



**GLADSTONE
COMMERCIAL**

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

June 30, 2025 | Nasdaq: GOOD

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Corporate overview



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

Corporate Headquarters

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Suite 100
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 June 30, 2025, we owned approximately 17.0 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 June 30, 2025, total assets were approximately \$1.2 billion, representing investments in 143 properties. Our properties are leased to 107 tenants who represent 20 diversified industries across 27 states.

At June 30, 2025, our leases had an average remaining term of 7.1 years. In addition, approximately 51% of our tenants have an investment grade or investment grade equivalent credit rating.

Portfolio and financial overview

Portfolio data¹

Total assets (\$mm)	\$ 1,210
Properties	143
Tenants	107
Industries	20
States	27
Average remaining lease term (years)	7.1
Occupancy	98.7 %
Square footage owned (mm)	17.0

Capitalization (\$mm)¹

Common equity market capitalization ²	\$ 672
Preferred equity	197
Net total debt	794
Total capitalization	\$ 1,663
Less: Cash and cash equivalents	(12)
Total enterprise value	\$ 1,651
Net total debt / enterprise value	47.4%
Net total debt + preferred / enterprise value	59.4%
Net total debt / gross assets	46.5%






¹ As of June 30, 2025.

² Based on the closing common stock price per share on June 30, 2025 of \$14.33. Includes OP units and senior common shares convertible into shares of common stock.

³ As of August 6, 2025, approximately \$25.1 million is available under the Company's revolving credit facility.

Top 5 tenants¹

% of annualized straight line rent

	5%
	4%
	3%
	3%
	2%
Top 5 Tenants total	17%
Top 5 Tenants average remaining lease term	8.2 years
Portfolio average remaining lease term	7.1 years

Corporate liquidity (\$mm)¹

Cash and Cash Equivalents	\$ 11.7
Availability Under Revolving Credit Facility ³	27.0
Total	\$ 38.7

Q2 2025 highlights (unaudited)

FFO¹ and Core FFO²:

Generated FFO and Core FFO of \$15.4 million and \$16.1 million, respectively, or \$0.33 and \$0.35 per diluted share, respectively.

Acquisitions³

Purchased a 303,991 square foot industrial property in Germantown, Wisconsin for \$62.7 million, with a 19.4-year lease term. Purchased a 215,102 square foot, three property industrial portfolio in Harrison Township, Michigan for \$16.3 million, with a 10.0-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 \$10.4 million and issued Series F preferred stock for net proceeds of \$0.1 million.

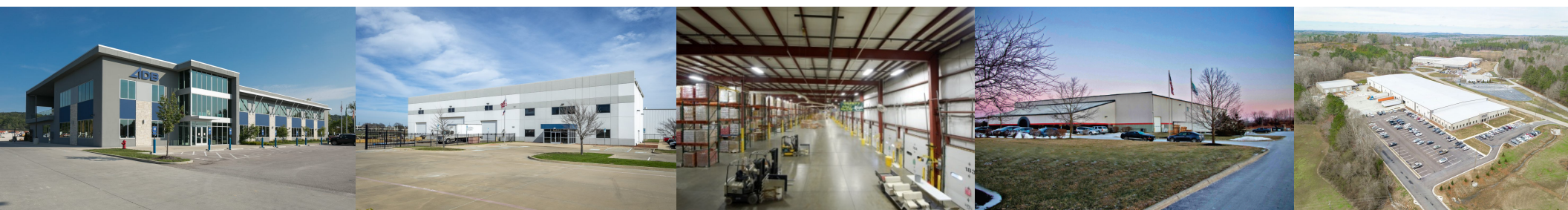
Select Expenditure Activity:

Paid \$6.0 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



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Condensed consolidated statements of operations

(\$ in thousands, except per share amounts)

	For the three months ended (unaudited)			For the six months ended (unaudited)	
	6/30/2025	3/31/2025	6/30/2024	6/30/2025	6/30/2024
Operating revenues					
Lease revenue	\$ 39,533	\$ 37,501	\$ 37,057	\$ 77,034	\$ 72,779
Total operating revenues	\$ 39,533	\$ 37,501	\$ 37,057	\$ 77,034	\$ 72,779
Operating expenses					
Depreciation and amortization	\$ 14,249	\$ 13,243	\$ 16,015	\$ 27,492	\$ 29,341
Property operating expenses	7,258	6,900	5,807	14,158	11,692
Base management fee	1,640	1,568	1,516	3,207	3,051
Incentive fee	709	640	1,245	1,348	2,416
Administration fee	590	622	594	1,212	1,225
General and administrative	1,400	885	1,046	2,284	2,093
Impairment charge	9	—	—	9	493
Total operating expense before incentive fee waiver	\$ 25,855	\$ 23,858	\$ 26,223	\$ 49,710	\$ 50,311
Incentive fee waiver	(709)	—	(250)	(709)	(1,021)
Total operating expenses	\$ 25,146	\$ 23,858	\$ 25,973	\$ 49,001	\$ 49,290
Other income (expense)					
Interest expense	\$ (10,058)	\$ (9,138)	\$ (9,463)	\$ (19,196)	\$ (18,960)
Gain (loss) on sale of real estate, net	377	—	(47)	377	236
Gain on debt extinguishment, net	—	—	—	—	300
Other (expense) income	(72)	631	26	559	60
Total other expense, net	\$ (9,753)	\$ (8,507)	\$ (9,484)	\$ (18,260)	\$ (18,364)
Net income	\$ 4,634	\$ 5,136	\$ 1,600	\$ 9,773	\$ 5,125
Net (income) loss (available) attributable to non-controlling interests	(1)	(2)	11	(3)	9
Net income available to the company	\$ 4,633	\$ 5,134	\$ 1,611	\$ 9,770	\$ 5,134
Distributions attributable to Series E, F, and G preferred stock	(3,085)	(3,108)	(3,116)	(6,193)	(6,229)
Distributions attributable to senior common stock	(101)	(101)	(105)	(202)	(211)
Gain (loss) on extinguishment of Series F preferred stock	9	(10)	(4)	(1)	(7)
Net income (loss) available (attributable) to common stockholders	\$ 1,456	\$ 1,915	\$ (1,614)	\$ 3,374	\$ (1,313)

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)	
	6/30/2025	3/31/2025	6/30/2024	6/30/2025	6/30/2024
Net income	\$ 4,634	\$ 5,136	\$ 1,600	\$ 9,773	\$ 5,125
Less: Distributions attributable to preferred and senior common stock	(3,186)	(3,209)	(3,221)	(6,395)	(6,440)
Add/Less: Gain (loss) on extinguishment of Series F preferred stock, net	9	(10)	(4)	(1)	(7)
Net income (loss) available (attributable) to common stockholders and Non-controlling OP Unitholders	\$ 1,457	\$ 1,917	\$ (1,625)	\$ 3,377	\$ (1,322)
Adjustments:					
Add: Real estate depreciation and amortization	\$ 14,249	\$ 13,243	\$ 16,015	\$ 27,492	\$ 29,341
Add: Impairment charge	9	—	—	9	493
Add: Loss on sale of real estate, net	—	—	47	—	—
Less: Gain on sale of real estate, net	(377)	—	—	(377)	(236)
Less: Gain on debt extinguishment, net	—	—	—	—	(300)
FFO available to common stockholders and Non-controlling OP Unitholders - basic	\$ 15,338	\$ 15,160	\$ 14,437	\$ 30,501	\$ 27,976
Add: Convertible senior common distributions	101	101	105	202	211
FFO available to common stockholders and Non-controlling OP Unitholders - diluted	\$ 15,439	\$ 15,261	\$ 14,542	\$ 30,703	\$ 28,187
FFO available to common stockholders and Non-controlling OP Unitholders - basic	\$ 15,338	\$ 15,160	\$ 14,437	\$ 30,501	\$ 27,976
Add: Write off shelf registration statement costs and prepaid ATM costs	—	—	—	—	183
Add: Write off prepaid offering costs	305	—	—	305	—
Add: Asset retirement obligation expense	34	34	33	68	66
Add: Bad debt write off	—	—	64	—	64
Add: Closing costs on sale	336	—	—	336	—
Add: Realized loss on interest rate hedging instruments	—	—	—	—	81
Core FFO available to common stockholders and Non-controlling OP Unitholders - basic	\$ 16,013	\$ 15,194	\$ 14,534	\$ 31,210	\$ 28,370
Add: Convertible senior common distributions	101	101	105	202	211
Core FFO available to common stockholders and Non-controlling OP Unitholders - diluted	\$ 16,114	\$ 15,295	\$ 14,639	\$ 31,412	\$ 28,581
Weighted average common shares outstanding and Non-controlling OP Units - basic	46,259,137	44,646,486	40,553,113	45,457,266	40,433,619
Weighted average common shares outstanding and Non-controlling OP Units - diluted	46,587,696	44,975,890	40,895,360	45,785,825	40,775,866
FFO per weighted average share of common stock and Non-controlling OP Unit - basic	\$ 0.33	\$ 0.34	\$ 0.36	\$ 0.67	\$ 0.69
FFO per weighted average share of common stock and Non-controlling OP Unit - diluted	\$ 0.33	\$ 0.34	\$ 0.36	\$ 0.67	\$ 0.69
Core FFO per weighted average share of common stock and Non-controlling OP Unit - basic	\$ 0.35	\$ 0.34	\$ 0.36	\$ 0.69	\$ 0.70
Core FFO per weighted average share of common stock and Non-controlling OP Unit - diluted	\$ 0.35	\$ 0.34	\$ 0.36	\$ 0.69	\$ 0.70
Distributions declared per share of common stock and Non-controlling OP Unit	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.60	\$ 0.60

Condensed consolidated balance sheets

(\$ in thousands)	6/30/2025 (unaudited)	12/31/2024
ASSETS		
Real estate, at cost	\$ 1,347,152	\$ 1,211,793
Less: accumulated depreciation	339,331	319,646
Total real estate, net	1,007,821	892,147
Lease intangibles, net	114,242	95,107
Real estate and related assets held for sale, net	2,801	4,363
Cash and cash equivalents	11,660	10,956
Restricted cash	4,240	4,118
Funds held in escrow	5,728	5,367
Right-of-use assets from operating leases	3,836	3,961
Right-of-use assets from finance leases, net	2,918	—
Deferred rent receivable, net	46,352	45,324
Sales-type lease receivable, net	—	18,618
Other assets	10,395	14,387
TOTAL ASSETS	\$ 1,209,993	\$ 1,094,348
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Mortgage notes payable, net	\$ 257,882	\$ 269,579
Borrowings under revolver and term loan, net	442,664	349,848
Borrowings under unsecured term loan, net	19,839	—
Senior unsecured notes, net	74,006	73,958
Deferred rent liability, asset retirement obligation and other liabilities, net	68,240	59,621
TOTAL LIABILITIES	\$ 862,631	\$ 753,006
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	46	44
Series F redeemable preferred stock	1	1
Additional paid in capital	820,634	784,389
Accumulated other comprehensive income	4,303	10,648
Distributions in excess of accumulated earnings	(647,794)	(623,912)
TOTAL STOCKHOLDERS' EQUITY	\$ 177,191	\$ 171,171
OP Units held by Non-controlling OP Unitholders	130	130
TOTAL EQUITY	\$ 177,321	\$ 171,301
TOTAL LIABILITIES, MEZZANINE EQUITY AND EQUITY	\$ 1,209,993	\$ 1,094,348

Capital structure

- Institutional stock ownership increased from 26.8% in 2013 to 47.9% as of June 30, 2025¹
- Balance sheet remains below 50% levered
- Weighted average interest rate on mortgage debt of just 4.22%

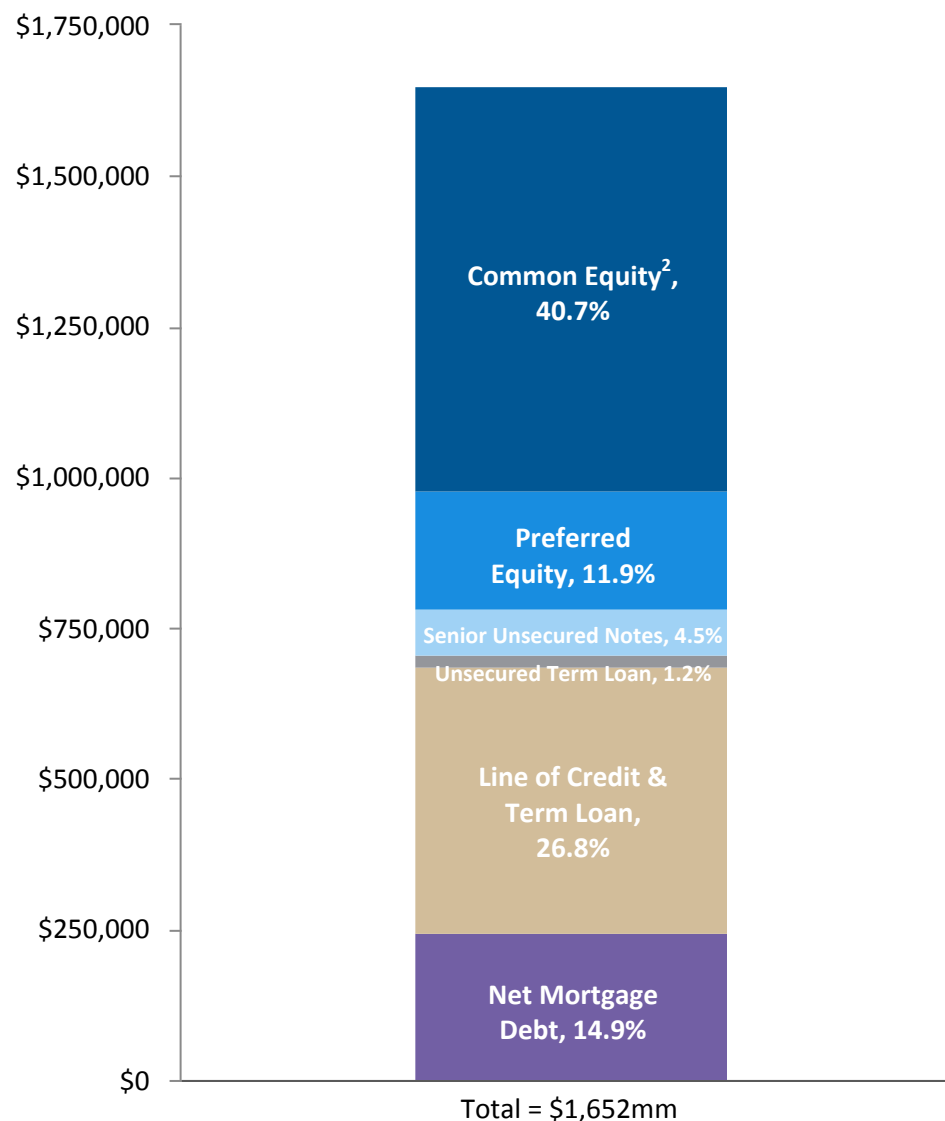
Capital Structure Details

<i>(Dollars in \$000s, except stock price)</i>	Wtd. Average Rate	6/30/2025
Mortgage Notes Payable, Net	4.22%	\$ 257,882
Less: Cash & Cash Equivalents		(11,660)
Net Mortgage Debt		\$ 246,222
Line of Credit	SOFR+1.35%	\$ 94,370
Term Note, Net	SOFR+1.30%	348,294
Unsecured Term Loan, Net	SOFR+1.55%	19,839
Senior Unsecured Notes, Net	6.47%	74,006
Line of Credit, Term Loan, Net, Unsecured Term Loan, Net, and Senior Unsecured Notes, Net		\$ 536,509
Total Debt, Net		\$ 782,731
Series E - Preferred	6.625%	\$ 76,536
Series F - Preferred	6.00%	20,911
Series G - Preferred	6.00%	99,772
Total Preferred Equity		\$ 197,219
Diluted Common Shares Outstanding		46,876,975
Stock Price		\$ 14.33
Implied Common Equity² Market Capitalization		\$ 671,747
Enterprise Value		\$ 1,651,697

¹ Source: Nasdaq Online.

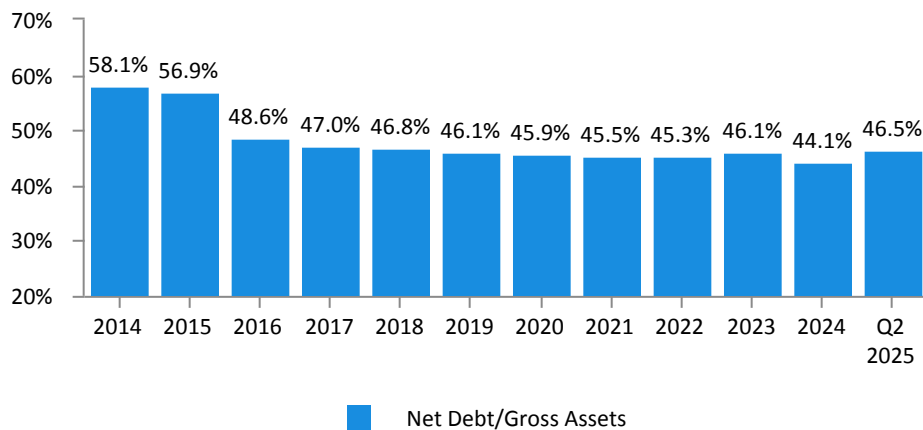
² Common Equity is based on the closing common stock price per share as of June 30, 2025 of \$14.33 and includes effect of OP units and convertible senior common stock.

Current capital structure as of June 30, 2025 (Dollars in \$000)

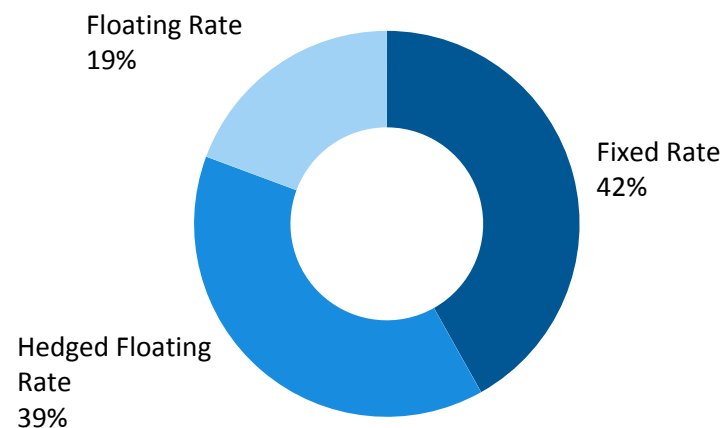


Liquidity and debt overview

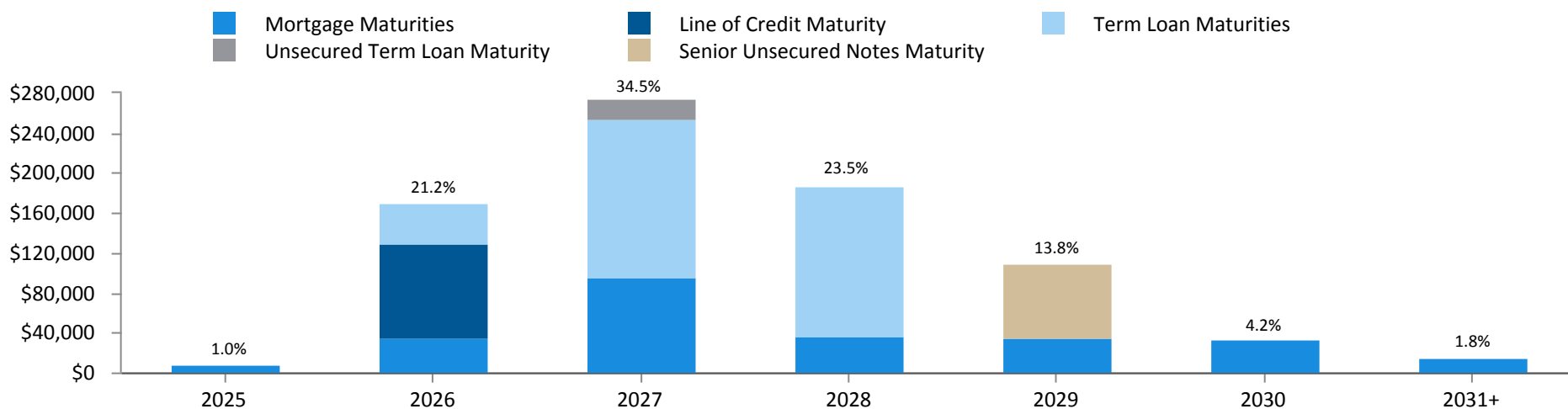
Reducing Leverage¹



Fixed vs. Floating Debt¹



Scheduled debt maturity¹ (\$'000)



¹ As of June 30, 2025.

Debt summary

Principal Maturity Date	Weighted Average Interest Rate as of 6/30/2025	(\$ in thousands) Principal Balance Outstanding as of 6/30/2025
2025	4.59%	\$ 3,119
2026	4.09%	28,635
2027	4.35%	97,582
2028	4.15%	36,969
2029	5.38%	36,090
2030	3.23%	37,587
2031	3.24%	4,825
2032	3.40%	9,575
2037	4.63%	5,134
Contractual Mortgage Notes Payable:	4.22%	\$ 259,516
Premiums (Discounts), net:		6
Total Mortgage Notes Payable:		<u>\$ 259,522</u>
Variable-Rate Line of Credit:		
2026	SOFR +1.35%	<u>\$ 94,370</u>
Variable-Rate Term Loan Facility:		
2027	SOFR +1.30%	\$ 160,000
2026	SOFR +1.30%	40,000
2028	SOFR +1.30%	<u>150,000</u>
Variable-Rate Unsecured Term Loan:		
2027	SOFR + 1.55%	<u>\$ 20,000</u>
Senior Unsecured Notes:		
2029	6.47%	<u>\$ 75,000</u>
Total Mortgage Notes Payable, Line of Credit, Term Loan Facility, Unsecured Term Loan, Senior Unsecured Notes	5.33%	<u>\$ 798,892</u>

Select corporate covenants

Description	(\$ in thousands)	
	Threshold	June 30, 2025
Consolidated Tangible Net Worth	> \$723,214	\$997,172
Leverage Ratio	< 60%	45%
Fixed Charge Coverage Ratio	> 1.50	1.90
Maximum Dividend Payout (FFO based)	< 95%	86%
Secured Indebtedness	< 40%	14%

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



Portfolio Overview



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Portfolio overview

Geographic diversity

- 143 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%
- 1.3% 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 46 properties in non-core markets since mid-2016
- Re-deploy proceeds in growth markets

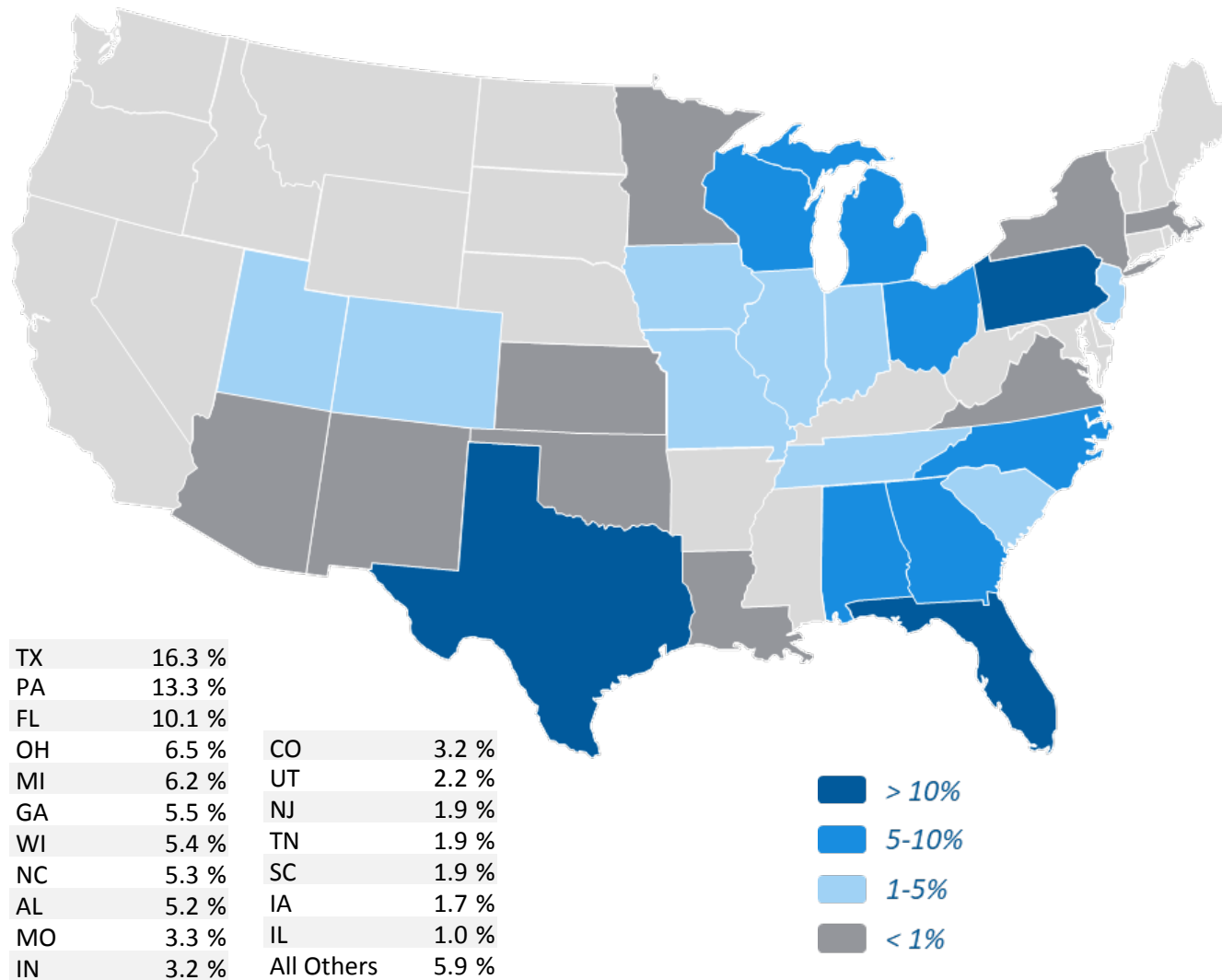


Note: As of June 30, 2025.

Diversified portfolio

143 properties spread across 27 states

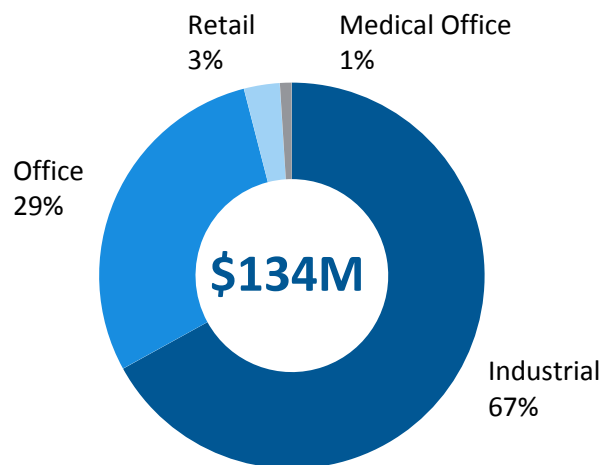
As % of Annualized Straight-Line Base Rent



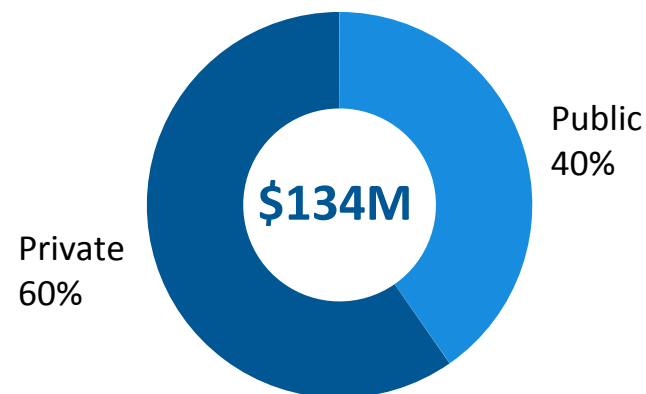
Note: As of June 30, 2025.

High quality, diversified portfolio

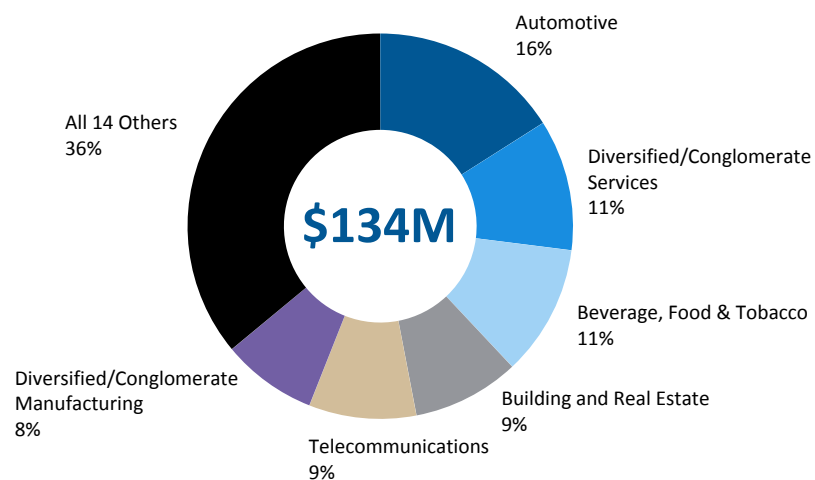
Property type diversification
(by annualized straight line rent)



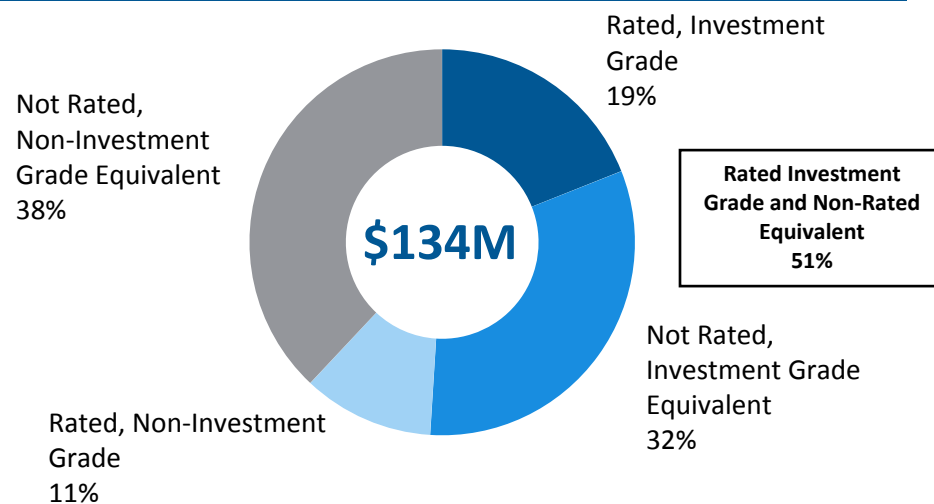
Publicly-traded vs. privately-held tenants
(as % of annualized straight line rent)



Industry diversification
(based on annualized straight line rent)



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



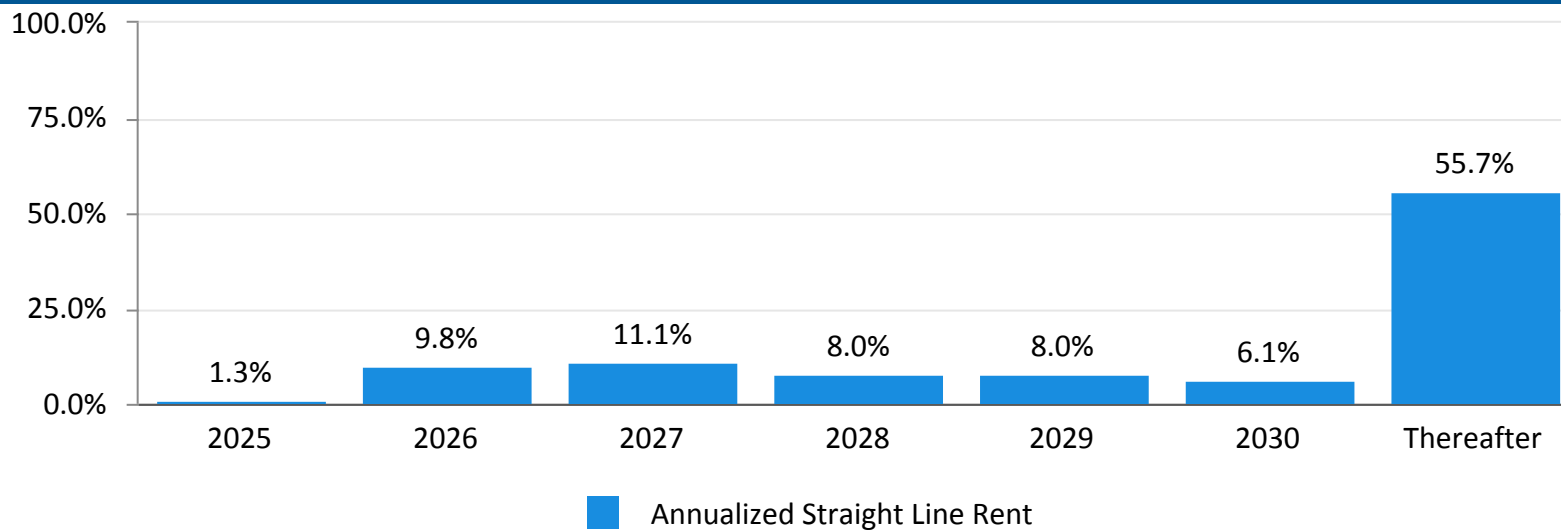
Note: As of June 30, 2025.

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	60,016	1	\$ 1,680	1.3 %
2026	1,738,787	10	13,117	9.8 %
2027	1,081,647	12	14,860	11.1 %
2028	1,822,647	15	10,788	8.0 %
2029	1,647,579	17	10,744	8.0 %
2030	1,056,673	13	8,176	6.1 %
Thereafter	9,409,062	66	75,017	55.7 %
Total	16,816,411	134	\$ 134,382	100.0 %

Rent expiring



Note: As of June 30, 2025.



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