



GLADSTONE COMMERCIAL

\$500,000,000 Series F
Cumulative Redeemable Preferred Stock Offering

AS OF JUNE 30, 2023



Legal Disclaimer

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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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.

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

- ▶ 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. 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

An aerial photograph showing industrial facilities. In the foreground, a large white-roofed warehouse is visible next to a paved parking lot with several spaces. To the right of the warehouse is a grassy area. In the background, another industrial building is visible, surrounded by more parking spaces and some trees. The image is partially obscured by a diagonal white line and a blue triangular shape in the top left corner.

Gladstone Commercial Corporation

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)
- ▶ The Company invests in single tenant and anchored multi-tenant net leased assets, with an industrial product emphasis
- ▶ The Company owns approximately 17.2 million square feet of predominantly industrial and office real estate nationwide
- ▶ Diversified portfolio of 136 properties in 27 states leased to 110 different tenants in 19 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



Gladstone Commercial Overview

PORTFOLIO SUMMARY | 6/30/2023

# of Properties	136
Square feet (mm)	17.2
Occupancy	96.0%
States	27
Tenants	110
Industries	19
Annual lease revenue (LTM) (mm)	\$152.3
Diluted FFO per Common Share (LTM)	\$1.55
Diluted Core FFO per Common Share (LTM)	\$1.56
Average Remaining Lease Term	6.8 years

- IPO in 2003 (Nasdaq: GOOD)
- Market Capitalization: \$498mm¹
- Enterprise Value: \$1,434mm¹



Notes:

1. Common equity market capitalization is based on the closing common stock price per share as of June 30, 2023, of \$12.37 per share and includes effect of convertible securities.

Significant Growth & Diversification Since 2010

		12/31/10	6/30/23	VARIANCE
GREW A DIVERSE PORTFOLIO	Total assets (\$mm)	\$410.6	\$1,181.9	\$771.3
	Properties	65	136	71
	Tenants	52	110	58
	Square feet (mm)	6.8	17.2	10.4
	Occupancy (%)	97.2%	96.0%	(1.2)%
	% of Total Lease Revenue from Top 5 Tenants ¹	24.2%	14.1%	(10.1)%
REVENUE & CASH FLOW GROWTH	Lease Revenue (LTM) (\$mm)	\$41.9	\$152.3	\$110.4
	Diluted FFO (LTM) (\$mm)	\$14.1	\$62.2	\$48.1
	Diluted Core FFO (LTM) (\$mm)	\$14.5	\$62.8	\$48.3
IMPROVED CAPITAL STRUCTURE	Net Total Debt / Enterprise Value	58.9%	51.4%	(7.5)%
	Net Total Debt + Preferred / Enterprise Value	70.0%	65.2%	(4.8)%
	Net Total Debt / Gross Assets ²	62.7%	45.4%	(17.3)%

Investment Strategy



Proven Strategy of Underwriting Real Estate & Tenant Strength

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

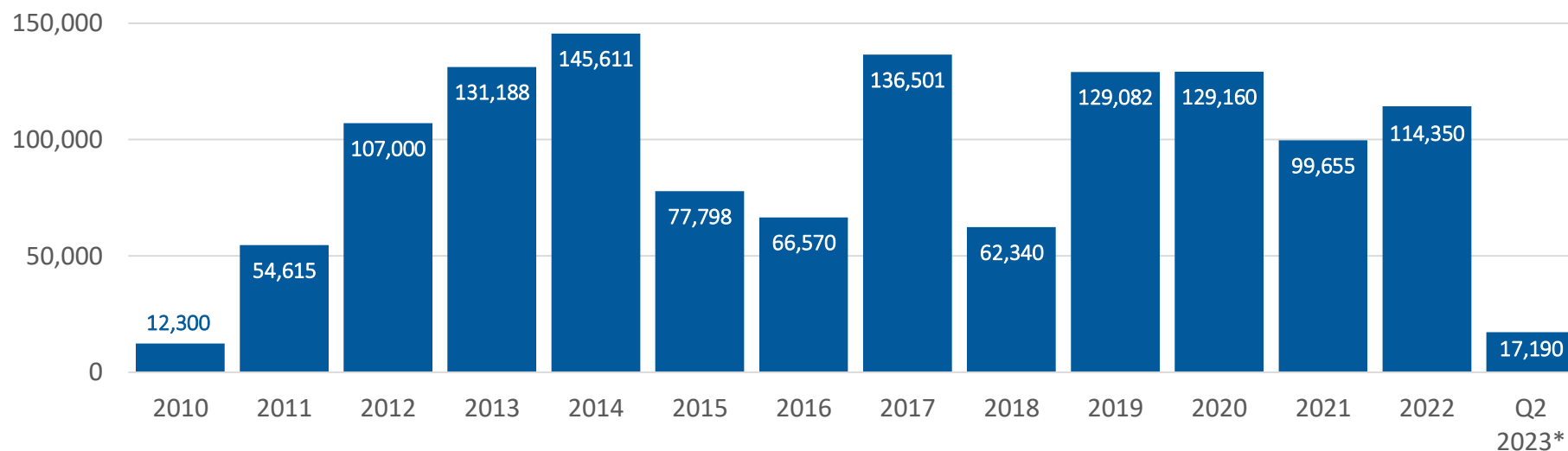
- ▶ Superior quality assets with flexible configurations, and an industrial emphasis
- ▶ Properties that are critical to tenant's business
- ▶ Single tenant and anchored multi-tenant industrial and office facilities
- ▶ Target net leases with 7+ years remaining at acquisition

TRANSACTION FOCUS

- ▶ Target transactions of \$7mm – \$50mm
- ▶ Type: 3rd party acquisition, sale-leaseback, build-to-suit JV and build-to-suit forward purchase

Gladstone Has Achieved Consistent & Disciplined Growth

HISTORICAL INVESTMENT VOLUME (\$'000)



DONALDSON Industrial

- ▶ 219K SF
- ▶ Detroit, MI
- ▶ Acquired 10/2018
- ▶ GAAP cap rate: 8.0%



ORGILL Industrial Distribution

- ▶ 676K SF
- ▶ Tifton, GA
- ▶ Acquired 6/2019
- ▶ GAAP cap rate: 8.8%



MORGAN STANLEY Office

- ▶ 102K SF
- ▶ Salt Lake City, UT
- ▶ Acquired 12/2017
- ▶ GAAP cap rate: 9.3%



GARDEN STATE BULB Industrial

- ▶ 216K SF
- ▶ Vineland, NJ
- ▶ Acquired 8/2022
- ▶ GAAP cap rate: 7.2%



Portfolio Overview

Portfolio Overview

GEOGRAPHIC DIVERSITY

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

TENANT AND PROPERTY DIVERSITY

- ▶ Diverse base of 19 different industries
- ▶ Primarily industrial and office property types
- ▶ Focus on mid-size tenants occupying properties ranging from 75-500K SF (industrial) and 30-150K SF (office)

HIGH OCCUPANCY

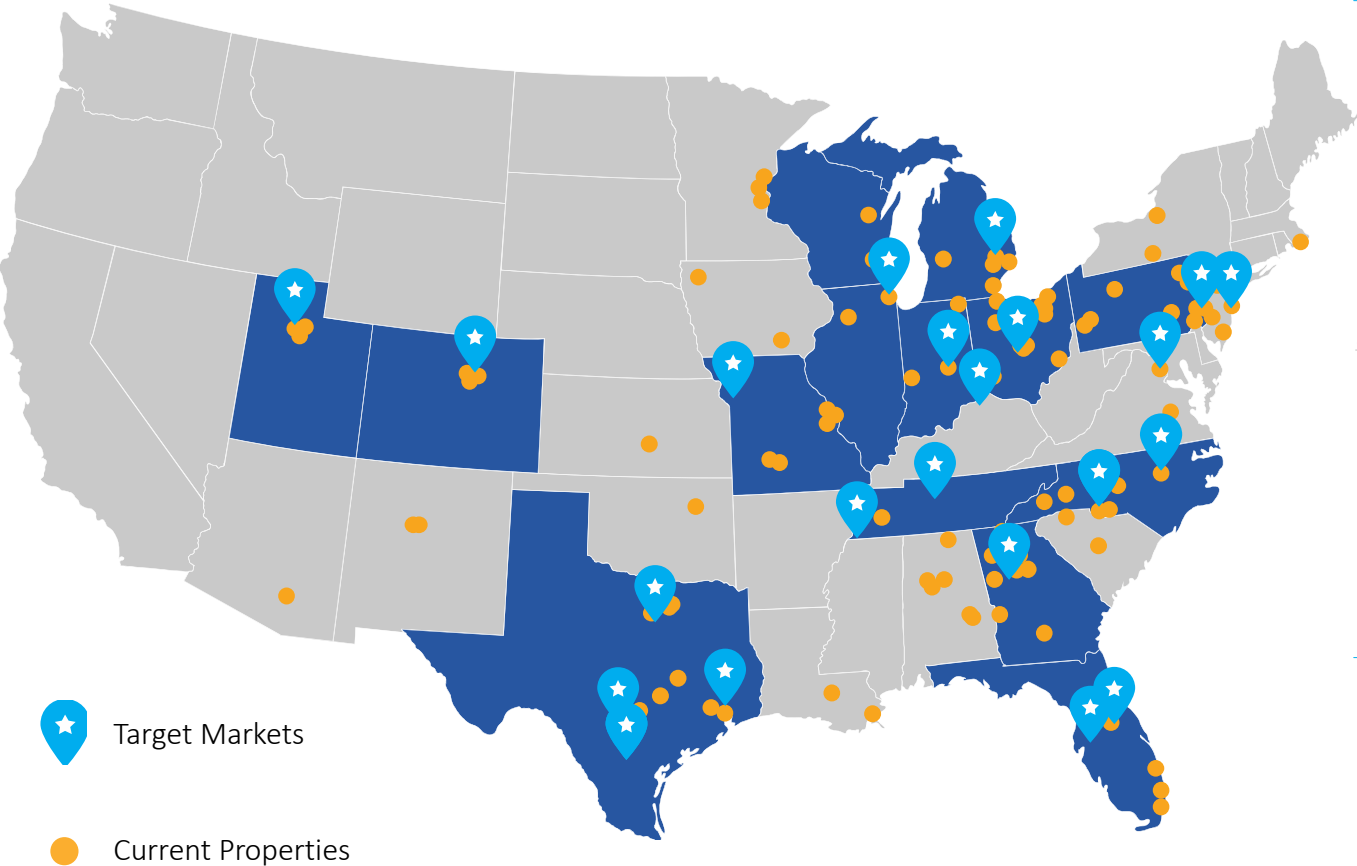
- ▶ Current occupancy 96.0%; since IPO in 2003, not below 95%
- ▶ 1.6% of annualized straight line rents expiring through the end of 2023

PERIODIC CAPITAL RECYCLING

- ▶ Sell non-core assets
- ▶ Exited 30
- ▶ properties in non-core markets since mid-2016
- ▶ Re-deploy proceeds in growth markets

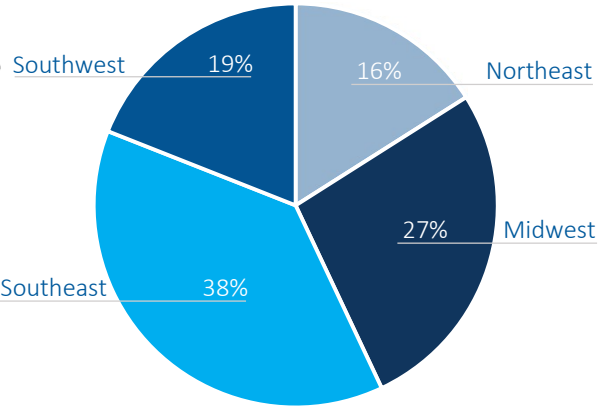
Diversified Portfolio

137 PROPERTIES SPREAD ACROSS 27 STATES



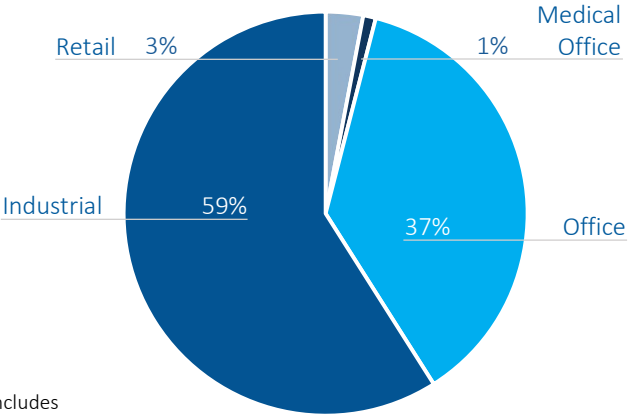
GEOGRAPHIC DIVERSITY

(by annualized straight line rent)²



PROPERTY TYPE DIVERSIFICATION





(by annualized straight line rent)²



Notes:

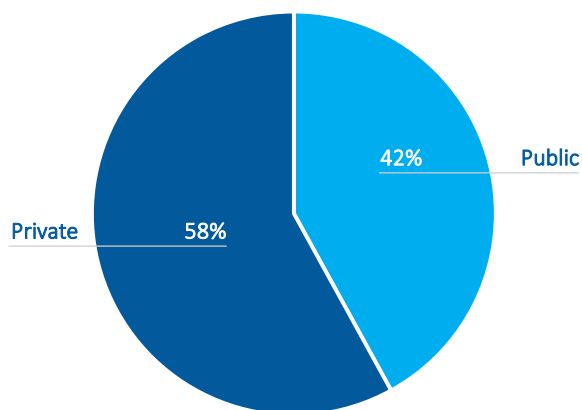
1. As of 6/30/2023
2. Straight-line rent, per Generally Accepted Accounting Principles (GAAP), includes the impact of fixed rent escalations within the lease agreement.

High Quality, Diversified Portfolio

TOP TENANTS				Morgan Stanley		All Other Tenants
% OF ANNUALIZED STRAIGHT LINE RENT	4%	3%	3%	2%	2%	86%
% OF SF	1%	6%	1%	1%	1%	90%

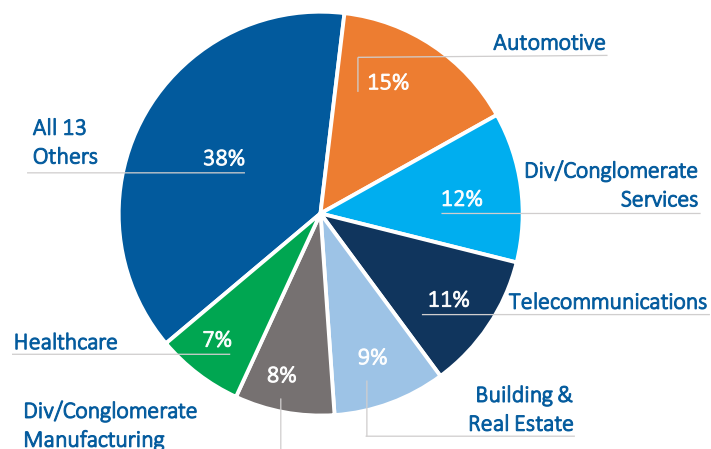
PUBLICLY-TRADED VS. PRIVATELY-HELD TENANTS

(as % of annualized straight line rent)²



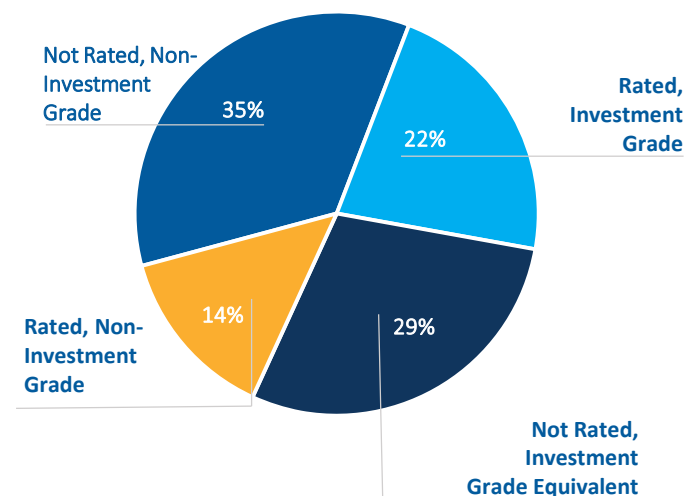
INDUSTRY DIVERSIFICATION

(based on annualized straight line rent)²



TENANT CREDIT RATINGS

(as % annualized straight line rent)²



Notes:

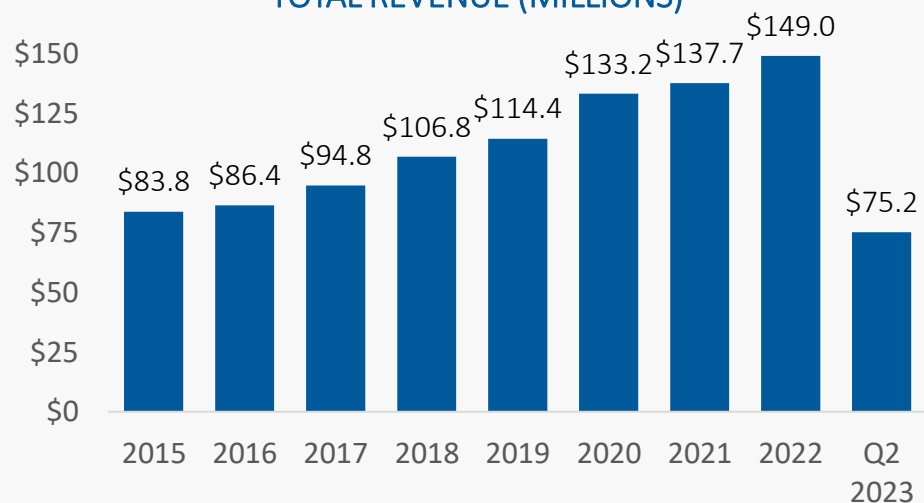
1. As of 6/30/2023
2. Straight-line rent, per Generally Accepted Accounting Principles (GAAP), includes the impact of fixed rent escalations within the lease agreement.

Financial Performance

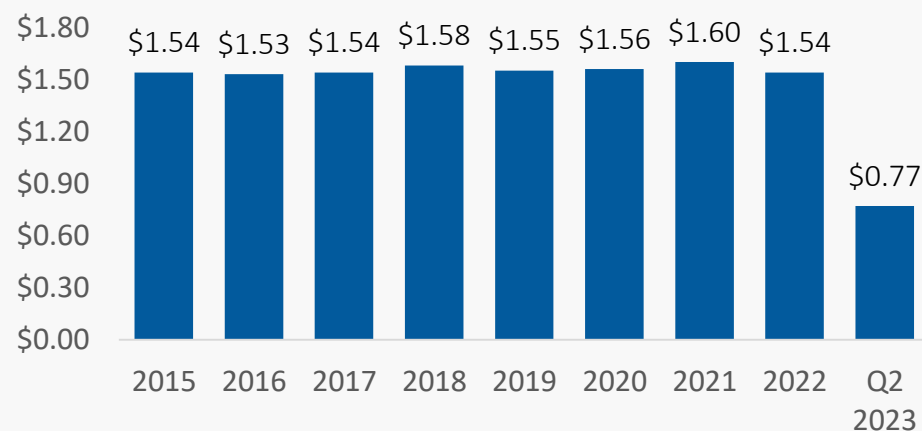


Summary Historical Performance

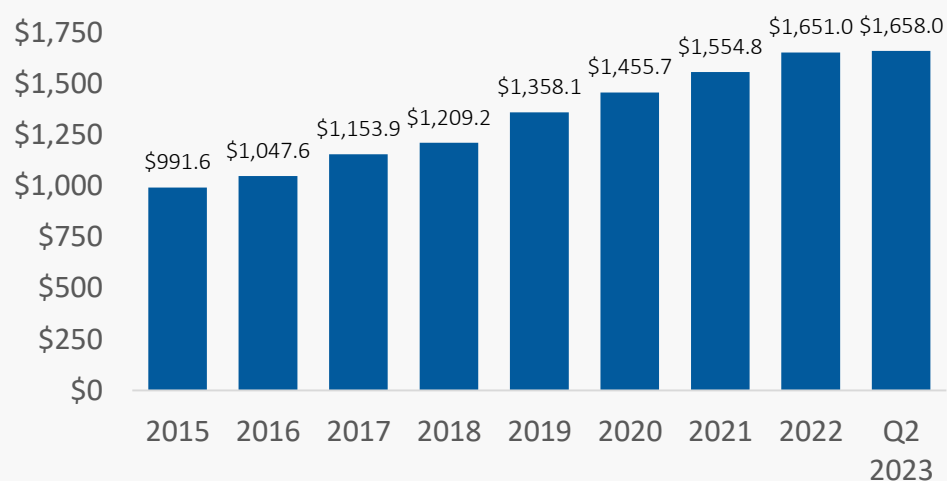
TOTAL REVENUE (MILLIONS)



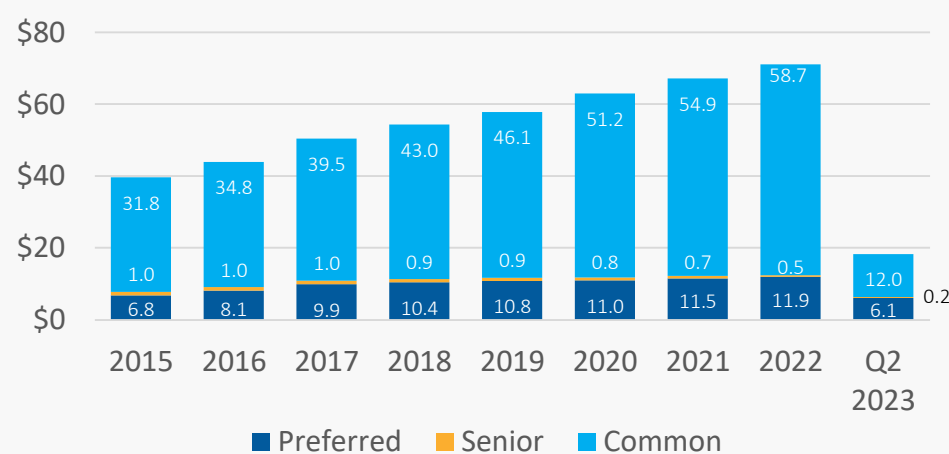
FUNDS FROM OPERATIONS, AS ADJUSTED FOR COMPARABILITY (PER SHARE)



TOTAL GROSS ASSETS (MILLIONS)



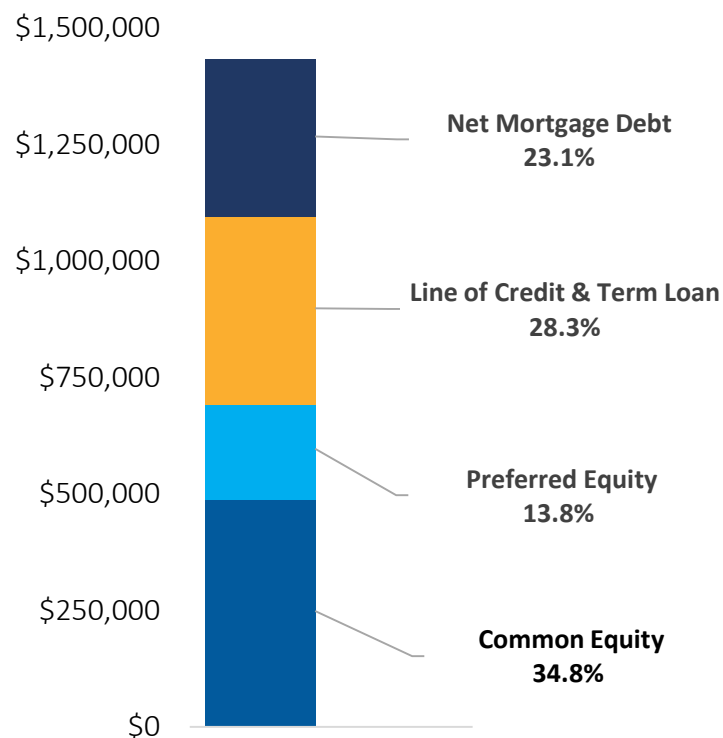
TOTAL DISTRIBUTIONS (\$ IN MILLIONS)



Capital Structure Overview

CURRENT CAPITAL STRUCTURE

(As of 6/30/2023)



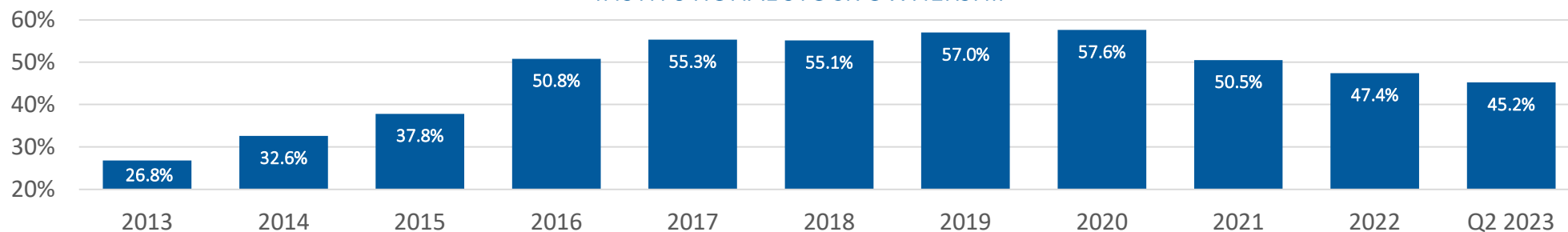
TEV = \$1,433M

CAPITAL STRUCTURE DETAILS

(As of 6/30/2023)

DOLLARS IN 000S, EXCEPT STOCK PRICES	WTD-AVG RATE	VALUE @ 6/30/2023
Mortgage Notes Payable, Net Less: Cash & Cash Equivalents	4.23%	\$348,371 (16,487)
Net Mortgage Debt		\$331,884
Line of Credit	SOFR+1.50%	\$38,450
Term Note	SOFR+1.45%	366,913
Line of Credit and Term Loan		\$405,363
Total Debt, Net		\$737,247
Series E Preferred	6.625%	\$76,536
Series F Preferred	6.00%	21,517
Series G Preferred	6.00%	99,772
Total Preferred Equity		\$197,825
Diluted common shares outstanding ³		40,263,127
Common stock price per share		\$12.37
Implied Common Equity Market Capitalization¹		\$498,055
TOTAL ENTERPRISE VALUE		\$1,433,127

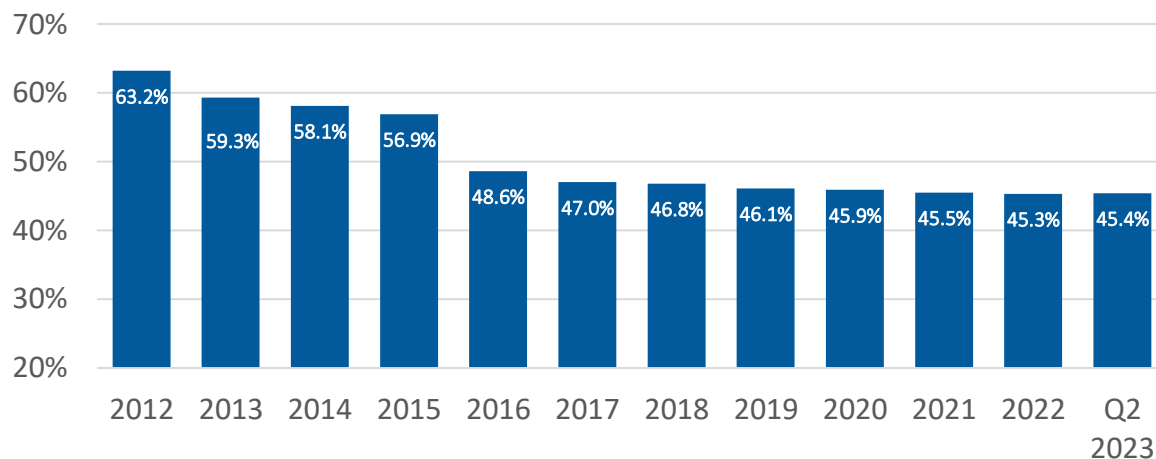
INSTITUTIONAL STOCK OWNERSHIP²



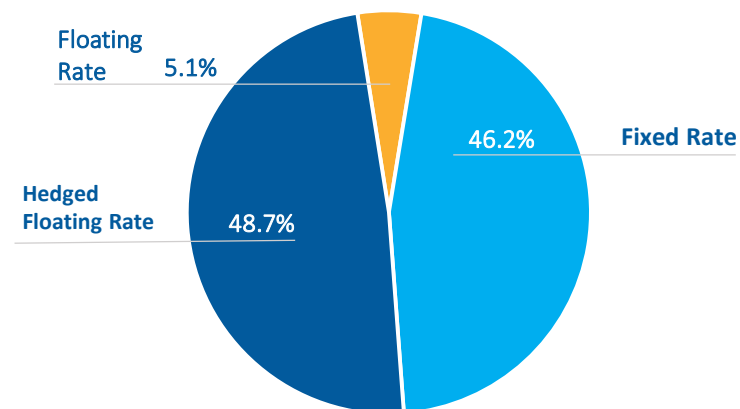
Liquidity and Debt Overview

REDUCING LEVERAGE

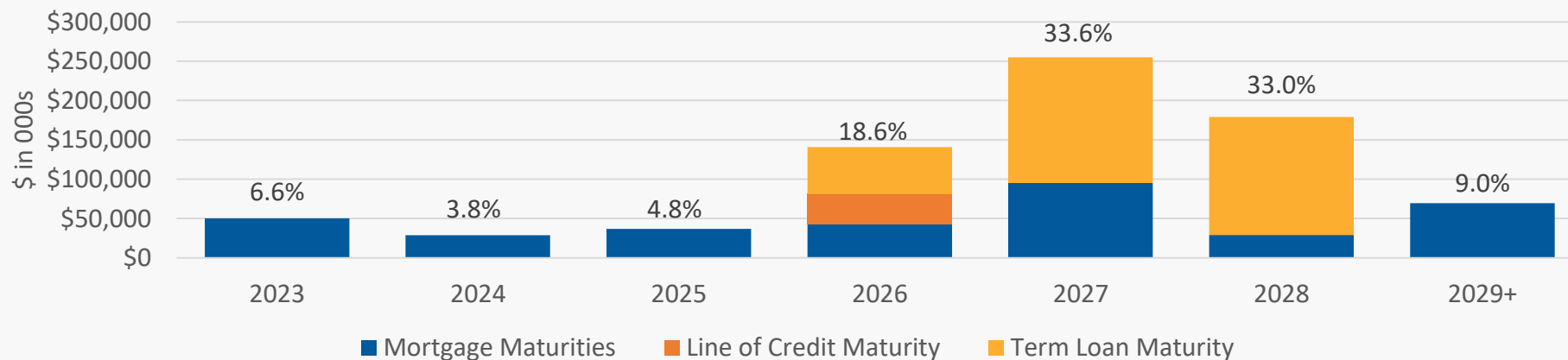
Net Debt/Gross Assets



FIXED VS. FLOATING DEBT



DEBT MATURITY SCHEDULE¹



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.)



EJ WISLAR | CHIEF INVESTMENT OFFICER, HEAD OF NE and SE Regions 10 years of experience

- Manages regional acquisition and asset management activities
- Former Vice President with United Bankshares and Senior Investment Associate with Prudential Global Investment Management Real Estate Finance
- BS from Washington and Lee University



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

Conclusion



Summary Highlights



Growing industrial base comprising 59% of annualized straight line rent as of June 30, 2023, 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 45.4%



Focused on growth with limited lease expirations through 2024, 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)

Operating revenues

Lease revenue

Total operating revenues

Operating expenses

Depreciation and amortization

Property operating expenses

Base management fee

Incentive fee

Administration fee

General and administrative

Impairment charge

Total operating expenses before incentive fee waiver

Other (expense) income

Interest expense

Gain (loss) on sale of real estate, net

Other income

Total other expense, net

Net income (loss)

Net income (loss) available (attributable) to non-controlling interests (add-back to net income (loss))

Net income (loss) available (attributable) to the company

Distributions attributable to Series D, E, F, and G preferred stock

Distributions attributable to senior common stock

Loss on extinguishment of Series F preferred stock

Gain on repurchase of Series G preferred stock

Net income (loss) available (attributable) to common stockholders

For the Three Months Ended (unaudited)			For the Six Months Ended (unaudited)	
6/30/2023	3/31/2023	6/30/2022	6/30/2023	6/30/2022
\$38,658	\$36,554	\$36,399	\$75,212	\$71,930
\$38,658	\$36,554	\$36,399	\$75,212	\$71,930
\$16,936	\$14,704	\$15,167	\$31,640	\$29,804
6,738	6,727	6,959	13,465	13,582
1,605	1,605	1,577	3,210	3,124
--	--	1,339	--	2,679
546	565	399	1,110	861
1,068	1,063	958	2,131	1,955
6,823	--	1,374	6,823	1,374
\$33,716	\$24,664	\$27,773	\$58,379	\$53,379
\$ (9,081)	\$ (8,828)	\$ (7,121)	\$ (17,909)	\$ (13,706)
(451)	--	--	(451)	--
2	105	119	107	223
\$ (9,530)	\$ (8,723)	\$ (7,002)	\$ (18,253)	\$ (13,483)
\$ (4,588)	\$ 3,167	\$ 1,624	\$ (1,420)	\$ 5,068
73	7	10	81	8
\$ (4,515)	\$ 3,174	\$ 1,634	\$ (1,339)	\$ 5,076
(3,058)	(3,022)	(2,967)	(6,080)	(5,913)
(106)	(109)	(114)	(215)	(230)
(6)	(5)	--	(11)	(5)
--	3	--	3	--
\$ (7,685)	\$ 41	\$ (1,447)	\$ (7,642)	\$ (1,072)

Funds From Operations (FFO) and Core FFO

(\$ in thousands, except per share amounts)

Net income (loss)

Less: Distributions attributable to preferred and senior common stock

Less: Loss on extinguishment of Series F preferred stock

Add: Gain on repurchase of Series G preferred stock

Net income (loss) available (attributable) to common stockholders and non-controlling OP unitholders

Adjustments

Add: Real estate depreciation and amortization

Add: Impairment charge

Add (less): Loss (gain) on sale of real estate, net

FFO available to common stockholders and non-controlling OP unitholders – basic

Add: Convertible senior common distributions

FFO available to common stockholders and non-controlling OP unitholders – diluted

FFO available to common stockholders and Non-controlling OP Unitholders – basic

Add: Write off shelf registration statement costs and prepaid ATM costs

Add: Asset retirement obligation expense

Core FFO available to common stockholders and non-controlling OP unitholders – basic

Add: Convertible senior common distributions

Core FFO available to common stockholders and non-controlling OP unitholders – diluted

Weighted average common shares outstanding and non-controlling OP unitholders – basic

Weighted average common shares outstanding and non-controlling OP unitholders – diluted

FFO per weighted average share of common stock and non-controlling OP unit – basic

FFO per weighted average share of common stock and non-controlling OP unit – diluted

Core FFO per weighted average share of common stock and non-controlling OP unit – basic

Core FFO per weighted average share of common stock and non-controlling OP unit – diluted

Distributions declared per share of common stock and non-controlling OP unit

For the Three Months Ended (unaudited)			For the Six Months Ended (unaudited)	
6/30/2023	3/31/2023	6/30/2022	6/30/2023	6/30/2022
\$ (4,588)	\$3,167	\$1,624	\$ (1,420)	\$5,068
(3,164)	(3,131)	(3,081)	(6,295)	(6,143)
(6)	(5)	--	(11)	(5)
--	3	--	3	--
\$ (7,758)	\$34	\$ (1,457)	\$ (7,723)	\$ (1,080)
\$16,936	\$14,704	\$15,167	\$31,640	\$29,804
6,823	--	1,374	6,823	1,374
451	--	--	451	--
\$16,452	\$14,378	\$15,084	\$31,191	\$30,098
106	109	114	215	230
\$16,558	\$14,847	\$15,198	\$31,406	\$30,328
\$16,452	\$14,378	\$15,084	\$31,191	\$30,098
--	110	46	110	177
32	31	23	63	45
\$16,484	\$14,879	\$15,153	\$31,364	\$30,320
106	109	114	215	230
\$16,590	\$14,988	\$15,267	\$31,579	\$30,550
40,370,142	40,313,827	39,002,745	40,342,140	38,583,525
40,715,274	40,659,514	39,365,991	40,687,272	38,946,771
\$0.41	\$0.37	\$0.39	\$0.77	\$0.78
\$0.41	\$0.37	\$0.39	\$0.77	0.78
\$0.41	\$0.37	\$0.39	\$0.78	\$0.79
\$0.41	\$0.37	\$0.39	\$0.78	\$0.78
\$0.3000	\$0.3000	\$0.3762	\$0.6000	\$0.7524

Condensed Consolidated Balance Sheets

(\$ in thousands, except per share amounts)

	6/30/2023	12/31/2022
ASSETS		
Real estate, at cost	\$1,232,860	\$1,287,297
Less: accumulated depreciation	286,911	286,150
Total real estate, net	945,949	1,001,147
Lease intangibles, net	104,439	111,622
Real estate and related assets held for sale, net	36,766	3,293
Cash and cash equivalents	16,487	11,653
Restricted cash	4,076	4,339
Funds held in escrow	8,459	8,818
Right-of-use assets from operating leases	5,011	5,131
Deferred rent receivable, net	40,035	38,884
Other assets	20,713	17,746
TOTAL ASSETS	\$1,181,935	\$1,202,633
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Mortgage notes payable, net	\$348,371	\$359,389
Borrowings under revolver and term loan, net	405,363	389,817
Deferred rent liability, asset retirement obligation and other liabilities, net	74,437	77,677
TOTAL LIABILITIES	\$828,171	\$826,883
MEZZANINE EQUITY		
Series E and G redeemable preferred stock, net	\$170,041	\$170,056
TOTAL MEZZANINE EQUITY	\$170,041	\$170,056
STOCKHOLDERS' EQUITY		
Senior Common Stock	\$1	\$1
Common Stock	39	39
Series F redeemable preferred stock	1	1
Additional paid in capital	728,580	721,327
Accumulated other comprehensive income	14,297	11,640
Distributions in excess of accumulated earnings	(560,719)	(529,104)
TOTAL STOCKHOLDERS' EQUITY	\$182,199	\$203,904
OP units held by non-controlling OP unitholders	1,524	1,790
TOTAL EQUITY	\$183,723	\$205,694
TOTAL LIABILITIES, MEZZANINE EQUITY AND EQUITY	\$1,181,935	\$1,202,633

Debt Summary

Principal Maturity Date	Weighted Average Interest Rate as of 6/30/2023	Principal Balance Outstanding as of 6/30/2023 (\$ in thousands)
2023	4.68%	\$44,762
2024	5.02%	19,818
2025	4.04%	28,678
2026	4.32%	40,810
2027	4.38%	104,710
2028	3.54%	29,756
2029	5.22%	21,790
2030	3.23%	39,568
2031	3.24%	5,142
2032	3.40%	9,964
2037	4.63%	5,734
Contractual Mortgage Notes Payable	4.23%	\$350,732
Premiums (Discounts), net		(62)
Total Mortgage Notes Payable		\$350,670
Variable-Rate Line of Credit		
2026	SOFR+1.50%	\$38,450
Variable-Rate Term Loan Facility		
2026	SOFR+1.45%	\$60,000
2027	SOFR+1.45%	160,000
2028	SOFR+1.45%	150,000
Total Mortgage Notes Payable and Line of Credit	5.48%	\$759,120

External Management Structure Qualities

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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