to the Appeal on July 25, 2025 and the Town submitted its reply to the Appeal on July 28, 2025.

Pleadings filed in the Article 78 Proceeding may be accessed through a link (and related instructions) to the New York State Unified Court System which appears on the Company's website at https://www.gyrodyne.com.

General – In the normal course of business, the Company is a party to various legal proceedings. After reviewing all actions and proceedings pending against or involving the Company, management considers that any loss resulting from such proceedings individually or in the aggregate will not be material to the Company's financial statements.

14. Fair Value of Financial Instruments

Assets and Liabilities Measured at Fair-Value – The Company believes the concepts for determining net realizable value are consistent with the guidance for measuring fair value. As a result, the Company follows authoritative guidance on fair value measurements, which defines fair-value, establishes a framework for measuring fair-value, and expands disclosures about fair-value measurements. The guidance applies to reported balances that are required or permitted to be measured at fair-value under existing accounting pronouncements.

The Company follows authoritative guidance on the fair value option for financial assets, which permits companies to choose to measure certain financial instruments and other items at fair-value in order to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently. However, the Company adopted the liquidation basis of accounting, and therefore reports all assets and liabilities at net realizable value.

The guidance emphasizes that fair-value is a market-based measurement, not an entity-specific measurement. Therefore, a fair-value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair-value measurements, the guidance establishes a fair-value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy, as defined under FASB ASC Topic No. 820, Fair Value Measurements) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). In instances where the determination of the fair-value measurement is based on inputs from different levels of the fair-value hierarchy, the level in the fair-value hierarchy within which the entire fair-value measurement falls is based on the lowest level input that is significant to the fair-value measurement in its entirety. Our assessment of the significance of a particular input to the fair-value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Fair Value Measurements - The Company adopted the liquidation basis of accounting effective September 1, 2015; accordingly, the Company reports all real estate at their net realizable value.

The Company estimates the net realizable value of its real estate assets by using income and market valuation techniques. The Company may estimate net realizable values using market information such as broker opinions of value, appraisals, and recent sales data for similar assets or discounted cash flow models, which primarily rely on Level 3 inputs. The Company also considers in its valuation estimates the receipt of any expressions of interest/letters from perspective buyers adjusted to reflect the Company's best estimate of any contingent financial terms such as approved density and related site plans. The cash flow models include estimated cash inflows and outflows over a specified holding period. These cash flows may include contractual rental revenues, projected future rental revenues and expenses and forecasted capital improvements and lease commissions based upon market conditions determined through discussion with local real estate professionals, and relevant Company experience with its current and previously owned properties. Capitalization rates and discount rates utilized in these models are estimated by management based upon rates that management believes to be within a reasonable range of current market rates for the respective properties based upon an analysis of factors such as property and tenant quality, geographical location, local supply and demand observations and no sewage treatment plant. To the extent, the Company underestimates or overestimates forecasted cash outflows (capital improvements, lease commissions, operating costs and credit costs) or overestimates or understates forecasted cash inflows (rental revenue rates) or other unfavorable or favorable variances of the aforementioned assumptions, the estimated net realizable value of its real estate assets could be overstated or understated.

15. Subsequent Events

GSD Cortlandt, Gyrodyne LLC (the "Company" as guarantor), entered into a letter agreement as of October 19, 2026, effective as of October 10, 2026 (the "Extension Agreement") with SIG CRE 2023 Venture LLC (the "Lender"), as lender, holder and servicer, with respect to that certain loan in the original principal amount of $4,950,000 (the "Loan") originally made by Signature Bank to GSD Cortlandt and secured by a mortgage on GSD Cortlandt's property located at 1985 Crompond Road, Cortlandt Manor, New York and supported by a limited guaranty executed by the Company.

The Extension Agreement extends the maturity date of the Loan for five years to October 10, 2031, resets the interest rate and monthly payments in accordance with the terms of the existing note, and provides for a principal paydown of the Loan as a condition to the extension. Under the Extension Agreement, the interest rate on the Loan reset to 7.28% per annum and GSD Cortlandt made a principal paydown of $431,411.38, following which, after giving effect to the scheduled payment of principal and interest, the outstanding principal balance of the Loan is $4,041,482.21. The Company, as guarantor, reaffirmed its obligations under its limited guaranty and environmental indemnity agreement, and GSD Cortlandt and the Company provided a customary release of claims in favor of the Lender and related parties.

Except as modified by the Extension Agreement, all terms of the existing loan documents remain in full force and effect.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

When we use the terms "Gyrodyne," the "Company," "we," "us," and "our," we mean Gyrodyne, LLC and all entities owned or controlled by us, including non-consolidated entities. References to "common shares" in this report refer to Gyrodyne, LLC's common shares representing limited liability company interests. References herein to our Quarterly Report are to this Quarterly Report on Form 10-Q for the nine-months ended September 30, 2026.

Cautionary Statements Concerning Forward–Looking Statements

The statements made in this Form 10-Q and in other materials the Company has filed or may file with the Securities and Exchange Commission, in each case that are not historical facts, contain "forward-looking information" within the meaning of the Private Securities Litigation Reform Act of 1995, and Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, both as amended, which can be identified by the use of forward-looking terminology such as "may," "will," "anticipates," "expects," "projects," "estimates," "believes," "seeks," "could," "should," or "continue," the negative thereof, and other variations or comparable terminology as well as statements regarding the evaluation of liquidation contingencies. These forward-looking statements are based on the current plans and expectations of management and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those reflected in such forward-looking statements. Such risks and uncertainties include, but are not limited to, risks and uncertainties generally relating to our efforts to enhance the values of our remaining properties and seek the orderly, strategic sale of such properties as soon as reasonably practicable, relating to the Company's efforts to secure additional capital to properly fund operations through the end of 2028 absent sufficient working capital raised through the combination of property sales or the modification of its existing credit facilities and or new credit facilities, risks associated with the Article 78 Proceeding against the Company and any other litigation that may develop in connection with our efforts to enhance the value of and sell our properties, risks relating to our national marketing campaign led by JLL for the sale of our Flowerfield and Cortlandt Manor properties, risks associated with our purchase and sale agreement with B2K, including whether B2K will agree to terminate such agreement on acceptable terms or at all, risks relating to the proposed sale of the undeveloped portion of Flowerfield to the State of New York, including whether a definitive agreement will be executed, the State's acquisition and approval process, and the timing of any closing, risks relating to the visual easement rights of Flowerfield Celebrations, risks relating to the increased interest rate and debt service on the extended Cortlandt Manor mortgage loan (and future purchase and sale agreements for our remaining properties that may be contingent on years-long regulatory contingencies) in light of our financial condition, risks relating to the recent termination of employment of our Chief Operating Officer and the Company's resulting reliance on a single full-time employee to complete the entitlement, marketing, sale and liquidation process, community activism risk, proxy contests and other actions of activist shareholders, regulatory enforcement risk, risks inherent in the real estate markets of Suffolk and Westchester Counties in New York, the potential residual effects of the COVID-19 pandemic, lingering risks relating to the 2023 banking crisis and closure of two major banks (including one with whom we indirectly had a mortgage loan which the FDIC transferred in December 2023 to a new holder following the banks closure), ongoing inflation risk, ongoing interest rate uncertainty, recession uncertainty and supply chain constraints or disruptions and other risks detailed from time to time in the Company's SEC reports. These and other matters the Company discuss in this Report, or in the documents it incorporates by reference into this Report, may cause actual results to differ from those the Company describes. The Company assumes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

New factors emerge from time to time, and it is not possible for us to predict which factors will affect future results. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results, including the timeline to complete the liquidation, to differ materially from those contained in any forward-looking statement. In particular, it is difficult to fully assess the risks of persistent inflation, high interest rates and possible recession at this time. The Company assumes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Overview

Gyrodyne, LLC (including its subsidiaries, "Gyrodyne", the "Company" or the "Registrant") is a limited liability company formed under the laws of the State of New York whose primary business is the management of a portfolio of medical office and industrial properties and the pursuit of entitlements on such properties located in Suffolk ("Flowerfield") and Westchester ("Cortlandt Manor") Counties, New York.

Substantially all of our developed properties are subject to leases in which the tenant reimburses the Company for a portion, all of or substantially all of the costs and/or cost increases for utilities, insurance, repairs, maintenance and real estate taxes. Certain leases provide that the Company is responsible for certain operating expenses.

Gyrodyne's corporate strategy is to enhance the value of Flowerfield and Cortlandt Manor by pursuing entitlement opportunities to provide purchasers increased development flexibility, and by enhancing the value of our leases. The Board and Management believe the aforementioned strategy will increase the aggregate value for such properties as a whole. The value of the real estate reported in the consolidated statement of net assets as of September 30, 2026 and December 31, 2025 includes some, but not all of the potential value impact that may result from such value enhancement efforts. There can be no assurance that our value enhancement efforts will result in property value increases that exceed the costs we incur in such efforts, or even any increase at all.

Our efforts to generate the highest values for Flowerfield and Cortlandt Manor may involve in limited circumstances other strategies to manage risk and or enhance the net value of Flowerfield and Cortlandt Manor to maximize the returns for our shareholders. Gyrodyne intends to dissolve after we complete the disposition of all of our real property assets, apply the proceeds of such dispositions first to settle any debts and claims, pending or otherwise, against Gyrodyne, and then pay distributions to holders of Gyrodyne common shares. The process of seeking entitlements and the amount and timing of distributions from proceeds of asset sales involve risks and uncertainties. As such, it is impossible at this time to determine with certainty the ultimate amount of proceeds that will actually be distributed to our shareholders or the timing of such payments. Accordingly, no assurance can be given that the distributions will equal or exceed the estimate of net assets presented in our consolidated statements of net assets. The actual nature, amount and timing of all distributions will be determined by Gyrodyne's Board in its sole discretion and will depend in part upon the Company's ability to convert our remaining assets into cash in compliance with our obligations under the Stipulation entered into in connection with a class action lawsuit settled in 2015 and satisfy our remaining liabilities and obligations. Under Gyrodyne's Amended and Restated Limited Liability Company Agreement (the "LLC Agreement"), such dissolution may be effected upon an election to dissolve the Company by the Board that is approved by the vote of holders of a majority of Gyrodyne common shares or, in the Board's sole discretion and without any separate approval by the holders of Gyrodyne common shares, at any time the value of Gyrodyne's assets, as determined by the Board in good faith, is less than $1,000,000.

We remain committed to (1) enhancing the net value of Flowerfield and Cortlandt Manor to maximize the returns for our shareholders, (2) completing the disposition of our assets, (3) making timely distributions to our shareholders, (4) managing capital and liquidity, (5) mitigating risks relating to interest rates and real estate cycles and (6) completing the liquidation of the Company.

The Company's two remaining real estate properties, each of which is held in a single asset limited liability company wholly owned by the Company, consist of:

- Cortlandt Manor:13.8 acres in Cortlandt Manor, New York, consisting of the 31,000 square foot Cortlandt Manor Medical Center; and
- Flowerfield: 63 acres in St. James, New York, including a 14-acre multi-tenanted industrial park comprising 135,000 rentable square feet.

Strategic Plan to Enhance Property Values, Liquidate, Distribute Proceeds and Dissolve

Our corporate strategy is to pursue entitlements on our two remaining properties so that they can be sold to one or more developers with increased development flexibility and thus maximize value and distributions to our shareholders. Gyrodyne intends to dissolve after we complete the disposition of all of our real property assets, apply the proceeds of such dispositions first to settle any debts and claims, pending or otherwise, against Gyrodyne, and then pay liquidating distributions to holders of Gyrodyne common shares. We are unable to predict the precise nature, amount or timing of such distributions. To accomplish our goal of maximizing asset values and distributions to our shareholders, the Company's plan consists of:

- managing the real estate portfolio to improve operating cash flow while simultaneously increasing the market values of the underlying properties;

- managing the strategic sale of real estate assets;
- pursuing the entitlement efforts of the Flowerfield (subdivision will be required for the sale of the industrial park irrespective of whether the undeveloped property is sold to the State) and Cortlandt Manor properties, to increase development flexibility;
- focusing use of capital by the Company to preserve or improve the market value of the real estate portfolio;
- ensuring sufficient capital to operate through a position of strength through the duration of the liquidation to negotiate and enforce purchase agreements and defend our property rights in the Article 78 Proceeding and in any other such proceeding that may arise; and
- balancing working capital and funds available for the entitlement process.

Gyrodyne's strategy is to enhance the value of Flowerfield and Cortlandt Manor by pursuing entitlement opportunities to provide purchasers with increased development flexibility, and by enhancing the value of our leases. The Company believes the aforementioned strategy will increase the aggregate value for such properties as a whole. The value of the real estate reported in the consolidated statement of net assets as of September 30, 2026 includes some but not all of the potential value impact that may result from such value enhancement efforts. There can be no assurance that our value enhancement efforts will result in property value increases that exceed the costs we incur in such efforts, or even any increase at all. Our efforts to generate the highest values for Flowerfield and Cortlandt Manor may involve, in limited circumstances, strategies to manage risk and or enhance the net value of Flowerfield and Cortlandt Manor to maximize the returns for our shareholders.

Sales of properties by Gyrodyne could take the form of individual sales of assets, sales of groups of assets, a single sale of all or substantially all of the assets or some other form of sale. The assets may be sold to one or more purchasers in one or more transactions over a period of time.

A sale of substantially all of the assets of the Company would require shareholder approval under New York law. However, in the event of the sale of individual properties, that do not constitute substantially all of the Company's assets, it is not required or anticipated that any shareholder votes will be solicited. The prices at which the various assets may be sold depend largely on factors beyond our control, including, without limitation, the condition of financial and real estate markets, the availability of financing to prospective purchasers of the assets, regulatory approvals, public market perceptions, and limitations on transferability of certain assets.

On March 30, 2022, the Town of Smithtown Planning Board (the "Planning Board") voted four to zero with one abstention to grant Gyrodyne's application for preliminary approval to divide the Flowerfield property into eight lots, subject to certain conditions (the "Flowerfield Subdivision Application"). See, "*Property Value Enhancement – Flowerfield*" for a description of the subdivision application.

Gyrodyne believes that both the Article 78 Proceeding (see Part II, Item 1, Legal Proceedings, for a description of its current procedural status) and the process of negotiating purchase agreements, securing final subdivision approval and final unappealable site plan approval and consummating the sale of our properties will extend into 2028, although there can be no assurance that Gyrodyne and the Town of Smithtown will be successful in the defense of the appeal and any other motions or that other factors beyond our control will not necessitate a further extension of the timeline.

The estimated timeline assumes that the developed portion of Flowerfield is not sold until the culmination of the Article 78 Proceeding. The developed portion of Flowerfield, situated on two separate lots, may be sold together or separately upon the resolution of the Article 78 Proceeding and the filing of the final subdivision map without site plan approval. As discussed below, the Company does not currently expect the Article 78 Proceeding to have a material effect on the closing of the proposed sale of the undeveloped portion of Flowerfield to New York State (the "State").

On March 20, 2023, the Town of Cortlandt Town Board adopted the SEQRA CM findings statement and approved local law establishing the Medical Oriented Zoning District (the "MOD") which includes Gyrodyne's Cortlandt Manor property. Pursuant to the adopted MOD, Gyrodyne received designation for total density of 154,000 square feet to be comprised of 150,000 square feet of medical use and 4,000 square feet of retail use (lot lines and their respective density could change until formal subdivision, if any, occurs).

Based on an extensive marketing campaign the mixed-use plan that only includes medical and retail but not residential uses, as envisioned by the Town Board, has resulted in medical office development supply that significantly exceeds market demand. The Company is working with JLL and the Town of Cortlandt to develop an alternative mixed-use development and marketing strategy to navigate within these challenging regulatory and market conditions so as to close on the sale no later than the end of 2028 and potentially earlier contingent on when the Company enters into a Purchase and Sale Agreement and the time for such buyer to obtain site plan approval.

Various other factors will continue to impact the timeline to achieve approvals, including the backlog of land use applications, zoning authority labor shortages, environmental concerns and whether the Company sells the undeveloped portion of the Flowerfield property (currently under contract with B2K) to the State and the respective closing date. Nevertheless, we will continue to market the properties and, although there can be no assurances, the Company believes final subdivision approval for Flowerfield will be received shortly after the closing of a sale of the undeveloped portion of Flowerfield to the State (as described be-low) or later if sold under the current agreement with B2K and subdivision approval for Cortlandt Manor in mid-2027.

On July 30, 2025, GSD Flowerfield LLC, a New York limited liability company ("GSD") wholly-owned by the Company, entered into a Purchase and Sale Agreement (as amended, the "B2K Agreement") for the sale of an approximate 49 acre parcel of vacant land to B2K Smithtown LLC ("B2K"), an affiliate of B2K Development LLC, which property forms a portion of the Company's Flowerfield complex in St. James, New York, for a purchase price of between $24,000,000 and $28,740,000, subject to conditions and contingencies set forth in the B2K Agreement. Included among the conditions set forth in the B2K Agreement is receipt of subdivision and site plan approval. Based on the terms of the B2K Agreement, the Company previously estimated the gross value of the B2K Agreement at $28,740,000, contingent on approval of a pending site plan submission, which the Company no longer expects to be approved in its current form. Under the terms of the B2K Agreement, the Company would be required to issue B2K a credit at closing for the industrial park's proportionate share of costs for a sewer treatment plant ("STP") and on-site infrastructure costs aggregating $4,020,222. In light of the proposed termination of the B2K Agreement described below, this credit is no longer included in the Company's estimated costs in excess of receipts as of September 30, 2026.

Furthermore, B2K's progress toward satisfying the conditions precedent to closing has been delayed, in part because B2K and Flowerfield Celebrations have not reached agreement that B2K's proposed site plan is consistent with the visual easement rights held by Flowerfield Celebrations (whose lot borders the 49-acre parcel under contract to B2K). If these matters are not resolved, the Company believes there is a material risk that the B2K Agreement will not close by the end of 2028, if at all.

In light of the foregoing, the Company has been discussions regarding a sale of the undeveloped portion of Flowerfield to the State, which, if consummated, is expected to eliminate the requirement to construct a sewage treatment plant and to eliminate or mitigate the on-site and off-site infrastructure obligations that are conditions of the subdivision under the Findings Statement. The Company received a non-binding offer from the New York State Department of Environmental Conservation ("NYSDEC") to acquire this property for $21.3 million, subject to the negotiation and execution of a definitive purchase and sale agreement and the completion of the State's acquisition process, including required State, county and town approvals. The offer would permit the property to be subdivided without any investment by the Company in a sewage treatment plant or on-site or off-site infrastructure. The offer is not binding, and there can be no assurance that a definitive agreement will be entered into, or that a sale to the State will be consummated on the terms described or at all. The $21.3 million offer price is less than the $28,740,000 estimated gross value of the B2K Agreement, and the Company has reduced the estimated value of its real estate by $7,440,000 as of September 30, 2026 to reflect the offer price. Concurrently, the Company has been negotiating with B2K a termination of the B2K Agreement that will be contingent on the closing of a sale of the property to the State. The Company and B2K have reached an agreement in principle on the terms of a termination of the B2K Agreement, including the amount of the termination payment, which would be contingent on the closing of a sale of the property to the State and payable from the proceeds of that sale. The estimated termination payment is included in estimated selling costs as of September 30, 2026. The agreement in principle is not binding and remains subject to the negotiation and execution of definitive documentation and approval by the Company's Board. There can be no assurance that a definitive termination agreement will be executed on these terms or at all, or that B2K will not seek to enforce its rights under the B2K Agreement.

If the Company and the State enter into a definitive purchase and sale agreement by December 31, 2026, the Company currently anticipates that a closing could occur between late in the second quarter of 2027 and the end of 2027, subject to the completion of the State's acquisition process, including required State, county and town approvals. There can be no assurance that a definitive agreement will be executed or that a closing will occur within that time frame or at all. The Company will continue to market its properties and, although there can be no assurances, the Company believes final subdivision approval for Flowerfield would follow shortly after a closing with the State, and that subdivision approval for Cortlandt Manor would be obtained in mid-2027 (if a subdivision is ultimately pursued by the future buyer of that property).

We anticipate that future purchase agreements for Flowerfield (other than a sale to the State) or Cortlandt or any portions thereof will similarly identify receipt of subdivision approval. In addition, we anticipate the Cortlandt Manor property will be sold as a development deal that will also require site plan approval as conditions to closing which the Company believes can be pursued simultaneously rather than sequentially.

Consistent with the Company's plan of liquidation the Company continues to engage JLL to identify potential purchasers for the remaining Flowerfield and Cortlandt Manor properties as individual lots or combined. In addition, Gyrodyne would entertain offers for the acquisition of the Company itself if we believe such acquisition from a timing and value perspective would maximize the net assets in liquidation value for Gyrodyne's shareholders.

Assuming the process of seeking entitlements and selling assets is completed in 2028 and giving effect to the estimated cash flows from the operation of our existing properties, we expect that Gyrodyne will have a cash balance of approximately $23.64 million, prior to any future special distributions based on the estimate of net assets in liquidation presented in our Consolidated Statements of Net Assets. Such cash would equate to future distributions of $10.75 per share based on Gyrodyne having 2,199,308 common shares outstanding. These estimated distributions are based on values and outstanding share numbers effective as of September 30, 2026.

The Consolidated Statements of Net Assets are based on certain estimates. Uncertainties as to the precise value of our non-cash assets and the ultimate amount of our liabilities make it impracticable to predict the aggregate net value ultimately distributable to shareholders in a liquidation. Land entitlement costs, claims, liabilities and expenses from operations, including, but not limited to, operating costs, salaries, real estate taxes, payroll and local taxes, legal, accounting and consulting fees and miscellaneous office expenses, will continue to be incurred during our process of seeking entitlements and selling assets, which includes certain enhancement efforts. Such expenses, if exceeding our estimates, will reduce the amount of assets available for ultimate distribution to shareholders.

The Company modified and extended two of its existing loan facilities (see note 7) to strengthen its financial position through the end of 2028, the forecasted completion of the liquidation process. Absent closing on the sale of the undeveloped property to the State by the end of 2027, Management believes the Company will need additional capital to properly fund operations through the end of 2028 absent sufficient working capital raised through the combination of other property sales or the modification of its existing credit facilities and or new credit facilities, or other alternative capital raising strategies. There can be no assurance, however, that the Company will be successful in securing any such loan modification, new credit facility or alternative capital raising transaction on terms that are satisfactory to the Company or on any terms at all or achieve a timely closing on the sale of a property to address its working capital needs. If such available cash and amounts received on the sale of assets are not adequate to provide for our obligations, liabilities, expenses and claims, distributions of cash and other assets to our shareholders would be eliminated. In the event our shareholders receive distributions from Gyrodyne and there are insufficient funds to pay any creditors who seek payment of claims against Gyrodyne, shareholders could be held liable for payments made to them and could be required to return all or a part of the distributions made to them.

Property Value Enhancement

The Company is pursuing entitlements to increase the development flexibility of its Flowerfield (which recently was suspended while we pursue the sale of the undeveloped Flowerfield property to the State) and Cortlandt Manor properties. During the nine-months ended September 30, 2026, the Company incurred approximately $202,000 of land entitlement costs, consisting primarily of engineering costs, legal fees and real estate taxes to support the Company's respective entitlement efforts. We estimate that the Company may incur approximately $820,000 in additional land entitlement costs through December 31, 2028 in pursuit of entitlements (approximately $138,000 in Cortlandt Manor and $682,000 in Flowerfield). Until such time as we enter a Definitive Purchase and Sale Agreement with the State and agreement with FRE (a neighboring stakeholder in the subdivision), it is premature to conclude that the land entitlement fees will be reduced significantly, if at all.

The Company is focusing its resources on positioning the properties to be sold with all entitlements to achieve increased development flexibility in the shortest period of time with the least amount of risk to the Company. Because of the vagaries of the real estate market, however, there can be no assurance that our value enhancement efforts will result in property value increases that exceed the costs we incur in such efforts, or even any increase at all. During the process of pursuing such entitlements, the Company may entertain offers from potential buyers who may be willing to pay prices for the properties on an "as is basis" that the Company finds more attractive from a timing or value perspective than values we believe may be reasonably achievable through completing the entitlement process ourselves.

Cortlandt Manor. On March 15, 2016, the Town of Cortlandt Manor (the "Town") adopted a 2016 Sustainable Comprehensive Plan (the "Plan") of which one key strategy was the recommendation of a MOD. The purpose of the proposed MOD is to expand the Town's existing medical infrastructure and encourage economic development, including capital investment, job creation and housing options. The MOD would allow for a continuum of care, i.e., independent living, assisted living and nursing/hospital care, within or in neighboring facilities by centralizing medical services and related activities. As a designated zoning district, the MOD could include hospital, ambulatory surgery, primary and urgent care, hospice, laboratories, social services, boutique hotels, retail and a wide range of housing.

The Company's existing 31,421 square foot Cortlandt Medical Center, situated on 13.8 acres, is located directly opposite New York Presbyterian's Hudson Valley Hospital Center and within the boundaries of the MOD. The Company has committed resources toward both market research and feasibility studies in support of achieving entitlements to maximize the value of the property. For approximately nine years the Company, along with its planner and engineers have been working closely with the Town to help plan the MOD, identify issues and solutions involved in creating the Plan and more specifically, the MOD.

On March 31, 2017, The Company filed an application with the Town to develop the Cortlandt Manor property, as follows:

SUBDIVISION LOT #	BUILDING SIZE/YIELD
Medical office	100,000 sft
Multi-family apartments	200 units
Retail	4,000 sft

In response to the extensive public comments and Town Board input received during the State Environmental Quality Review "(SEQR") Draft Generic Environmental Impact Statement ("DGEIS") public hearing process, the Company amended the site plan and subdivision application with the Town to develop the Cortlandt Manor property as follows:

SUBDIVISION LOT #	BUILDING SIZE/YIELD
Medical office Lot #1	100,000 sft
Retail (Lot #1)	4,000 sft
Medical Office Lot #2	84,600 sft

As a property owner with eligible parcels in this district, Gyrodyne submitted an Environmental Assessment Form to the Town of Cortlandt Planning Department in December 2017 to support its application to receive a MOD campus designation. Once designated, the parcels would be governed by the use, dimensional and other provisions of the MOD zoning regulations and MOD zoning would replace the existing zoning. While the MOD zoning had not been formally adopted, Gyrodyne was proposing a two-phase medical office campus with limited retail and has designed the site to function as part of a future "hamlet center" with streetscape improvements. The existing medical office space will remain operational until phase 2 is implemented.

In addition to the primary proposal noted above, an alternate mixed-use plan was submitted as part of the SEQRA process. The alternate mixed-use plan included the following:

SUBDIVISION LOT #	BUILDING SIZE/YIELD
Medical office Lot #1	83,500 sft
Retail (Lot #1)	1,500 sft
Multi-Family Residential Lot #2	160 Units

The alternate was reviewed for all categories of impacts in the SEQRA documentation similar to the primary proposal, and if approved as anticipated, would have allowed Gyrodyne the option to proceed with either program following MOD designation and subdivision. The alternate was not anticipated to impact the estimated timeline of approvals.

The Town of Cortlandt Planning Department hosted two public community outreach meetings in June and August 2018 where the Company presented its development plan for the Cortlandt Manor property. As anticipated, on August 7, 2018, the Town Board formally issued a "positive declaration" under the SEQRA, i.e., a declaration that the project may result in one or more significant environmental impacts and will require the preparation of an Environmental Impact Statement ("EIS"), the scope of which was also adopted. On August 28, 2018, the Town filed the Scope for a DGEIS with input from Gyrodyne for both the MOD zoning and the proposed uses so that upon adoption, minimal further SEQRA review (other than site plan review) should be required to develop the property. On September 17, 2019, the Town of Cortlandt Town Board as Lead Agency under SEQR adopted a resolution accepting the DGEIS as complete for public review. The Town of Cortlandt Town Board hosted two public hearings on the DGEIS on November 19, 2019 and January 14, 2020. The Town of Cortlandt Planning Board extended the public comment period 90 days with the next public hearing scheduled for April 14, 2020. As a result of the New York State's stay-at-home-order issued in March 2020, the April 14, 2020 public hearing was postponed to June 2020. The public hearing was then held on June 16, 2020 on a virtual platform. The Town closed the public comment period on June 30, 2020 and proceeded to review the public comments and prepare the Final GEIS ("FGEIS"). The FGEIS reflects the Cortlandt Manor property's proposed uses comprising 184,600 square feet of medical office space and 4,000 square feet of retail space (together with an Alternate Mixed-Use Plan). A Town Board work session was conducted March 7, 2022 for the primary purpose of having stakeholders present their current development programs for the benefit of the new Town Board members elected in November 2021. Although not required by SEQRA, the Town Board conducted another public hearing on May 2, 2022 and closed the hearing that evening while leaving the public comment period open for twenty days. The additional public comments were reviewed and required formal written responses by stakeholders including Gyrodyne. The Cortlandt Manor Town Board held a public work session on October 24, 2022. During late 2022, the Company's management team, based on discussions with the Town of Cortlandt, amended its mixed-use campus to reflect the following:

SUBDIVISION LOT #	BUILDING SIZE/YIELD
Medical office Lot #1	100,000 sft
Retail (Lot #1)	4,000 sft
Medical office (inclusive of the existing operating building) Lot #2	50,000 sft

*Lot lines could change until formal subdivision occurs.

On March 20, 2023, the Town of Cortlandt Town Board adopted the SEQRA Findings Statement and local law establishing the MOD designation for the property reflecting a total density of 154,000 square feet to be comprised of 150,000 square feet of medical use, inclusive of the existing medical office square footage but excluding non-rentable spaces, and 4,000 square feet of ancillary retail (lot lines and their respective density could change until formal subdivision occurs). The Company does not plan on developing the property. The Company believes contingent on the timing for entering contracts (which we anticipate will include closing terms conditioned upon receiving site plan approval), the subdivision and site plan approval could be received in mid-2027.

Based on an extensive marketing campaign the mixed-use plan that only includes medical and retail but not residential uses, as envisioned by the Town Board, has resulted in medical office development supply that significantly exceeds market demand. The Company is working with JLL and the Town of Cortlandt to develop an alternative mixed-use development and marketing strategy to navigate within these challenging regulatory and market conditions so as to close on the sale no later than the end of 2028 and potentially earlier contingent on when the Company enters into a Purchase and Sale Agreement and the time for such buyer to obtain site plan approval.

The entitlement costs for the nine-months ended September 30, 2026 associated with the ownership and development of this property were approximately $28,500 (80% of which is tax and insurance on the undeveloped property).

Flowerfield. Following market research and related feasibility studies, we identified the entitlements that we believe will maximize the value of Flowerfield in the shortest amount of time with the lowest amount of risk. The Company has been in discussions with the Town of Smithtown on the potential real estate development projects identified by the market research and feasibility studies, all of which currently fall within our "as of right to build" zoning. We are also exploring with the Town of Smithtown whether it would be amenable to certain entitlements or other concessions that would allow for the identified development projects.

In March 2017, the Company filed a pre-subdivision application with the Town of Smithtown (the "Pre-application") for the Flowerfield property along with the previously sold (2002) catering hall facility for an eight-lot subdivision which the Town of Smithtown initially determined must be processed as a nine-lot subdivision in response to certain comments received from the planning department. The final accepted FEIS (in 2021) included an eight-lot subdivision. In June 2017, the Company filed a subdivision application with the Town of Smithtown based on feedback provided by the Town of Smithtown staff in the pre-application process. Because of the property's location within 500 feet of a municipal boundary and a state road, the Town of Smithtown referred the Company's subdivision application to the Suffolk County Planning Commission as required by the Suffolk County Administrative Code and the New York State General Municipal Law.

On August 2, 2017, the Suffolk County Planning Commission voted 11-0 to approve Gyrodyne's subdivision application without conditions. Although the approval by the Suffolk County Planning Commission is not binding on the Town of Smithtown, the approval without conditions means that the requisite vote threshold for the application at the Town of Smithtown's Planning Board is a simple majority.

On November 15, 2017, the Town of Smithtown Planning Board conducted a public hearing in which the Company presented its subdivision plan for the Flowerfield property. On April 11, 2018, the Planning Board determined that the subdivision plan may result in one or more significant environmental impacts which will require the preparation of an EIS. As a result, at the April 11, 2018 Planning Board meeting, the Planning Board issued a SEQRA Positive Declaration, which was rescinded and re-issued by Planning Board Resolution dated May 9, 2018 that included a draft scope and a request for public comments on the scope (i.e., a public scoping process). The then current Town Planning Board Chairman communicated that a Positive Declaration would require up to one year to complete the SEQRA process. The Town issued the Final Scope on July 7, 2018. On August 15, 2018, the Company submitted the Draft EIS to the Town of Smithtown Planning Department prior to the public hearing. The Company received comments on its EIS at the end of the third quarter of 2018 and submitted its response to the Town of Smithtown Planning Department on February 15, 2019. On May 24, 2019, the Company received additional comments on its EIS and submitted its responses to the Town on June 4, 2019. On July 3, 2019, the Company received additional comments on its EIS and submitted its response to the Town of Smithtown Planning Department on August 28, 2019. On September 24, 2019, the Company received additional comments on its EIS and submitted its response to the Town of Smithtown Planning Department on October 25, 2019. The Town of Smithtown Planning Board as Lead Agency under SEQRA adopted a resolution accepting the DEIS as complete for public review on December 11, 2019 and announced a public comment period that closed on January 24, 2020. Furthermore, the Town Planning Board held and closed the public hearing for the DEIS on January 8, 2020. Following the closing of the public comment period, the Company received a copy of the public comments in February 2020. The Company reviewed the public comments and responded by submitting a Final EIS ("FEIS") on April 20, 2020. Following the receipt of additional comments on May 29 and June 9, 2020, the Company filed its FEIS on July 24, 2020. Following State DOT comments received July 31, 2020 and Town comments dated August 21, 2020, the Company filed a revised FEIS on September 16, 2020 and received new comments on October 16, 2020. The Company filed a revised FEIS on October 29, 2020. Upon addressing final Town comments received December 4, 2020, the Company filed its Final FEIS on December 9, 2020 reflecting an eight-lot subdivision. The FEIS was accepted by the Town Planning Board on March 10, 2021. Following a public comment period that closed on March 31, 2021, the Town of Smithtown forwarded the public comments and the FEIS to the Suffolk County Planning Commission. On May 5, 2021, the Suffolk County Planning Commission voted 5 to 4 to approve the application as a matter for local determination. Based on the fact that less than a majority of the 18 total members (10 members needed) voted to either approve or deny the application, the application is deemed approved as a matter for local determination. Thus, the Smithtown Planning Board may act and approve the matter with a simple majority vote. On September 20, 2021, the Town of Smithtown Conservation Board voted unanimously to recommend the Town of Smithtown Planning Board issue a SEQRA Negative Declaration, Determination of Non -Significance (an environmental Impact Statement is not necessary based on certain stated reasons and approve the Subdivision Application (eight lots inclusive of the lot for the proposed sewage treatment plant). On March 30, 2022, the Smithtown Planning Board voted four to zero with one abstention to adopt the Findings Statement by resolution, closing SEQR and held a public hearing for the approval of the Preliminary Subdivision at the same meeting. Approval of the Preliminary Subdivision was granted at that meeting. The most recent responses to technical comments on the Final Subdivision Plans received from the Suffolk County Department of Health Services and Suffolk County Department of Public Works were submitted in March 2026, New York State Department of Environmental Conservation Wetland Permit was issued on October 28, 2024, and New York State Department of Transportation plans were submitted for NYS 25A-Stony Brook Road in March 2025 (no prior design comments).

Contingent on entering into a Definitive Purchase and Sale Agreement with the State, we would pursue the review and or approvals from certain agencies, including but not necessarily limited to New York State Department of Transportation, Suffolk County Department of Health and Suffolk County Department of Public Works. In conjunction with seeking the respective permits, we anticipate submitting an amended subdivision application which will require approval from the Town of Smithtown. Following such amended application, we anticipate submitting a final Town of Smithtown subdivision application in the second half of 2027 contingent on when the sale to the State closes. Once the Town of Smithtown application is filed, we expect to receive and respond to comments prior to scheduling a hearing with possible final approval shortly thereafter (assuming comments are received and responded to promptly), all of which are subject to and contingent on the remaining regulatory process.

The entitlement costs for the nine-months ended September 30, 2026 associated with the ownership and development of this property consisting of taxes, architectural and engineering costs, legal expenses, economic analysis, soil management and surveys were approximately $173,700 (approximately 60% of which was real estate tax).

While we cannot predict the outcome of the subdivision application, we undertook to subdivide the Flowerfield property in a manner that we believed will result in increased development flexibility in the shortest amount of time and limited risk (i.e., included in our subdivision application is the separation of the existing industrial buildings into two separate lots which upon resolution of the Article 78 Proceeding (See Article 78 Proceeding under Part II, Item 1, Legal Proceedings) and final subdivision approval will allow us to sell the two lots together or separately, without any site plan approval). There can be no assurance, however, that our value enhancement efforts will result in property value increases that exceed the costs we incur in such efforts, or even any increase at all. The pandemic has negatively impacted demand for office (including medical office) and hotel development “on spec”.

Healthcare Industry

The delivery of the majority of healthcare services requires real estate. The global outbreak of COVID-19 further validated this, as hospitals and other healthcare facilities during the pandemic were proven invaluable. As a consequence, healthcare providers depend on real estate to maintain and grow their businesses. We believe that the healthcare real estate market provides investment opportunities due to the:

- compelling demographics driving the demand for health services;
- specialized nature of healthcare real estate investing; and
- consolidation of the fragmented healthcare real estate sector.

Our tenants in our Cortlandt Manor property are healthcare service providers. Furthermore, the Company’s previous expansion of its leasing relationship with Stony Brook University (“SBU”), SBU Hospital and affiliates of SBU Hospital at our Flowerfield property increased its exposure to the healthcare industry. The healthcare industry is subject to substantial regulation and faces increased regulation particularly relating to fraud, waste and abuse, cost control and healthcare management. The healthcare industry may experience a significant expansion of applicable federal, state or local laws and regulations, previously enacted or future healthcare reform, new interpretations of existing laws and regulations or changes in enforcement priorities, all of which could materially impact the business and operations of our tenants and therefore the marketability of our properties.

Our healthcare tenants are subject to extensive federal, state, and local licensure laws, regulations and industry standards governing business operations, the physical plant and structure, patient rights and privacy and security of health information. Our tenants’ failure to comply with any of these laws could result in loss of licensure, denial of reimbursement, imposition of fines or other penalties, suspension or exclusion from the government sponsored Medicare and Medicaid programs, loss of accreditation or certification, or closure of the facility. In addition, efforts by third-party payors, such as the Medicare and Medicaid programs and private insurance carriers, including health maintenance organizations and other health plans, impose greater discounts and more stringent cost controls upon healthcare provider operations (through changes in reimbursement rates and methodologies, discounted fee structures, the assumption by healthcare providers of all or a portion of the financial risk or otherwise). Our tenants may also face significant limits on the scope of services reimbursed and on reimbursement rates and fees, all of which could impact their ability to pay rent or other obligations to us. Referral sources, including physicians and managed care organizations, may change their lists of hospitals or physicians to which they refer patients. Competition and loss of referrals could adversely affect our tenants’ ability to make rental payments, which could adversely affect our rental revenues. Any reduction in rental revenues resulting from the inability of our medical office buildings and our tenants to compete successfully may have an adverse effect on our business, financial condition and results of operations and our ability to make distributions to our shareholders.

Lingering Pandemic Effects and Macroeconomics

The COVID-19 pandemic has also adversely impacted, and may continue to impact adversely, the timeliness of local government in granting required approvals, as state and local staff charged with processing our subdivision applications all postponed activity due to work-from-home transitions. Accordingly, COVID-19 has caused, and may continue to cause, the completion of important stages in our efforts to secure entitlements to be delayed. The pandemic has also resulted in a significant shift toward commercial acceptance of remote working and telemedicine which has adversely impacted the occupancy rate and average rate per square foot, although medical office has faced less of a challenge from work-from-home shifts. Furthermore, the residual effects of the pandemic continue to negatively impact demand for real estate development projects “on spec”.

We are affected by the fiscal and monetary policies of the United States Government and its agencies, including the policies of the Federal Reserve, which regulates the supply of money and credit in the United States. The combination of elevated interest rates and persistent inflation (or the perception that any of these events may continue) has contributed to continued weakness in commercial real estate markets, including in those real estate markets in which we operate. Changes in fiscal and monetary policies are beyond our control and are difficult to predict. Although the Federal Reserve decreased the federal funds rate multiple times in 2024 and three times in 2025, the rate remains elevated. During 2026, the Federal Reserve increased the federal funds rate by 25 basis points and there can be no assurance that rates will not increase further in 2026 and beyond. Regulated lending institutions are adjusting their business models to increase capital requirements for direct loans to real estate and thus continue to be constrained in providing capital for commercial real estate properties. Changes in the federal funds rate as well as the other policies of the Federal Reserve affect interest rates, which have a significant impact on our financial condition.

The extent of the continuing impact of these public health and macroeconomic risks on the Company's operational and financial performance and ultimately its Net Asset Value**,** will depend on current and future developments, including the residual effects of the COVID-19 pandemic and the extent to which persistently high interest rates continue to have an adverse impact on the real estate industry and a recessionary effect generally.

As a result of the foregoing developments, we are unable to determine what the ultimate impact will be on our timeline for seeking entitlements and selling properties, and ultimately on the amount of proceeds and distributions from those sales**.**

Transaction Summary for the Nine-Months Ended September 30, 2026

The following summarizes our significant transactions and other activity during the nine-months ended September 30, 2026.

Employment. On August 7, 2026, the Company entered into a Separation Agreement (the "Separation Agreement") with Peter Pitsiokos, the Company's Chief Operating Officer, providing the terms for the termination of Mr. Pitsiokos' employment with the Company effective October 2, 2026 (the "Termination Date"). Pursuant to the Separation Agreement, the Company agreed to pay Mr. Pitsiokos his base salary through the Termination Date, as well as a six-months' severance payment of $100,000 as required under the terms of Mr. Pitsiokos' employment agreement for terminations without cause. Mr. Pitsiokos agreed to certain standard confidentiality and non-disparagement obligations and to deliver a general release to the Company following the Termination Date. Mr. Pitsiokos delivered the general release on October 19, 2026, and the $100,000 severance payment was paid in a single lump sum on October 22, 2026. Following the Termination Date, the Company will have one full-time employee remaining to complete the liquidation process, and the Company expects the termination of Mr. Pitsiokos' employment to result in approximately $620,000 of savings over the remaining liquidation timeline, which the Company currently expects to be completed by the end of 2028.

Leasing Activity. During the nine-months ended September 30, 2026, the Company executed three new lease and six renewals comprising approximately 13,500 square feet, annual revenue of approximately $230,000 and total commitments of approximately $180,000. There were three terminations comprising approximately 6,300 square feet and approximately $95,600 in annual revenue.

Tenant Default. During the nine-months ended September 30, 2026, one of the Company's three largest tenants, representing approximately 10% of rental income, a material portion of the Company’s rental revenue, fell into default under its lease. Management is working with the tenant to restore compliance and believes it is probable that the matter will be resolved without eviction. Management has considered this contingency in its estimates of liquidation and operating costs and believes the current estimates remain adequate. See Note 11 (Concentration of Credit Risk) to the consolidated financial statements for a discussion of the Company's tenant concentration risk in connection with this default.

Critical Accounting Policies

Gyrodyne intends to dissolve after we complete the disposition of all of our real property assets, apply the proceeds of such dispositions first to settle any debts and claims, pending or otherwise, against Gyrodyne, and then pay distributions to holders of Gyrodyne common shares. Therefore, effective September 1, 2015 Gyrodyne adopted the liquidation basis of accounting. This basis of accounting is considered appropriate when, among other things, liquidation of the entity is "imminent", as defined in ASC 205-30, Presentation of Financial Statements Liquidation Basis of Accounting. Under the LLC Agreement, the Board may elect, in its sole discretion and without any separate approval by shareholders, to dissolve the Company at any time the value of the Company's assets, as determined by the Board in good faith, is less than $1 million. The LLC Agreement also provides that the Company will dissolve, and its affairs wound up upon the sale, exchange or other disposition of all the real properties of the Company. As a result, liquidation is "imminent" in accordance with the guidance provided in ASC 205-30.

Principles of consolidation - The consolidated financial statements include the accounts of Gyrodyne and all subsidiaries. All consolidated subsidiaries are wholly owned. All inter-company balances and transactions have been eliminated.

Basis of Presentation - Liquidation Basis of Accounting – Under the liquidation basis of accounting the consolidated balance sheet and consolidated statements of operations, equity, comprehensive income and cash flows are no longer presented. The consolidated statements of net assets and changes in net assets are the principal financial statements presented under the liquidation basis of accounting.

Under the liquidation basis of accounting, all the Company's assets have been stated at their estimated net realizable value, or liquidation value, (which represents the estimated amount of cash that Gyrodyne will collect on the disposal of assets (prior to any credits for contribution amounts which are reflected in the costs in excess of receipts) as it carries out the plan of liquidation), which is based on independent third-party appraisals, estimates and other indications of sales value. All liabilities of the Company, including those estimated costs associated with implementing the plan of liquidation, have been stated at their estimated settlement amounts. These amounts are presented in the accompanying statements of net assets. These estimates are periodically reviewed and adjusted as appropriate. There can be no assurance that these estimated values will be realized. Such amounts should not be taken as an indication of the timing or amount of future distributions or our actual dissolution. The valuation of assets at their net realizable value and liabilities at their anticipated settlement amount represent estimates, based on present facts and circumstances, of the net realizable value of the assets and the costs associated with carrying out the plan of liquidation. The actual values and costs associated with carrying out the plan of liquidation may differ from amounts reflected in the accompanying consolidated financial statements because of the plan's inherent uncertainty. These differences may be material. In particular, the estimates of our costs will vary with the length of time necessary to complete the plan of liquidation, which is currently anticipated to be completed by December 31, 2028.

The Company (and B2K for the respective property lots pursuant to the B2K Agreement until such agreement is terminated) is in the process of pursuing entitlements and density approvals, and our ability to obtain required permits and authorizations is subject to factors beyond our control, including environmental concerns of governmental entities, community groups and purchasers. The process has involved extensive analysis at the government entity level, as well as between government entities such as town planning departments and Gyrodyne and or purchasers, and will continue up until such time as entitlement and density decisions (which may also include site plan approval of prospective purchasers) are made by the relevant government entities. The Company hopes to secure favorable decisions on entitlements and density so that we can then seek the sale of our remaining properties with increased development flexibility. Any deviation in use or density between what we are pursuing in our entitlement efforts and what is ultimately permitted could have a material impact on values.

The Company believes the process of negotiating purchase agreements, securing final approvals and consummating the sale of our properties will culminate in 2028 contingent on the termination of the B2K Agreement and the execution and consummation of a definitive agreement with the State. The Company is actively marketing its properties and intends to negotiate contracts in an effort to complete the process as soon as practicable with the ultimate timeline being largely dependent on factors outside the Company's control, including without limitation the Article 78 Proceeding and delays in securing final regulatory approvals caused by the ongoing backlog of land use applications, zoning authority labor shortages and environmental concerns. Consequently, there can be no assurance that the Company will be able to meet our formal stated target of 2028.

The Company's assumptions and estimates (including the sales proceeds of all its real estate holdings, selling costs, retention bonus payments, rental revenues, rental expenses, capital expenditures, land entitlement costs, litigation fees, general and administrative fees, director and officer liability and reimbursement, post liquidation insurance tail coverage policy and final liquidation costs) are based on completing the liquidation by December 31, 2028. As previously stated, on an ongoing basis, Gyrodyne evaluates the estimates and assumptions that can have a significant impact on the reported net assets in liquidation and will update relevant information accordingly for any costs and value associated with a change in the duration of the liquidation, as we cannot give any assurance on the timing of the ultimate sale of all the Company's properties.

Management Estimates – In preparing the consolidated financial statements in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") and the liquidation basis of accounting, management is required to make estimates and assumptions that affect the reported amounts of assets, including net assets in liquidation, and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of receipts and expenditures for the reporting period. Actual results could differ from those estimates. The real estate market is cyclical in nature. Property values are affected by, among other things, the availability of capital, occupancy rates, rental rates, interest rates and inflation rates. As a result, determining real estate values involves many assumptions. Amounts ultimately realized may vary significantly from the net assets in liquidation values presented. The Company's most significant accounting estimate relates to the determination of the value of net assets in liquidation.

Fair Value of Real Estate - The Company also considers in its valuation estimates the receipt of any expressions of interest/letters from perspective buyers adjusted to reflect the Company's best estimate of any contingent financial terms such as approved density and related site plans.

Fair Value Measurements – The Company believes the concepts for determining net realizable value are consistent with the guidance for measuring fair value. As a result, the Company follows the guidance of FASB Accounting Standards Codification, *Fair Value Measurements and Disclosures* to determine the fair value of financial and non-financial instruments. The guidance defines fair value, establishes a hierarchy framework for measuring fair value and expands disclosures related to the fair value. The guidance establishes a hierarchy breaking down observable and unobservable inputs into three levels: Level 1 – observable inputs in an active market on or around the measurement date, Level 2 – observable inputs that are based on prices not quoted on active markets but corroborated by market data and Level 3 – unobservable inputs utilized when no other data is available.

Estimated Distributions per Share – Under the liquidation basis of accounting, the Company reports estimated distributions per share data by dividing net assets by the number of shares outstanding.

Industry Segments - Gyrodyne's corporate strategy is to enhance the value of Flowerfield and Cortlandt Manor by pursuing entitlement opportunities to provide purchasers increased development flexibility, and by enhancing the value of our leases, and then selling our properties in an orderly manner at higher values. The Company manages this strategy on an aggregated, single segment basis for purposes of assessing performance and making decisions (inclusive of capital allocation, leasing, entitlements and sales). Therefore, the Company has only one reporting segment.

As reported in footnote three, the Company is on a liquidation basis of accounting. The detailed information regularly provided to the chief operating decision maker ("CODM"), President and CEO, is reported in footnote five in detail supporting the estimated liquidation and operating costs net of estimated receipts. This information allows the CODM to manage and forecast any impact the operations have on the estimated real estate value and in the aggregate allows the CODM to calculate estimated distributions. The net assets as of September 30, 2026 ($23,640,139) and December 31, 2025 ($25,858,997) results in estimated distributions of approximately $10.75 and $11.76 per common share, respectively, based on 2,199,308 shares outstanding.

New accounting pronouncements - Management has evaluated the impact of newly issued accounting pronouncements, whether effective or not as of September 30, 2026, and has concluded that they will not have a material impact on the Company's consolidated financial statements since the Company reports on a liquidation basis.

Discussion of the Statements of Net Assets

Net assets as of September 30, 2026 and December 31, 2025 would result in estimated liquidating distributions of $23,640,139 and $25,858,997, respectively, or approximately $10.75 and $11.76 per common share, respectively, based on 2,199,308 shares outstanding. The decrease of $2,218,858 in estimated liquidating distributions is mainly attributable to a decrease in the estimated selling price of real estate of $7,440,000 and an increase in estimated selling costs (inclusive of fees relating to the termination of the B2K Agreement), of approximately $900,000 partially offset by (i) savings in retention bonuses resulting from the decrease in real estate value of approximately $308,000, savings in land development including the B2K closing credit of $4,323,700, an increase in operating income mainly due to timing of sales and employee restructuring of $1,233,000, and a savings on the estimated prepayment penalty on the Cortlandt Manor loan of approximately $70,000.

The cash balance at the end of the liquidation period (currently estimated to be December 31, 2028, although the estimated completion of the liquidation period may change), excluding any interim distributions, is estimated based on the September 30, 2026 cash balance of $3.35 million plus adjustments for the following items which are estimated through December 31,2028:

1. The estimated cash receipts from the operation of the properties net of rental property related expenditures as well as costs expected to be incurred to preserve the net realizable value of the property at their estimated gross sales proceeds.
2. Net proceeds from the sale of all the Company's real estate holdings.
3. The general and administrative expenses and or liabilities associated with operations and the liquidation of the Company including severance, director and officer liability coverage including post liquidation tail policy coverage, and financial and legal fees (inclusive of the Article 78 Proceeding) to complete the liquidation.
4. Costs for the pursuit of the entitlement of the Flowerfield and Cortlandt Manor properties.
5. Retention bonus amounts.
6. Debt service on the Company's credit facilities.

The Company estimates the net realizable value of its real estate assets by using income and market valuation techniques. The Company may estimate net realizable values using market information such as broker opinions of value, appraisals, and recent sales data for similar assets or discounted cash flow models, which primarily rely on Level 3 inputs, as defined under FASB ASC Topic No. 820, Fair Value Measurement. The Company also considers in its valuation estimates the receipt of any credible expressions of interest/letters from perspective buyers adjusted to reflect the Company's best estimate of any contingent financial terms such as approved density and related site plans. The cash flow models include estimated cash inflows and outflows over a specified holding period. These cash flows may include contractual rental revenues, projected future rental revenues and expenses and forecasted capital improvements and lease commissions based upon market conditions determined through discussion with local real estate professionals and relevant Company experience with its current and previously owned properties. Capitalization rates and discount rates utilized in these models are estimated by management based upon rates that management believes to be within a reasonable range of current market rates for the respective properties based upon an analysis of factors such as property and tenant quality, geographical location, local supply and demand observations and no sewage treatment plant. To the extent the Company underestimates or overestimates forecasted cash outflows (capital improvements, lease commissions, operating costs and credit costs) or overestimates or underestimates forecasted cash inflows (rental revenue rates) or other unfavorable or favorable variances of the aforementioned assumptions, the estimated net realizable value of its real estate assets could be overstated or understated.

The Company estimates that it will incur approximately $820,000 included in the consolidated statement of net assets as part of the estimated liquidation and operating costs net of receipts in land entitlement costs from October 2026 through the end of the liquidation period, currently estimated to conclude on or about December 31, 2028, in an effort to obtain entitlements. The Company believes the commitment of these resources will enable the Company to position the properties for sale with all entitlements necessary to maximize the aggregate Flowerfield and Cortlandt Manor property values and resulting distributions. During the nine-months ended September 30, 2026, the Company incurred approximately $202,000 of land entitlement costs, consisting predominately of engineering fees, legal fees and real estate taxes. The Company believes the remaining balance of $820,000 (over half of which is real estate taxes and subdivision related regulatory fees) will be incurred from October 2026 through the end of the liquidation period. The Company does not intend to develop the properties but rather positioning the properties for increased development flexibility in the shortest period of time with the least amount of risk to the Company. The costs and time frame to achieve the entitlements could change due to a range of factors including a shift in the value of certain entitlements making it more profitable to pursue a different mix of entitlements and the dynamics of the real estate market. As a result, the Company has focused and will continue to focus its land entitlement efforts on achieving the highest and best use while considering the time and direct and indirect costs necessary to achieve such entitlements. During the process of pursuing such entitlements, the Company may entertain offers from potential buyers (which include but not limited to the sale to the State) who may be willing to pay premiums for the properties that the Company finds more acceptable from a timing or value perspective than completing the entitlement processes itself. There can be no assurance that our value enhancement efforts will result in property value increases that exceed the costs we incur in such efforts, or even any increase at all.

Net assets as of September 30, 2026 and December 31, 2025 would result in estimated liquidating distributions of $23,640,139 and $25,858,997, or approximately $10.75 and $11.76 per common share, respectively, based on 2,199,308 shares outstanding based on estimates and other indications of sales value. This estimate of distributions includes projections of costs and expenses to be incurred during the period required to complete the plan of liquidation. There is inherent uncertainty with these projections, and they could change materially based on the timing of the sales, terms for the sale to the state and estimated termination fees associated with the B2K contract, change in values of the Cortlandt Manor and/or Flowerfield properties (whether market driven or resulting from the land entitlement efforts) net of any bonuses, favorable or unfavorable changes in the land entitlement costs, the performance of the underlying assets, the market for commercial real estate properties generally and any changes in the underlying assumptions of the projected cash flows.

The following table summarizes the estimates to arrive at the Net Assets in Liquidation as of September 30, 2026 (dollars are in millions).

September 30, 2026 cash and cash equivalents balance	$	3.35	
Principal payments on loan		(10.63)	
Free cash flow from rental operations		2.17	(i)
General and administrative expenses		(3.97)	(ii)
Land entitlement costs in pursuit of the highest and best use		(0.82)	
Gross real estate proceeds		46.55	
Selling costs on real estate		(3.88)	
Retention bonus plan for officers and employees		(1.93)	
Final liquidation and dissolution costs		(1.38)	(iii)
Other		(5.82)	(iv)
Net Assets	$	23.64	

(i) The Company estimates the cash proceeds from rental operations net commissions and rental costs, inclusive of expenditures to preserve the properties at its current estimated market value will total $2.17.

(ii) The general and administrative expenses, excluding final liquidation costs, is estimated to be ($3.97).

(iii) The costs represent all anticipated costs to liquidate the Company including D&O tail, severance and professional fees.

(iv) The Company estimates interest income will be offset by interest expense and the settlement of its working capital accounts resulting in a balance of ($5.82).

Discussion of Changes in Net Assets

Gyrodyne's strategy is to enhance the value of Flowerfield and Cortlandt Manor, by pursuing various entitlement opportunities, which the Gyrodyne Board believes will improve the potential of obtaining better aggregate values for such properties as a whole. The pursuit of the highest and best use of Flowerfield and Cortlandt Manor may involve other strategies to manage risk and or enhance the net value of Flowerfield and Cortlandt Manor to maximize the returns for our shareholders. Gyrodyne intends to dissolve after we complete the disposition of all of our real property assets, apply the proceeds of such dispositions first to settle any debts and claims, pending or otherwise, against Gyrodyne, and then pays distributions to holders of Gyrodyne common shares. Because the Company reports on the liquidation basis of accounting, it no longer presents a statement of operations, and accordingly this discussion addresses changes in net assets in liquidation in lieu of a traditional discussion of results of operations. Therefore, the Company includes in its financial statements the Consolidated Statement of Changes in Net Assets for the nine-months ended September 30, 2026 of which is discussed below:

Net assets in liquidation on January 1, 2026	$	25,858,997
Changes in net assets in liquidation from January 1 through September 30, 2026:		
Change in liquidation value of real estate		(7,440,000) (i)
Remeasurement of assets and liabilities in liquidation		5,221,142
Total decrease in net assets in liquidation		(2,218,858)
Net assets in liquidation on September 30, 2026	$	23,640,139

(i) The reduction in price is the variance between the gross value of the B2K Agreement of $28.74 million and the proposal from the State of $21.3 million.

The remeasurement of $5,221,142 in assets and liabilities in liquidation is mainly attributable to (i) savings in retention bonuses resulting from the decrease in real estate value of approximately $308,000, (ii) savings in land development costs including the elimination of the B2K closing credit of $4,323,700, (iii) an increase in operating income mainly due to the timing of sales and employee restructuring of $1,233,000, (iv) savings on the estimated prepayment penalty on the Cortlandt Manor loan of approximately $70,000, partially offset by selling costs inclusive of estimated fees relating to the termination of the B2K Agreement of approximately $900,000.

Liquidity and Capital Resources

Cash Flows:

As we pursue our plan to sell our properties strategically, including certain enhancement efforts, we believe that a main focus of management is to effectively manage our net assets through cash flow management of our tenant leases, maintaining or improving occupancy, and enhance the value of the Flowerfield and Cortlandt Manor properties via the pursuit of the associated change in entitlements.

As the Company executes on the liquidation plan, it will review its capital needs and make prudent distribution decisions regarding any excess cash. Upon completion of these activities, Gyrodyne will distribute the remaining cash to its shareholders and then proceed to complete the dissolution of the Company, delist its shares from Nasdaq or other exchange platform and terminate its registration and reporting obligations under the Securities Exchange Act of 1934, as Amended (the "Exchange Act"). Gyrodyne is required to make adequate provisions to satisfy its known and unknown liabilities which could substantially delay or limit its ability to make future distributions to shareholders. The process of accounting for liabilities, including those that are currently unknown or whose amounts are uncertain may involve difficult valuation decisions which could adversely impact the amount or timing of any future distributions.

We generally finance our operations through cash on hand. Critical to our cash management, certain of the Company's major vendors have informally agreed to defer payment on 50% of their fees until the first subdivided lot is sold. While these same vendors remain committed to deferring a large portion of their deferred fees (as disclosed in note 8), the extended timeline to the end of 2028 is resulting in economic pressure to provide for a yet to be determined partial payment, albeit expected to be less than half of the outstanding liability. These vendor fee deferrals are informal, unwritten arrangements and are not legally binding contractual obligations. As a result, there can be no assurance that any vendor will continue to honor its deferral, and any vendor could demand accelerated or full payment of its deferred fees on different terms than we have assumed, which would increase demands on our limited working capital and could result in disputes over the existence, amount, or terms of the deferral.

Additionally, on December 6, 2019, the Company's Board of Directors approved the Gyrodyne, LLC Nonqualified Deferred Compensation Plan for Employees and Directors (the "DCP") effective as of January 1, 2020. The plan is a non-qualified deferred compensation plan maintained for officers and directors of the Company. Under the DCP, officers and directors may elect to defer a portion of their compensation to the DCP and receive interest on such deferred payments at a fixed rate of 5% (per annum). All DCP benefits will be paid in a single lump sum cash payment on December 15, 2031, unless a Plan of Liquidation is established for Gyrodyne before the distribution date in which case all benefits will be paid in a single lump sum cash payment after execution of an amendment to terminate the DCP (*See Deferred Compensation Plan below)*.

As of September 30, 2026, the Company had cash and cash equivalents totaling approximately $3.35 million. The cash will be partially used to fund our efforts to generate the highest values for the Flowerfield and Cortlandt Manor properties while simultaneously pursuing the strategic sale of these properties. The pursuit of the highest values for Flowerfield and Cortlandt Manor may involve other investments and or other strategies to manage risk and or enhance the net value of Flowerfield and Cortlandt Manor to maximize the returns for our shareholders. The Company is estimating and reporting in the consolidated statements of net assets total gross cash proceeds from the sale of its assets of approximately $46.55 million. Based on the Company's current cash balance and the above forecast, the Company estimates distributable cash stemming from the liquidation of the Company of approximately $23.64 million.

The Company modified and extended the two credit facilities that matured in 2026 allowing the Company to meet its working capital needs through the closing of the sale to the State. The closing of the sale of the undeveloped Flowerfield property to the State (and the termination of the B2K Agreement) would provide adequate additional working capital to fund a yet to be determined distribution to our shareholders and fund our process of seeking entitlements and selling the remaining assets through the forecasted liquidation completion date. Absent closing on the sale of the Flowerfield property by the end of 2027, Management believes the Company will need additional capital to properly fund operations through the end of 2028. Such capital needs may be met through the combination of other property sales or the modification of its existing credit facilities and or new credit facilities, or other alternative capital raising strategies. There can be no assurance, however, that the Company will be successful in securing any such loan modifications, new credit facilities or alternative capital raising transactions on terms that are satisfactory to the Company or on any terms at all or achieve a timely closing on the sale of a property to address its working capital needs. If such available cash and amounts received on the sale of assets are not adequate to provide for our obligations, liabilities, expenses and claims, distributions of cash and other assets to our shareholders would be eliminated. In the event our shareholders receive distributions from Gyrodyne and there are insufficient funds to pay any creditors who seek payment of claims against Gyrodyne, shareholders could be held liable for payments made to them and could be required to return all or a part of the distributions made to them.

The Company's primary sources of funds are as follows:

- current cash and cash equivalents;
- rents and tenant reimbursements received on our remaining real estate operating assets; and
- sale of assets.

Excluding gross proceeds from the sale of assets, the Company's gross rents and tenant reimbursements net of rental expenses is less than the combined total annual general and administrative costs, capital expenditures and land entitlement costs creating a net use of cash on an annual basis through the liquidation process. The Company believes the cash and cash equivalents plus the proceeds from the sale of assets will exceed the costs to complete the liquidation of the Company. In addition, the Company has and will continue to review operating activities for possible cost reductions and additional capital/credit needs throughout the liquidation process.

Major elements of the Company's cashflows for the nine-months ended September 30, 2026 were as follows:

Operating Cashflows:

- $2,174,998 in rent and reimbursements.
- ($1,488,290) in operating costs.
- $686,708 in net operating income.

Nonoperating Cashflows:

- ($28,477) of land entitlement costs incurred for the Cortlandt Manor property.
- ($173,726) of land entitlement costs incurred for the Flowerfield property.
- ($89,811) of capital expenditures on the real estate portfolio excluding those costs incurred for land entitlement.

- ($1,742,536) of corporate expenditures including interest expense.
- ($233,585) of principal payments on our loans.
- $397,948 in changes in working capital.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

As a smaller reporting company, the Company is not required to provide the information required by this Item; the following disclosure is provided voluntarily.

The Company places its temporary cash investments with high credit quality financial institutions. Certain financial instruments could potentially subject the Company to concentrations of credit risk, such as cash equivalents and longer-term investments. The Company maintains bank account balances, which exceed FDIC insurance limits. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on cash. Management does not believe significant credit risk exists on September 30, 2026.

The Company believes there have been no significant changes in market risk from that disclosed in the Company's Annual Report on Form 10-K for the twelve months ended December 31, 2025, filed with the Securities and Exchange Commission on March 27, 2026 (the "2025 10-K").

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

The Company's management, including the Chief Executive Officer ("CEO")/ Chief Financial Officer ("CFO"), has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report (the "Evaluation Date"). Based on such evaluation, our management concluded that our disclosure controls and procedures were effective, at a reasonable assurance level, as of the Evaluation Date, to ensure that information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management in a manner that allows timely decisions regarding required disclosures.

An evaluation was performed under the supervision and with the participation of the Company's management of the effectiveness of the design and operation of the Company's procedures and internal control over financial reporting as of September 30, 2026. In making this assessment, the Company used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework of 2013 (the "2013 COSO Framework"). Based on that evaluation, the Company's management concluded that the Company's internal controls over financial reporting were effective as of September 30, 2026.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting identified with our evaluation that occurred during the fiscal quarter ended September 30, 2026, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART –II - OTHER INFORMATION

Item 1. Legal Proceedings.

Putative Class Action Lawsuit

On August 14, 2015, the Company entered a Stipulation of Settlement (the "Settlement") providing for the settlement of a putative class action lawsuit against the Company and certain related parties. Under the Settlement, Gyrodyne agreed that any sales of its properties would be effected only in arm's-length transactions at prices at or above their appraised values as of 2014.

As of September 30, 2026, after giving effect to the $7,440,000 reduction in the estimated value of real estate and assuming the sale of the undeveloped portion of Flowerfield to the State at $21.3 million the aggregate estimated value of our remaining un-sold properties exceeded the respective 2014 aggregate appraised value for such properties. See, "Risk Factors – Stipulation of Settlement prohibits us from selling our remaining properties at prices below the December 2014 appraised values" in the 2025 10-K.

Article 78 Proceeding

On April 26, 2022, the Incorporated Village of Head of the Harbor and certain other parties commenced a special proceeding (the "Article 78 Proceeding") against the Town of Smithtown and certain other parties, including the Company, seeking to annul the Planning Board's determinations relating to the Flowerfield Subdivision Application. The Article 78 Proceeding was commenced by the filing of a petition (the "Petition") in the Supreme Court of the State of New York, Suffolk County, pursuant to Article 78 of New York's Civil Practice Law and Rules ("Article 78"). Specifically, the Petition seeks to annul the Planning Board's (i) approval of a findings statement, pursuant to the SEQRA, dated September 16, 2021, and adopted by the Planning Board on March 30, 2022, concerning the Flowerfield Subdivision Application, and (ii) preliminary approval on March 30, 2022, of the Flowerfield Subdivision Application. The arguments made in the Petition are substantially similar to those made by opponents of the Flowerfield Subdivision Application during the SEQRA and subdivision process. The Company and the Town of Smithtown are vigorously defending the Planning Board's determinations against the Petition. In June 2022, Gyrodyne and the Town of Smithtown filed motions to dismiss the Petition. During the third quarter of 2023, the Article 78 Proceeding was re-assigned to a different judge for the second time. On February 6, 2024, the Supreme Court of the State of New York, Suffolk County issued an order (the "Order"), denying the Motions in part and granting them in part. Specifically, the Order (i) denied the Motions as to three individual Petitioners and the St. James-Head of the Harbor Neighborhood Preservation Coalition, Inc., (ii) granted the Motions as to the remaining twenty (20) individual Petitioners and the Village of Head of the Harbor, (iii) denied the branch of Gyrodyne's motion alleging that Petitioners failed to state a claim. On October 11, 2024, the Supreme Court of the State of New York issued a ruling in favor of the Company dismissing the Article 78 petition in its entirety. On October 28, 2024, the Company received a notice of appeal filed by the petitioners in this proceeding seeking to appeal the court's dismissal of the Article 78 petition, citing as grounds for appeal "whether the court erred in denying the petition and dismissed the Article 78 proceeding, and any and all other issues which may arise upon further review of the record on appeal".

On November 12, 2024, the petitioners filed a notice of motion to renew and reargue, seeking to have the court direct the respondents to undertake a supplemental environmental impact statement to address retaining of storm water at the property being developed in light of a recent storm, and to annul the resolution approving the preliminary site plan.

On March 17, 2025, the Supreme Court of the State of New York, Suffolk County issued an order denying the appellants motion to stay enforcement of the order, pending hearing and determination of appeal. On March 21, 2025, the Supreme Court of the State of New York, Suffolk County issued an order denying the Petitioners motion to renew and reargue. On April 16, 2025 the Petitioners filed a notice of appeal seeking to appeal the March 17, 2025 order denying the appellants motion to stay enforcement of the order dismissing the Petition pending the appeal.

On April 28, 2025 the Petitioners perfected their appeal on the original Petition. The Petitioners' memorandum of law largely repeats their earlier position and arguments, which the Supreme Court previously found to be an insufficient basis for overturning the Planning Board's determinations. Gyrodyne filed its response to the Appeal on July 25, 2025 and the Town submitted its reply to the Appeal on July 28, 2025.

Pleadings filed in the Article 78 Proceeding may be accessed through a link (and related instructions) to the New York State Unified Court System which appears on the Company's website at https://www.gyrodyne.com.

General

In addition to the foregoing, in the normal course of business, Gyrodyne is a party to various legal proceedings. After reviewing all actions and proceedings pending against or involving Gyrodyne, management considers that any loss resulting from such proceedings individually or in the aggregate will not be material to Gyrodyne's financial condition or results of operations.

Item 1A. Risk Factors.

Other than as set forth below, there have been no material changes to the risk factors disclosed in Part I, Item 1A, "Risk Factors," of the 2025 10-K. The following risk factor supersedes and replaces the risk factor titled "*Loss of key management personnel*" disclosed in the 2025 10-K, and the additional risk factors set forth below supplement the risk factors disclosed in the 2025 10-K.

Loss of key management personnel.

Our success depends to a significant extent upon the continuing efforts of Gary Fitlin, our Chief Executive Officer and Chief Financial Officer, who is currently the Company's only remaining full-time employee. On August 7, 2026, the Company entered into a Separation Agreement with Peter Pitsiokos, the Company's former Chief Operating Officer, providing for the termination of Mr. Pitsiokos' employment with the Company effective October 2, 2026. Following that termination, the Company has only one full-time employee, Mr. Fitlin, to oversee the Company's efforts to seek entitlements, market and sell its remaining properties, and wind up its affairs through the completion of the liquidation. We have programs in place that have been designed to motivate, reward and retain Mr. Fitlin, including an employment agreement and our Retention Bonus Plan. Nevertheless, the loss or unavailability of Mr. Fitlin due to retirement, resignation, illness, or otherwise could have a material adverse effect on our business, financial condition and results of operations in general, and our efforts to position our properties to maximize values and distributions to shareholders in particular, if we are unable to retain Mr. Fitlin, and this risk is heightened because the Company no longer has another executive officer available to assume his responsibilities on an interim basis. In addition, the Company's controller resigned as a full-time employee as of February 28, 2025. The former controller continues to provide certain services to the Company under the terms of a consulting agreement dated as of March 1, 2025 (the "Consulting Agreement"). Nevertheless, the Company may find it necessary to hire another person to perform certain functions not covered by the Consulting Agreement and be prepared to assume such functions that are covered by the Consulting Agreement in the event the Consulting Agreement is terminated. If the Company is required to hire such additional person, the cost of doing so could have a material adverse effect on our business, financial condition and results of operations in general. The Company may also need to hire additional personnel to replace some or all of the functions previously performed by Mr. Pitsiokos, and the failure to do so in a timely manner, or the cost of doing so, could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to terminate the B2K Agreement on acceptable terms, or at all.

Our ability to complete a sale of the undeveloped portion of Flowerfield to the State depends on the termination of the B2K Agreement. The B2K Agreement does not give us a unilateral right to terminate it, and B2K's investigation-period termination right has expired. Although we have reached a non-binding agreement in principle with B2K on the terms of a termination, any termination requires the execution of a definitive agreement with B2K. If a definitive agreement is not executed, B2K may decline to terminate, may condition a termination on terms less favorable to us, or may seek to enforce its rights under the B2K Agreement, which could delay or prevent a sale to the State, result in litigation, increase our costs and reduce or delay distributions to shareholders.

The proposed sale to the State is subject to a non-binding offer, a governmental acquisition process and approvals that we do not control, and is at a price below the estimated value of the B2K Agreement.

The NYSDEC offer of $21.3 million is non-binding and subject to the negotiation of a definitive agreement and the completion of the State's acquisition process, including State, county and town approvals. These processes may take longer than we anticipate, the terms may change, and the sale may not be completed. The offer price is lower than the $28,740,000 estimated gross value of the B2K Agreement, and we have reduced the estimated value of our real estate by $7,440,000 as of September 30, 2026. If the sale to the State is not completed and the B2K Agreement is not consummated, we may be required to remarket the property, which could further reduce its value, extend the liquidation beyond 2028 and increase our liquidation and operating costs.

The visual easement rights of Flowerfield Celebrations may limit the development and value of the undeveloped portion of Flowerfield.

B2K and Flowerfield Celebrations have not reached agreement that B2K's proposed site plan is consistent with visual easement rights held by Flowerfield Celebrations. These rights could limit the uses or density of any development of the undeveloped portion of Flowerfield, delay or prevent site plan approval, or reduce the price that a purchaser other than the State would be willing to pay.

The extension of the Cortlandt Manor mortgage loan increases our debt service costs.

Effective October 10, 2026, the maturity date of the Cortlandt Manor mortgage loan was extended to October 10, 2031 and the interest rate reset from 3.75% to 7.28% per annum, following a principal paydown of $431,411.38. The increased interest rate and debt service will reduce cash available for operations and the entitlement process and, if we are unable to sell Cortlandt Manor on acceptable terms or to meet our obligations under the loan, the lender could exercise its remedies, including foreclosure.

Items 2 through 5 are not applicable to the Company in the nine-months ended September 30, 2026.

Item 6. Exhibits.

3.1	Articles of Organization of Gyrodyne, LLC, dated as of October 3, 2013 (1)
3.2	Amended and Restated Limited Liability Company Agreement of Gyrodyne, LLC (2)
10.1	Amended and Restated Retention Bonus Plan (3)
10.2	Amendment No. 2 to the Retention Bonus Plan (4)
10.3	Amendment No. 3 to the Retention Bonus Plan (5)
10.4	Amendment No. 4 to the Retention Bonus Plan (6)

10.5	Cooperation Agreement, dated July 26, 2023, among the Company, Leap Tide Capital Management LLC and Jan Loeb (7)
10.6	Amendment No. 5 to the Retention Bonus Plan (8)
10.7	Nonqualified Deferred Compensation Plan (9)
10.8	Restricted Stock Plan (8)
10.9	Purchase and Sale Agreement dated July 30, 2025 between GSD Flowerfield LLC and B2K Smithtown LLC (16)
10.10	First Amendment dated October 28, 2025 to Purchase and Sale Agreement between GSD Flowerfield LLC and B2K Smithtown LLC (17)
10.11	Second Amendment dated as of January 6, 2026 to Purchase Agreement dated July 30, 2025 between GSD Flowerfield LLC and B2K Smithtown LLC (18)
10.12	Current Report on Form 8-K dated August 7, 2026, reporting the Separation Agreement with Peter Pitsiokos (19)
10.13	Letter Agreement entered into as of October 19, 2026 among SIG CRE 2023 Venture LLC, GSD Cortlandt, LLC and Gyrodyne, LLC (20)
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer and Chief Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (14)
32.1	CEO and CFO Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (15)
99.1	Short Form Order of the Supreme Court of the State of New York, Suffolk County, dated February 6, 2024 (10)
99.2	Short Form Order of the Supreme Court of the State of New York, Suffolk County, dated October 11, 2024 (11)
99.3	Petitioners' Notice of Appeal, received October 28, 2024 (13)
99.4	Short Form Order of the Supreme Court of the State of New York, Suffolk County, dated March 17, 2025 (13)
99.5	Short Form Order of the Supreme Court of the State of New York, Suffolk County, dated March 21, 2025 (12)
99.6	Petitioners' Notice of Appeal, received April 16, 2025 (13)

101.INS Inline XBRL Instance (14)

101.SCH Inline XBRL Taxonomy Extension Schema (14)

101.CAL Inline XBRL Taxonomy Extension Calculation (14)

101.DEF Inline XBRL Taxonomy Extension Definition (14)

101.LAB Inline XBRL Taxonomy Extension Labels (14)

101.PRE Inline XBRL Taxonomy Extension Presentation (14)

104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

(1) Incorporated herein by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-4 filed with the Securities and Exchange Commission on October 21, 2013.

(2) Incorporated herein by reference to Exhibit 3.2 to the Company's Registration Statement on Form 8-A12B filed with the Securities and Exchange Commission on September 1, 2015.

(3) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on May 26, 2016.

(4) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on January 31, 2018.

(5) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on November 2, 2018.

(6) Incorporated herein by reference to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on May 11, 2022.

(7) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on August 1, 2023.

(8) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on September 11, 2023.

(9) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on December 13, 2019.

(10) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 9, 2024.

(11) Incorporated herein by reference to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on November 19, 2024.

(12) Incorporated herein by reference to the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on March 28, 2025.

(13) Incorporated herein by reference to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 5, 2025.

(14) Filed as part of this report.

(15) Furnished herewith in accordance with Item 601(b)(32) of Regulation S-K. This Exhibit is not deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such certification will not be deemed incorporated by reference into any filings under the Securities Act, except to the extent that the registrant specifically incorporates it by reference.

(16) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 4, 2025.

(17) Incorporated herein by reference to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 10, 2025.

(18) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 12, 2026.

(19) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on August 7, 2026.

(20) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on October 20, 2026.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GYRODYNE, LLC

Date: November 13, 2026

/s/ Gary Fitlin
By Gary Fitlin
President and Chief Executive Officer
Chief Financial Officer and Treasurer

EXHIBIT INDEX

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10.5 Cooperation Agreement, dated July 26, 2023, among the Company, Leap Tide Capital Management LLC and Jan Loeb (7)

10.6 Amendment No. 5 to the Retention Bonus Plan (8)

10.7 Nonqualified Deferred Compensation Plan (9)

10.8 Restricted Stock Plan (8)

10.9 Purchase and Sale Agreement dated July 30, 2025 between GSD Flowerfield LLC and B2K Smithtown LLC (16)

10.10 First Amendment dated October 28, 2025 to Purchase and Sale Agreement between GSD Flowerfield LLC and B2K Smithtown LLC (17)

10.11 Second Amendment dated as of January 6, 2026 to Purchase Agreement dated July 30, 2025 between GSD Flowerfield LLC and B2K Smithtown LLC (18)

10.12 Current Report on Form 8-K dated August 7, 2026, reporting the Separation Agreement with Peter Pitsiokos (19).

10.13 Letter Agreement entered into as of October 19, 2026 among SIG CRE 2023 Venture LLC, GSD Cortlandt, LLC and Gyrodyne, LLC (20)

31.1 Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer and Chief Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (14)

32.1 CEO and CFO Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (15)

99.1 Short Form Order of the Supreme Court of the State of New York, Suffolk County, dated February 6, 2024 (10)

99.2 Short Form Order of the Supreme Court of the State of New York, Suffolk County, dated October 11, 2024 (11)

99.3 Petitioners' Notice of Appeal, received October 28, 2024 (13)

99.4 Short Form Order of the Supreme Court of the State of New York, Suffolk County, dated March 17, 2025 (13)

99.5 Short Form Order of the Supreme Court of the State of New York, Suffolk County, dated March 21, 2025 (12)

99.6 Petitioners' Notice of Appeal, received April 16, 2025 (13)

101.INS Inline XBRL Instance (14)

101.SCH Inline XBRL Taxonomy Extension Schema (14)

101.CAL Inline XBRL Taxonomy Extension Calculation (14)

101.DEF Inline XBRL Taxonomy Extension Definition (14)

101.LAB Inline XBRL Taxonomy Extension Labels (14)

101.PRE Inline XBRL Taxonomy Extension Presentation (14)

104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

(1) Incorporated herein by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-4 filed with the Securities and Exchange Commission on October 21, 2013.

(2) Incorporated herein by reference to Exhibit 3.2 to the Company's Registration Statement on Form 8-A12B filed with the Securities and Exchange Commission on September 1, 2015.

(3) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on May 26, 2016.

(4) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on January 31, 2018.

(5) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on November 2, 2018.

(6) Incorporated herein by reference to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on May 11, 2022.

(7) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on August 1, 2023.

(8) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on September 11, 2023.

(9) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on December 13, 2019.

(10) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 9, 2024.

(11) Incorporated herein by reference to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on November 19, 2024.

(12) Incorporated herein by reference to the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on March 28, 2025.

(13) Incorporated herein by reference to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on May 5, 2025.

(14) Filed as part of this Report.

(15) Furnished herewith in accordance with Item 601(b)(32) of Regulation S-K. This Exhibit is not deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such certification will not be deemed incorporated by reference into any filings under the Securities Act, except to the extent that the registrant specifically incorporates it by reference.

(16) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 4, 2025.

(17) Incorporated herein by reference to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 10, 2025.

(18) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 12, 2026.

(19) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on August 7, 2026.

(20) Incorporated herein by reference to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on October 20, 2026.

Exhibit 31.1

Rule 13a-14(a)/15d-14(a) Certification

I, Gary Fitlin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gyrodyne, LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2026

/s/ Gary Fitlin
By Gary Fitlin,
President and Chief Executive Officer,
Chief Financial Officer and Treasurer

Exhibit 32.1

CFO CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Gyrodyne, LLC (the "Company") on Form 10-Q for the period ended September 30, 2026, as filed with the Securities and Exchange Commission (the "Report"), I, Gary Fitlin, Chief Executive Officer and Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition of the Company as of the dates presented and consolidated results of operations of the Company for the periods presented.

Date: November 13, 2026

/s/ Gary Fitlin
By Gary Fitlin,
President and Chief Executive Officer,
Chief Financial Officer and Treasurer