

Gyrodyne, LLC
One Flowerfield, Suite 24
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To Our Shareholders:

On behalf of Gyrodyne, LLC, I am pleased to invite you to attend Gyrodyne's 2024 Annual Meeting of Shareholders (the "Annual Meeting") and to reach out to you with an update on our strategic plan to maximize net assets in liquidation since our 2023 annual meeting

In my letter to you last year, I reported on the formal shareholder outreach campaign we conducted which resulted in significant corporate governance and compensation enhancements in 2023, including a board refresh with the addition of Jan Loeb as a director, amendment of our retention bonus plan (the "Bonus Plan") to remove certain features that may distort incentives and the exchange of Bonus Plan benefits by director participants (after agreeing to a 22% reduction in such benefits or \$579,328) for restricted stock to better align their interests with those of our shareholders.

Since last year, we completed an oversubscribed rights offering and have been pursuing an aggressive marketing campaign for our properties led by international real estate brokerage firm JLL Capital Markets as we pursue the completion of our years-long process to secure entitlements to enhance the value of our properties.

Rights Offering

On March 7, 2024, we closed on our rights offering (the "Rights Offering") in which we raised net proceeds of approximately \$4,400,000 from our shareholders (gross proceeds of \$5,000,000 less direct expenses of approximately \$600,000). In the rights offering, we received subscriptions for 1,031,640 shares, greatly exceeding the maximum shares offered of 625,000. Shareholders were allocated 100% of their basic subscriptions. Based on the maximum 625,000 shares that were issuable in the rights offering, 271,836 shares were allocated to shareholders who properly exercised their oversubscription privilege, pro rata in proportion to the aggregate number of shares subscribed for under the over-subscription privilege, or approximately 40% of each over-subscriber's requested shares.

The Company is using the net proceeds of the Rights Offering to complete the pursuit of entitlements on the Company's Flowerfield and Cortlandt Manor properties, for litigation fees and expenses in the Article 78 proceeding, for anticipated property sale agreement negotiation and enforcement, for necessary capital improvements in the Company's real estate portfolio, and for general working capital.

Operating and Strategic Developments

Gyrodyne continues to navigate considerable economic and legal headwinds in our efforts to complete the process of securing entitlements on and selling our properties in a challenging real estate environment given market uncertainties surrounding interest rates, the state of the economy, the outcome of the national election and policies that may be implemented by a new administration. The Company remains on course to secure entitlements providing greater flexibility in marketing our properties which we believe will ultimately enhance liquidating distributions to our shareholders.

JLL Capital Markets:

On January 5, 2024, we retained JLL Capital Markets to market our Flowerfield and Cortlandt Manor properties. Since being retained, JLL has been conducting a broad marketing campaign and an efficient and effective buyer selection process designed to showcase the unique value proposition of the Company's properties and ultimately maximize sale proceeds. The Company's marketing efforts through JLL have attracted significant attention from qualified buyers, including institutional real estate firms, private equity firms and major independent developers. Based upon these encouraging responses, we remain hopeful that we will be able to select a buyer or buyers before year-end that will lead to property sales generating maximum net asset value for our shareholders.

Flowerfield:

Gyrodyne filed its final environmental impact statement ("FEIS") in December 2020 reflecting a subdivision plan as required by municipal government as a prerequisite to selling the property. Following an extended period of technical reviews and public comment periods, on March 30, 2022, the Town of Smithtown Planning Board (the "Planning Board") voted unanimously to adopt the findings statement by resolution, closed State Environmental Quality Review Act and held a public hearing for preliminary approval of the subdivision at the same meeting. Preliminary approval of our subdivision was granted at that meeting. Based on the findings statement and the parameters of the preliminary subdivision approval, Gyrodyne is pursuing final technical approvals and final subdivision approval which we anticipate will be received in late 2024 OR EARLY 2025.

On April 26, 2022, certain parties (the “Petitioner”) commenced a special proceeding (the “Article 78 Proceeding”) against the Town of Smithtown and other parties, including Gyrodyne. The Article 78 Proceeding was commenced by filing a petition (the “Petition”) in the Supreme Court of the State of New York, Suffolk County. Specifically, the Petition seeks to annul the Planning Board’s findings statement and preliminary approval of the subdivision plan. The Company and the Town of Smithtown have been vigorously defending the Planning Board’s determinations in court over the past two and one-half years.

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 Gyrodyne’s motion alleging that Petitioners failed to state a claim. The parties submitted their respective briefs on the merits of the remaining Petitioners’ contentions and are awaiting the court’s decision.

The Town of Smithtown, Gyrodyne and the Petitioners have since filed motions with the court. Although we cannot control the timing of the court’s ruling, we are confident in our counsel and their continuing efforts to ensure final subdivision approval of Flowerfield.

The Article 78 proceeding could extend beyond 2025. Nevertheless, the Company remains confident that securing final subdivision approval and consummating the sale of the Flowerfield properties will culminate by year-end 2025. There can be no assurance that the Company and the Town of Smithtown will be successful in the defense of the Planning Board’s determinations or that our timeline for the sales of the Flowerfield properties can be met.

Cortlandt Manor:

In March 2023, the Town Board adopted a Medical Oriented District with the property receiving the medical oriented district campus designation from the Town Planning Board and entitlements for up to 150,000 square feet of medical office. This changed the prior zoning district classification of single family residential. The Company is actively marketing the property.

Financial Performance:

In our Annual Report on Form 10-K for the year ended December 31, 2023, the Company reported aggregate real estate value of \$53,780,000 which was an improvement of \$110,000 over the December 31, 2022 value. This was offset by an increase in net costs (costs in excess of receipts) of which was mainly driven by the extension of the timeline to 2025 and the activist campaign all of which ultimately contributed to an increase in net assets in liquidation of \$353,535. However, due to additional shares being issued in lieu of the bonus plan, Net Asset Value per share was reduced by \$0.97 per share (from \$20.48/share to \$19.51/share) an approximate 5% degradation per share over the prior year.

Net assets as of June 30, 2024 and December 31, 2023 would result in estimated liquidating distributions of \$35,387,309 and \$30,721,034, respectively, or approximately \$16.09 and \$19.51 per common share, respectively, based on 2,199,308 and 1,574,308 shares outstanding, respectively. The increase of \$4,666,275 in estimated liquidating distributions is mainly attributable to the rights offering (net proceeds of \$4,418,380) that closed on March 7, 2024. Although total estimated liquidating distributions increased there was a decrease of \$3.42 in the per share amount due to the shares issued in the rights offering.

At this time, occupancy rates are slightly lower than year-end, 92% in Cortlandt, 80% in Flowerfield and 82% in total.

Our team is also focused on entering into and closing contracts for our properties as expeditiously as possible. We remain focused on completing our liquidation by the end of 2025. We believe we are at the tail end of the entitlement approval process at Flowerfield. We are now focused on selling properties at post-entitled values absent an unconditional offer that we may find more attractive from a timing or value perspective. We also continue to be open to reasonable offers for the entire company.

Although we will hold the Annual Meeting in person, we are sensitive to the public health and travel concerns our shareholders may have. As a result, we may impose requirements or limitations on meeting attendees.

We look forward to seeing you at our Annual Meeting. Most of all, we look forward to completing our mission and making distributions to our shareholders.

With best wishes,

Gary Fitlin
President and Chief Executive Officer