



**GLADSTONE
COMMERCIAL**

**Supplemental Financial & Operating
Information for the Quarter Ended**

December 31, 2024 | *Nasdaq: GOOD*

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Corporate overview



Industrial building owned by Gladstone Commercial, located in Crandall, Georgia

Corporate Headquarters

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McLean, VA 22102

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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 December 31, 2024, we owned approximately 16.9 million square feet of primarily industrial and office 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 December 31, 2024, total assets were approximately \$1.1 billion, representing investments in 135 properties. Our properties are leased to 106 tenants who represent 20 diversified industries across 27 states.

At December 31, 2024, our leases had an average remaining term of 7.0 years. In addition, approximately 50% of our tenants have an investment grade or investment grade equivalent credit rating.

Portfolio and financial overview

Portfolio data¹

Total assets (\$mm)	\$	1,094
Properties		135
Tenants		106
Industries		20
States		27
Average remaining lease term (years)		7.0
Occupancy		98.7 %
Square footage owned (mm)		16.9

Capitalization (\$mm)¹

Common equity market capitalization ²	\$	720
Preferred equity		199
Net total debt		693
Total capitalization	\$	1,612
Less: Cash and cash equivalents		(11)
Total enterprise value	\$	1,601

Net total debt / enterprise value	42.6%
Net total debt + preferred / enterprise value	55.1%
Net total debt / gross assets	44.1%

¹ As of December 31, 2024.

² Based on the closing common stock price per share on December 31, 2024 of \$16.24. Includes OP units and senior common shares convertible into shares of common stock.

³ As of February 18, 2025, approximately \$90.6 million is available under the Company's revolving credit facility.

Top 5 tenants¹

% of annualized straight line rent

	5%
	4%
	3%
Morgan Stanley	2%
	2%

Top 5 Tenants total **16%**

Top 5 Tenants average remaining lease term **4.9 years**

Portfolio average remaining lease term **7.0 years**

Corporate liquidity (\$mm)¹

Cash and Cash Equivalents	\$	11.0
Availability Under Revolving Credit Facility ³		90.7
Total	\$	101.7

Q4 2024 highlights (unaudited)

FFO¹ and Core FFO²:	Generated FFO and Core FFO of \$15.3 million, or \$0.35 per diluted share.
Acquisitions³	Purchased a 124,500 square foot industrial property in St. Clair, Missouri for \$5.1 million, with a 20-year lease term.
Dividends:	Paid monthly common stock dividends totaling \$0.30 per common share for the quarter, or an annualized \$1.20 per common share, as well as continued payments of monthly senior common stock dividends, Series E preferred dividends, Series F preferred dividends, and Series G preferred dividends.
Equity Issuances:	Issued common stock through our ATM program for net proceeds of \$4.0 million and issued Series F preferred stock for net proceeds of \$0.4 million.
Debt Activity:	Repaid \$14.8 million in fixed rate mortgage debt a weighted average interest rate of 4.04%, collateralized by two properties. Issued \$15.2 million of fixed rate mortgage debt with a weighted average interest rate of 5.60%, collateralized by two properties. Issued \$75.0 million of senior unsecured notes in a private placement at a fixed interest rate of 6.47%.
Select Expenditure Activity:	Paid \$3.6 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.

²Core FFO is FFO adjusted for gains from early extinguishment of debt and any other non-routine revenue or expense adjustments.

³Purchase prices do not include acquisition costs capitalized for GAAP purposes under ASU 2017-01, "Clarifying the Definition of a Business".



Financial Overview



**GLADSTONE
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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)	12/31/2024	12/31/2023
ASSETS		
Real estate, at cost	\$ 1,211,793	\$ 1,221,364
Less: accumulated depreciation	319,646	299,662
Total real estate, net	892,147	921,702
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
TOTAL ASSETS	\$ 1,094,348	\$ 1,133,471
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
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
TOTAL LIABILITIES	\$ 753,006	\$ 809,164
MEZZANINE EQUITY		
Series E and G redeemable preferred stock, net	\$ 170,041	\$ 170,041
TOTAL MEZZANINE EQUITY	\$ 170,041	\$ 170,041
STOCKHOLDERS' EQUITY		
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)
TOTAL STOCKHOLDERS' EQUITY	\$ 171,171	\$ 153,280
OP Units held by Non-controlling OP Unitholders	130	986
TOTAL EQUITY	\$ 171,301	\$ 154,266
TOTAL LIABILITIES, MEZZANINE EQUITY AND EQUITY	\$ 1,094,348	\$ 1,133,471

Capital structure

- Institutional stock ownership increased from 26.8% in 2013 to 45.4% as of December 31, 2024¹
- Balance sheet remains below 50% levered
- Weighted average interest rate on mortgage debt of just 4.30%

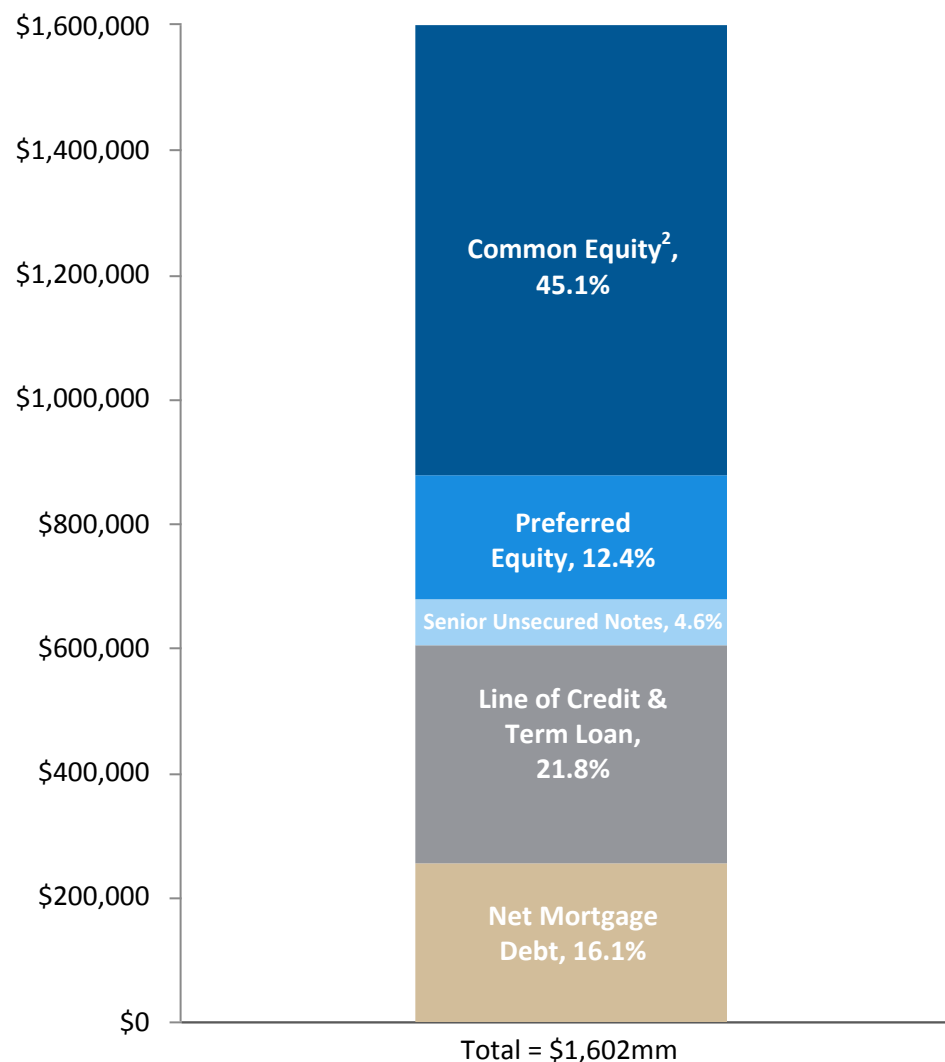
Capital Structure Details

<i>(Dollars in \$000s, except stock price)</i>	Wtd. Average Rate	12/31/2024
Mortgage Notes Payable, Net	4.30%	\$ 269,579
Less: Cash & Cash Equivalents		(10,956)
Net Mortgage Debt		\$ 258,623
Line of Credit	SOFR+1.35%	\$ 1,900
Term Note, Net	SOFR+1.30%	347,948
Senior Unsecured Notes, Net	6.47%	73,958
Line of Credit, Term Loan, Net, and Senior Unsecured Notes, Net		\$ 423,806
Total Debt, Net		\$ 682,429
Series E - Preferred	6.625%	\$ 76,536
Series F - Preferred	6.00%	22,864
Series G - Preferred	6.00%	99,772
Total Preferred Equity		\$ 199,172
Diluted Common Shares Outstanding		44,355,968
Stock Price		\$ 16.24
Implied Common Equity² Market Capitalization		\$ 720,341
Enterprise Value		\$ 1,601,942

¹ Source: Nasdaq Online.

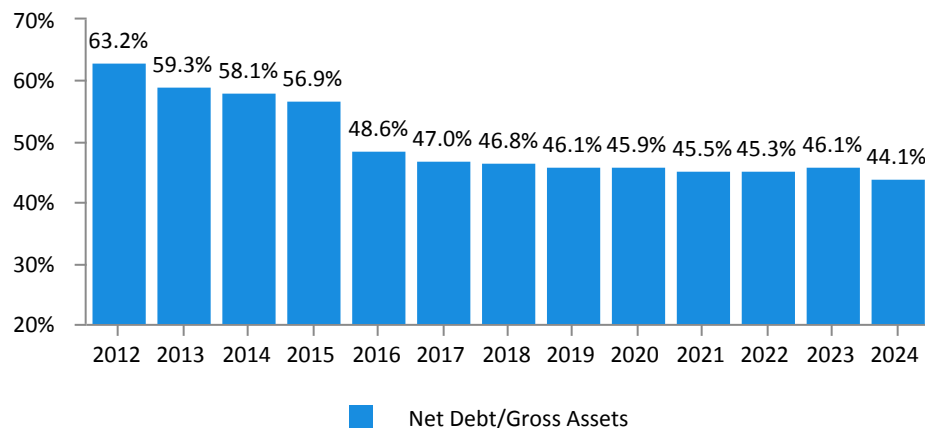
² Common Equity is based on the closing common stock price per share as of December 31, 2024 of \$16.24 and includes effect of OP units and convertible senior common stock.

Current capital structure as of December 31, 2024 (Dollars in \$000)

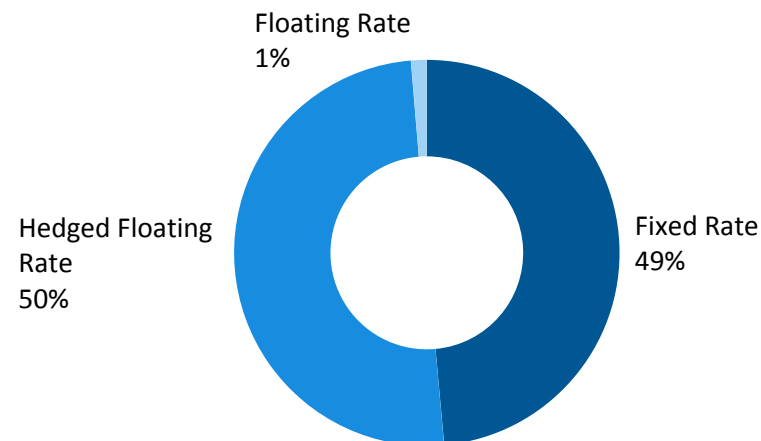


Liquidity and debt overview

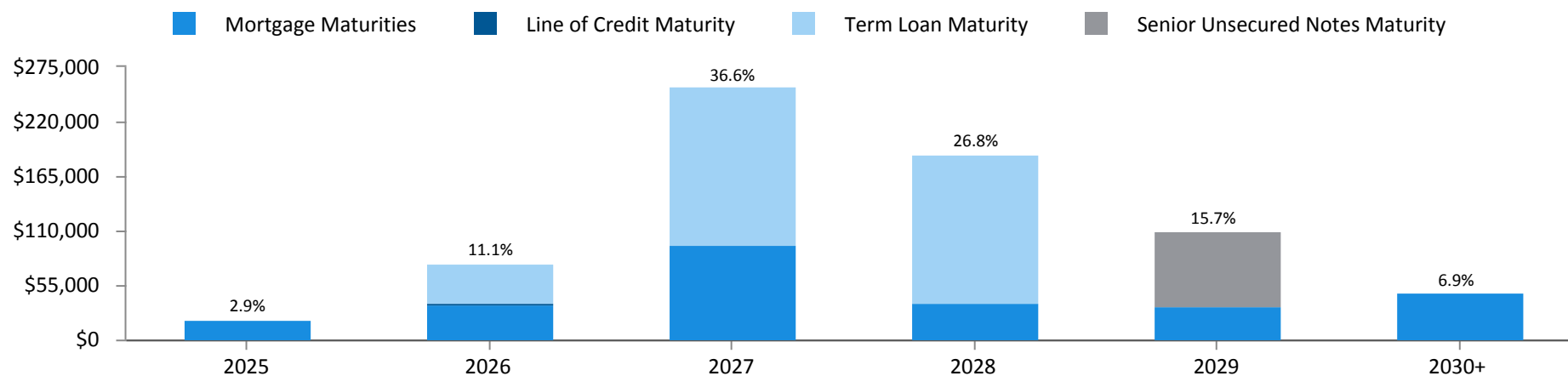
Reducing Leverage¹



Fixed vs. Floating Debt¹



Scheduled debt maturity¹ (\$'000)



¹ As of December 31, 2024.

Debt summary

		(\$ in thousands)	
Principal Maturity Date	Weighted Average Interest Rate as of 12/31/2024	Principal Balance Outstanding as of 12/31/2024	
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:			
2027	SOFR +1.30%	\$	160,000
2026	SOFR +1.30%		40,000
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

Select corporate covenants

Description	(\$ in thousands)	
	Threshold	December 31, 2024
Consolidated Tangible Net Worth	> \$694,357	\$940,404
Leverage Ratio	< 60%	43%
Fixed Charge Coverage Ratio	> 1.50	1.86
Maximum Dividend Payout (FFO based)	< 95%	84.7%
Secured Indebtedness	< 40%	17%

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



Portfolio Overview



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Portfolio overview

Geographic diversity

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

Tenant and property diversity

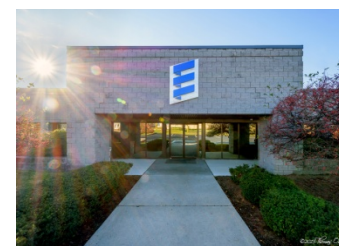
- Diverse base of 20 different industries
- Primarily industrial and office property types
- Focus on mid-size tenants occupying properties ranging from 30-150K SF (office) and 75-500K SF (industrial)

High occupancy

- Occupancy has never fallen below 95%
- Current occupancy 98.7%
- 2.9% of annualized straight line rents expiring through the end of 2025
- Of 100+ assets with over \$1 billion invested since inception, only six tenant defaults

Periodic capital recycling

- Sell non-core assets in non-core markets
- Sold 44 properties in non-core markets since mid-2016
- Re-deploy proceeds in growth markets

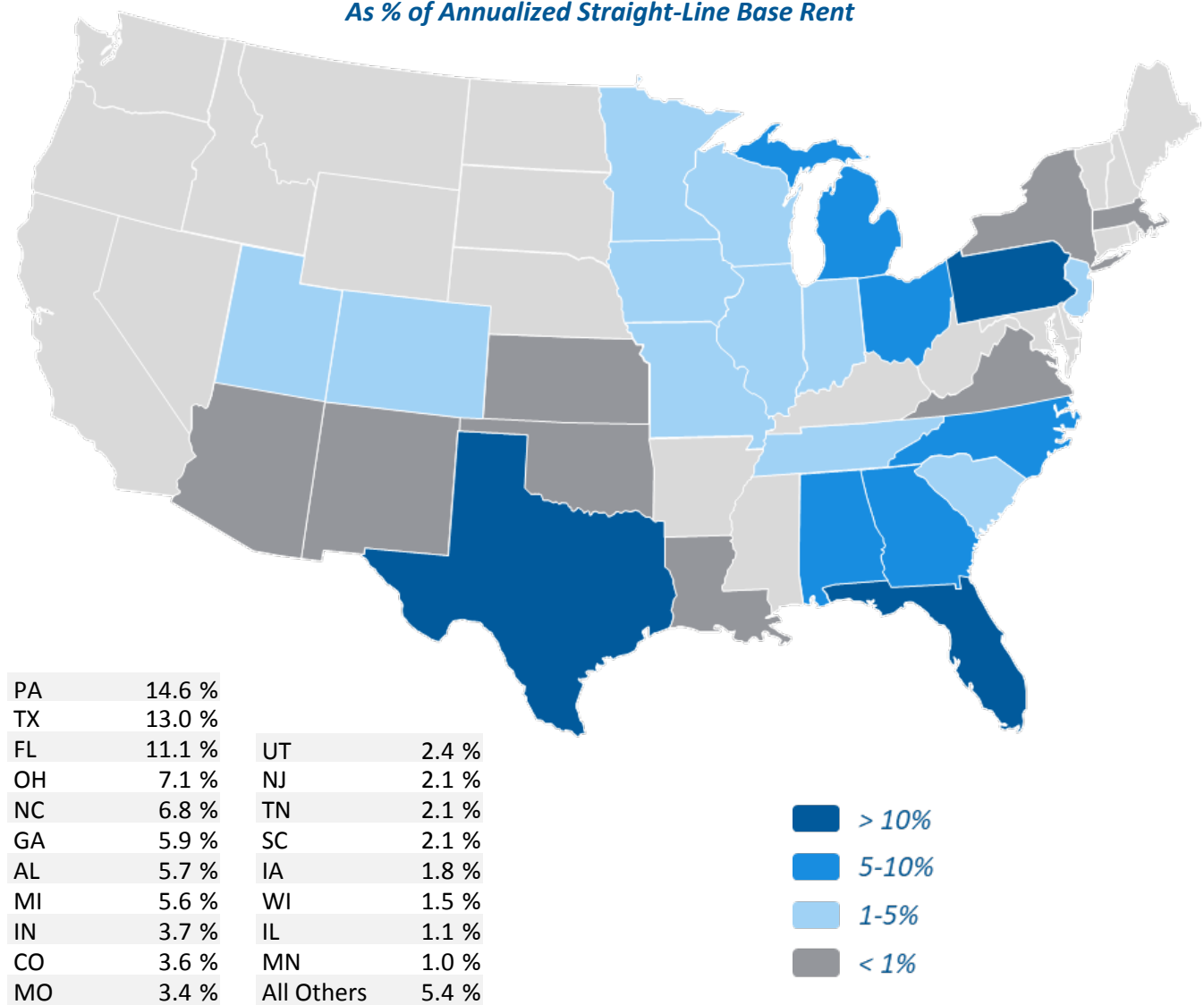


Note: As of December 31, 2024.

Diversified portfolio

135 properties spread across 27 states

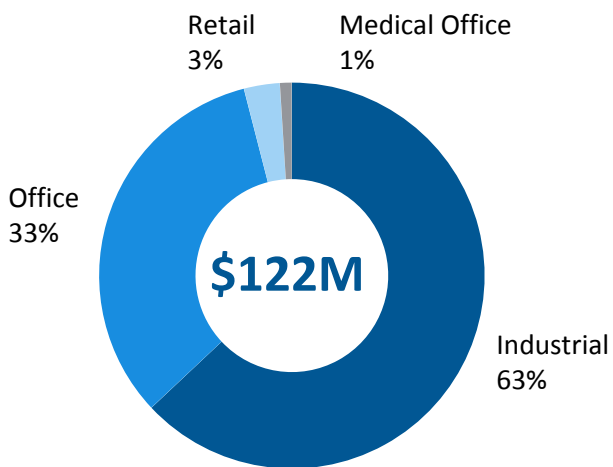
As % of Annualized Straight-Line Base Rent



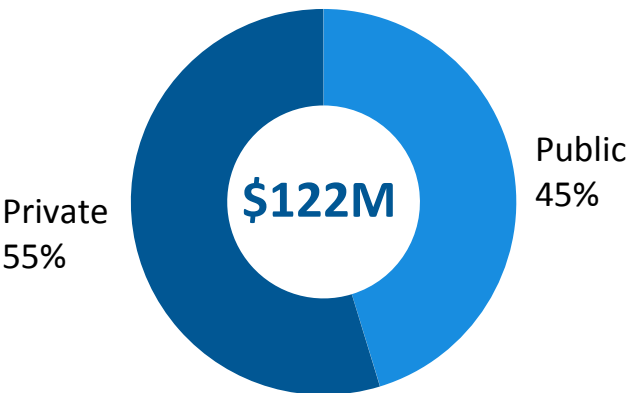
Note: As of December 31, 2024.

High quality, diversified portfolio

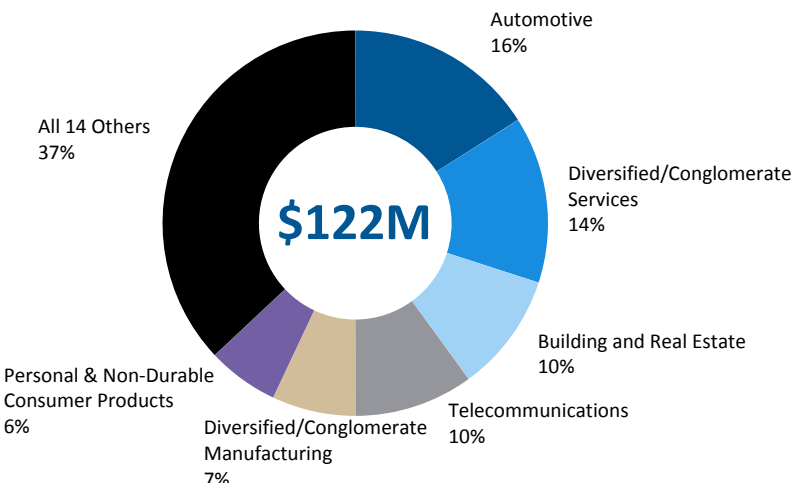
Property type diversification
(by annualized straight line rent)



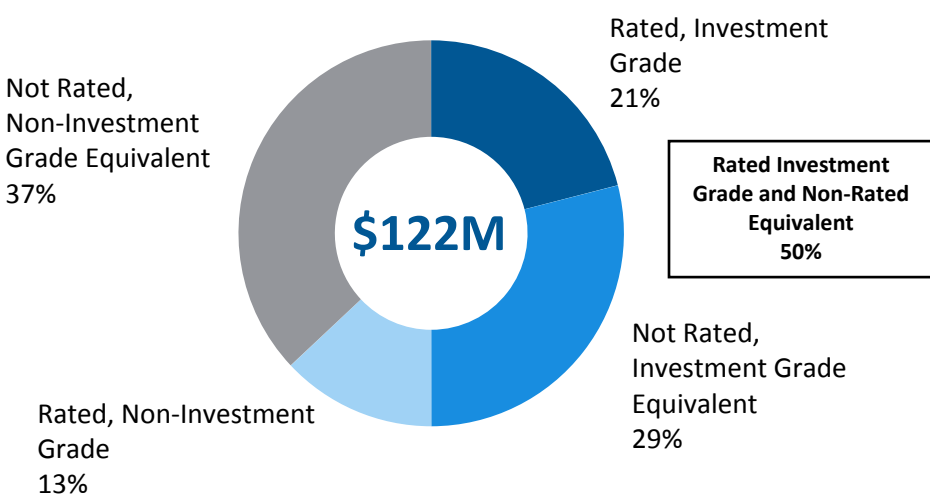
Publicly-traded vs. privately-held tenants
(as % of annualized straight line rent)



Industry diversification
(based on annualized straight line rent)



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



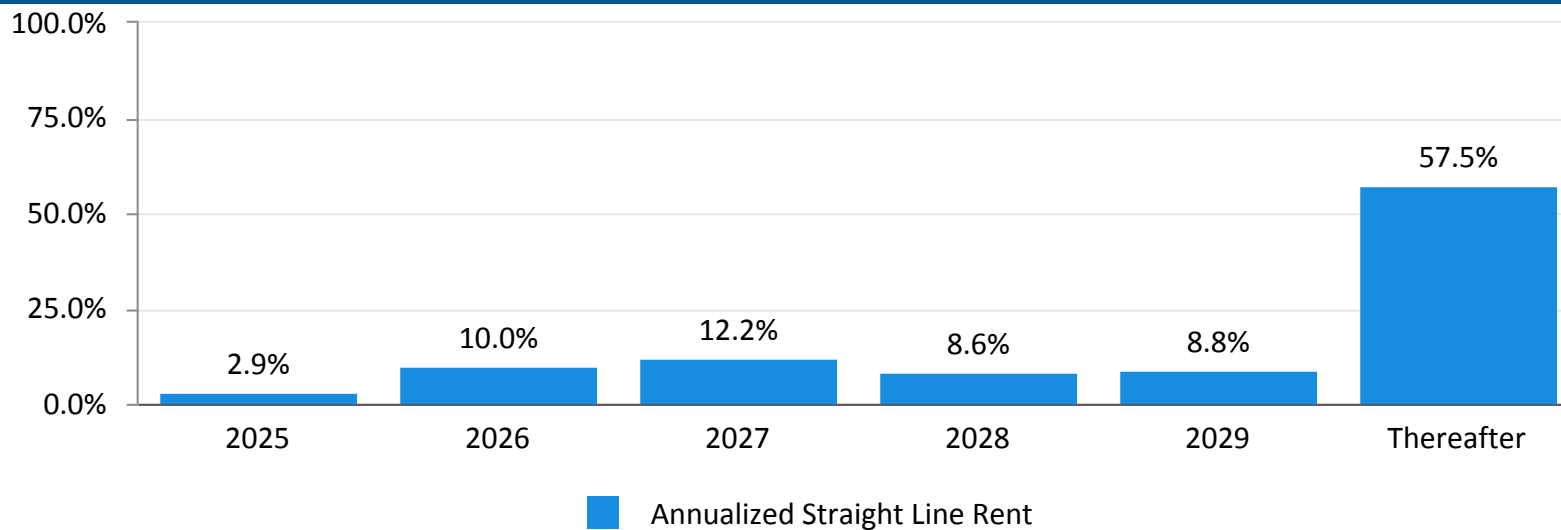
Note: As of December 31, 2024.

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
2025	851,355	4	\$ 3,524	2.9 %
2026	1,683,479	9	12,157	10.0 %
2027	1,081,647	12	14,860	12.2 %
2028	1,754,938	14	10,480	8.6 %
2029	1,647,579	17	10,744	8.8 %
Thereafter	9,658,573	76	70,271	57.5 %
Total	16,677,571	132	\$ 122,036	100.0 %

Rent expiring



Note: As of December 31, 2024.



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