

Risk Factors Comparison 2025-02-18 to 2024-02-21 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

Our ability to achieve our investment objectives and to pay distributions to our stockholders is dependent upon the performance of our Adviser in evaluating potential investments, selecting and negotiating property purchases and dispositions, selecting tenants and borrowers, setting lease terms and determining financing arrangements. Accomplishing these objectives on a cost-effective basis is largely a function of our Adviser's marketing capabilities, management of the investment process, ability to provide competent, attentive and efficient services and our access to financing sources on acceptable terms. Our stockholders have no opportunity to evaluate the terms of transactions or other economic or financial data concerning our investments and must rely entirely on the analytical and management abilities of our Adviser and the oversight of our Board of Directors. If our Adviser or our Board of Directors makes inadvisable investment or management decisions, our operations could be materially adversely impacted. As we grow, our Adviser may be required to hire, train, supervise and manage new employees. Our Adviser's failure to effectively manage our future growth could have a material adverse effect on our business, financial condition and results of operations. We may have conflicts of interest with our Adviser and other affiliates. Our Adviser manages our business and locates, evaluates, recommends and negotiates the acquisition of our real estate investments. At the same time, our Advisory Agreement permits our Adviser to conduct other commercial activities and provide management and advisory services to other entities, including, but not limited to, Gladstone Capital, Gladstone Investment, **and Gladstone Land, and Gladstone Alternative**. Moreover, with the exception of our chief financial officer, treasurer and president, all of our executive officers and directors are also executive officers and directors of Gladstone Capital **and, Gladstone Investment, and Gladstone Alternative**, which actively make loans to and invest in lower middle market companies, and with the exception of our chief financial officer and president, all of our executive officers and directors are also officers and directors of Gladstone Land, an agricultural REIT. Further, our chief executive officer and chairman is on the board of managers of Gladstone Securities, an affiliated broker dealer that provides us with mortgage financing services pursuant to a contractual agreement and is the 100 % indirect owner of and controls Gladstone Securities. As a result, we may from time to time have conflicts of interest with our Adviser in its management of our business, Gladstone Securities, in its provision of services to us and our other affiliated funds, and with Gladstone Capital, Gladstone Investment **and, Gladstone Land, and Gladstone Alternative**, which may arise primarily from the involvement of our Adviser, Gladstone Securities, Gladstone Capital, Gladstone Investment, Gladstone Land, **Gladstone Alternative** and their affiliates in other activities that may conflict with our business. Examples of these potential conflicts include: • our Adviser may realize substantial compensation on account of its activities on our behalf, and may, therefore, be motivated to approve acquisitions solely on the basis of increasing compensation to itself; • Gladstone Securities acts as the dealer manager for our Series F Preferred Stock Offering, and earns fee income from Series F Preferred Stock proceeds; • our Adviser or Gladstone Securities, may earn fee income from our borrowers or tenants; and • our Adviser and other affiliates such as Gladstone Capital, Gladstone Investment **and, Gladstone Land, and Gladstone Alternative** could compete for the time and services of our officers and directors. These and other conflicts of interest between us and our Adviser and other affiliates could have a material adverse effect on the operation of our business and the selection or management of our real estate investments. Our termination of the Advisory Agreement without cause would require payment of a termination fee. Termination of the Advisory Agreement with our Adviser without cause would be difficult and costly. We may only terminate the Advisory Agreement without cause (as defined therein) upon 120 days' prior written notice and after the affirmative vote of at least two-thirds of our independent directors. Furthermore, if we default under the agreement and any applicable cure period has expired, the Adviser may terminate the agreement. In each of the foregoing cases, we will be required to pay the Adviser a termination fee equal to two times the sum of the average annual base management fee and incentive fee earned by our Adviser during the 24-month period prior to such termination. This provision increases the cost to us of terminating the Advisory Agreement and adversely affects our ability to terminate our Adviser without cause. Additionally, depending on the amount of the fee, if incurred, it could adversely affect our ability to pay distributions to our common, preferred and senior common stockholders. Our Adviser is not obligated to provide a waiver of the incentive fee, which could negatively impact our earnings and our ability to maintain our current level of, or increase, distributions to our stockholders. The Advisory Agreement contemplates a quarterly incentive fee based on our Core **Funds from Operations ("FFO")** (as defined in the Advisory Agreement). Our Adviser has the ability to issue a full or partial waiver of the incentive fee for current and future periods; however, our Adviser is not required to issue any waiver. Any waiver issued by our Adviser is a voluntary, non-contractual, unconditional and irrevocable waiver. For the year ended December 31, ~~2021~~ **2022**, our Adviser ~~issued a waiver of the incentive fee of \$ 0.02 million. For the year ended December 31, 2022, our Adviser did not issue a full or partial waiver of the incentive fee.~~ **If our Adviser does not issue this waiver in future quarters, it could negatively impact our earnings and may compromise our ability to maintain our current level of, or increase, distributions to our stockholders, which could have a material adverse impact on the market price of our securities.** Under the amendment of the Advisory Agreement dated January 10, 2023, our Adviser was not entitled to receive an incentive fee for the quarters ended March 31, 2023 and June 30, 2023. Under the amendment of the Advisory Agreement dated July 11, 2023, our Adviser was not entitled to receive an incentive fee for the quarters ended September 30, 2023 and December 31, 2023. No waivers were required, as the incentive fees for the 12-month period were contractually eliminated. **For the year ended December 31, 2024, our Adviser issued a voluntary waiver of a portion of the incentive fee of \$ 2.3 million. If our Adviser does not issue other voluntary waivers in future quarters, it could negatively impact our earnings and may compromise our ability to maintain our current level of, or increase,**

distributions to our stockholders, which could have a material adverse impact on the market price of our securities.

Risks Related to Qualification and Operation as a REIT If we fail to qualify as a REIT, our operations and distributions to stockholders would be adversely impacted. We intend to continue to be organized and to operate to qualify as a REIT under the Internal Revenue Code of 1986, as amended (the “ Code ”). A REIT generally is not taxed at the corporate level on income it currently distributes to its stockholders. Qualification as a REIT involves the application of highly technical and complex rules for which there are only limited judicial or administrative interpretations. The determination of various factual matters and circumstances not entirely within our control may affect our ability to continue to qualify as a REIT. In addition, new legislation, new regulations, administrative interpretations or court decisions could significantly change the tax laws, possibly with retroactive effect, with respect to qualification as a REIT or the federal income tax consequences of such qualification. If we were to fail to qualify as a REIT in any taxable year: • we would not be allowed to deduct our distributions to stockholders when computing our taxable income; • we would be subject to federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates; • we would be disqualified from being taxed as a REIT for the four taxable years following the year during which qualification was lost, unless entitled to relief under certain statutory provisions; • our cash available for distributions to stockholders would be reduced; and • we may be required to borrow additional funds or sell some of our assets to pay corporate tax obligations that we may incur as a result of our disqualification. We may need to incur additional borrowings to meet the REIT minimum distribution requirement and to avoid excise tax. To maintain our qualification as a REIT, we are required to distribute to our stockholders at least 90 % of our annual real estate investment trust taxable income (excluding any net capital gain and before application of the distributions paid deduction). To the extent that we satisfy this distribution requirement, but distribute less than 100 % of our taxable income, we will be subject to federal corporate income tax on our undistributed taxable income. In addition, we are subject to a 4 % nondeductible excise tax on the amount, if any, by which certain distributions paid by us with respect to any calendar year are less than the sum of (i) 85 % of our ordinary income for that year, (ii) 95 % of our net capital gain for that year and (iii) 100 % of our undistributed taxable income from prior years. To meet the 90 % distribution requirement and to avoid the 4 % excise tax, we may need to incur additional borrowings. Although we intend to pay distributions to our stockholders in a manner that allows us to meet the 90 % distribution requirement and avoid this 4 % excise tax, we cannot assure you that we will always be able to do so. Complying with the REIT requirements may cause us to forgo otherwise attractive opportunities or liquidate otherwise attractive investments. To qualify as a REIT for federal income tax purposes, we must continually satisfy tests concerning, among other things, the nature of our assets, the sources of our gross income, the amounts we distribute to our stockholders and the ownership of our capital stock. To meet these tests, we may be required to forgo investments we might otherwise make. Thus, compliance with the REIT requirements may hinder our performance. In particular, we must ensure that at the end of each calendar quarter, at least 75 % of the value of our assets consists of cash, cash items, government securities and qualified real estate assets. The remainder of our investment in securities (other than government securities, securities of taxable REIT subsidiaries (“ TRSs ”) and qualified real estate assets) generally cannot include more than 10 % by voting power or vote of the outstanding securities of any one issuer. In addition, in general, no more than 5 % of the value of our assets (other than government securities, securities of TRSs and qualified real estate assets) can consist of the securities of any one issuer, and no more than 20 % (25 % for taxable years beginning before January 1, 2018) of the value of our total assets can be represented by the securities of one or more TRSs. We also must ensure that (i) at least 75 % of our gross income for each taxable year consists of certain types of income that we derive, directly or indirectly, from investments relating to real property or mortgages on real property or qualified temporary investment income and (ii) at least 95 % of our gross income for each taxable year consists of income that is qualifying income for purposes of the 75 % gross income test, other types of interest and distributions, gain from the sale or disposition of stock or securities, or any combination of these. In addition, we may be required to make distributions to our stockholders at disadvantageous times or when we do not have funds readily available for distribution. If we fail to comply with these requirements at the end of any calendar quarter, we must qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate otherwise attractive investments, and may be unable to pursue investments that would otherwise be advantageous to us to satisfy the asset and gross income requirements for qualifying as a REIT. These actions could have the effect of reducing our income and the amounts available for distribution to our stockholders. Thus, compliance with the REIT requirements may hinder our ability to make, and, in certain cases, maintain ownership of certain attractive investments. To the extent that our distributions represent a return of capital for tax purposes, you could recognize an increased capital gain upon a subsequent sale of your stock. Distributions in excess of our current and accumulated earnings and profits and not treated by us as a dividend will not be taxable to a U. S. stockholder to the extent such distributions do not exceed the stockholder’ s adjusted tax basis in its shares of our stock but instead will constitute a return of capital and will reduce the stockholder’ s adjusted tax basis in its share of our stock. If our distributions result in a reduction of a stockholder’ s adjusted basis in its shares of our stock, subsequent sales by such stockholder of its shares of our stock potentially will result in recognition of an increased capital gain or reduced capital loss due to the reduction in such stockholder’ s adjusted basis in its shares of our stock. We may be subject to adverse legislative or regulatory tax changes that could reduce the market price of our securities. At any time, the federal income tax laws governing REITs or the administrative interpretations of those laws may be amended. We cannot predict when or if any new federal income tax law, regulation, or administrative interpretation, or any amendment to any existing federal income tax law, regulation or administrative interpretation, will be adopted, promulgated or become effective and any such law, regulation, or interpretation may take effect retroactively. We and our stockholders could be adversely affected by any such change in, or any new, federal income tax law, regulation or administrative interpretation. Complying with the REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities. The REIT provisions of the Code substantially limit our ability to hedge our liabilities. Any income from a hedging transaction that we enter into to manage risk of interest rate changes,

price changes or currency fluctuations with respect to borrowings made or to be made to acquire or carry real estate assets does not constitute “ gross income ” for purposes of the gross income requirements. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as non- qualifying income for purposes of both of the gross income tests. As a result of these rules, we may need to limit our use of advantageous hedging techniques or implement those hedges through TRSs. This could increase the cost of our hedging activities because any TRS would be subject to tax on gains or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses incurred by a TRS generally will not provide any tax benefit, except for being carried forward against future taxable income earned by the TRS. Ownership limitations may restrict or prevent stockholders from engaging in certain transfers of our common stock. Our charter contains an ownership limit which prohibits any person or group of persons from acquiring, directly or indirectly, beneficial or constructive ownership of more than 9. 8 % of our outstanding shares of capital stock. Shares owned by a person or a group of persons in excess of the ownership limit are deemed “ excess shares. ” Shares owned by a person who individually owns of record less than 9. 8 % of outstanding shares may nevertheless be excess shares if the person is deemed part of a group for purposes of this restriction. If the transferee- stockholder acquires excess shares, the person is considered to have acted as our agent and holds the excess shares on behalf of the ultimate stockholder. When shares are held in this manner they do not have any voting rights and shall not be considered for purposes of any stockholder vote or determining a quorum for such vote. Our charter stipulates that any acquisition of shares that would result in our disqualification as a REIT under the Code shall be void to the fullest extent permitted under applicable law. The ownership limit does not apply to (i) offerors which, in accordance with applicable federal and state securities laws, make a cash tender offer, where at least 90 % of the outstanding shares of our stock (not including shares or subsequently issued securities convertible into common stock which are held by the tender offeror and any “ affiliates ” or “ associates ” thereof within the meaning of the Exchange Act) are duly tendered and accepted pursuant to the cash tender offer; (ii) an underwriter in a public offering of our shares; (iii) a party initially acquiring shares in a transaction involving the issuance of our shares of capital stock, if our Board determines such party will timely distribute such shares such that, following such distribution, such shares will not be deemed excess shares; and (iv) a person or persons which our Board exempt from the ownership limit upon appropriate assurances that our qualification as a REIT is not jeopardized. We operate as a holding company dependent upon the assets and operations of our subsidiaries, and because of our structure, we may not be able to generate the funds necessary to make dividend payments on our capital stock. We generally operate as a holding company that conducts its businesses primarily through our Operating Partnership, which in turn is a holding company conducting its business through its subsidiaries. These subsidiaries conduct all of our operations and are our only source of income. Accordingly, we are dependent on cash flows and payments of funds to us by our subsidiaries as dividends, distributions, loans, advances, leases or other payments from our subsidiaries to generate the funds necessary to make dividend payments on our capital stock. Our subsidiaries’ ability to pay such dividends and / or make such loans, advances, leases or other payments may be restricted by, among other things, applicable laws and regulations, current and future debt agreements and management agreements into which our subsidiaries may enter, which may impair our ability to make cash payments on our common stock or our preferred stock. In addition, such agreements may prohibit or limit the ability of our subsidiaries to transfer any of their property or assets to us, any of our other subsidiaries or to third parties. Our future indebtedness or our subsidiaries’ future indebtedness may also include restrictions with similar effects. In addition, because we are a holding company, stockholders’ claims will be structurally subordinated to all existing and future liabilities and obligations (whether or not for borrowed money funds) of our Operating Partnership and its subsidiaries. Therefore, in the event of our bankruptcy, liquidation or reorganization, claims of our stockholders will be satisfied only after all of our and our Operating Partnership’ s and its subsidiaries’ liabilities and obligations have been paid in full. Other risks The number of shares of preferred stock outstanding may increase as a result of bimonthly closings related to our Offering of Series F Preferred Stock, which could adversely affect our business, financial condition and results of operations. The number of outstanding shares of preferred stock may increase as a result of bimonthly closings related to our Offering of Series F Preferred Stock. The issuance of additional shares of Preferred Stock could have significant consequences on our future operations, including: • making it more difficult for us to meet our payment and other obligations to holders of our preferred stock and under our Credit Facility and to pay dividends on our common stock; • reducing the availability of our cash flow to fund acquisitions and for other general corporate purposes, and limiting our ability to obtain additional financing for these purposes; and • limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, and adverse changes the industry in which we operate and the general economy. Any of the above- listed factors could have an adverse effect on our business, financial condition and results of operations and our ability to meet our payment obligations under our Credit Facility and monthly dividend obligations with respect to our preferred stock and to pay dividends on our common stock. We are subject to restrictions that may discourage a change of control. Certain provisions contained in our articles of incorporation and Maryland law may prohibit or restrict a change of control. • Our articles of incorporation prohibit ownership of more than 9. 8 % of the outstanding shares of our capital stock by one person. This restriction may discourage a change of control and may deter individuals or entities from making tender offers for our capital stock, which offers might otherwise be financially attractive to our stockholders or which might cause a change in our management. • Our Board of Directors is divided into three classes, with the term of the directors in each class expiring every third year. At each annual meeting of stockholders, the successors to the class of directors whose term expires at such meeting will be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. After election, a director may only be removed by our stockholders for cause. Election of directors for staggered terms with limited rights to remove directors makes it more difficult for a hostile bidder to acquire control of us. The existence of this provision may negatively impact the price of our securities and may discourage third- party bids to acquire our securities. This provision may reduce any premiums paid to stockholders in a change in control transaction. • Certain provisions of Maryland law applicable to us prohibit business combinations with: • any

person who beneficially owns 10 % or more of the voting power of our common stock, referred to as an “ interested stockholder; ” • an affiliate of ours who, at any time within the two- year period prior to the date in question, was an interested stockholder; or • an affiliate of an interested stockholder. These prohibitions last for five years after the most recent date on which the interested stockholder became an interested stockholder. Thereafter, any business combination with the interested stockholder must be recommended by our Board of Directors and approved by the affirmative vote of at least 80 % of the votes entitled to be cast by holders of our outstanding shares of common stock and two- thirds of the votes entitled to be cast by holders of our common stock other than shares held by the interested stockholder. These requirements could have the effect of inhibiting a change in control even if a change in control were in our stockholders’ interest. These provisions of Maryland law do not apply, however, to business combinations that are approved or exempted by our Board of Directors prior to the time that someone becomes an interested stockholder. Market conditions could adversely affect the market price and trading volume of our securities. The market price of our common and preferred stock may be highly volatile and subject to wide fluctuations, and the trading volume in our common and preferred stock may fluctuate and cause significant price variations to occur. We cannot assure investors that the market price of our common and preferred stock will not fluctuate or decline in the future. Some market conditions that could negatively affect our share price or result in fluctuations in the price or trading volume of our securities include, but are not limited to: • price and volume fluctuations in the stock market from time to time, which are often unrelated to the operating performance of particular companies; • significant volatility in the market price and trading volume of shares of REITs, real estate companies or other companies in our sector, which is not necessarily related to the performance of those companies; • price and volume fluctuations in the stock market as a result of terrorist attacks, or speculation regarding future terrorist attacks, in the United States or abroad; • actual or anticipated variations in our quarterly operating results or distributions to stockholders; • changes in our FFO or earnings estimates or the publication of research reports about us or the real estate industry generally; • actions by institutional stockholders; • speculation in the press or investment community; • the national and global political environment, including foreign relations, conflicts and trading policies; • changes in regulatory policies or tax guidelines, particularly with respect to REITs; and • investor confidence in the stock market. Shares of common and preferred stock eligible for future sale may have adverse effects on the respective share price. We cannot predict the effect, if any, of future sales of common or preferred stock, or the availability of shares for future sales, on the market price of our common or preferred stock. Sales of substantial amounts of common or preferred stock (including shares of common stock issuable upon the conversion of units of the Operating Partnership that we may issue from time to time, issuable upon conversion of our Senior Common Stock, or issuances made through any ATM programs or otherwise), or the perception that these sales could occur, may adversely affect prevailing market prices for our common and preferred stock. Compliance or failure to comply with laws requiring access to our properties by disabled persons could result in substantial cost. The Americans with Disabilities Act (“ ADA ”), and other federal, state and local laws generally require public accommodations be made accessible to disabled persons. Noncompliance could result in the imposition of fines by the government or the award of damages to private litigants. These laws may require us to modify our existing properties. These laws may also restrict renovations by requiring improved access to such buildings by disabled persons or may require us to add other structural features which increase our construction costs. Legislation or regulations adopted in the future may impose further burdens or restrictions on us with respect to improved access by disabled persons. We may incur unanticipated expenses that may be material to our financial condition or results of operations to comply with ADA and other federal, state and local laws, or in connection with lawsuits brought by private litigants. Our Board of Directors may change our investment policy without stockholders’ approval. Our Board of Directors will determine our investment and financing policies, growth strategy and our debt, capitalization, distribution, acquisition, disposition and operating policies. Our Board of Directors may revise or amend these strategies and policies at any time without a vote by stockholders. Accordingly, stockholders’ control over changes in our strategies and policies is limited to the election of directors, and changes made by our Board of Directors may not serve the interests of stockholders and could adversely affect our financial condition or results of operations, including our ability to distribute cash to stockholders or qualify as a REIT. Our rights and the rights of our stockholders to take action against our directors and officers are limited. Maryland law provides that a director or officer has no liability in that capacity if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be advisable and in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In addition, our charter (i) eliminates our directors’ and officers’ liability to us and our stockholders for money damages except for liability resulting from actual receipt of an improper benefit in money, property or services or active and deliberate dishonesty established by a final judgment and that is material to the cause of action and (ii) requires us to indemnify directors and officers for liability resulting from actions taken by them in those capacities to the maximum extent permitted by Maryland law. As a result, our stockholders and we may have more limited rights against our directors and officers than might otherwise exist under common law. In addition, we may be obligated to fund the defense costs incurred by our directors and officers. We may enter into tax protection agreements in the future if we issue OP Units in connection with the acquisition of properties, which could limit our ability to sell or otherwise dispose of certain properties. Our Operating Partnership may enter into tax protection agreements in connection with issuing OP units to acquire additional properties which could provide that, if we dispose of any interest in the protected acquired property to a certain time, we will indemnify the other party for its tax liabilities attributable to the built- in gain that exists with respect to such a property. Therefore, although it otherwise may be in our stockholders’ best interests that we sell one of these properties, it may be economically prohibitive for us to do so if we are a party to such a tax protection agreement. While we do not currently have any of these tax protection agreements in place, we may enter into such agreements in the future. Our redemption of OP Units could result in the issuance of a large number of new shares of our common stock and / or force us to expend significant cash, which may limit our funds necessary to make distributions on our common stock. As of the date of this filing, unaffiliated third parties owned approximately 0. 8-1 % of the outstanding OP Units. Following any

contractual lock- up provisions, including the one- year mandatory holding period, an OP Unitholder may require us to redeem the OP Units it holds for cash. At our election, we may satisfy the redemption through the issuance of shares of our common stock on a one- for- one basis. However, the limited partners' redemption rights may not be exercised if and to the extent that the delivery of the shares upon such exercise would result in any person violating the ownership and transfer restrictions set forth in our charter. If **we issued a large number of OP Units in connection with future property acquisitions and / or** a large number of OP Units were redeemed, it could result in the issuance of a large number of new shares of our common stock, which could dilute our existing stockholders' ownership. Alternatively, if we were to redeem a large number of OP Units for cash, we may be required to expend significant amounts to pay the redemption price, which may limit our funds necessary to make distributions on our common stock. Further, if we do not have sufficient cash on hand at the time the OP Units are tendered for redemption, we may be forced to sell additional shares of our common stock or preferred stock to raise cash, which could cause dilution to our existing stockholders and adversely affect the market price of our common stock. Our ability to pay distributions is limited by the requirements of Maryland law. Our ability to pay distributions on our stock is limited by the laws of Maryland. Under applicable Maryland law, a Maryland corporation generally may not make a distribution if, after giving effect to the distribution, the corporation would not be able to pay its debts as the debts become due in the usual course of business or the corporation' s total assets would be less than the sum of its total liabilities plus, unless the corporation' s charter permits otherwise, the amount that would be needed, if the corporation were dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights are superior to those receiving the distribution. Accordingly, we generally may not make a distribution on our stock if, after giving effect to the distribution, we would not be able to pay our debts as they become due in the usual course of business or our total assets would be less than the sum of our total liabilities plus, unless the terms of such class or series provide otherwise, the amount that would be needed to satisfy the preferential rights upon dissolution of the holders of shares of any class or series of stock then outstanding, if any, with preferences upon dissolution senior to those of such class of stock with respect to which the distribution would be made.

Cybersecurity threats and cyber incidents may adversely affect our business by causing a disruption to our operations, or the operations of businesses in which we invest, a compromise or corruption of our confidential information and / or damage to our business relationships, all of which could negatively impact our business, financial condition and operating results. In the normal course of business, we and our service providers collect and retain certain personal information provided by our tenants, employees of our Administrator and Adviser, and vendors. We also rely extensively on computer systems to process transactions and manage our business. Despite careful security and controls design, implementation, updating and independent third- party verification, our information technology systems, and those of our third party providers, could become subject to cybersecurity incidents. A cybersecurity incident is defined by the SEC as an unauthorized occurrence, or a series of related unauthorized occurrences, on or conducted through our information systems that jeopardize the confidentiality, integrity or availability of our information resources or any information residing therein. A cybersecurity incident may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our information systems or those of our third- party providers for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. The result of a cybersecurity incident may include disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation and damage to our business relationships. As our reliance on technology has increased, so have the risks posed to our information systems, both internal and those provided to us by third- party service providers. In addition, cybersecurity threats such as those noted above have increased in recent years in part due to increasingly numerous and sophisticated malicious cyber actors. We have implemented processes, procedures and internal controls to help prevent, detect and mitigate cybersecurity threats and cyber intrusions, but these measures, as well as our increased awareness of the nature and extent of a threat of a cyber- incident, do not guarantee that a cyber- incident will not occur, will be timely detected and / or that our financial results, operations or confidential information will not be negatively impacted by such an incident. The development and maintenance of these measures are also costly and require ongoing monitoring, testing and updating as technologies and processes change, and efforts to overcome cybersecurity measures become increasingly sophisticated. Legislative or regulatory tax changes related to REITs could materially and adversely affect us. The U. S. federal income tax laws and regulations governing REITs and their stockholders, as well as the administrative interpretations of those laws and regulations, constantly are under review and may be changed at any time, possibly with retroactive effect. No assurance can be given as to whether, when, or in what form, the U. S. federal income tax laws applicable to us and our stockholders may be enacted. Changes to the U. S. federal income tax laws and interpretations of U. S. federal tax laws could adversely affect an investment in our stock. We are exposed to the potential impacts of climate change, which may result in unanticipated losses that could affect our business and financial condition. We are exposed to potential physical risks from possible changes in climate. Our properties may be exposed to catastrophic weather events, such as severe storms, fires or floods. If the frequency of extreme weather events increases, our exposure to these events could increase, putting our portfolio at risk. Our business may be indirectly impacted by the effects of climate change, as well. These indirect effects may include increases to the costs of electricity, fuel, water consumption, and waste disposal, as well as increasing the cost of (or making unavailable) property insurance on terms we find acceptable. Together, these risks would require us to expend the necessary funds to adequately protect and repair our properties. We do not currently consider ourselves to be materially exposed to regulatory risks related to climate change, because the operation of our properties typically does not generate a significant amount of greenhouse gas emissions or other regulated chemicals. However, we may be adversely impacted as a real estate owner in the future by stricter energy efficiency standards or greenhouse gas regulations for the industrial building sectors. Although such standards and regulations have not had any known material adverse effect on the Company to date, they could impact our tenants and other companies with which we do business or result in substantial costs to the Company, including compliance costs, construction costs, monitoring and reporting costs and capital expenditures for

environmental control facilities and other new equipment. We cannot give any assurance that other such conditions do not exist or may not arise in the future. The potential impacts of climate change on our real estate properties could adversely affect our ability to lease, develop or sell such properties or to borrow using such properties as collateral. ~~29~~