



REIT Week Presentation

June 2023



Legal disclaimer

Forward-Looking Statements: This presentation may include forward-looking statements within the meaning of the Securities Act of 1933 or the Securities Exchange Act of 1934. Forward-looking statements are typically identified by words such as “estimate,” “may,” “might,” “believe,” “will,” “provided,” “anticipate,” “future,” “could,” “growth,” “plan,” “project,” “intend,” “expect,” “should,” “would,” “if,” “seek,” “possible,” “potential,” “likely” or the negative or variations of such terms or comparable terminology. These forward-looking statements include comments with respect to our objectives and strategies, and the future results of our operations and our business. By their nature, these forward-looking statements involve numerous assumptions, uncertainties and descriptions of opportunities, both general and specific. The risk exists that these statements may not be fulfilled. We caution readers of this presentation not to place undue reliance on these forward-looking statements as a number of factors could cause our future results to differ materially from these statements. Any results or performance implied by forward-looking statements may be influenced by certain factors including, but not limited to, fluctuations in interest rates and stock indices, the effects of competition in the areas in which we operate, the overall impact of public health emergencies, and changes in economic, political, regulatory and technological conditions as well as those factors delineated under the caption “Risk Factors” in our Forms 10-Q and Form 10-K, and other documents we file with the SEC from time to time. Therefore, we caution that the foregoing list is not exhaustive. Investors should not rely on forward-looking statements to make decisions and should carefully consider the aforementioned factors as well as other uncertainties and events. We undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the SEC, including subsequent annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

Past or Present Performance Disclaimer: This presentation includes information regarding past or present performance of the Company. Please note, past or present performance is not a guarantee of future performance or future results.

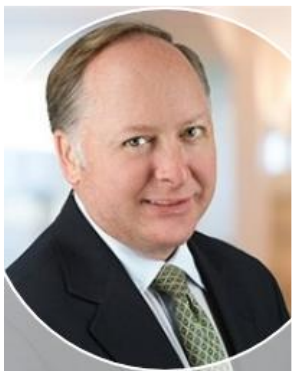
Today's Presenters



EJ Wislar
Chief Investment Officer



Gary Gerson
Chief Financial Officer



Barry Oxford
Moderator
Managing Director, Colliers

Company Overview

Gladstone Commercial Corporation (“Gladstone” or the “Company”) is a publicly owned Real Estate Investment Trust (“REIT”) that completed its IPO in 2003 and is listed on Nasdaq (Ticker: GOOD)

Investment Focus

- Single tenant or anchored multi-tenant net lease assets
- Long term leases (7+ years)
- Strong, credit tenants
- Mission-critical real estate in path of growth markets
- Third party purchases, sale leasebacks, or build-to-suit development
- Currently focused on industrial acquisitions

Portfolio Highlights

137

Properties

\$1.7 billion

Gross Assets

111

Unique Tenants

17.2 million

Square Feet

95.9%

Occupancy

6.9 years

*Average Remaining
Lease Term*



Q1 2023 Performance

Quarterly Commentary

- **FFO¹:** Generated FFO of \$14.8 million, or \$0.37 per diluted share, 9% higher than the prior quarter.
- **Revenue:** Increased revenue 3% year over year to \$36.6 million.
- **Debt:** Decreased debt as % gross assets quarter over quarter from 45.3% to 45.2%.
- **Portfolio Composition:** Increased industrial % annualized straight line rent quarter over quarter from 56% to 59%.
- **Expenditure Activity:** Paid \$2.0 million related to capital expenditures and \$0.4 million related to leasing commissions.
- **Equity Issuances:** Issued common equity for net proceeds of \$4.0 million through our ATM program and issued Series F preferred equity for net proceeds of \$0.5 million.

¹ FFO is calculated as net income (computed in accordance with GAAP), excluding gains or losses from sales of property and impairment losses on property, plus depreciation and amortization of real estate assets, which we believe to be consistent with the NAREIT definition. FFO does not represent cash flows from operating activities in accordance with GAAP. FFO should not be considered an alternative to net income as an indication of our performance or to cash flows from operations as a measure of liquidity or ability to make distributions.

\$ and shares in millions, except per share amounts

	For the three months ended (unaudited),		
	Mar-23	Dec-22	Mar-22
Statement of Operations			
Lease Revenue	\$36,554	\$37,217	\$35,531
(-) Depreciation & Amortization	(15,474)	(15,992)	(14,689)
(-) Property Operating Expenses	(6,727)	(6,714)	(6,623)
(-) Other Operating Expenses	(3,233)	(4,121)	(4,346)
(-) Other (Expense) / Income	(8,723)	(8,578)	(6,482)
Net Income	\$2,397	\$1,812	\$3,391
Non-Controlling Interests	7	11	(2)
Net Income Attributable to the Company	\$2,404	\$1,823	\$3,389
Funds from Operations (FFO)			
FFO to Common Stockholders - Basic	\$14,738	\$13,569	\$15,013
FFO to Common Stockholders - Diluted	\$14,847	\$13,683	\$15,129
Weighted Avg Shares Outstanding - Basic	40,314	40,016	38,160
Weighted Avg Shares Outstanding - Diluted	40,660	40,380	38,534
FFO Per Weighted Shares - Basic	\$0.37	\$0.34	\$0.39
FFO Per Weighted Shares - Diluted	\$0.37	\$0.34	\$0.39
Balance Sheet			
Real Estate, at Cost	\$1,286	\$1,287	\$1,241
(-) Accumulated Depreciation	(295)	(287)	(277)
Total Real Estate, Net	\$991	\$1,000	\$964
Lease Intangibles, Net	108	112	113
Cash and Cash Equivalents	14	12	10
Restricted Cash	5	4	5
Deferred Rent Receivable, Net	40	39	38
Other Assets	29	35	24
Total Assets	\$1,187	\$1,202	\$1,154
Mortgage Notes Payable, Net	355	359	447
Revolver & Term Loan, Net	393	390	259
Other Liabilities, Net	78	78	64
Total Liabilities	\$826	\$827	\$770
Series E&G Preferred Stock	170	170	170
Total Mezzanine Equity	170	170	170
Additional Paid In Capital	726	721	693
Distributions in Excess of Earnings	(543)	(530)	(482)
Other Equity	8	14	3
Total Mezz Equity & Equity	\$361	\$375	384
Total Liabilities, Mezz Equity, & Equity	\$1,187	\$1,202	\$1,154



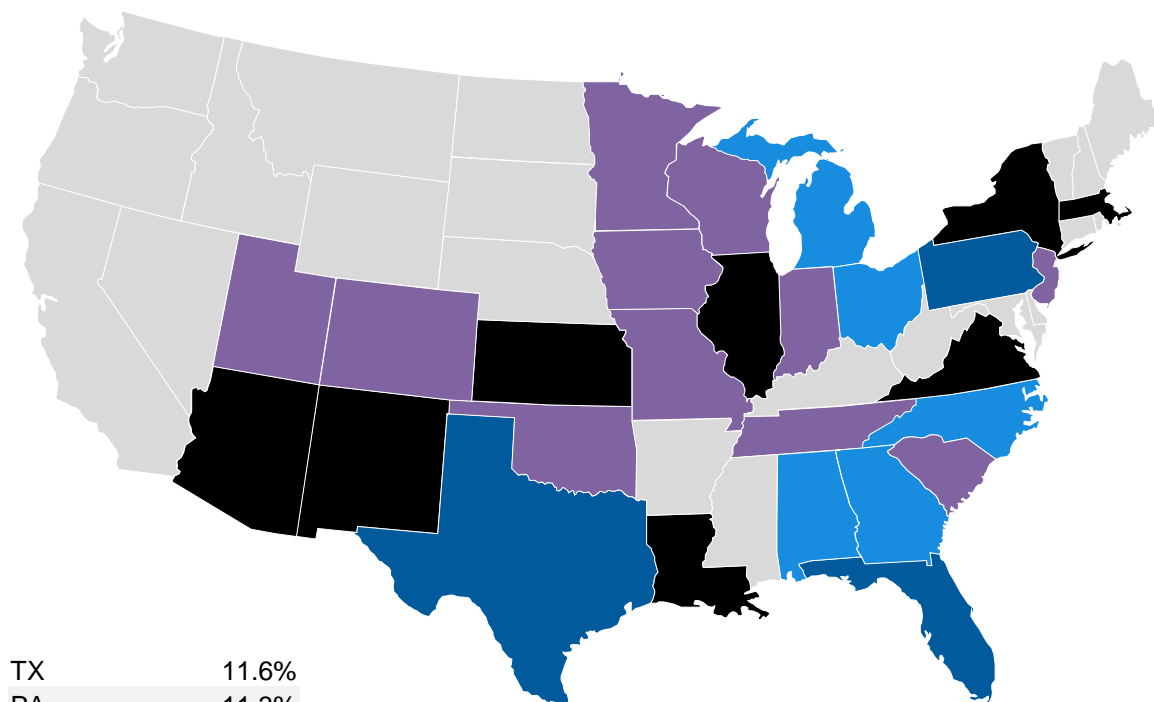
GLADSTONE

Portfolio Overview

Portfolio diversified across tenants, geographies, and asset classes

By State

As % of Annualized Straight-Line Rent



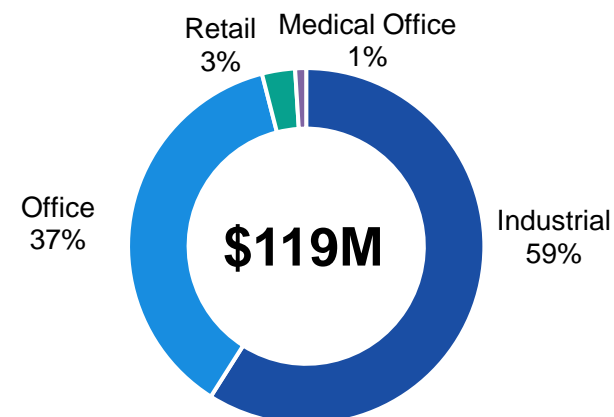
TX	11.6%
PA	11.3%
FL	10.8%
OH	8.5%
GA	8.3%
NC	6.8%
AL	6.1%
MI	5.2%
CO	3.6%
IN	3.2%
MO	3.1%

NJ	3.1%
UT	2.6%
TN	2.1%
SC	2.1%
MN	1.9%
IA	1.8%
WI	1.4%
OK	1.3%
All Others	5.2%



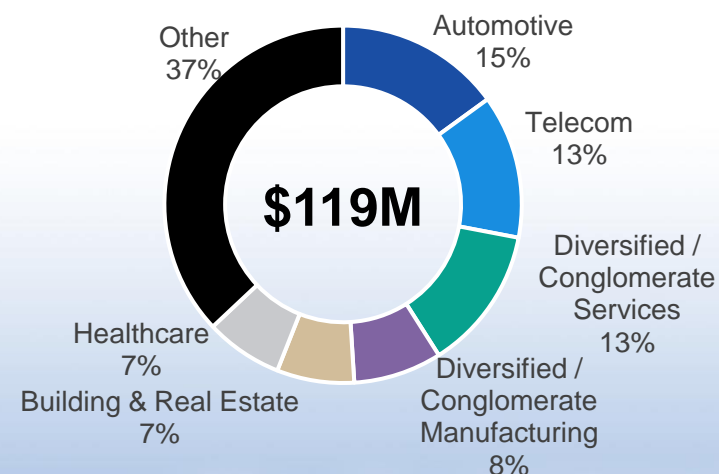
By Asset Class

As % of Annualized Straight-Line Rent



By Tenant Industry

As % of Annualized Straight-Line Rent



As of March 31, 2023

Balance Sheet Overview

Capitalization (\$)

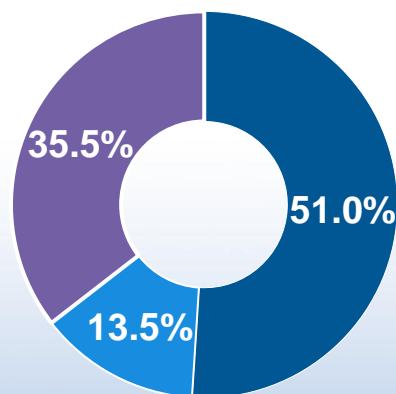
\$ in millions

Net Debt

Mortgage Debt	\$355
Line of Credit	26
Term Note	367
(-) Cash & Cash Equivalents	(14)
Total Net Debt	\$734
(+) Preferred Equity	194
(+) Common Equity ⁽¹⁾	510
Enterprise Value	\$1,438

Capitalization (%)

- Total Net Debt
- Preferred Equity
- Common Equity



Balance Sheet Highlights

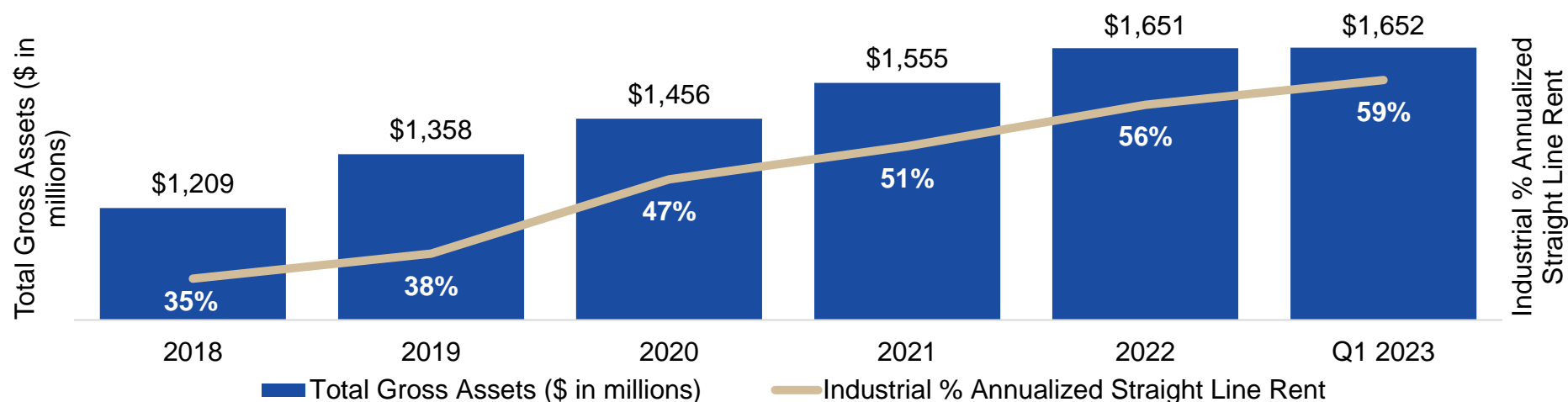
- **Ample Liquidity:** \$82.5 million of availability in cash and under the revolving credit facility⁽²⁾
- **Conservative Leverage:** Net total debt / gross assets = 45.2% as of March 31, 2023
- **Hedged Interest Rate Risk:** 97% of debt fixed or hedged floating rate as of March 31, 2023
- **Minimal Refinance Risk:** Only 16% of debt matures before 2026 as of March 31, 2023

(1) Common equity based on closing common stock price per share as of March 31, 2023 of \$12.63 and includes effect of OP units and convertible senior common stock

(2) As of May 3, 2023

Near Term Objectives

Continue Increasing Industrial Exposure



Sell Non-Core Office

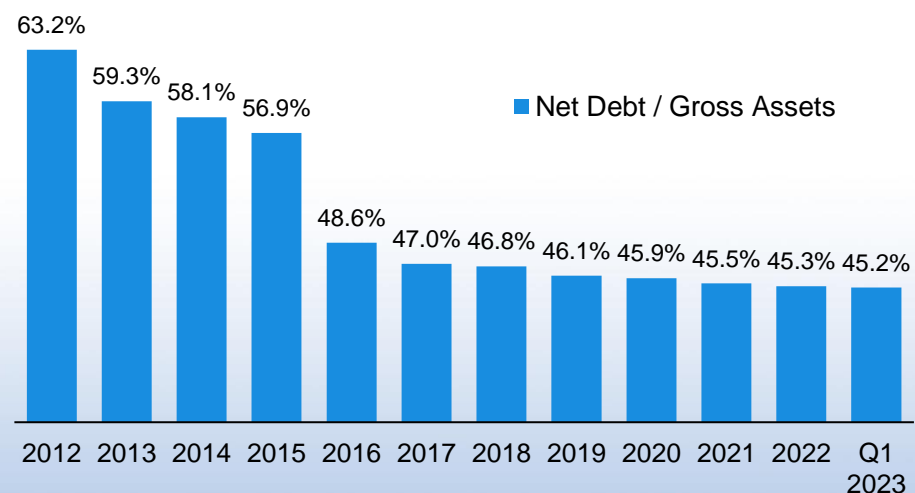


Location: Jupiter, FL
Sale Date: July 2022
Gross IRR: 18%



Location: Parsippany, NJ
Sale Date: August 2022
Gross IRR: 15%

De-Lever Balance Sheet



Recent Acquisitions

Accretive acquisitions leased to market leading tenants in established and/or growing MSAs

January 2022 – May 2023

- **10** total acquisitions
 - All industrial
 - **6** sale leasebacks
- **\$120 million** deployed at **7.2%** weighted average cap rate
- **14.8** years average term

Asset Class: Industrial

Tenant: American Roller

Location: Chicago, IL

Initial Cap: 7.6%

GAAP Cap: 9.7%

Date Closed: April 2023

Thesis: 20 year lease to market leading tenant in largest industrial MSA in the country

Asset Class: Industrial

Tenant: Specialty Chemicals Producer

Location: Greenville, SC

Initial Cap: 7.4%

GAAP Cap: 9.0%

Date Closed: December 2022

Thesis: Superior location and low basis in one of the fastest growing MSA's in the country

Asset Class: Industrial

Tenant: Integrated Power Services

Location: Denver, CO

Initial Cap: 6.0%

GAAP Cap: 8.2%

Date Closed: October 2022

Thesis: Market leading tenant on 20 year lease in dense, infill Denver submarket

Asset Class: Industrial

Tenant: Tampa Armature Works

Location: Jacksonville, FL

Initial Cap: 5.9%

GAAP Cap: 7.9%

Date Closed: September 2022

Thesis: Infill location, high-growth MSA, and redevelopment potential at the end of 20 year lease

Asset Class: Industrial

Tenant: Garden State Bulb

Location: Northern New Jersey

Initial Cap: 6.0%

GAAP Cap: 7.2%

Date Closed: August 2022

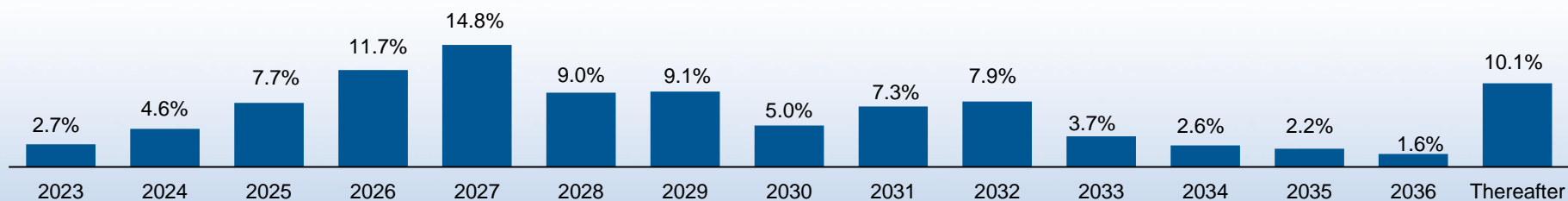
Thesis: Low basis in high barrier to entry market with market leading tenant on long-term lease

Positioned for Growth

- Stable portfolio of assets in strong locations backed by credit-worthy tenants:
 - **100%** base rent collection since January 2022
 - **95.9%** portfolio occupancy as of March 31, 2023
 - **6.9** years remaining average lease term as of March 31, 2023
- Strong balance sheet supporting near-term acquisitions:
 - **97%** of debt fixed or hedged
 - **\$82.5 million** of availability in cash and line of credit as of May 2023

Annualized Straight-Line Rent By Termination Year

As % of Total





GLADSTONE

Question & Answer