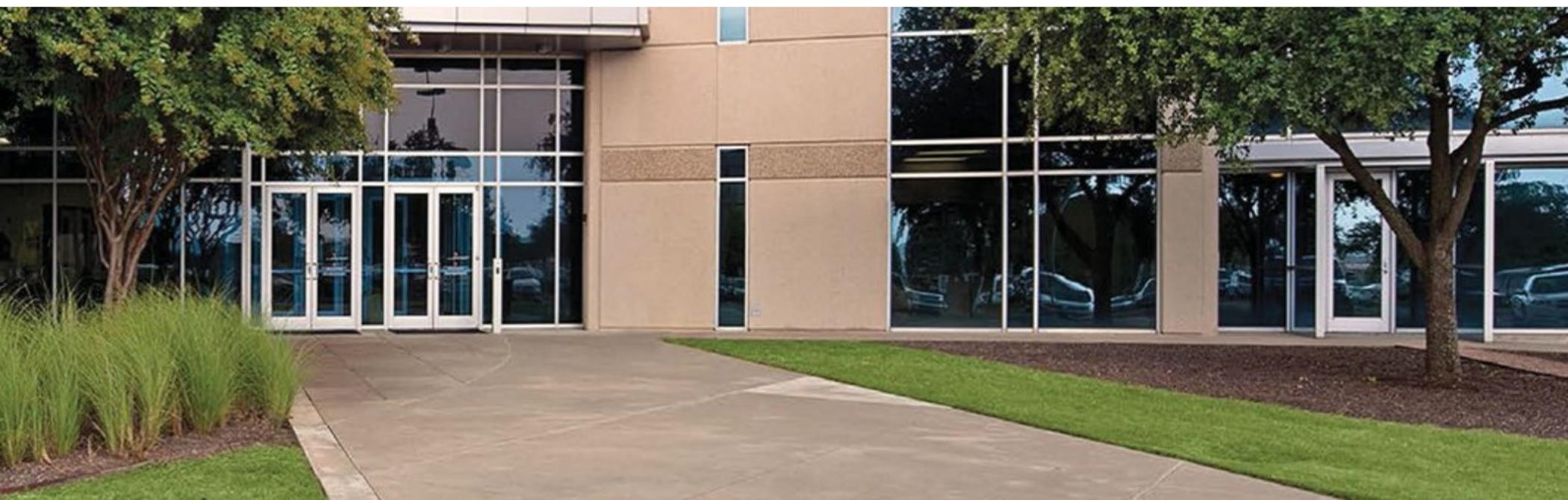




GLADSTONE COMMERCIAL

*Supplemental Financial & Operating Information
for the Quarter Ended June 30, 2021*



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 the COVID-19 pandemic and other 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.

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Corporate overview



Part of a two office building portfolio located in an Orlando, Florida submarket

Corporate Headquarters

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Suite 100
McLean, VA 22102
703-287-5800

www.gladstonecommercial.com

Investor Relations

703-287-5893

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About Gladstone Commercial

Gladstone Commercial (Nasdaq: GOOD) is an established real estate investment trust (REIT) that invests in single tenant and anchored multi-tenant net leased assets. As of June 30, 2021, we owned approximately 15.5 million square feet of primarily office and industrial real estate nationwide. We partner with a variety of tenants—from middle market private businesses to investment grade rated companies. We acquire properties through third party purchases, sale leaseback transactions, and by partnering with developers in build-to-suit transactions.

As of June 30, 2021, total assets were approximately \$1.1 billion, representing investments in 121 properties. Our properties are leased to 106 tenants who represent 19 diversified industries across 27 states.

At June 30, 2021, our leases had an average remaining term of 7.3 years. In addition, approximately 55% of our tenants have an investment grade or investment grade equivalent credit rating.

Portfolio and financial overview

Portfolio data¹

Total assets (\$mm)	\$	1,089
Properties		121
Tenants		106
Industries		19
States		27
Average remaining lease term (years)		7.3
Occupancy		96.5 %
Square footage owned (mm)		15.5

Capitalization (\$mm)¹

Common equity market capitalization ²	\$	839
Preferred equity		181
Net total debt		660
Total capitalization	\$	1,680
Less: Cash and cash equivalents		(15)
Total enterprise value	\$	1,665
Net total debt / enterprise value		38.8%
Net total debt + preferred / enterprise value		49.6%
Net total debt / gross assets		44.8%

Top 5 tenants¹

	% of annualized straight line rent	% of SF
 Verizon Wireless	3%	1%
 Kane Is Able, Inc.	3%	6%
 ADP	3%	1%
 Morgan Stanley	3%	1%
 TOWERS WATSON	2%	1%
Top 5 Tenants total	14%	10%
Top 5 Tenants average remaining lease term		4.1 years
Portfolio average remaining lease term		7.3 years

Corporate liquidity (\$mm)¹

Cash and Cash Equivalents	\$	14.6
Availability Under Revolving Credit Facility ³		22.9
Total	\$	37.5

¹ As of 6/30/2021.

² Based on the closing common stock price per share on June 30, 2021 of \$22.56. Includes OP units and senior common shares convertible into shares of common stock.

³ As of August 9, 2021, approximately \$18.4 million is available under the Company's revolving credit facility.

Q2 2021 highlights (unaudited)

FFO¹, FFO as adjusted for comparability², and Core FFO³:

Generated FFO, FFO as adjusted for comparability, and core FFO of \$11.3 million, \$13.5 million, and \$13.6 million or \$0.30, \$0.36, and \$0.37 per diluted share, respectively.

Acquisitions⁴:

Purchased a 25,200 square foot property in Baytown, Texas for \$8.2 million, with a 12.6 year remaining lease term.

Dividends:

Paid monthly common stock dividends totaling \$0.37545 per common share, or an annualized \$1.5018 per common share, as well as continued payments of monthly senior common dividends, Series D preferred dividends, Series E preferred dividends, and Series F preferred dividends.

Equity Issuances:

Issued common equity for net proceeds of \$8.1 million through our ATM program and issued Series F preferred equity for net proceeds of \$1.0 million. Issued 4,000,000 shares of newly designated 6.00% Series G Preferred Stock, raising net proceeds of approximately \$96.6 million.

Equity Redemptions:

Redeemed all 7.00% Series D Preferred Stock for a total redemption payment of approximately \$88.3 million.

Select Expenditure Activity:

Paid \$1.2 million related to capital expenditures and \$0.2 million related to leasing commissions.

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.

² FFO as adjusted for comparability is FFO adjusted for certain items that are not indicative of the results provided by the Company's operating portfolio and affect the comparability of the Company's period-over-period performance. These items include the adjustment for non-recurring expense adjustments related to the write off of offering costs pertaining to redeemed securities.

³ Core FFO is FFO adjusted for gains from early extinguishment of debt and any other non-routine revenue or expense adjustments.

⁴ Purchase prices do not include acquisition costs capitalized for GAAP purposes under ASU 2017-01, "Clarifying the Definition of a Business".



Financial Overview



Condensed consolidated statements of operations

(\$ in thousands, except per share amounts)

	For the three months ended (unaudited)			For the six months ended (unaudited)	
	6/30/2021	3/31/2021	6/30/2020	6/30/2021	6/30/2020
Operating revenues					
Lease revenue	\$ 33,371	\$ 34,677	\$ 33,525	\$ 68,047	\$ 67,145
Total operating revenues	\$ 33,371	\$ 34,677	\$ 33,525	\$ 68,047	\$ 67,145
Operating expenses					
Depreciation and amortization	\$ 14,191	\$ 16,710	\$ 14,182	\$ 30,901	\$ 28,278
Property operating expenses	6,910	6,561	6,295	13,471	12,508
Base management fee	1,452	1,444	1,389	2,896	2,801
Incentive fee	1,039	1,236	1,119	2,274	2,173
Administration fee	338	297	395	634	833
General and administrative	1,073	656	752	1,729	1,630
Impairment charge	—	—	1,721	—	1,721
Total operating expense before incentive fee waiver	\$ 25,003	\$ 26,904	\$ 25,853	\$ 51,905	\$ 49,944
Incentive fee waiver	(16)	—	—	(16)	—
Total operating expenses	\$ 24,987	\$ 26,904	\$ 25,853	\$ 51,889	\$ 49,944
Other (expense) income					
Interest expense	\$ (6,486)	\$ (7,164)	\$ (6,716)	\$ (13,650)	\$ (13,968)
Loss on sale of real estate, net	—	(882)	—	(882)	(12)
Other income	223	311	9	534	4
Total other expense, net	\$ (6,263)	\$ (7,735)	\$ (6,707)	\$ (13,998)	\$ (13,976)
Net income	\$ 2,121	\$ 38	\$ 965	\$ 2,160	\$ 3,225
Net loss attributable to non-controlling interests	21	41	28	63	37
Net income attributable to the company	\$ 2,142	\$ 79	\$ 993	\$ 2,223	\$ 3,262
Distributions attributable to Series D, E, and F preferred stock	(2,856)	(2,847)	(2,688)	(5,703)	(5,366)
Series D preferred stock offering costs write off	(2,141)	—	—	(2,141)	—
Distributions attributable to senior common stock	(177)	(187)	(204)	(364)	(411)
Net loss attributable to common stockholders	\$ (3,032)	\$ (2,955)	\$ (1,899)	\$ (5,985)	\$ (2,515)
Weighted average common shares outstanding and Non-controlling OP Units					
Basic and diluted	36,651,761	36,214,406	34,442,859	36,434,292	34,289,519

Funds from Operations (FFO) and core FFO

(\$ in thousands, except per share amounts)

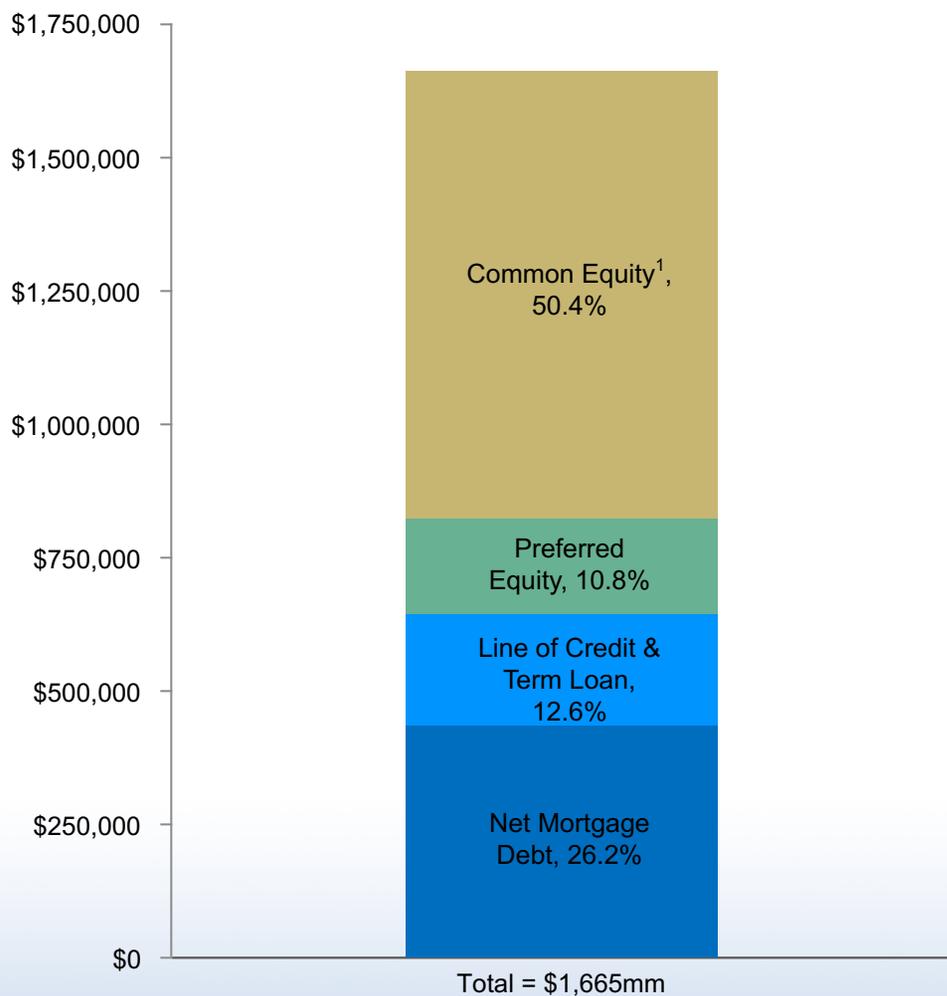
	For the three months ended (unaudited)			For the six months ended (unaudited)	
	6/30/2021	3/31/2021	6/30/2020	6/30/2021	6/30/2020
Net income	\$ 2,121	\$ 38	\$ 965	\$ 2,160	\$ 3,225
Less: Distributions attributable to preferred and senior common stock	(3,033)	(3,034)	(2,892)	(6,067)	(5,777)
Less: Series D preferred stock offering costs write off	(2,141)	—	—	(2,141)	—
Net loss attributable to common stockholders and Non-controlling OP Unitholders	\$ (3,053)	\$ (2,996)	\$ (1,927)	\$ (6,048)	\$ (2,552)
Adjustments:					
Add: Real estate depreciation and amortization	\$ 14,191	\$ 16,710	\$ 14,182	\$ 30,901	\$ 28,278
Add: Impairment charge	—	—	1,721	—	1,721
Add: Loss on sale of real estate, net	—	882	—	882	12
FFO available to common stockholders and Non-controlling OP Unitholders - basic	\$ 11,138	\$ 14,596	\$ 13,976	\$ 25,735	\$ 27,459
Add: Convertible senior common distributions	177	187	204	364	411
FFO available to common stockholders and Non-controlling OP Unitholders - diluted	\$ 11,315	\$ 14,783	\$ 14,180	\$ 26,099	\$ 27,870
Add: Series D preferred stock offering costs write off	2,141	—	—	2,141	—
FFO available to common stockholders and Non-controlling OP Unitholders - diluted, as adjusted for comparability	\$ 13,456	\$ 14,783	\$ 14,180	\$ 28,240	\$ 27,870
FFO available to common stockholders and Non-controlling OP Unitholders - basic	\$ 11,138	\$ 14,596	\$ 13,976	\$ 25,735	\$ 27,459
Add (Less): Acquisition related expenses	63	(122)	8	(60)	14
Add (Less): PACE financing amortization, net	41	(8)	—	33	31
Add: Asset retirement obligation expense	29	30	31	59	72
Add: Loan defeasance costs	—	669	—	669	—
Add: Write off prepaid offering costs	2,141	—	—	2,141	—
Core FFO available to common stockholders and Non-controlling OP Unitholders - basic	\$ 13,412	\$ 15,165	\$ 14,015	\$ 28,577	\$ 27,576
Add: Convertible senior common distributions	177	187	204	364	411
Core FFO available to common stockholders and Non-controlling OP Unitholders - diluted	\$ 13,589	\$ 15,352	\$ 14,219	\$ 28,941	\$ 27,987
Weighted average common shares outstanding and Non-controlling OP Units - basic	36,651,761	36,214,406	34,442,859	36,434,292	34,289,519
Weighted average common shares outstanding and Non-controlling OP Units - diluted	37,209,799	36,806,562	35,092,914	36,992,330	34,939,574
FFO per weighted average share of common stock and Non-controlling OP Unit - basic	\$ 0.30	\$ 0.40	\$ 0.41	\$ 0.71	\$ 0.80
FFO per weighted average share of common stock and Non-controlling OP Unit - diluted	\$ 0.30	\$ 0.40	\$ 0.40	\$ 0.71	\$ 0.80
FFO per weighted average share of common stock and Non-controlling OP Unit - diluted, as adjusted for comparability	\$ 0.36	\$ 0.40	\$ 0.40	\$ 0.76	\$ 0.80
Core FFO per weighted average share of common stock and Non-controlling OP Unit - basic	\$ 0.37	\$ 0.42	\$ 0.41	\$ 0.78	\$ 0.80
Core FFO per weighted average share of common stock and Non-controlling OP Unit - diluted	\$ 0.37	\$ 0.42	\$ 0.41	\$ 0.78	\$ 0.80
Distributions declared per share of common stock and Non-controlling OP Unit	\$ 0.37545	\$ 0.37545	\$ 0.37545	\$ 0.75090	\$ 0.75090

Condensed consolidated balance sheets

(\$ in thousands)	6/30/2021 (unaudited)	12/31/2020
ASSETS		
Real estate, at cost	\$ 1,152,302	\$ 1,128,683
Less: accumulated depreciation	249,797	228,468
Total real estate, net	902,505	900,215
Lease intangibles, net	111,084	117,379
Real estate and related assets held for sale, net	—	8,498
Cash and cash equivalents	14,632	11,016
Restricted cash	4,607	5,060
Funds held in escrow	8,268	9,145
Right-of-use assets from operating leases	5,473	5,582
Deferred rent receivable, net	37,713	36,555
Other assets	4,942	4,458
TOTAL ASSETS	\$ 1,089,224	\$ 1,097,908
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Mortgage notes payable, net	\$ 451,188	\$ 456,177
Borrowings under revolver and term loan, net	208,871	212,515
Deferred rent liability, asset retirement obligation and other liabilities, net	54,163	53,893
TOTAL LIABILITIES	\$ 714,222	\$ 722,585
MEZZANINE EQUITY		
Series D, E, and F redeemable preferred stock, net	\$ 170,278	\$ 159,286
TOTAL MEZZANINE EQUITY	\$ 170,278	\$ 159,286
STOCKHOLDERS' EQUITY		
Senior common stock	1	1
Common stock	36	35
Series F redeemable preferred stock	—	—
Additional paid in capital	648,112	626,533
Accumulated other comprehensive income	(2,641)	(4,345)
Distributions in excess of accumulated earnings	(442,122)	(409,041)
TOTAL STOCKHOLDERS' EQUITY	\$ 203,386	\$ 213,183
OP Units held by Non-controlling OP Unitholders	1,338	2,854
TOTAL EQUITY	\$ 204,724	\$ 216,037
TOTAL LIABILITIES, MEZZANINE EQUITY AND EQUITY	\$ 1,089,224	\$ 1,097,908

Capital structure

Current capital structure as of 6/30/2021 (\$000)



Capital Structure Details

(Dollars in \$000s, except stock price)

	Wtd. Average Rate	6/30/2021
Mortgage Notes Payable, Net	4.20%	\$ 451,188
Less: Cash & Cash Equivalents		(14,632)
Net Mortgage Debt		\$ 436,556
Line of Credit	L+1.90%	\$ —
Term Note	L+1.85%, L+2.00%	208,871
Line of Credit and Term Loan		\$ 208,871
Total Debt, Net		\$ 645,427
Series E - Preferred	6.625%	76,536
Series F - Preferred	6.00%	4,069
Series G - Preferred	6.00%	100,000
Total Preferred Equity²		\$ 180,605
Diluted Common Shares Outstanding		37,196,067
Stock Price		\$ 22.56
Implied Common Equity¹ Market Capitalization		\$ 839,143
Enterprise Value		\$ 1,665,175

Institutional Stock Ownership³



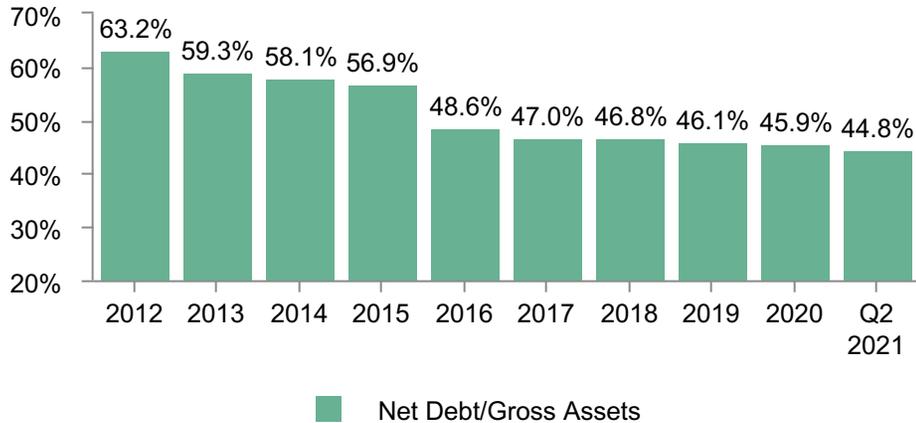
¹ Common Equity is based on the closing common stock price per share as of June 30, 2021 of \$22.56 and includes effect of OP units and convertible senior common stock.

² Does not include 7.00% Series D Preferred Stock that was redeemed on June 30, 2021.

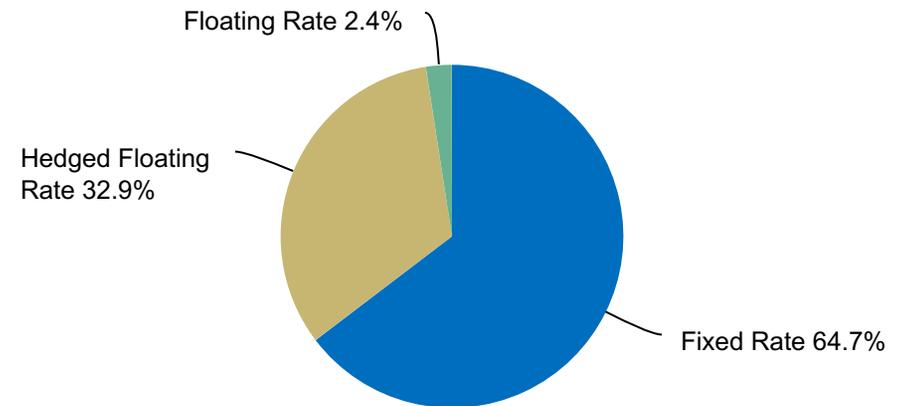
³ Source: Nasdaq Online.

Liquidity and debt overview

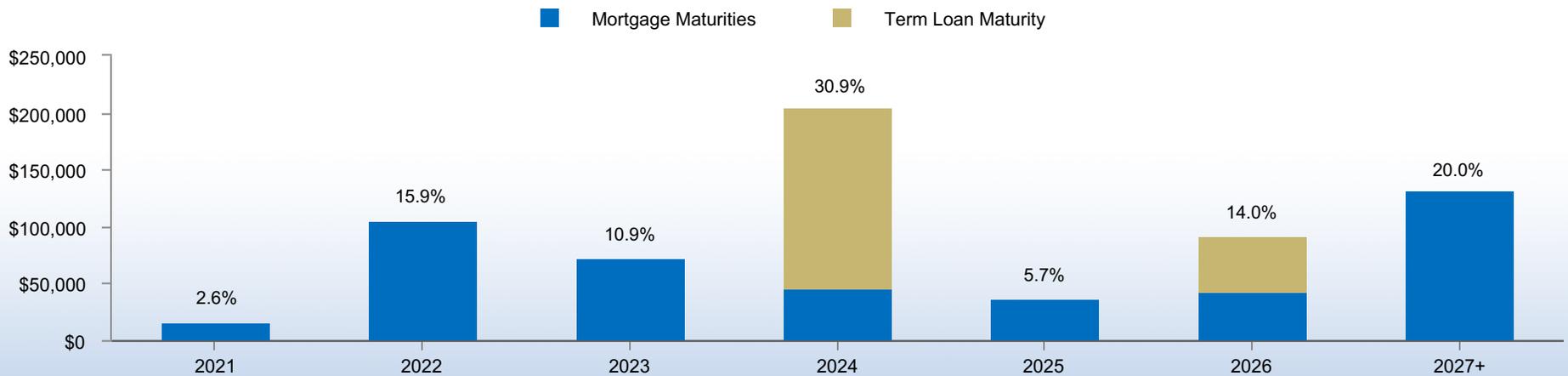
Reducing Leverage¹



Fixed vs. Floating Debt¹



Debt maturity schedule¹ (\$'000)



¹ As of 6/30/2021.

Debt summary

Principal Maturity Date	Weighted Average Interest Rate as of 6/30/2021	(\$ in thousands)	
		Principal Balance Outstanding as of 6/30/2021	
2021	3.29%	\$	10,866
2022	4.65%		97,074
2023	4.26%		65,604
2024	3.93%		38,945
2025	4.03%		32,447
2026	4.38%		47,109
2027	4.34%		83,296
2028	3.71%		14,712
2029	4.74%		11,415
2030	3.23%		41,243
2031	3.24%		5,440
2037	4.63%		6,281
Contractual Mortgage Notes Payable:		4.20%	\$ 454,432
Premiums (Discounts), net:			(155)
Total Mortgage Notes Payable:			\$ 454,277
Variable-Rate Line of Credit:			
2023	LIBOR +1.90%	\$	—
Variable-Rate Term Loan Facility:			
2024	LIBOR +1.85%	\$	160,000
2026	LIBOR +2.00%		50,000
Total Mortgage Notes Payable and Line of Credit		3.50%	\$ 664,277

Select corporate covenants

Description	(\$ in thousands)	
	Threshold	June 30, 2021
Consolidated Tangible Net Worth	> \$513,857	\$644,531
Leverage Ratio	< 60%	51%
Fixed Charge Coverage Ratio	> 1.50	1.88
Maximum Dividend Payout (FFO based)	< 98%	97%
Secured Indebtedness	< 45%	34%

Note: Covenants calculated as defined by our Credit Facility, as administered by KeyBank.



Portfolio Overview



Portfolio overview

Geographic diversity

- **121** 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 office and industrial property types
- Focus on mid-size tenants occupying properties ranging from 30-150K SF (office) and 75-500K SF (industrial)



High occupancy

- Occupancy has never fallen below **95%**
- Current occupancy **96.5%**
- **3.2%** of projected rents, inclusive of the forecasted portfolio growth, expiring through the end of 2021
- Of 100+ assets with over \$1 billion invested since inception, only two tenant defaults



Periodic capital recycling

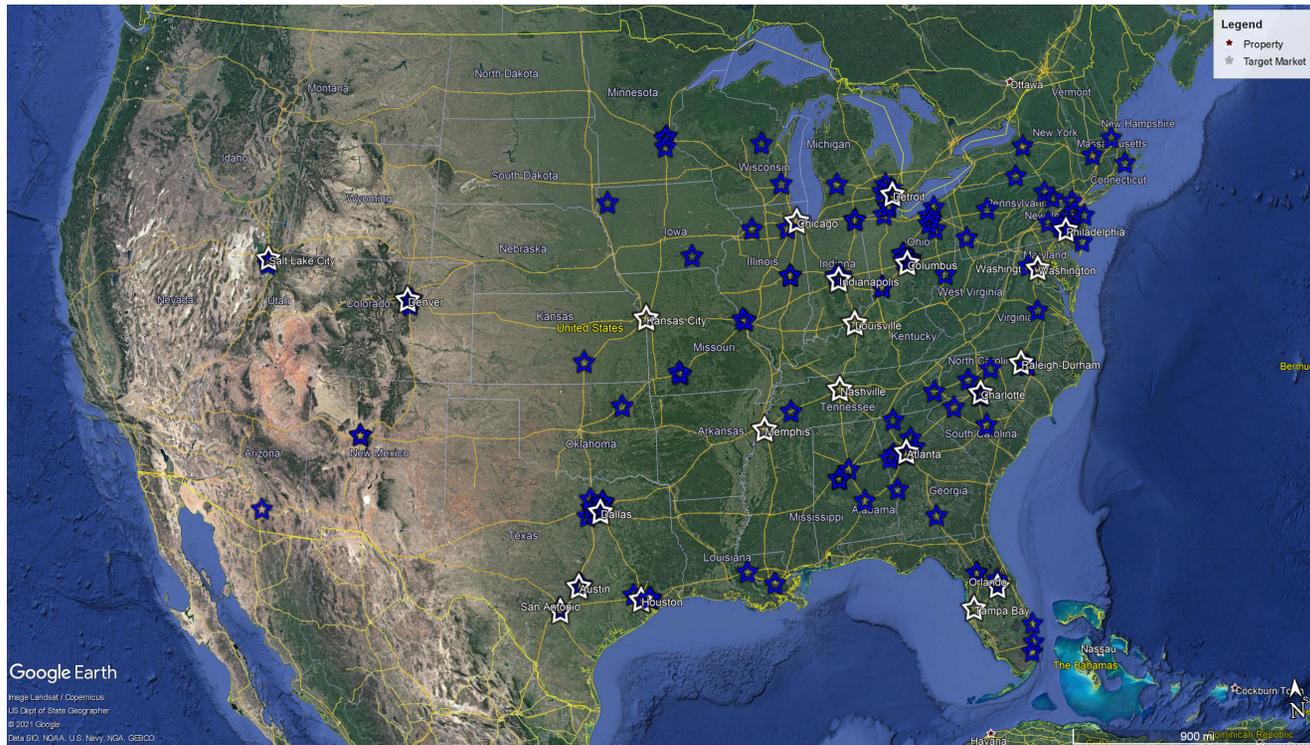
- Sell non-core assets
- Sold 22 properties in non-core markets since mid-2016
- Re-deploy proceeds in growth markets



Note: As of 6/30/2021

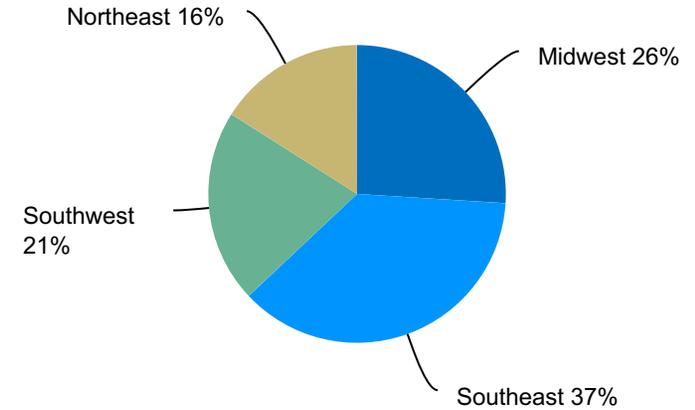
Diversified portfolio

121 properties spread across 27 states

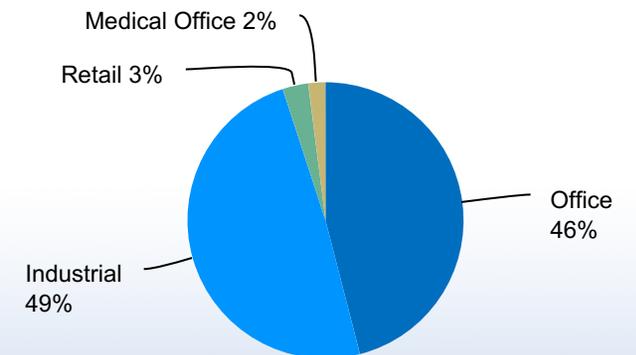


Note: As of 6/30/2021

Geographic diversification
 (by annualized straight line rent)



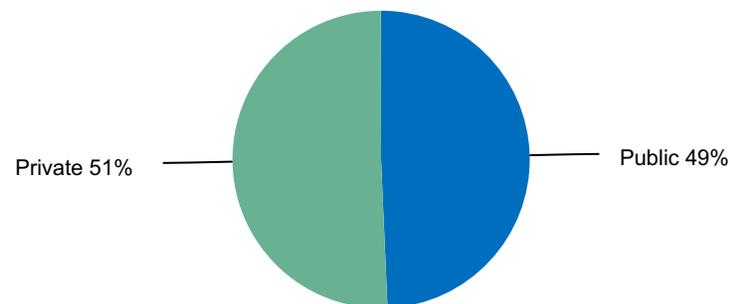
Property type diversification
 (by annualized straight line rent)



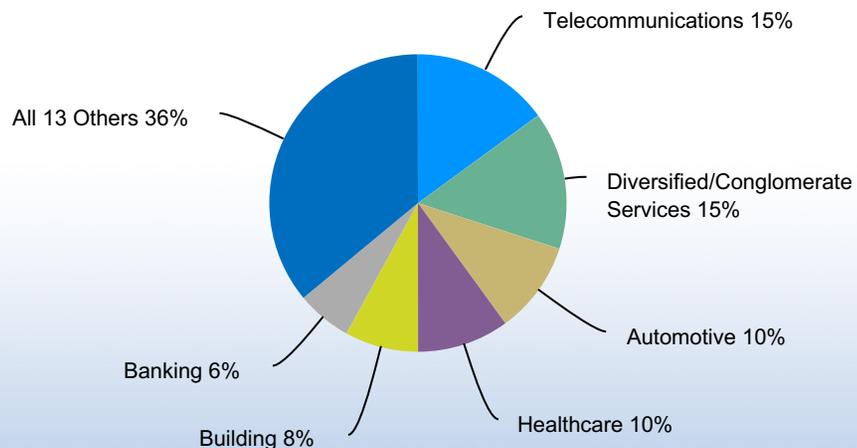
High quality, diversified portfolio

Top 5 tenants	% of annualized straight line rent	% of SF
 Verizon Wireless	3 %	1 %
 Kane Isable, Inc.	3 %	6 %
 ADP	3 %	1 %
Morgan Stanley	3 %	1 %
TOWERS WATSON 	2 %	1 %
All other tenants	86 %	90 %

Publicly-traded vs. privately-held tenants (as % of annualized straight line rent)

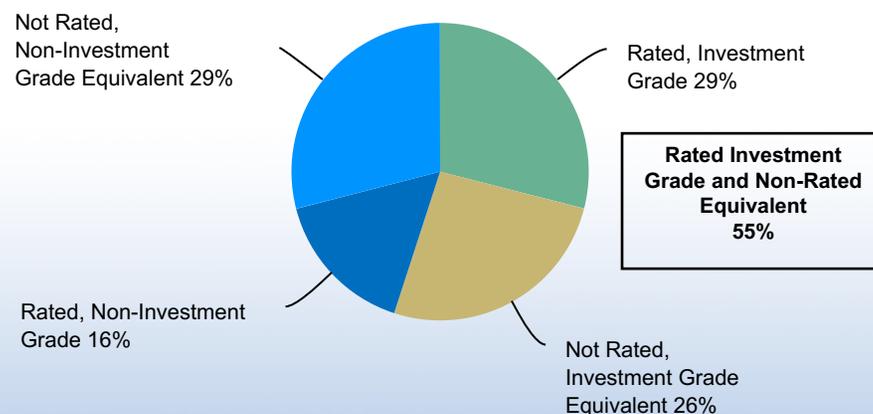


Industry diversification (based on annualized straight line rent)



Note: As of 6/30/2021

Tenant credit ratings (as % of annualized straight line rent)

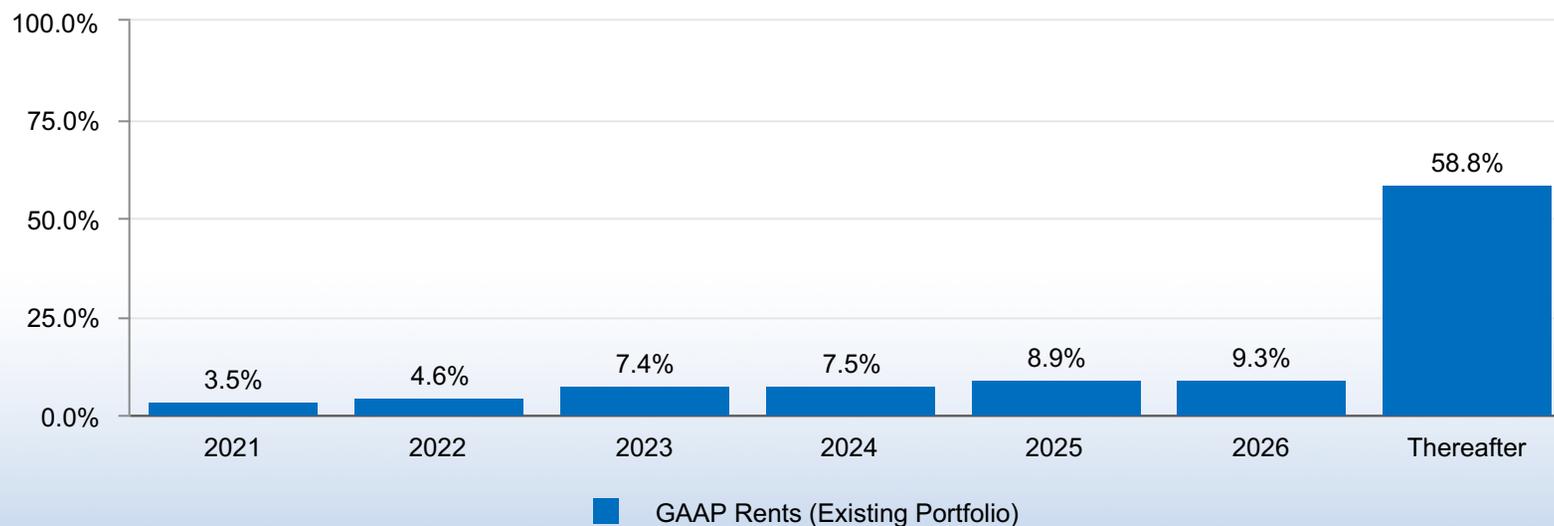


Smooth lease rollover

Existing portfolio - contractual expirations

Year of Lease Expiration	SF of Leases Expiring	Number of Expiring Leases	Annualized Straight Line Rent (in thousands)	% of Annualized Straight Line Rent
2021	196,583	4	\$ 4,061	3.5 %
2022	297,501	4	5,312	4.6 %
2023	1,151,432	14	8,495	7.4 %
2024	1,401,765	8	8,568	7.5 %
2025	653,896	10	10,159	8.9 %
2026	1,686,948	14	10,704	9.3 %
Thereafter	9,610,751	74	67,353	58.8 %
Total	14,998,876	128	\$ 114,652	100.0 %

Rent expiring



Note: As of 6/30/2021



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