

MARKET STATISTICS

Exchange / Symbol	NASDAQ:GOOD
Price:	\$21.80
Market Cap (mm):	\$602.6
Enterprise Value (mm):	\$1,082.4
Shares Outstanding (mm):	27.6
Float (%):	91%
Volume (3 month avg):	199,200
52 week Range:	\$16.02-\$23.35
Industry:	Real Estate Investment Trust

CONDENSED BALANCE SHEET

(\$mm, except per sh data)

Balance Sheet Date:	6/30/2017
Cash & Cash Equivalent:	\$5.01
Cash/Share:	\$0.18
Available Under LOC:	\$36.1
Equity (Book Value):	\$238.80
Equity/Share:	\$8.64

CONDENSED INCOME STATEMENTS

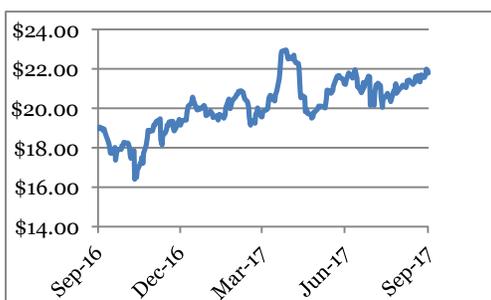
(\$mm, except per sh data)

FY - 12/31	Revenue	Income	CORE FFO	CORE FFO/Sh
FY14	\$73.76	(\$5.90)	\$27.49	\$1.55
Fy15	\$83.77	\$3.60	\$33.49	\$1.53
FY16	\$86.37	\$3.96	\$37.13	\$1.55
FY17E	\$92.76	\$11.20	\$41.46	\$1.56

LARGEST SHAREHOLDERS

The Vanguard Group, Inc.	2,910,700
Renaissance Technologies Corp.	2,050,300
BlackRock, Inc.	2,001,700
Invesco PowerShares Capital Mgmt. LLC	547,300
United Capital Financial Advisers, LLC	542,100
State Street Global Advisors, Inc.	539,300
Fiduciary Financial Services of the SW	407,900
Dimensional Fund Advisors LP	349,700
Northern Trust Global Investments	315,000
Geode Capital Management, LLC	243,300

STOCK CHART



COMPANY DESCRIPTION

Gladstone Commercial Corporation (NASDAQ: GOOD) is a publicly-traded real estate investment trust (REIT) that primarily focuses on acquiring, owning and managing single tenant and anchored multi-tenant net-leased office and industrial properties in targeted markets. The Company also makes selective long-term industrial and commercial mortgage loans. Its 94 owned properties, containing approximately 11 million square feet, are strategically located in 24 states spanning the country. GOOD is headquartered in McLean, Virginia.

SUMMARY

Gladstone Commercial Corp. has a consistent, disciplined approach to managing its investment portfolio resulting in a history of strong operational performance.

- GOOD's investment strategy involving purchases of properties with tenants that have long-term (7-15 years) net leases and contractual rent increases provides the Company with a number of advantages, including increasing consistency in cash flows and more predictable returns. This predictability not only acts as a hedge against inflation, but it also enhances the Company's ability to secure debt financing.
- Since going public in 2003, GOOD has never missed a cash distribution to stockholders, has never decreased the monthly amount, and has raised the annual dividend rate four times; the Company raised the annual rate to \$1.50 per share in 2008, and it has consistently maintained that rate.
- During that same time period, GOOD has steadily increased its asset base, maintaining a compounded annual asset growth rate of 18% per year (as reported through FY16). Since January 2009, the Company has reduced its leverage from 66.7% to a most recently reported 49.9%(debt to gross assets).
- GOOD's diversified portfolio consists of 94 properties in strategically located submarkets in 24 states that are leased to 86 different tenants from 19 recession-resistant industries. This diversity, combined with stringent underwriting standards, has contributed to an occupancy rate that has never dropped below 96% since the Company's inception (currently 96.9%).
- Largely due to GOOD's sound investment strategy and proactive management of its portfolio, as most recently reported, only 3.8% of projected rents are expiring from 2017-2019, which is the lowest turnover rate among Gladstone Commercial's peer group.
- For Q2 2017, GOOD reported \$22.9M in revenue, a 2.5% increase quarter-over-quarter, resulting in net income before distributions of \$0.7M, EBITDA of \$18.4M and core FFO of \$9.8M.
- Q217 highlights include the Company selling two noncore properties (one in OH and one in MO), extending the lease with a tenant occupying 84K sq. feet of space in Allen, TX, purchasing a 64K sq. foot property in PA with a 10-year lease in place, and completing construction of expansion on a 75K sq. foot property in AL.
- GOOD's management team, led by David Gladstone and Bob Cutlip, among others, has over 150 years of combined experience in buying, leasing and owning office and industrial real estate, and a breadth of knowledge in lending and investing in middle market and larger operating companies.
- Being an externally managed REIT, GOOD maintains overhead costs in line with those of internally managed REITs but has the advantage of accessing an experienced as well as connected team of credit underwriters, one of the main drivers of the Company's historically high average occupancy rates for its properties. The President, CFO, and acquisitions, asset management, and accounting team members spend 100% of their time on GOOD.
- We are estimating operating revenues of \$92.8M for 2017E for GOOD, resulting in net income of \$11.2M and core FFO of \$41.5M, or \$1.56 per share; at its current price of \$21.80, the stock trading is currently trading at 13.9x (price/FFO), which is well below the average of the comparables of 14.7x.

BUSINESS OVERVIEW

Founded in 2003, Gladstone Commercial Corporation is a real-estate investment trust that owns and invests primarily in net leased office and industrial properties across the United States. GOOD's investments typically range from \$5 million to \$50 million, and its clients are from a broad range of industries. Gladstone's investment portfolio is comprised of real estate properties that are:

- Leased to tenants with small- to medium-sized unrated businesses, as well as larger rated businesses
- Occupied by companies controlled by buyout funds
- Purchased from and leased back to businesses that are seeking to raise capital from the sale of their real estate to re-invest in their core businesses

Figure 1: Summary of Gladstone Commercial Corp. Portfolio

Current Portfolio Data	
Total assets	\$831.6M
Properties	94
Tenants	86
Industries	19
States	24
Average remaining lease term	7.4
Occupancy	96.9%

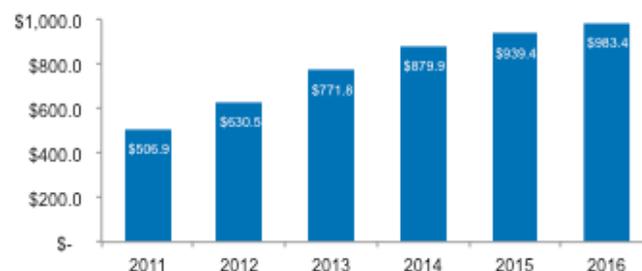
Source: Company Reports; Stonegate Capital Partners

GOOD's management team, led by David Gladstone and Bob Cutlip, among others, has over 150 years of combined experience in buying, leasing and owning office and industrial real estate. David Gladstone, founder and CEO, has extensive experience in commercial lending, investing, buyout scenarios and beyond, and Bob Cutlip, President and Executive Managing Director, has lead at the executive level of three publicly traded REITs prior to joining the Gladstone companies.

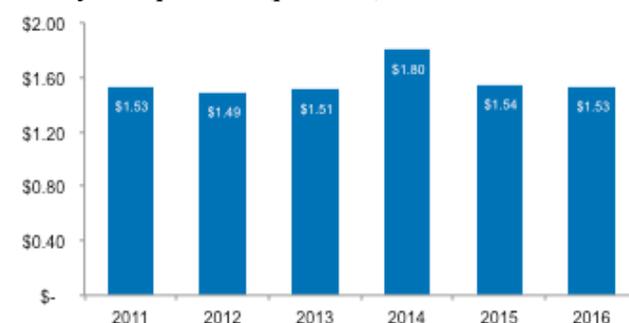
The Company has a strong history of acquisition momentum, with ongoing deals at various levels of due diligence and closing. Since its inception through its most recent year-end, Gladstone Commercial has maintained growth of total assets at a CAGR of approximately 18%, and over the same time, producing strong returns for funds from operations (FFO) as well. GOOD's portfolio investment strategy involves purchases of properties with net leases, which provides the Company with a number of advantages, including increasing consistency of cash flows and more predictable returns. This predictability not only minimizes the Company's exposure to the risk of inflation, but it also enhances the Company's ability to secure debt financing. Since 2010, GOOD has reduced its leverage from 58.98% to the most recently reported 40.2% (net debt to EV).

Figure 2: History of Disciplined Growth Y-O-Y

Total Gross Assets (\$ in millions)



Funds from Operations (per share)

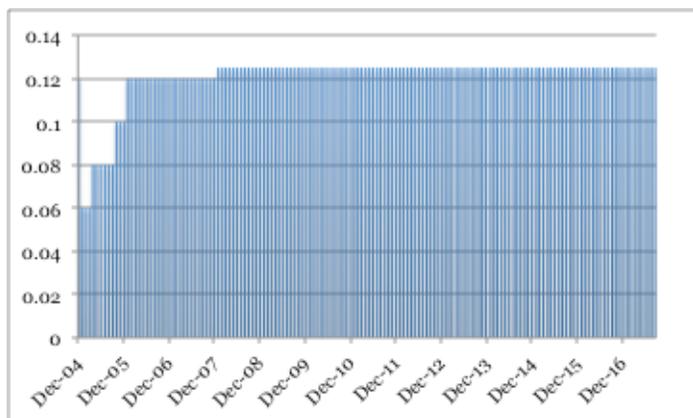


Source: Company Reports; Stonegate Capital Partners

Just over a year ago, Gladstone Commercial began to slow the pace of its acquisitions due to management's concerns about the uncertainty of the market and its increased cost of capital; however, the Company still reports a healthy acquisition pipeline with a reduced cost of capital, and it expects to continue growing the asset portfolio throughout 2017 as is evidenced by 3 new property acquisitions totaling approximately \$100M in June and July 2017. We note that management has been very selective in its screening process, considering only candidates with asset returns that are in targeted growth markets and are accretive to GOOD's business, and only using recycled capital, common/preferred equity offerings and low cost fixed rate debt financing.

GOOD has a history of stable monthly cash distributions. The Company declares quarterly, and pays monthly, distributions to common and preferred stockholders. The Company has never missed a monthly cash distribution and has never cut the dividend; in fact, it has raised the annual payment four times since its IPO. GOOD began paying an annual dividend rate of \$1.50 per common share in 2008 and has maintained that dividend rate, even during the recent recession. At 6.9% currently, Gladstone Commercial trades among the highest yields in the REIT market. Given management's comments, there is no indication that GOOD will change its dividend policy any time in the near-term.

Figure 3: History of Stable Monthly Cash Distributions



Source: Dividends.com

MARKET STRATEGY

Key elements in Gladstone Commercial Corporation’s market strategy include:

- Diversify by industry, geography and property type
- Focus on recession-resistant businesses located in growth markets
- Buy existing properties with tenants that have strong underwritten credit, including an operating track record, substantial cash flow from operations and a mission critical connection with the property and long-term leases
- Match long-term leases with long-term mortgages or corporate debt with interest rate protection

Highly diversified portfolio

GOOD’s tenants are diversified by geography, industry, property type and by size, ranging from small companies to large publicly traded corporations, including General Motors (NYSE: GM) and Verizon (NYSE: VZ). However, its focus is on middle-market companies ranging from 30-150K SF (office) and 75-500K SF (industrial) that are financially stable but fall under the radar of larger REIT companies. Its tenants compete in 19 different industries including healthcare, banking, manufacturing, chemicals and telecommunications, with no concentration in a specific industry. Additionally, by including a geographically diverse group of real estate properties in 24 states across the U.S., GOOD’s diverse portfolio is structured to underscore stability and mitigate risk, resulting in only one credit loss in the history of the Company.

Stabilized income streams in favorable growth markets

The Company targets growth markets across the U.S. accumulating assets to create a valuable consistently performing portfolio. Using a focused strategy, GOOD’s emphasis is on identifying submarkets with strong economic characteristics, including population and job growth, a diverse economic base, supply constraint, and/or high barriers to entry.

Figure 4: 94 Properties in 24 States in U.S. Growth Markets



Source: Company Reports; Stonegate Capital Partners

Stringent underwriting standards

Gladstone Commercial utilizes a disciplined process developed over years of experience in the lending and buyout industries to analyze potential acquisitions, including carefully vetting its tenants based on their financial statements, capital structures, credit ratings, management experience, industry fundamentals and an assessment of their ability to withstand downturns in the economy. Largely, as a result of GOOD’s disciplined formula centered on tenant credit underwriting and the mission critical nature of the property, the Company’s occupancy rate has remained above 96% since its IPO in 2003, with the current occupancy rate most recently reported at 96.9%. And notably, the Company has incurred only one tenant default since inception.

Predictable cash flow and quality assets

Acquisition targets are generally properties that are an integral part of the current tenants’ operations and include single tenant and anchored multi-tenant office and industrial properties. The Company looks for properties with terms of approximately 7 to 15 years remaining on the lease(s), with triple net (NNN) leases, requiring the tenants to pay rent, plus all of the taxes, property insurance and maintenance/repair costs.

There are multiple advantages to buying properties with NNN leases:

1. They provide consistent cash flows and reasonably predictable returns, thereby increasing the ability to access debt financing and minimizing inflation risk
2. Their yields tend to exceed the yields of comparable bonds of tenants, adding residual value to the asset
3. The majority of NNN properties are leased by a single tenant, which fully utilizes the asset

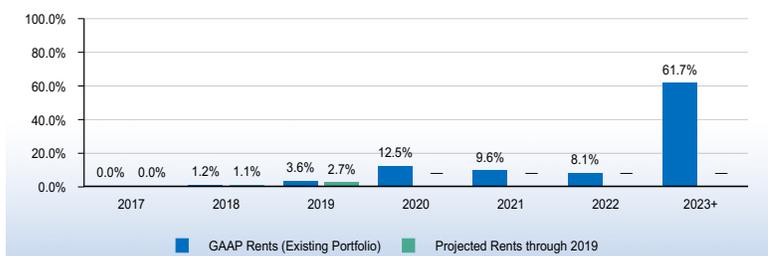
Proactive management of the current portfolio with a strong pipeline

With a solid portfolio of less than 100 properties, GOOD is able to very actively manage its assets, selling non-core properties (9 single property markets have been exited since January 2015) and redeploying the proceeds in targeted growth markets or paying down outstanding debt. Gladstone Commercial currently has a \$250M+ pipeline in growth markets with 15 properties under investigation; of this total, \$39M is in the letter of intent stage, with the balance under review.

Limited renewal risk

Careful portfolio management has limited the Company's renewal risk. In fact, GOOD has the lowest future turnover rate among its peer group per management, with only 3.8% of projected rents expiring from 2017-2019 as most recently reported. This low turnover rate should enable a predictable and stable cash flow, the likelihood of continuing monthly payouts to stockholders and an ability to take advantage of growth opportunities.

Figure 5: Percentage of Base Rental Revenue Expiring as of 6/30/17



Source: Company Reports; Stonegate Capital Partners

Matching long-term leases with long-term fixed rate debt

Through its policy of matching long-term leases with long-term fixed debt, GOOD is mitigating its risk against the possibility of both another recession and increasing interest rates. Management has been focused on decreasing its leverage and refinancing debt. Over the past 18 months, the Company has been able to refinance approximately \$115 million of debt. This has been replaced primarily with new long-term variable rate mortgages and interest rates equal to the 1-month LIBOR plus a spread ranging from 2.35% to 2.75%. Over the next 18 months, with more than \$60 million in debt coming due, management sees continued opportunity for additional savings through refinancing.

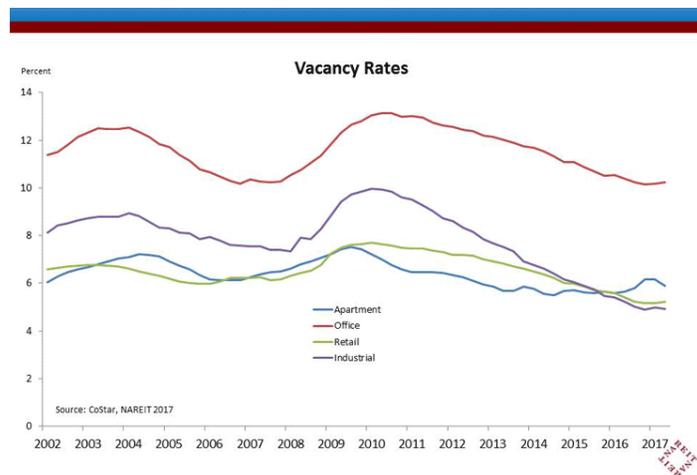
INDUSTRY OVERVIEW

Over the last several years, the commercial real estate markets have shown an uneven and disappointing recovery, largely mimicking the broader economy; however, recent activity and statistics point to improved fundamentals, and several factors give confidence that conditions will continue to improve at a modest pace. According to the National Association of Real Estate Investment Trusts (NAREIT), commercial real estate markets appear to have settled in for the long haul and are not close to burning out, as some would predict. New supply and the

growth of demand are roughly balanced in most property sectors, and vacancy rates are stable with rents growing modestly. The latest data on net absorption and completions during Q217 help alleviate earlier fears that a supply wave would flood the market. Instead, supply and demand appear closely matched.

Vacancy rates in industrial, office, and retail markets are at or near their lows for the cycle, and are 15 to 30 basis points lower than a year ago.

Figure 6: Vacancy Rates Since 2002



Source: NAREIT

A survey of real estate economists by the ULI released fall 2016 predicts continued economic expansion over the next three years although at a slower pace than the prior two years, with relatively high but declining commercial real estate investment volumes. Also, the survey details continued commercial price appreciation, rent growth and positive returns but at more subdued rates, and better than average vacancy/occupancy rates, except for retail. Overall, issuances of commercial mortgage-backed securities, a key financing source in the industry, were expected to remain at levels lower than their 2015 total of \$101B for 2016 through 2018.

Gladstone Commercial's management takes a slow, discerning look at market conditions as it weighs acquisition/disposition decisions. Management has noted that while the broader market is showing notably improved conditions, the market conditions in some secondary and tertiary markets have lagged behind the broader recovery, particularly in markets where job growth has not recovered as quickly from the recession. That said, we look for GOOD to continue making judicious purchases of net-leased office and industrial properties in high growth markets in the upcoming quarters. Just recently, GOOD has closed on 3 new properties in a relatively short timeframe, worth about \$100M, and all are 100% occupied.

RISKS

As with any investment, there are certain risks associated with Gladstone Commercial Corporation's operations, as well as with the surrounding economic and regulatory environments.

- Gladstone Commercial is an externally managed REIT, advised by Gladstone Management. As such, the Company is obligated to provide compensation according to an established fee structure (which was lowered in June 2015). While external management can be cost effective for smaller REITs, the principal negative associated with this type of management structure is that it can create opportunities for conflicts of interest, with the external management company basing decisions on its own interests, rather than the interests of the REIT shareholders.
- Some of GOOD's tenants and future borrowers that have increased their leverage through restructured loans may not be able to make payments. Additionally, the Company may not successfully renew leases, or tenants may be able to negotiate lower rates, if market conditions change. These conditions would negatively impact GOOD's operating results and its ability to make distributions to stockholders.
- GOOD's tenants include small- to medium-size businesses, which may expose the Company to additional risks. Narrower, less diverse product lines and possessing a smaller share of their markets make smaller companies more vulnerable to the actions of competitors and to market conditions.
- If the income generated by Gladstone Commercial's assets fails to cover its debt service, the Company may be required to reduce or even eliminate distributions, which would negatively impact stockholders.
- The Company faces risks relating to lump sum (balloon) payments. At the time it is due, GOOD may not be able to refinance its balloon payments on favorable terms, which would negatively affect distributions to stockholders.

RECENT RESULTS

Gladstone Commercial most recently reported its Q2 2017 results on 8/1/17. For Q2 2017, GOOD reported \$22.9M in revenue, an approximate 2.5% increase quarter-over-quarter, resulting in net income before distributions of \$661K, EBITDA of \$18.4M and core FFO of \$9.8M.

Highlights of the quarter included the following:

- Occupancy was reported at approximately 97%, and with successful lease renegotiations, the Company reports that only 3.8% of its forecasted rental income will expire over the next three years through 2019.
- GOOD sold a noncore property in Hazelwood, MO, recognizing a capital loss of \$0.1M, and another in Concord Township, OH, with a capital loss of \$1.8M.

- The Company completed construction of an expansion in Vance, AL, on a 75K sq. foot property.
- GOOD executed a lease extension on a property in Allen, TX, with a tenant occupying 84K sq. feet.
- The Company purchased a 60K sq. foot property in Conshohocken, PA, for \$15.7M with a 10-year lease.
- The Company paid monthly common stock dividends of \$0.125 per common share, or an annualized \$1.50 per common share.
- GOOD issued \$15.8M of common and \$4.7M of preferred equity through its ATM program.

Subsequent to quarter end:

- The Company acquired a \$26.4M industrial property in Philadelphia, PA.
- GOOD also acquired a \$51.4M 3-building office complex in Orlando, FL.
- The Company extended a lease on a 223K sq. foot industrial facility through 2031 in northeast PA.
- An additional \$13.6M of common and preferred stock was issued under the ATM program.
- GOOD issued \$26.1M of common equity through an overnight offering.



VALUATION

We believe that GOOD holds significant growth and income potential for investors. The Company's strong management led by a team of industry veterans has strategically positioned the Company and its income-producing assets for continuing long-term growth. We are estimating total operating revenues for 2017 of \$92.8M, driven by a continued growth of strong performing commercial assets in the portfolio, resulting in net income of \$11.2M and core FFO of \$41.5M, or \$1.56 per share.

At its current price of \$21.80, GOOD is trading at 13.9x (price/FFO), which is well below the average of selected comparable companies in the commercial real estate space of 14.7x. We believe this discount is due to its higher debt/capital ratio, its high annualized dividend as a percentage of its estimated FFO, and because Wall Street tends to apply a discount to externally managed REITs. In our opinion, as the Company executes on its strategy of adding more quality properties and improving its financial metrics, we would expect to see the stock trade more in line with the peer group of 14x – 15x.

Figure 7: Comparable Analysis

Name	Ticker	Price	Sh	Mrkt Cap	Most Recent Quarter				Based on FY17 Estimates				Annualized Div as % of FFO	
					Debt/Cap	SG&A Margin	Dividend	Dividend Yield	FFO/Share	Price/FFO				
Agree Realty	ADC	\$49.72	28.4	\$1,412.0	35.3%	9.1%	\$0.51	4.1%	\$2.71	18.3x	75.3%	RETAIL		
Armada Hoffer	AHH	\$13.61	61.8	\$841.1	51.7%	3.2%	\$0.19	5.6%	\$0.98	13.9x	77.6%	MIXED		
City Office Reit, Inc.	CIO	\$12.99	30.3	\$393.6	56.8%	6.3%	\$0.24	7.4%	\$0.98	13.3x	98.0%	OFFICE		
Gramercy Property Trust	GPT	\$30.31	151.9	\$4,604.1	44.7%	7.0%	\$0.38	5.0%	\$2.08	14.6x	73.1%	MIXED		
Lexington Realty Trust	LXP	\$10.09	240.6	\$2,427.7	56.7%	8.5%	\$0.18	7.1%	\$0.96	10.5x	75.0%	MIXED		
Monmouth REIT	MNR	\$16.20	74.3	\$1,203.7	50.7%	6.2%	\$0.16	4.0%	\$0.78	20.8x	82.1%	INDUSTRIAL		
Select Income REIT	SIR	\$23.31	89.4	\$2,083.9	55.3%	7.1%	\$0.51	8.8%	\$2.62	8.9x	77.9%	MIXED		
STAG Industrial, Inc.	STAG	\$27.76	92.2	\$2,559.5	46.5%	11.0%	\$0.35	5.0%	\$1.68	16.5x	83.3%	INDUSTRIAL		
W.P. Carey	WPC	\$68.63	106.9	\$7,336.5	55.2%	9.5%	\$1.00	5.8%	\$4.47	15.4x	89.5%	MIXED		
Average					50.3%	7.5%	\$0.39	5.9%	\$1.92	14.7x	81.3%			
Median					51.7%	7.1%	\$0.35	5.6%	\$1.68	14.6x	77.9%			
Gladstone Commercial Corp.	GOOD	\$21.80	27.6	\$602.6	60.5%	6.4%	\$ 0.38	6.9%	\$1.56	13.9x	95.9%			

Source: Company Reports, Stonegate Capital Partners, Capital IQ

BALANCE SHEETS
Gladstone Commercial Corp.
Consolidated Balance Sheets (\$000s)
Fiscal Year: December

ASSETS	FY 2014	FY 2015	FY 2016	Q2 2017
Assets				
Real estate, at cost	722,565	780,377	\$821,749	\$819,029
Accumulated depreciation	(92,133)	(112,243)	(131,661)	(139,303)
Total real estate, net	630,432	668,134	690,088	679,726
Lease intangibles, net	98,814	104,914	105,553	101,035
Real estate and related assets held for sale, net	-	1,077	9,562	4,208
Mortgage note receivable	5,600	5,900	-	-
Cash and cash equivalents	8,599	5,152	4,658	5,014
Restricted cash	3,547	4,205	3,030	2,777
Funds held in escrow	11,096	7,534	6,806	4,605
Deferred rent receivable, net	21,728	27,443	29,725	28,401
Deferred financing costs, net	6,213	-	-	-
Other assets	1,765	2,825	2,320	5,807
Total Assets	\$ 787,794	\$ 827,184	\$851,742	\$831,573
LIABILITIES, MEZZANINE EQUITY, AND STOCKHOLDERS' EQUITY				
Liabilities				
Mortgage notes payable, net	\$459,299	\$455,863	\$445,278	\$422,398
Borrowing under line of credit, net	43,300	44,591	39,225	37,478
Borrowing under term loan facility, net	-	24,878	24,892	24,905
Series C mandatorily redeemable preferred stock	38,500	38,100	-	-
Deferred rent liability, net	8,594	9,657	12,647	14,581
Asset retirement obligation	3,616	3,674	3,406	3,105
Accounts payable and accrued expenses	8,285	6,388	5,891	3,781
Liabilities related to assets held for sale	-	868	1,041	-
Due to Adviser and Administrator	916	1,858	2,075	2,104
Other liabilities	7,612	7,436	6,667	6,805
Total Liabilities	570,122	593,313	541,122	515,157
Mezzanine Equity				
Series D redeemable preferred stock	-	-	70,743	77,612
Stockholders' Equity				
Series A & B redeemable preferred stock - par value	2	2	2	2
Senior common stock - par value	1	1	1	1
Common stock - par value	20	22	25	26
Additional paid in capital	369,748	418,897	463,436	481,322
Notes receivable - employee	(375)	-	-	179
Distributions in excess of accumulated earnings	(151,724)	(185,051)	(223,587)	(242,726)
Total Stockholders' Equity (deficit)	217,672	233,872	239,877	238,804
Total Liabilities, Mezzanine Equity and Stockholders' Equity	\$ 787,794	\$ 827,184	\$851,742	\$831,573
Ratios				
Liquidity				
Current Ratio	3.1x	2.6x	2.7x	2.8x
Working Capital	19,641	14,754	15,049	10,719
Availability under Credit Facility	\$9.3M	\$19.3M	\$37.9M	\$41.4M*
Leverage				
Total Net Debt to Gross Assets	57.4%	56.0%	53.9%	51.9%
Total Net Debt to EV	52.9%	53.1%	43.9%	40.2%
Total Net Debt to Capital	69.4%	69.2%	55.2%	51.6%
Total Net Debt to Equity	226.9%	224.9%	162.5%	151.6%

Source: Company Reports, Stonegate Capital Partners

*As of 7/31/17

INCOME STATEMENTS

Gladstone Commercial Corp.
 Consolidated Statements of Income (\$000s, except share and per share amounts)
 Fiscal Year: December

	FY 2014	FY 2015	FY 2016	FY 2017 E
Revenues				
Rental revenue	\$ 71,211	\$ 80,892	\$ 84,498	\$ 91,111
Tenant reimbursements	2,079	1,753	1,489	1,648
Interest income on mortgage note receivable	466	1,121	385	-
Total operating revenues	73,756	83,766	86,372	92,759
Operating expenses				
Depreciation and amortization	28,864	35,288	37,517	40,100
Property operating expenses	4,711	5,296	5,889	5,978
Acquisition related expenses	1,438	622	261	-
External fees/G&A services	11,318	11,637	9,912	10,948
Impairment charge	14,238	622	2,016	3,999
Total operating expenses before credit to incentive fee	60,569	53,465	55,595	61,025
Credit to incentive fee by management group	(3,163)	(2,500)	-	-
Total operating expenses	57,406	50,965	55,595	61,025
Other income (expense)				
Interest expense	(26,197)	(28,014)	(25,902)	(24,527)
Distributions attributable to series C redeemable preferred stock	(2,743)	(2,743)	(1,502)	-
Gain (loss) on sale of real estate	1,240	1,538	242	3,992
Gain on debt extinguishment	5,274	-	-	-
Other income/(expense)	174	14	343	11
Total other income (expense)	(22,252)	(29,205)	(26,819)	(20,524)
Net Income (loss)	(5,902)	3,596	3,958	11,209
Distributions attributable to series A, B & D preferred stock	(4,094)	(4,094)	(6,645)	(9,610)
Distributions attributable to senior common stock	(542)	(1,007)	(1,011)	(997)
Net income (loss) attributable to common stockholders	\$ (10,538)	\$ (1,505)	\$ (3,698)	\$ 602
Loss per weighted avg share common stock- basic & diluted				
Loss attributable to common shareholders	\$ (0.61)	\$ (0.07)	\$ (0.16)	\$ 0.02
Weighted avg shares common stock outstanding				
Basic	17,253,503	21,159,597	23,193,962	25,676,489
Diluted	17,682,012	21,942,554	23,193,962	25,676,489
Earnings per weighted avg share of senior common stock	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.04
Weighted avg shares of senior common stock outstanding-basic	516,937	960,016	960,667	952,679
Dividends and distributions declared per common share and unit	\$ 1.50	\$ 1.52	\$ 1.50	\$ 1.50
EBITDA	\$ 60,455	\$ 68,982	\$ 68,382	\$ 71,834
EBITDA per diluted weighted average share	\$ 3.42	\$ 3.14	\$ 2.95	\$ 2.80
Funds from operations (FFO)	\$ 31,324	\$ 32,867	\$ 36,604	\$ 41,707
FFO per diluted weighted average share	\$ 1.77	\$ 1.50	\$ 1.53	\$ 1.57
Core FFO	\$ 27,488	\$ 33,489	\$ 37,128	\$ 41,457
Core FFO per diluted weighted average share	\$ 1.55	\$ 1.53	\$ 1.55	\$ 1.56

Source: Company Reports, Stonegate Capital Partners

2-YEAR TIMELINE

August 1, 2017 – Company announces acquisition of \$51.4M office portfolio in Orlando, FL, with ~306K sq. feet of space

July 25, 2017 – GOOD completes overnight offering of 1.2M shares of common at \$20.52/share for net proceeds of \$22.7M; subsequent overallment option brought in another \$3.4M

July 17, 2017 – Company signs 5-year+ lease extension with its anchor tenant in Allen, TX, at its 115K sq. foot office property

July 10, 2017 – GOOD announces acquisition of \$26.4M single-tenant industrial property in Philadelphia, PA, with 300K sq. feet

June 26, 2017 – Company announces \$15.5M acquisition of a 60K sq. foot single-tenant office building in Philadelphia, PA

April 7, 2017 – Noncore property in Hazelwood, Missouri, is sold for \$2.1M

February 1, 2017 – GOOD closes on sale of a 183,000 square foot industrial property located in Franklin Township, NJ, for gross proceeds of \$12.8M

December 15, 2016 – Company announces acquisition of a 103,000 square foot office space located just outside Philadelphia, PA, for \$25.5M

December 5, 2016 – Direct placement of 774,400 shares of common stock executed with net proceeds totaling \$13.9M

November 30, 2016 – GOOD added to MSCI US REIT Index as of close of business

September 14, 2016 – Company announced purchase of \$23.9M property in Fort Lauderdale, FL

August 25, 2016 – GOOD disposed of 3 properties for \$3M as part of its capital recycling strategy

August 1, 2016 – Details of a follow-on offering of 7% Series D redeemable preferred stock for net proceeds of approximately \$29.8M disclosed

July 12, 2016 – Company announced planned redemption of its Series C 7.125% cumulative term preferred stock (completed as of 8/22/16)

May 25, 2016 – Registered direct placement of 7% Series D cumulative redeemable preferred stock for total net proceeds of \$25.3M announced

November 27, 2015 - Completed refinancing of \$18.6 million of mortgage debt set to expire in 2015 and early 2016 with \$3.6 million of new mortgage debt; the remainder was repaid with proceeds from line of credit. Announced \$48.9 million in debt refinancing during 2015 resulting in a \$1.8 million reduction in cost

October 6, 2015 - Expanded revolving credit facility from \$75M to \$85M and extended maturity date 1 year through August 2018; added a \$25M 5-year term loan facility maturing in October 2020.

August 13, 2015 - Announced refinancing of \$30.4 million of mortgage debt set to expire in 2015 with approximately \$21.5 million of new mortgage debt

GLADSTONE GOVERNANCE

David Gladstone, CEO, President and Director – Mr. Gladstone is the founder of Gladstone Commercial Corporation, along with its affiliates, Gladstone Capital Corporation, Gladstone Investment Corporation, and Gladstone Land Corporation. He has been the Chief Executive Officer of Gladstone Commercial Corporation since inception in 2003. Prior to founding the group of companies, Mr. Gladstone served as Chairman of American Capital, American Capital Strategies, and Allied Capital Commercial. Mr. Gladstone holds an MBA from the Harvard Business School, a MA from American University and a BA from the University of Virginia.

Robert Cutlip, President and Executive Managing Director - Mr. Cutlip joined the Gladstone Companies in June of 2012. Prior to joining Gladstone, he held executive level positions at three publicly traded real estate investment trusts: Duke Realty, Highwoods Properties, and First Industrial. Mr. Cutlip holds an MBA in Finance from University of Southern California, an MS in Civil Engineering from Vanderbilt University and a BS in Civil Engineering from the U.S. Air Force Academy.

Michael Sodo, CFO – Mr. Sodo most recently served as a CFO, Treasurer and Executive Vice President of VEREIT (NYSE:VER) from October 2014 through October 2015, having significant capital markets involvement, including relationships with investors, lenders, analysts, and rating agencies. Mr. Sodo, a Certified Public Accountant, started his career at KPMG in the audit function before spending 11 years at Capital Automotive (formerly Capital Automotive REIT) where he rose to Senior Vice President of Financial Reporting and Treasurer.

Jay Beckhorn, Treasurer - Mr. Beckhorn has been Treasurer of Gladstone Commercial and Gladstone Land since January 2015. He is also Assistant Treasurer of Gladstone Capital and Gladstone Investment. Prior to joining the Company, he held senior positions at Heavenrich & Co., an M&A group that serves the senior housing industry, and Sunrise Senior Living. He earned an MBA from Duke University's Fuqua School of Business and a BA from Colgate University.

Buzz Cooper, Senior Managing Director, South and Southeast Regions - Mr. Cooper joined the Gladstone Companies at their inception in June 2001 and operates out of the Company's corporate headquarters in McLean, VA, where he is responsible for identifying, underwriting, managing, and servicing much of the firm's commercial real estate investment projects. Prior to joining the firm, Mr. Cooper served as a Senior Vice President and Principal of Allied Capital Corporation and its affiliate funds. Mr. Cooper received a BA in Sociology and Anthropology from Washington and Lee University.

Matt Tucker, Managing Director, Northeast and Midwest Regions - Mr. Tucker joined the Gladstone Companies in May 2005. He is focused on sourcing and executing net-leased real estate acquisitions and sale-leaseback investments in the Northeast and Midwest U.S. Prior to joining Gladstone, he held investment and advisory positions with Liquid Realty Partners, SG Capital Partners, and Chase Securities in the High Yield Finance group. Mr. Tucker earned his MBA with high distinction from the University of Michigan Business School and holds an AB in Psychology from Princeton University.

Andrew White, Managing Director, Western Region - Mr. White joined the Gladstone Companies in August of 2013. Previously, he held senior positions with MetLife Real Estate Investments, ING Realty Partners, Berwind Property Group and MIG Real Estate. Mr. White earned an MBA with a concentration in finance and real estate from the University of California and a BS in mechanical engineering from Drexel University in Philadelphia.

Brandon Flickinger, Director of Operations – Mr. Flickinger manages regional acquisition and asset management activities as well as internal operations of the firm. He was formerly a Vice President in Jones Lange LaSalle's Real Estate Investment Group. Mr. Flickinger holds an MBA from Fordham University and a BBA from James Madison University.

Board of Directors:

David Gladstone – *Chairman*

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Caren D. Merrick – *Director*

Anthony W. Parker – *Director*

Terry Lee Brubaker – *Vice Chairman*

Michela A. English – *Director*

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Walter H Wilkinson Jr. – *Director*

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