



# **GLADSTONE COMMERCIAL**

\$500,000,000 Series F

Cumulative Redeemable Preferred Stock Offering

AS OF DECEMBER 31, 2024

# Legal Disclaimer

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## ESTIMATES

This presentation contains industry and market data, forecasts, and projections that are based on internal data and estimates, independent industry publications, reports by market research firms, or other published independent sources. We believe these data to be reliable as of the date of this presentation, but there can be no assurance as to the accuracy or completeness of such information. We have not independently verified all market and industry data obtained from these third-party sources. Our internal data and estimates are based upon information obtained from trade and business organizations, other contacts in the markets in which we operate, and our management's understanding of industry conditions. You should carefully consider the inherent risks and uncertainties associated with the market and other industry data contained in this presentation.

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## 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.

# Risk Factors

Please consult the prospectus supplement for this offering for a recitation of the risk factors of this offering. If any of the risks contained in or incorporated by reference into the prospectus supplement or the accompanying prospectus develop into actual events, our business, financial condition, liquidity, results of operations, FFO, adjusted funds from operations or our prospects could be materially and adversely affected, we may be unable to timely pay the dividends accrued on the Series F Preferred Stock (the “Shares”), the value of the Shares could decline and you may lose all or part of your investment. In addition, new risks may emerge at any time and we cannot predict such risks or estimate the extent to which they may affect our financial performance. Some statements in the prospectus supplement, including statements in the risk factors, constitute forward-looking statements. See the “Forward-Looking Statements” and “Risk Factors” sections in the prospectus supplement, the accompanying prospectus and in our regular filings with the SEC for additional risks which may affect us or the Shares.

- ▶ There will initially be no public market for the Shares as we do not intend to apply for listing on Nasdaq until after the Termination Date, and even after listing, if achieved, a liquid secondary trading market may not develop and the features of the Shares may not provide you with favorable liquidity options.
- ▶ The Shares have not been rated.
- ▶ Dividend payments on the Shares are not guaranteed.
- ▶ 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 distributions on the Shares.
- ▶ We will be required to terminate this offering if our Common Stock, the Series E Preferred Stock and the Series G Preferred Stock are no longer listed on Nasdaq or another national securities exchange.
- ▶ The Shares will bear a risk of redemption by us.
- ▶ Your option to tender your Shares for redemption is subject to the continuation of the redemption program and our availability of funds, each in the sole and absolute discretion of our Board of Directors, and may also be limited by law.
- ▶ Our ability to pay dividends and/or redeem Shares may be limited by Maryland law and the terms of our debt facilities as well as future agreements we may enter.
- ▶ The cash distributions you receive may be less frequent or lower in amount than you expect.
- ▶ If you elect to exercise the Stockholder Redemption Option, the cash payment that you receive as a result of your option redemption will be a substantial discount to the price that you paid for the Shares.
- ▶ Upon the sale of any individual property, holders of Shares do not have a right to receive funds and do not have a priority over holders of our common stock regarding return of capital.
- ▶ Your percentage of ownership may become diluted if we incur additional debt or issue new shares of stock or other securities, and incurrence of indebtedness and issuances of additional preferred stock or other securities by us may further subordinate the rights of the holders of our common stock.

# Risk Factors

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- ▶ You will experience dilution in your ownership percentage of the Shares if you do not participate in the dividend reinvestment plan.
- ▶ Our charter contains restrictions upon ownership and transfer of the Shares, which may impair the ability of holders to acquire the Shares.
- ▶ Holders of the Shares will be subject to inflation risk.
- ▶ An investment in the Shares bears interest rate risk.
- ▶ Holders of the Shares will bear reinvestment risk.
- ▶ Holders of Shares will have no control over changes in our policies and operations, and have extremely limited voting rights.
- ▶ Our management will have broad discretion in the use of the net proceeds from this offering and may allocate the net proceeds from this offering in ways that you and other stockholders may not approve.
- ▶ We may be unable to invest a significant portion of the net proceeds of this offering on acceptable terms.
- ▶ We have paid, may continue to pay, or may in the future pay, distributions from offering proceeds, borrowings or the sale of assets to the extent our cash flow from operations or earnings are not sufficient to fund declared distributions. Rates of distribution to holders of our common stock and preferred stock will not necessarily be indicative of our operating results. If we make distributions from sources other than our cash flows from operations or earnings, we will have fewer funds available for the acquisition of properties and your overall return may be reduced.
- ▶ If the properties we acquire or invest in do not produce the cash flow that we expect in order to meet our REIT minimum distribution requirement, we may decide to borrow funds to meet the REIT minimum distribution requirements, which could adversely affect our overall financial performance.
- ▶ Gladstone Securities, the dealer manager in this offering, is our affiliate, and we established the offering price and other terms for the Shares pursuant to discussions between us and our affiliated dealer manager; as a result, the actual value of your investment may be substantially less than what you pay.
- ▶ Payment of fees to our Adviser and its affiliates, including our affiliated dealer manager will reduce the cash available for investment and distribution and will increase the risk that you will not be able to recover the amount of your investment in the Shares.
- ▶ If you fail to meet the fiduciary and other standards under ERISA or the Code as a result of an investment in this offering, you could be subject to liability and civil or criminal penalties.

Gladstone Commercial Corporation (“GOOD”) has filed a registration statement (including a prospectus) and a prospectus supplement with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement, the prospectus supplement and other documents that GOOD has filed with the SEC for more complete information about GOOD and this offering. You may get these documents for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, Gladstone Securities, GOOD’s dealer manager for this offering, will arrange to send you the prospectus and prospectus supplement if you request it by calling toll-free at (833) 849-5993.

# Offering Summary

## OFFERING

Up to \$500 million Series F Preferred Stock offering of a public REIT

- ▶ Common stock has traded on Nasdaq under ticker “GOOD” since the 2003 IPO
- ▶ Additional \$150 million, or 6 million shares, offered through the Dividend Reinvestment Plan at \$22.75 per share

## DIVIDEND

Annualized 6.0% dividend, payable monthly

- ▶ Dividends on the Shares are cumulative and must be paid in preference to dividends on our Common Stock. *There is no guarantee of capital preservation or continuous dividends*
- ▶ Discounted DRIP available

## OFFERING TYPE

Continuous Offering of Registered, Non-Listed Preferred Stock

## LIQUIDITY OPTIONS

Redeemable at \$22.50 per share throughout the offering

- ▶ 10% discount to Liquidation Preference of \$25 per share
- ▶ Our obligation to redeem the Shares is limited to the extent that our Board of Directors determines that it does not have sufficient funds available, or it is restricted by applicable law from making such redemption

Nasdaq listing after the offering terminates

- ▶ We anticipate applying to list the Shares on Nasdaq or another national securities exchange within one calendar year after the offering ends, but there can be no assurance that we will achieve this objective. There is currently no public market for the Shares, and we do not expect one to develop prior to listing the Shares on an exchange, if at all

## COMMISSIONS, FEES & EXPENSES

Up to 6.0% selling commission, 3.0% dealer manager fee, and up to 2.5% expenses

- ▶ We, through Gladstone Securities, will pay all commissions and expenses associated with the sale of the Shares
- ▶ We and Gladstone Securities will not pay selling commissions on sales to fee-based (and certain other) accounts, as described in the prospectus supplement



# Gladstone Commercial Corporation

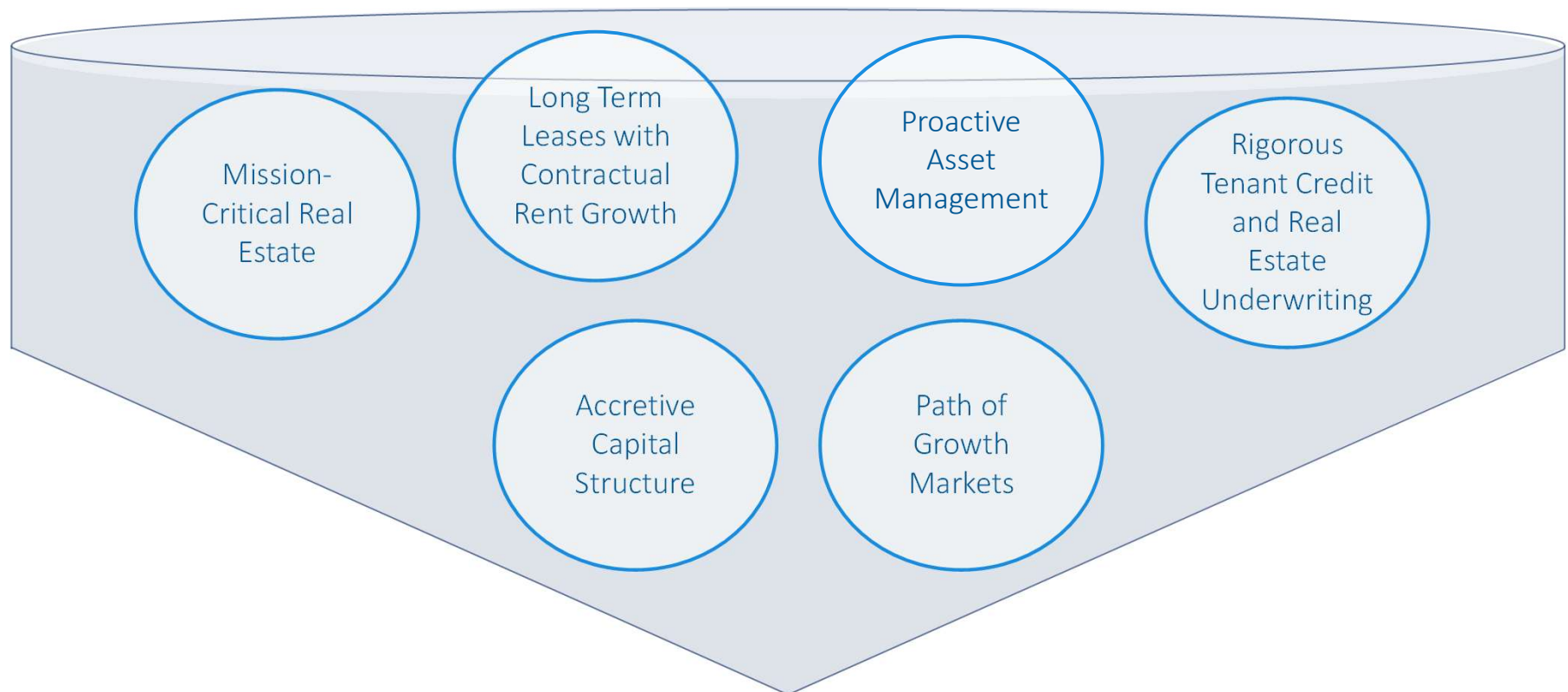
# Company Overview

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- ▶ 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)
- ▶ The Company invests in single tenant and anchored multi-tenant net leased assets, with an industrial product emphasis
- ▶ The Company owns approximately 16.9 million square feet of predominantly industrial and office real estate nationwide
- ▶ Diversified portfolio of 135 properties in 27 states leased to 106 different tenants in 20 industries
- ▶ The Company is led by a highly-experienced leadership team
- ▶ Investment activities are credit-focused with a growth market emphasis, seeking mission critical facilities of middle market and investment grade companies

# Gladstone Commercial's Investment Philosophy

Acquire quality, well located and configured, single tenant and anchored multi-tenant, NNN leased industrial properties in target path of growth markets



Strong & sustainable investor returns anchored by a diversified income stream from high quality properties leased to financially strong tenants



# Gladstone Commercial Overview

## PORTFOLIO SUMMARY | 12/31/2024

# of Properties	135
Square feet (mm)	16.9
Occupancy	98.7%
States	27
Tenants	106
Industries	20
Annual lease revenue (LTM) (mm)	\$149.4
Diluted FFO per Common Share (LTM)	\$1.41
Diluted Core FFO per Common Share (LTM)	\$1.42
Average Remaining Lease Term	7.0 years

- IPO in 2003 (Nasdaq: GOOD)
- Market Capitalization: \$720mm<sup>1</sup>
- Enterprise Value: \$1,602mm<sup>1</sup>



Notes:

1. Common equity market capitalization is based on the closing common stock price per share as of December 31, 2024, of \$16.24 per share and includes effect of convertible securities.

# Significant Growth & Diversification Since 2010

		12/31/2010	12/31/2024	VARIANCE
<b>GREW A DIVERSE PORTFOLIO</b>	Total assets (\$mm)	\$410.6	\$1,094.3	\$683.7
	Properties	65	135	70
	Tenants	52	106	54
	Square feet (mm)	6.8	16.9	10.1
	Occupancy (%)	97.2%	98.7%	1.5%
	% of Total Lease Revenue from Top 5 Tenants <sup>1</sup>	24%	16%	-8%
<b>REVENUE &amp; CASH FLOW GROWTH</b>	Lease Revenue (LTM) (\$mm)	\$41.90	\$149.40	\$107.50
	Diluted FFO (LTM) (\$mm)	\$14.10	\$59.66	\$45.56
	Diluted Core FFO (LTM) (\$mm)	\$14.50	\$60.18	\$45.68
<b>IMPROVED CAPITAL STRUCTURE</b>	Net Total Debt / Enterprise Value	58.9%	42.6%	-16.3%
	Net Total Debt + Preferred / Enterprise Value	70.0%	55.0%	-15.0%
	Net Total Debt / Gross Assets <sup>2</sup>	62.7%	44.1%	-18.6%



# Investment Strategy

# Proven Strategy of Underwriting Real Estate & Tenant Strength

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## TENANT STRENGTH

- ▶ Tenants operate in a diverse array of industries
- ▶ Each tenant's credit underwritten to Gladstone standards, developed over decades of middle market corporate lending, investing and buyouts through affiliated funds
- ▶ Emphasis on tenant's ability to weather economic downturns

## REAL ESTATE MARKETS POSITIONED FOR GROWTH

- ▶ Target growth markets across the U.S.
- ▶ Accumulate assets in specific markets to create valuable portfolios
- ▶ Target submarket emphasis in the "path of growth"

## REAL ESTATE ASSET QUALITY

- ▶ Superior quality assets with flexible configurations, and an industrial emphasis
- ▶ Properties that are critical to tenant's business
- ▶ Single tenant and anchored multi-tenant industrial and office facilities
- ▶ Target net leases with 7+ years remaining at acquisition

## TRANSACTION FOCUS

- ▶ Target transactions of \$5mm – \$50mm
- ▶ Type: 3rd party acquisition, sale-leaseback, build-to-suit JV and build-to-suit forward purchase



# Portfolio Overview

# Portfolio Overview

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## GEOGRAPHIC DIVERSITY

- ▶ 135 properties across the U.S. located in 27 states
- ▶ Focus on secondary growth markets with higher yields

## TENANT AND PROPERTY DIVERSITY

- ▶ Diverse base of 20 different industries
- ▶ Primarily industrial and office property types
- ▶ Focus on mid-size tenants

## HIGH OCCUPANCY

- ▶ Current occupancy 98.7%; since IPO in 2003, not below 95%
- ▶ 2.9% of annualized straight line rents expiring through the end of 2025

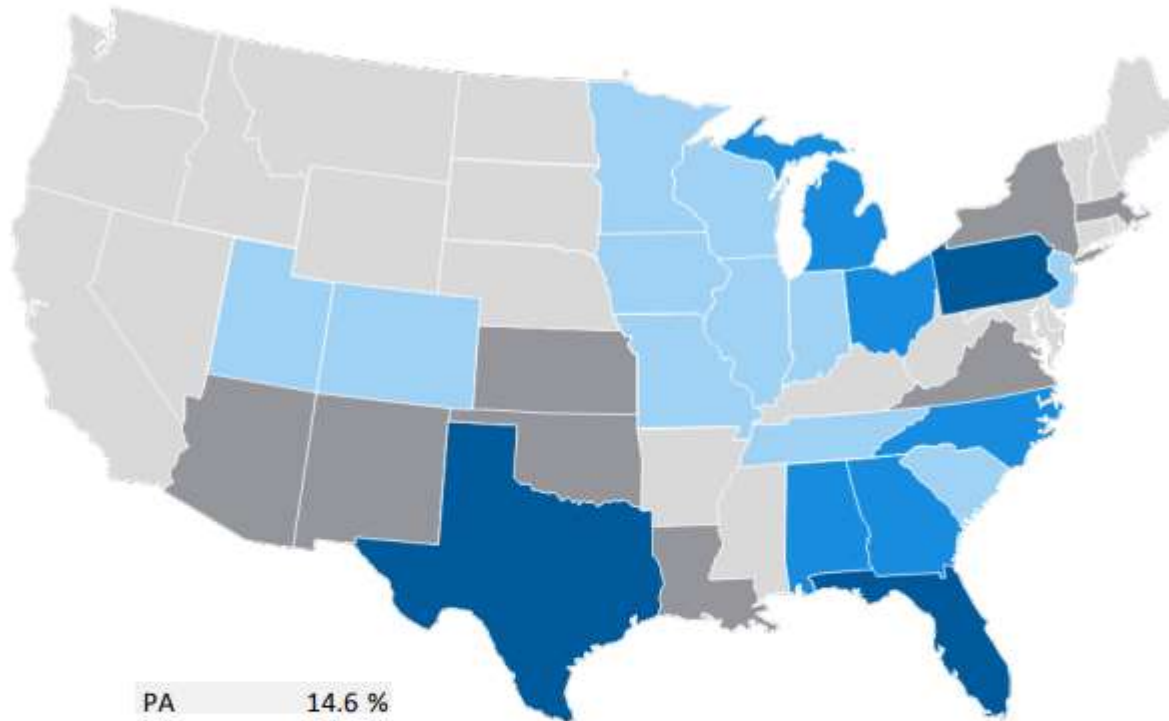
## PERIODIC CAPITAL RECYCLING

- ▶ Sell non-core office assets
- ▶ Re-deploy proceeds in industrial assets located in growth markets

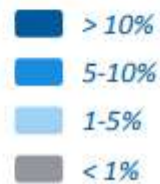
# Diversified Portfolio

## 135 PROPERTIES SPREAD ACROSS 27 STATES

(by annualized straight line rent)<sup>2</sup>

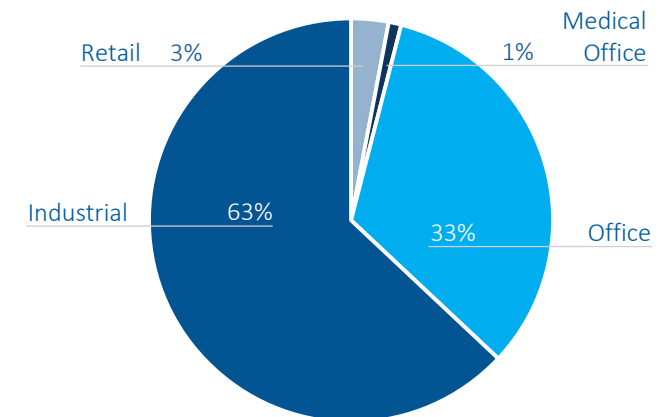


PA	14.6 %	UT	2.4 %
TX	13.0 %	NJ	2.1 %
FL	11.1 %	TN	2.1 %
OH	7.1 %	SC	2.1 %
NC	6.8 %	IA	1.8 %
GA	5.9 %	WI	1.5 %
AL	5.7 %	IL	1.1 %
MI	5.6 %	MN	1.0 %
IN	3.7 %	All Others	5.4 %
CO	3.6 %		
MO	3.4 %		



## PROPERTY TYPE DIVERSIFICATION






(by annualized straight line rent)<sup>2</sup>



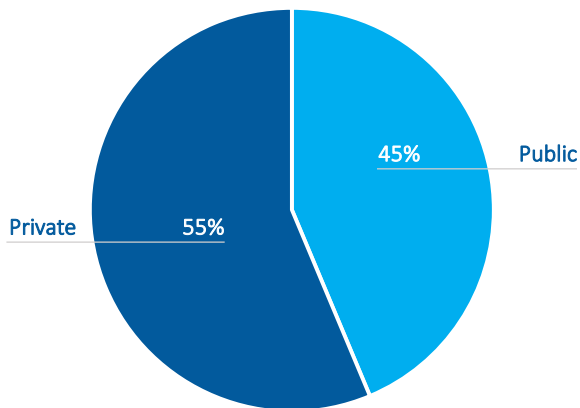
### Notes:

1. As of 12/31/2024
2. Straight-line rent, per Generally Accepted Accounting Principles (GAAP), includes the impact of fixed rent escalations within the lease agreement.

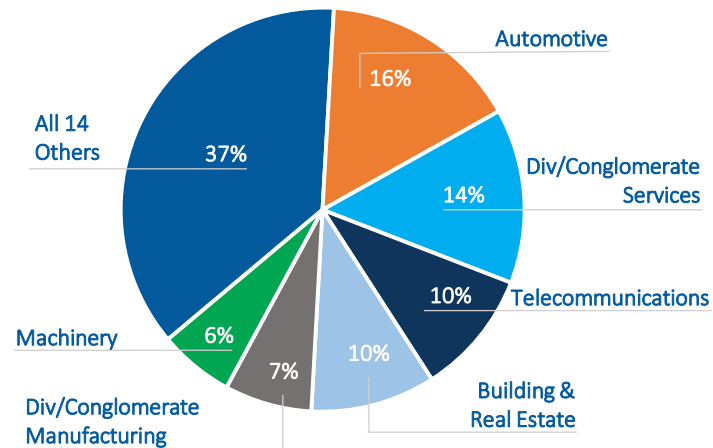
# High Quality, Diversified Portfolio

TOP TENANTS						All Other Tenants
% OF ANNUALIZED STRAIGHT LINE RENT	5%	4%	3%	2%	2%	84%

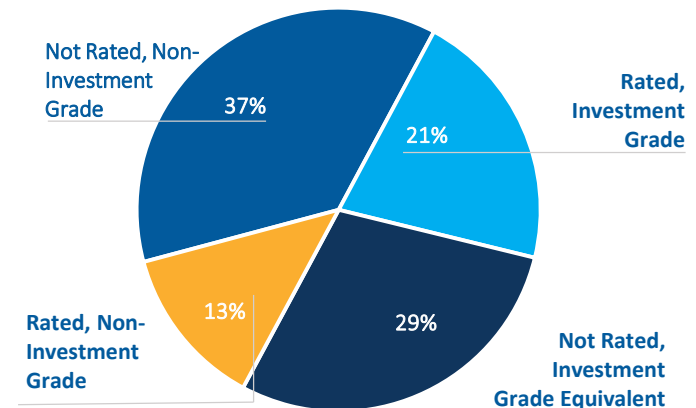
**PUBLICLY-TRADED VS. PRIVATELY-HELD TENANTS**  
(as % of annualized straight line rent)<sup>2</sup>



**INDUSTRY DIVERSIFICATION**  
(based on annualized straight line rent)<sup>2</sup>



**TENANT CREDIT RATINGS**  
(as % annualized straight line rent)<sup>2</sup>



Notes:

1. As of 12/31/2024
2. Straight-line rent, per Generally Accepted Accounting Principles (GAAP), includes the impact of fixed rent escalations within the lease agreement.

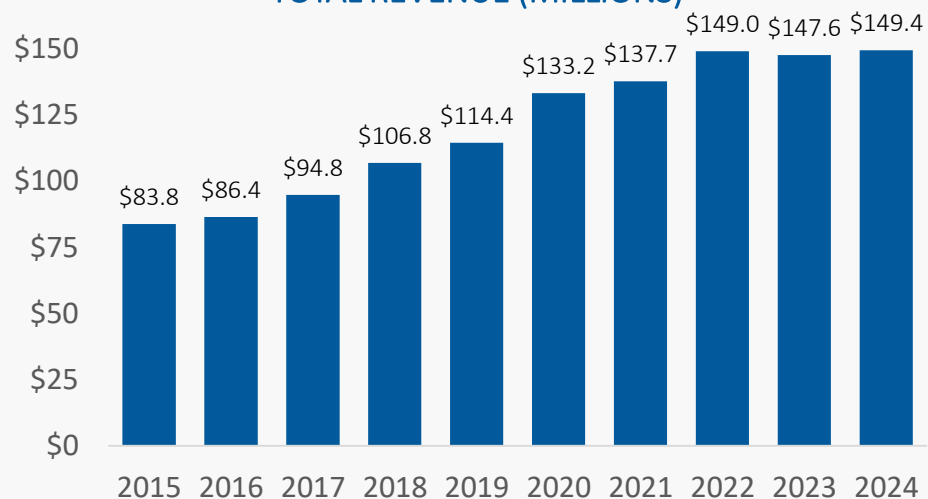


# Financial Performance

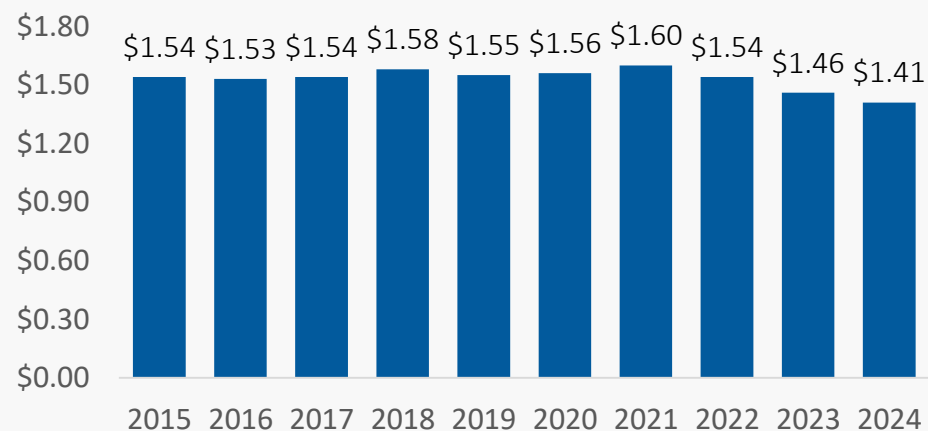


# Summary Historical Performance

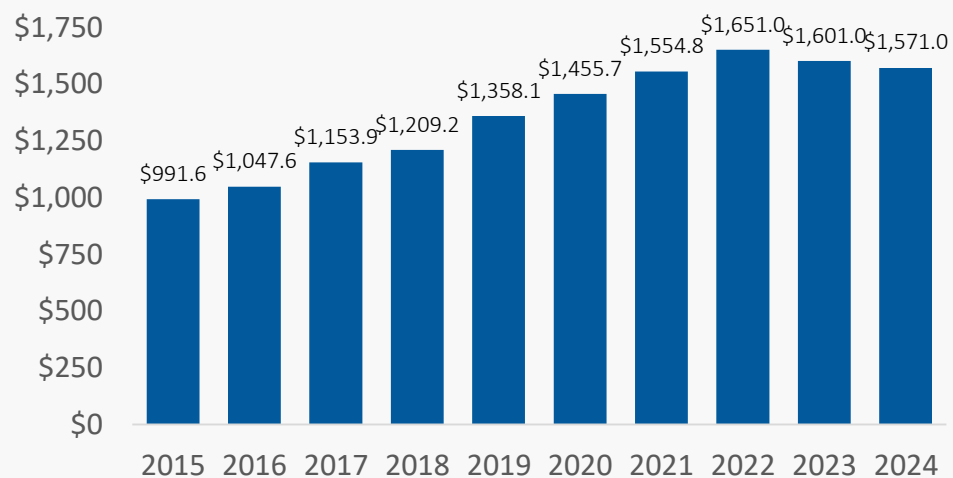
### TOTAL REVENUE (MILLIONS)



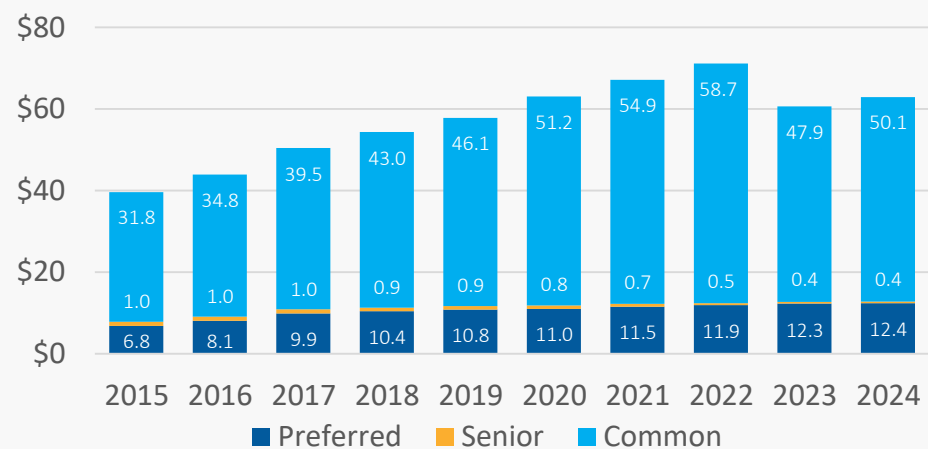
### FUNDS FROM OPERATIONS, AS ADJUSTED FOR COMPARABILITY (PER SHARE)



### TOTAL GROSS ASSETS (MILLIONS)



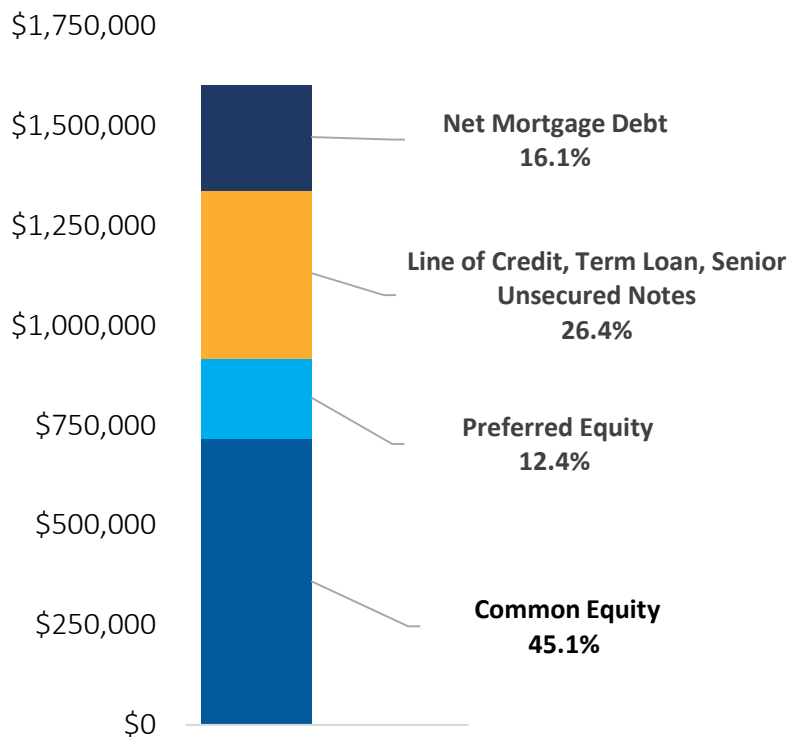
### TOTAL DISTRIBUTIONS (\$ IN MILLIONS)



# Capital Structure Overview

## CURRENT CAPITAL STRUCTURE

(As of 12/31/2024)



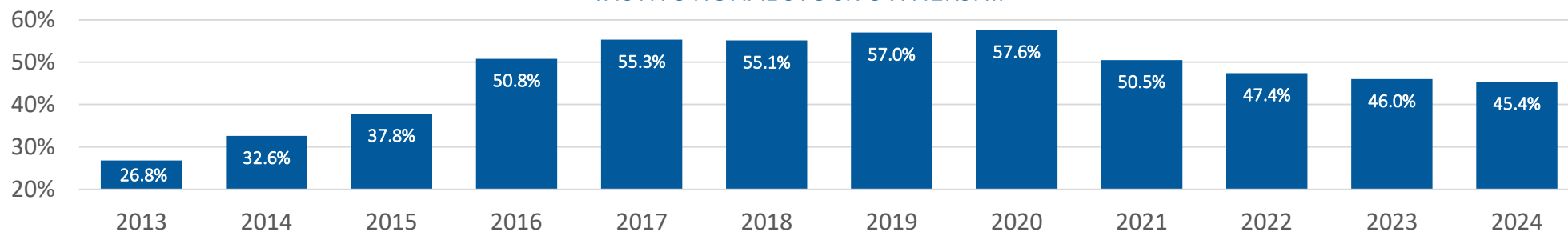
**TEV = \$1,602M**

## CAPITAL STRUCTURE DETAILS

(As of 12/31/2024)

DOLLARS IN 000S, EXCEPT STOCK PRICES	WTD-AVG RATE	VALUE @ 12/31/2024
Mortgage Notes Payable, Net Less: Cash & Cash Equivalents	4.30%	\$269,579 (10,956)
<b>Net Mortgage Debt</b>		<b>\$258,623</b>
Line of Credit	SOFR+1.35%	\$1,900
Term Note	SOFR+1.30%	347,948
Senior Unsecured Notes, Net	6.47%	73,958
<b>Line of Credit, Term Loan, and Senior Unsecured Notes</b>		<b>\$423,958</b>
<b>Total Debt, Net</b>		<b>\$682,429</b>
Series E Preferred	6.625%	\$76,536
Series F Preferred	6.00%	22,864
Series G Preferred	6.00%	99,772
<b>Total Preferred Equity</b>		<b>\$199,172</b>
Diluted common shares outstanding		44,355,968
Common stock price per share		\$16.24
<b>Implied Common Equity Market Capitalization<sup>1</sup></b>		<b>\$720,341</b>
<b>TOTAL ENTERPRISE VALUE</b>		<b>\$1,601,942</b>

## INSTITUTIONAL STOCK OWNERSHIP<sup>2</sup>

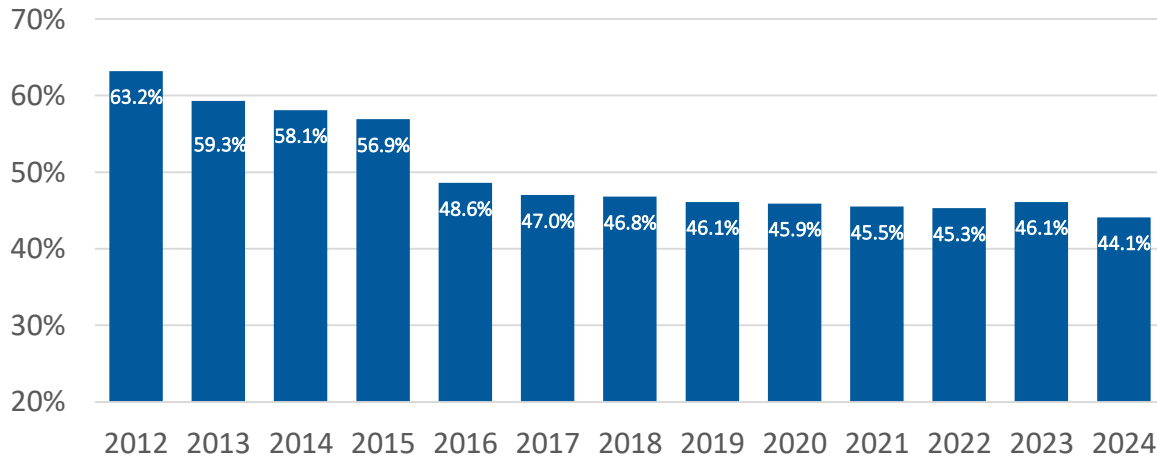


Notes:

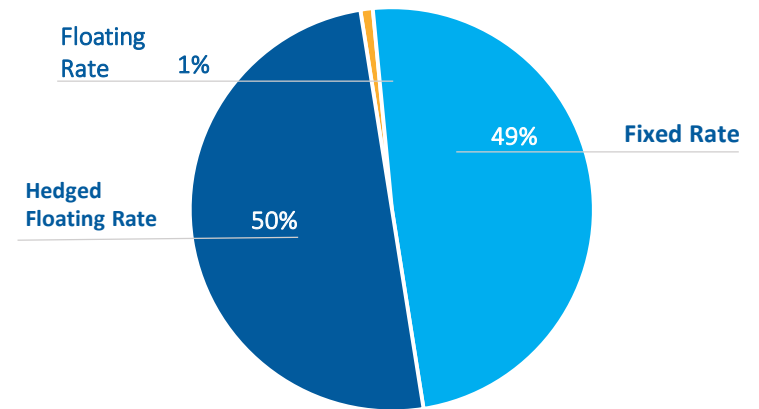
1. Common Equity is based on the closing common stock price per share as of December 31, 2024 of \$16.24 and includes effect of OP units and convertible senior common stock.
2. Source: Nasdaq Online

# Liquidity and Debt Overview

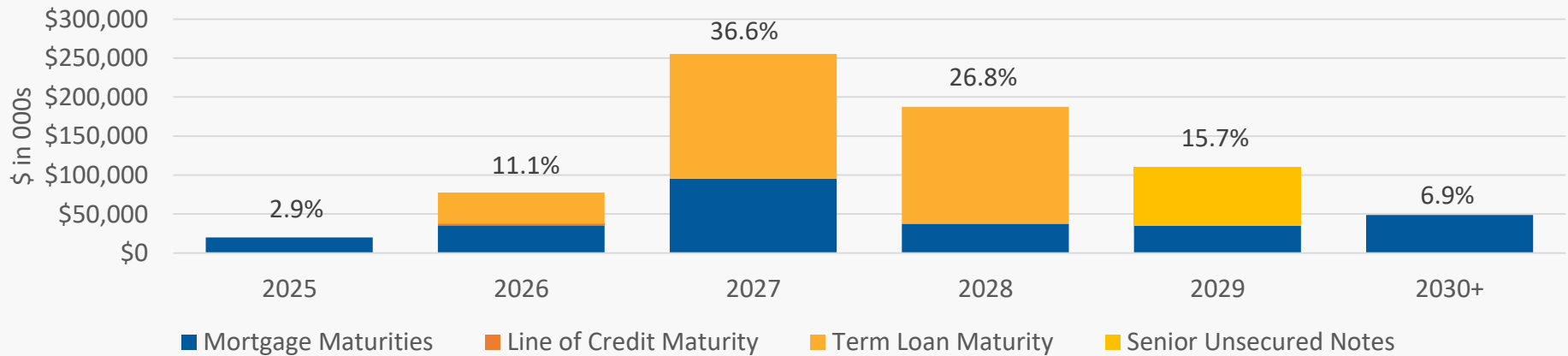
REDUCING LEVERAGE  
Net Debt/Gross Assets



FIXED VS. FLOATING DEBT



DEBT MATURITY SCHEDULE<sup>1</sup>



Note: As of 12/31/2024  
 1. Includes scheduled principal amortization payments and remaining principal balances for each year shown

# Management



# Experienced Leadership Team



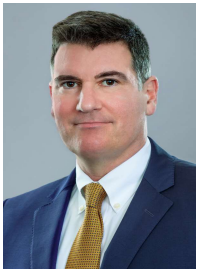
## DAVID GLADSTONE | CHAIRMAN AND CEO *25+ years of experience*

- ▶ Current Chairman and CEO of all four Gladstone funds, public companies #7, #8, #9 and #10 in his career
- ▶ Former Chairman of Allied Capital Commercial (REIT), Allied Capital and American Capital
- ▶ Former board member of Capital Automotive REIT
- ▶ MBA from Harvard Business School, MA from American University, BA from University of Virginia



## BUZZ COOPER | PRESIDENT *25+ years of experience*

- ▶ Current President of the Company; 20+ years with Gladstone
- ▶ Former Principal of Allied Commercial Corporation REIT, where his responsibilities ranged from buying loans from RTC and banks to making real estate backed loans
- ▶ BA from Washington and Lee University



## GARY GERSON | CFO and Assistant Treasurer *25+ years of experience*

- ▶ Current Chief Financial Officer and Assistant Treasurer of the Company
- ▶ Former CFO of Spotted Hawk Development Company, LLC
- ▶ Former Treasurer of The Gladstone Companies
- ▶ MBA from Yale University, Bachelor of Science from the United States Naval Academy
- ▶ CFA Charterholder and Certified Public Accountant in the Commonwealth of Virginia



## JAY BECKHORN | TREASURER *25+ years of experience*

- ▶ Current Treasurer of the Company and Gladstone Land, Assistant Treasurer of Gladstone Capital and Gladstone Investment
- ▶ Former Regional Managing Director of Heavenrich & Co.
- ▶ Former Senior Vice President of Sunrise Senior Living
- ▶ Former Managing Director of Riggs Bank
- ▶ MBA from Duke University, BA from Colgate University

# Experienced Leadership Team (cont.)

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**RYAN CARTER** | EVP, WEST & MIDWEST REGIONS 20+ years of experience

- ▶ Manages regional acquisition and asset management activities
- ▶ Former founding partner of Porthaven Partners, LLC
- ▶ Former Director with Stan Johnson Company
- ▶ MBA from Oklahoma State University, BSBA from the University of Tulsa



**TODD MCDONALD** | SVP, SOUTH CENTRAL REGION 7+ years of experience

- ▶ Manages regional acquisition and asset management activities
- ▶ Former Credit Team Lead and member of the Wholesale Loan Group at United Bankshares
- ▶ BS from Washington and Lee University



**NICK LINDSAY** | VP, NORTHEAST & SOUTHEAST REGIONS 7+ years of experience

- ▶ Manages regional acquisition and asset management activities
- ▶ Former private equity investor with H.I.G. Capital in the LBO Fund
- ▶ Former investment banking analyst and member of the Industrials group at Harris Williams
- ▶ MBA from UNC Kenan-Flagler, BS from McIntire School of Commerce at the University of Virginia



Conclusion



# Summary Highlights

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Growing industrial base comprising 63% of annualized straight line rent as of December 31, 2024, up from 38% as of December 31, 2019



Proven credit and real estate investment strategy has maintained high occupancy (>95%) since 2003



Strengthened credit profile with net total debt to gross assets down to 44.1%



Focused on growth with limited lease expirations through 2025, and with an emphasis on increasing the industrial allocation

**PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS**



# Appendix

# Condensed Consolidated Statements of Operations

(\$ in thousands, except per share amounts)	For the three months ended (unaudited)			For the twelve months ended	
	12/31/2024	9/30/2024	12/31/2023	12/31/2024	12/31/2023
Operating revenues					
Lease revenue	\$ 37,375	\$ 39,235	\$ 35,908	\$ 149,388	\$ 147,584
Total operating revenues	\$ 37,375	\$ 39,235	\$ 35,908	\$ 149,388	\$ 147,584
Operating expenses					
Depreciation and amortization	\$ 13,102	\$ 13,343	\$ 13,731	\$ 55,786	\$ 57,856
Property operating expenses	7,046	6,681	5,572	25,418	25,858
Base management fee	1,532	1,528	1,573	6,111	6,380
Incentive fee	926	1,146	—	4,488	—
Administration fee	618	725	615	2,567	2,350
General and administrative	816	970	926	3,879	4,363
Impairment charge	1,780	4,549	5,719	6,822	19,296
Total operating expense before incentive fee waiver	\$ 25,820	\$ 28,942	\$ 28,136	\$ 105,071	\$ 116,103
Incentive fee waiver	(846)	(396)	—	(2,263)	—
Total operating expenses	\$ 24,974	\$ 28,546	\$ 28,136	\$ 102,808	\$ 116,103
Other income (expense)					
Interest expense	\$ (9,136)	\$ (9,299)	\$ (9,485)	\$ (37,395)	\$ (37,330)
Gain on sale of real estate, net	3,674	10,319	3,492	14,229	7,737
Gain on debt extinguishment, net	—	—	2,830	300	2,830
Other income (expense)	254	12	(58)	326	204
Total other (expense) income, net	\$ (5,208)	\$ 1,032	\$ (3,221)	\$ (22,540)	\$ (26,559)
Net income	\$ 7,193	\$ 11,721	\$ 4,551	\$ 24,040	\$ 4,922
Net (income) loss (available) attributable to non-controlling interests	(7)	(44)	(14)	(42)	63
Net income available to the company	\$ 7,186	\$ 11,677	\$ 4,537	\$ 23,998	\$ 4,985
Distributions attributable to Series E, F, and G preferred stock	(3,106)	(3,106)	(3,106)	(12,440)	(12,285)
Distributions attributable to senior common stock	(104)	(106)	(107)	(420)	(430)
(Loss) gain on extinguishment of Series F preferred stock	(9)	2	1	(14)	(11)
Gain on repurchase of Series G preferred stock	—	—	—	—	3
Net income (loss) available (attributable) to common stockholders	\$ 3,967	\$ 8,467	\$ 1,325	\$ 11,124	\$ (7,738)

# Funds From Operations (FFO) and Core FFO

(\$ in thousands, except per share amounts)

	For the three months ended (unaudited)			For the twelve months ended	
	12/31/2024	9/30/2024	12/31/2023	12/31/2024	12/31/2023
Net income	\$ 7,193	\$ 11,721	\$ 4,551	\$ 24,040	\$ 4,922
Less: Distributions attributable to preferred and senior common stock	(3,210)	(3,212)	(3,213)	(12,860)	(12,715)
Less/Add: (Loss) gain on extinguishment of Series F preferred stock	(9)	2	1	(14)	(11)
Add: Gain on repurchase of Series G preferred stock	—	—	—	—	3
Net income (loss) available (attributable) to common stockholders and Non-controlling OP Unitholders	\$ 3,974	\$ 8,511	\$ 1,339	\$ 11,166	\$ (7,801)
Adjustments:					
Add: Real estate depreciation and amortization	\$ 13,102	\$ 13,343	\$ 13,731	\$ 55,786	\$ 57,856
Add: Impairment charge	1,780	4,549	5,719	6,822	19,296
Less: Gain on sale of real estate, net	(3,674)	(10,319)	(3,492)	(14,229)	(7,737)
Less: Gain on debt extinguishment, net	—	—	(2,830)	(300)	(2,830)
FFO available to common stockholders and Non-controlling OP Unitholders - basic	\$ 15,182	\$ 16,084	\$ 14,467	\$ 59,245	\$ 58,784
Add: Convertible senior common distributions	104	106	107	420	430
FFO available to common stockholders and Non-controlling OP Unitholders - diluted	\$ 15,286	\$ 16,190	\$ 14,574	\$ 59,665	\$ 59,214
FFO available to common stockholders and Non-controlling OP Unitholders - basic	\$ 15,182	\$ 16,084	\$ 14,467	\$ 59,245	\$ 58,784
Add: Write off shelf registration statement costs and prepaid ATM costs	—	—	—	183	110
Add: Asset retirement obligation expense	34	33	32	133	126
Add: Bad debt write off	—	—	—	64	—
Add: Loan defeasance costs	—	—	—	—	130
Add: Realized loss on interest rate hedging instruments	—	51	—	132	326
Core FFO available to common stockholders and Non-controlling OP Unitholders - basic	\$ 15,216	\$ 16,168	\$ 14,499	\$ 59,757	\$ 59,476
Add: Convertible senior common distributions	104	106	107	420	430
Core FFO available to common stockholders and Non-controlling OP Unitholders - diluted	\$ 15,320	\$ 16,274	\$ 14,606	\$ 60,177	\$ 59,906
Weighted average common shares outstanding and Non-controlling OP Units - basic	43,963,909	42,830,159	40,309,714	41,923,423	40,325,730
Weighted average common shares outstanding and Non-controlling OP Units - diluted	44,294,365	43,169,458	40,654,846	42,253,879	40,670,862
FFO per weighted average share of common stock and Non-controlling OP Unit - basic	\$ 0.35	\$ 0.38	\$ 0.36	\$ 1.41	\$ 1.46
FFO per weighted average share of common stock and Non-controlling OP Unit - diluted	\$ 0.35	\$ 0.38	\$ 0.36	\$ 1.41	\$ 1.46
Core FFO per weighted average share of common stock and Non-controlling OP Unit - basic	\$ 0.35	\$ 0.38	\$ 0.36	\$ 1.43	\$ 1.47
Core FFO per weighted average share of common stock and Non-controlling OP Unit - diluted	\$ 0.35	\$ 0.38	\$ 0.36	\$ 1.42	\$ 1.47
Distributions declared per share of common stock and Non-controlling OP Unit	\$ 0.30	\$ 0.30	\$ 0.30	\$ 1.20	\$ 1.20

# Condensed Consolidated Balance Sheets

(\$ in thousands)	<u>12/31/2024</u>	<u>12/31/2023</u>
<b>ASSETS</b>		
Real estate, at cost	\$ 1,211,793	\$ 1,221,364
Less: accumulated depreciation	319,646	299,662
Total real estate, net	<u>892,147</u>	<u>921,702</u>
Lease intangibles, net	95,107	101,048
Real estate and related assets held for sale, net	4,363	28,787
Cash and cash equivalents	10,956	11,985
Restricted cash	4,118	4,150
Funds held in escrow	5,367	7,515
Right-of-use assets from operating leases	3,961	4,889
Deferred rent receivable, net	45,324	41,006
Sales-type lease receivable, net	18,618	—
Other assets	14,387	12,389
<b>TOTAL ASSETS</b>	<u><u>\$ 1,094,348</u></u>	<u><u>\$ 1,133,471</u></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Mortgage notes payable, net	\$ 269,579	\$ 295,853
Borrowings under revolver and term loan, net	349,848	443,008
Senior unsecured notes, net	73,958	—
Deferred rent liability, asset retirement obligation and other liabilities, net	59,621	70,303
<b>TOTAL LIABILITIES</b>	<u><u>\$ 753,006</u></u>	<u><u>\$ 809,164</u></u>
<b>MEZZANINE EQUITY</b>		
Series E and G redeemable preferred stock, net	\$ 170,041	\$ 170,041
<b>TOTAL MEZZANINE EQUITY</b>	<u><u>\$ 170,041</u></u>	<u><u>\$ 170,041</u></u>
<b>STOCKHOLDERS' EQUITY</b>		
Senior common stock	\$ 1	\$ 1
Common stock	44	40
Series F redeemable preferred stock	1	1
Additional paid in capital	784,389	730,256
Accumulated other comprehensive income	10,648	7,758
Distributions in excess of accumulated earnings	(623,912)	(584,776)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<u><u>\$ 171,171</u></u>	<u><u>\$ 153,280</u></u>
OP Units held by Non-controlling OP Unitholders	130	986
<b>TOTAL EQUITY</b>	<u><u>\$ 171,301</u></u>	<u><u>\$ 154,266</u></u>
<b>TOTAL LIABILITIES, MEZZANINE EQUITY AND EQUITY</b>	<u><u>\$ 1,094,348</u></u>	<u><u>\$ 1,133,471</u></u>

# Debt Summary

Principal Maturity Date	Weighted Average Interest Rate as of 12/31/2024	Principal Balance Outstanding as of 12/31/2024 (\$ in thousands)
2025	6.09 %	\$10,422
2026	4.13 %	29,664
2027	4.36 %	99,514
2028	4.15 %	37,447
2029	5.38 %	36,458
2030	3.23 %	38,096
2031	3.24 %	4,907
2032	3.40 %	9,707
2037	4.63 %	5,288
Contractual Mortgage Notes Payable	4.30 %	\$271,503
Premiums (Discounts), net		(8)
Total Mortgage Notes Payable		\$271,495
Variable-Rate Line of Credit		
2026	SOFR +1.35%	\$1,900
Variable-Rate Term Loan Facility		
2026	SOFR +1.30%	\$40,000
2027	SOFR +1.30%	160,000
2028	SOFR +1.30%	150,000
Senior Unsecured Notes		
2029	6.47 %	\$75,000
Total Mortgage Notes Payable, Line of Credit, Term Loan Facility, Senior Unsecured Notes	5.28 %	\$698,395

# External Management Structure Qualities

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President, CIO, CFO, Acquisitions, Asset Management and Accounting staff exclusively dedicated to Gladstone Commercial

- ▶ Benefit: Aligned with shareholder interests

The 2015 revision to the fee structure places overhead costs generally in line with the overall average for internally managed REITs of this size. The 2020 revision to the fee structure is economically consistent with the prior revision

- ▶ Benefit: G&A costs comparable with the public REIT industry

The external structure provides access to internal credit underwriters across numerous industries

- ▶ Benefit: Can quickly assess tenant's creditworthiness and ability to weather economic downturns

Legal, Compliance, Human Resources, and IT shared among four funds

- ▶ Benefit: Reduced costs to shareholders

The results of organizational structure benefits:

- ▶ Occupancy not below 95% since IPO in 2003
- ▶ Cost structure aligned with self-managed REITs with the added benefit of access to proven credit underwriting capability and evidenced by consistent high occupancy

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