

Griffin Industrial Realty, Inc.  
Consolidated Statements of Operations  
(amounts in thousands, except per share data)  
(unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	Aug. 31, 2019	Aug. 31, 2018	Aug. 31, 2019	Aug. 31, 2018
Rental revenue (1)	\$ 8,600	\$ 8,001	\$ 25,458	\$ 24,374
Revenue from property sales (2)	302	-	9,828	1,023
Total revenue	<u>8,902</u>	<u>8,001</u>	<u>35,286</u>	<u>25,397</u>
Operating expenses of rental properties (1)	2,483	2,189	7,567	7,278
Depreciation and amortization expense	2,925	2,743	8,806	8,450
General and administrative expenses	1,668	1,842	5,567	5,815
Costs related to property sales	176	-	1,999	144
Total expenses	<u>7,252</u>	<u>6,774</u>	<u>23,939</u>	<u>21,687</u>
Gain on insurance recovery (3)	-	-	126	-
Operating income	1,650	1,227	11,473	3,710
Interest expense (4)	(1,508)	(1,487)	(4,776)	(4,566)
Investment income	61	49	242	75
Income (loss) before income tax benefit (provision)	203	(211)	6,939	(781)
Income tax benefit (provision) (5)	814	89	(689)	(733)
Net income (loss)	<u>\$ 1,017</u>	<u>\$ (122)</u>	<u>\$ 6,250</u>	<u>\$ (1,514)</u>
Basic net income (loss) per common share	<u>\$ 0.20</u>	<u>\$ (0.02)</u>	<u>\$ 1.23</u>	<u>\$ (0.30)</u>
Diluted net income (loss) per common share	<u>\$ 0.20</u>	<u>\$ (0.02)</u>	<u>\$ 1.23</u>	<u>\$ (0.30)</u>
Weighted average common shares outstanding for computation of basic per share results	<u>5,073</u>	<u>5,031</u>	<u>5,068</u>	<u>5,013</u>
Weighted average common shares outstanding for computation of diluted per share results	<u>5,113</u>	<u>5,031</u>	<u>5,102</u>	<u>5,013</u>

(1) Net operating income from leasing ("Leasing NOI"):

	For the Three Months Ended		For the Nine Months Ended	
	Aug. 31, 2019	Aug. 31, 2018	Aug. 31, 2019	Aug. 31, 2018
Rental revenue	\$ 8,600	\$ 8,001	\$ 25,458	\$ 24,374
Operating expenses of rental properties	2,483	2,189	7,567	7,278
Leasing NOI	<u>\$ 6,117</u>	<u>\$ 5,812</u>	<u>\$ 17,891</u>	<u>\$ 17,096</u>

(2) Revenue from property sales in the nine months ended August 31, 2019 included \$7,700 from the sale of approximately 280 acres of undeveloped land in Simsbury, Connecticut.

(3) Reflects the settlement of an insurance claim for storm damage to Griffin's nursery farm in Quincy, Florida that had been leased to a nursery operator. The lease terminated in fiscal 2018 upon the bankruptcy filing of the former tenant.

(4) Interest expense is primarily for mortgages on Griffin's rental properties.

(5) The income tax benefit for the three months ended August 31, 2019 and the income tax provision for the nine months ended August 31, 2019 included a benefit of \$873 for a partial reduction of the valuation allowance on deferred tax assets for Connecticut state income taxes as a result of new tax legislation enacted in the 2019 third quarter. The income tax provision for the nine months ended August 31, 2018 included a charge of \$1,001 for the re-measurement of Griffin's deferred tax assets as a result of the reduction of the federal statutory tax rate from 35 % to 21% under the Tax Cuts and Jobs Act that was enacted in the fiscal 2018 first quarter.