STONEGATE CAPITAL MARKETS

NOVEMBER 4, 2025

INDUSTRY: DIVERSIFIED REIT

RESEARCH UPDATE

GLADSTONE COMMERCIAL CORP (NASDAQGS: GOOD)

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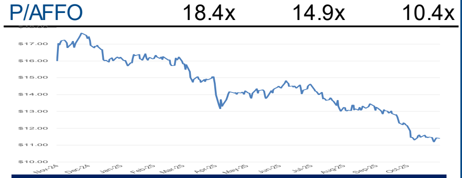
Market Statistics in USD	
Price	$ 11.40
52 week Range	$11.13 - $17.88
Daily Vol (3-mo. average)	464,661
Market Cap (M)	$ 530.8
Enterprise Value (M)	$1,488.0
Shares Outstanding: (M)	46.6
Float (M)	46.0
Public Ownership	50.4%
Institutional Ownership	48.4%

Financial Summary in USD	
Cash (M)	$ 18.4
Cash/Share	$ 0.40
Debt (M)	$ 753.2
Equity (M)	$ 355.0
Equity/Share	$ 7.62

FYE: Dec	2024	2025E	2026E
(all figures in M, expect per share information)			
Rev	$ 149.4	$ 156.8	$ 165.1
NOI	$ 124.0	$ 128.8	$ 138.7
EBITDA	$ 109.2	$ 114.7	$ 118.6
Net Income	$ 11.1	$ 4.5	$ 8.3
AFFO/Share	$ 0.88	$ 0.77	$ 1.10
EV/Revenue	10.5x	9.5x	9.0x
EV/EBITDA	14.4x	13.0x	12.5x
P/AFFO	18.4x	14.9x	10.4x



COMPANY DESCRIPTION

Gladstone Commercial Corp is a 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. The Company also has the capacity to make long-term industrial and commercial mortgage loans to companies of various industries across the United States. Gladstone's investment portfolio consists of real-estate properties that are leased to tenants with small- to medium-sized unrated businesses and larger rated businesses, occupied by companies controlled by buyout funds, and are purchased from and leased back to businesses that are seeking to raise capital. GOOD IPO'd on the NASDAQ in 2003 under the trading symbol GOOD and is currently headquartered in McLean, Virginia.

Company Updates

Transactions: In the third quarter of 2025, Gladstone Commercial Corp. maintained its disciplined portfolio management approach. The Company ended the quarter with 151 properties across 27 states, expanding its footprint from the previous quarter. During 3Q25, GOOD executed its capital recycling strategy by selling one non-core property, for $3.0M. Additionally, the Company expanded its portfolio by acquiring a fully occupied six facility portfolio totaling 693,236 square feet for $54.8M, at a cap rate of 9.53%. In the same period, the Company leased or renewed 14 properties over 734,464 square feet with a remaining lease term ranging from 0.7 years to 11.4 years. These moves underscore GOOD's ongoing emphasis on industrial assets while maintaining liquidity and reducing exposure to non-core properties.

Strengthened Liquidity and Capital Resources: Gladstone reported total liquidity of approximately $24.6M in 3Q25, consisting of $18.4M in cash and cash equivalents and $6.2M in borrowing capacity under its revolving credit facility. This liquidity position represents a decrease from last year, primarily due to a draw on the revolver. As of this report the Company has upsized its credit facility, providing for sufficient liquidity. These measures reflect the company's approach to maintaining flexibility while optimizing its debt.

Fundamentals Remain Strong: GOOD continues to demonstrate strong operational fundamentals, maintaining a high occupancy rate of 99.1% as of 3Q25, up from both 2Q25 and 4Q24. The Company also reported 100% cash rent collection in the quarter, showcasing its stable tenant base and strong leasing activity. Renewal and Leasing activity remained stable in 3Q25 despite broader economic uncertainty, with 14 properties seeing leasing activity. The portfolio's weighted average lease term was 7.5 years, reflecting the Company's ability to secure long-term leases with creditworthy tenants.

Quarterly Results: GOOD reported revenue, FFO per share, and AFFO per share of $40.8M, $0.35, and $0.09, respectively. This compares to our/consensus estimates of $38.8M/$40.2M, $0.48/$0.38, and $0.40/$0.31. Core FFO for the quarter was $0.35 per share, up from $0.33 in 2Q25.

Improving Diversification: GOOD continues its strategic shift toward industrial properties, reducing exposure to office assets. As of 3Q25, the Company's portfolio composition, based on annualized straight-line rent, consisted of 69% industrial properties and 28% office properties, maintaining its trajectory from the previous quarter and up from 63% industrial assets at year-end FY24. The shift underscores the Company's focus on acquiring resilient, long-duration, single-tenant net lease industrial properties.

Payout Ratios: The Company currently pays an 10.5% dividend yield, paying out an annualized $1.20 per share. This is down from the $1.50 per share paid out in FY22. As is noted in the valuation segment, despite the decreased dividend the company still appears undervalued. Based on a 3Q25 per share values for FFO of $0.35, Core FFO of $0.35, and AFFO of $0.09 GOOD has payout ratios of 86.6%, 86.4%, and 345.9% respectively.

Valuation: We use a combination of comp analysis, Revalued NAV (reNAV) per share analysis, and a Perpetual Growth Model based on the most recent FFO Payout Ratio to frame our valuation of GOOD. When we average these valuation methods it returns a valuation range of $13.57 to $15.43 with a mid-point of $14.50.

Quarterly Results

	3Q25 results		Notes
	Reported	Model	
Total revenues	**40.8**	**38.8**	Revenues outpaced expectations
Property Operating Expenses	7.4	5.8	
NOI	**33.4**	**33.0**	NOI margin came in slightly lower than expected
NOI Margin	**81.9%**	**85.0%**	
D&A	15.3	14.5	
Other	3.3	3.9	
Total opex	18.6	18.4	
Operating Profit	**14.8**	**14.7**	
Operating margin	**36.3%**	**37.8%**	
EBITDA - adjusted	**30.1**	**29.2**	
EBITDA margin	**73.7%**	**75.1%**	EBITDA in-line with expectations
EPS - Diluted	**$ 0.02**	**$ 0.23**	
FFO/Share	**$ 0.35**	**$ 0.48**	
AFFO/Share	**$ 0.09**	**$ 0.40**	

	Y/Y Change		Notes
	3Q24	3Q25	
Total revenues	**39.2**	**40.8**	Revenue up 4.1% Y/Y
Cost of sales	6.7	7.4	
Gross (loss) profit	**32.6**	**33.4**	
Gross margin	**83.0%**	**81.9%**	
D&A	13.3	15.3	
Other	8.5	3.3	
Total opex	21.9	18.6	
Operating Profit	**10.7**	**14.8**	
Operating margin	**27.2%**	**36.3%**	
EBITDA - adjusted	**28.6**	**30.1**	
EBITDA margin	**72.8%**	**73.7%**	83bps change in EBITDA margin Y/Y
EPS - Diluted	**$ 0.20**	**$ 0.02**	
FFO/Share	**$ 0.38**	**$ 0.35**	
AFFO/Share	**$ 0.14**	**$ 0.09**	

Business Overview

Gladstone Commercial Corp ("Good" or "The Company") is a real-estate investment trust (REIT) that primarily focuses on acquiring, owning, and managing single tenant and anchored multi-tenant industrial and office properties. The Company also has the capacity to make long-term industrial and commercial mortgage loans to companies of various industries across the United States. Gladstone's investment portfolio consists of real-estate properties that are leased to tenants with small- to medium-sized unrated businesses and larger rated businesses, occupied by companies controlled by buyout funds, and are purchased from and leased back to businesses that are seeking to raise capital. As of September 30, 2025, Gladstone owned 151 properties totaling 17.7 million square feet, located in 27 states. GOOD IPO'd on the NASDAQ in 2003 under the trading symbol GOOD and is currently headquartered in McLean, Virginia.

Exhibit 1: Current Portfolio as of 09/30/2025

Portfolio data[1]	
Total assets ($mm)	$ 1,265
Properties	151
Tenants	110
Industries	20
States	27
Average remaining lease term (years)	7.5
Occupancy	99.1 %
Square footage owned (mm)	17.7

Source: Company Presentation

Acquisitions are a key component of Gladstone's business. Management is highly selective in its acquisitions, focusing on candidates with accretive returns that are in targeted growth markets and are accretive to the portfolio. As of 3Q25, GOOD's total assets were ~$1.27B, increasing approximately 36% since 2017. In 2018, Gladstone began shifting its focus to acquiring industrial assets in attractive growth markets with long-term net leases to credit tenants. As of 3Q25, 69% of the portfolio is based in industrial assets, up from 39% at the end of FY19.

Exhibit 2: Industrial Asset Growth

Source: Company Presentation

Gladstone is led by an extensively experienced management team with a combined industry experience of over 130 years. Management's background involves buying, leasing, and owning office and industrial real estate, as well as a vast knowledge of lending and investing in middle market and larger operating companies. At the helm is founder and CEO David Gladstone who has extensive experience including commercial lending, investing, and buyout scenarios, and Buzz Cooper who has been with the Company for over 20 years and whose experience includes asset and property acquisitions, buying loans from RTC and making real estate backed loans.

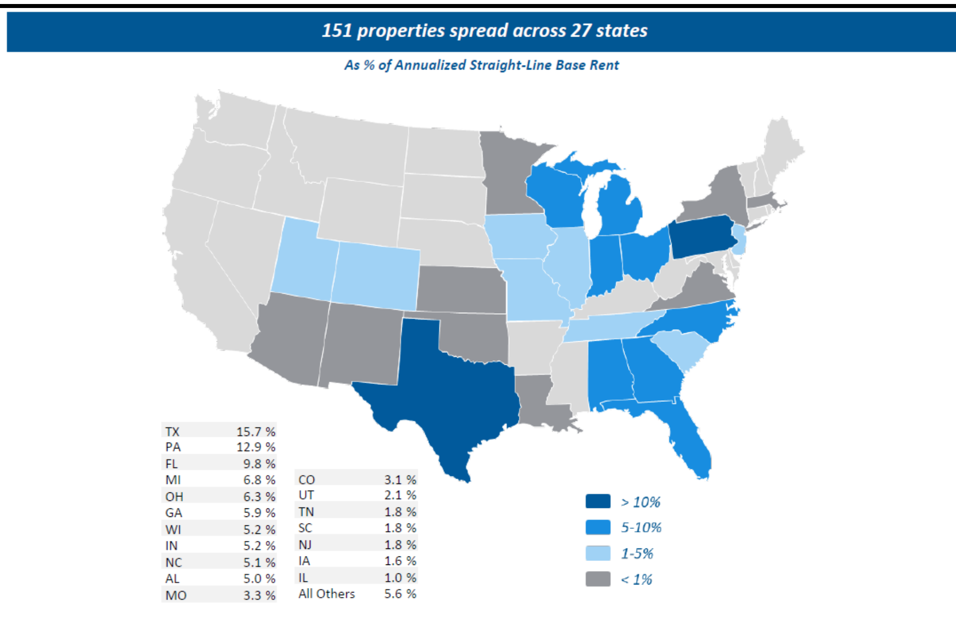
Market Strategy

Gladstone has a market strategy driven by a highly diversified portfolio, stable income streams, selective underwriting, predictable cash flows from quality assets, and matching long-term leases with long-term fixed rate debt. These elements are crucial to GOOD's investment philosophy and have allowed the Company to maintain a stable portfolio and strong balance sheet, which positions GOOD to continue making strategic acquisitions.

Highly Diversified Portfolio:

Gladstone prioritizes tenants that are diversified by geography, industry, property type, and by size, ranging from small private companies to large publicly traded corporations. These larger public tenants include General Motors (NYSE: GM), Automatic Data Processing, Inc. (NasdaqGS: ADP), and T-Mobile US, Inc. (NasdaqGS: TMUS). Midsize tenants occupying properties ranging from 30-150K SF (office) and 75-500K SF (industrial) are the portfolio's primary focus. GOOD's tenants represent 20 different industries such as automotive, telecommunications, diversified services as well as building and real estate, which make up 19%, 8%, 11%, and 9% of the portfolio, respectively. Moreover, the group is geographically diverse, spreading across 27 U.S. states shown in exhibit 3. This diversity has aided GOOD to maintain stability and mitigate risks.

Exhibit 3: Gladstone's Properties



Source: Company Presentation

Stable Income Streams:

The Company targets growth markets across the U.S. to accumulate assets in specific markets to create valuable portfolios. This strategy emphasizes submarkets with strong economic components, including population growth, a diverse industry base, constrained supply, and high barriers to entry. These promising growth markets present GOOD with a stable income stream that strengthens the portfolio.

Selective Underwriting:

Gladstone analyzes potential acquisitions by considering potential tenant strength based off financial statements, capital structures, credit ratings, management experience, industry fundamentals, and their ability to withstand downturns, as well as assessing markets poised for growth, asset quality, and focused transactions. This is a proven strategy that has led to consistently strong growth. As a result, GOOD's occupancy is now at 99.1% and has never fallen below 95% since IPO in 2003.

Predictable Cash from Quality Assets:

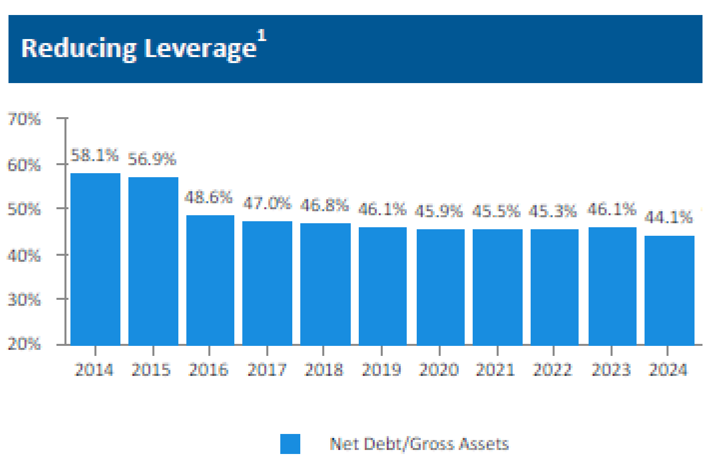
The portfolio contains quality assets with flexible configurations that are critical to their tenants' operations. Gladstone targets net leases with 7+ years remaining once acquired. These properties include single tenant and anchored multi-tenant office and industrial properties. Industrial properties have progressively become the management's priority and now make up 69% of the portfolio.

Historically, GOOD acquires triple net (NNN) leases, which requires tenants to pay rent, plus all of the taxes, property insurance and maintenance/repair costs. The advantages of triple net leases include consistent cash flows with predictable returns and higher yields than comparable assets.

Matching Long-term Leases with Long-term Fixed Rate Debt:

Gladstone mitigates the risk against the possibility of both another recession and increasing interest rates by matching long-term leases with long-term fixed debt. From this, management has focused on deleveraging and refinancing debt at lower rates. Net debt as a percentage of gross assets was 44.9% in 4Q24, decreasing 1,310bps since 2014. There are significant opportunities to create savings through refinancing debt. The proceeds from refinancing debt help fuel GOOD's acquisition pipeline.

Exhibit 4: Deleveraging

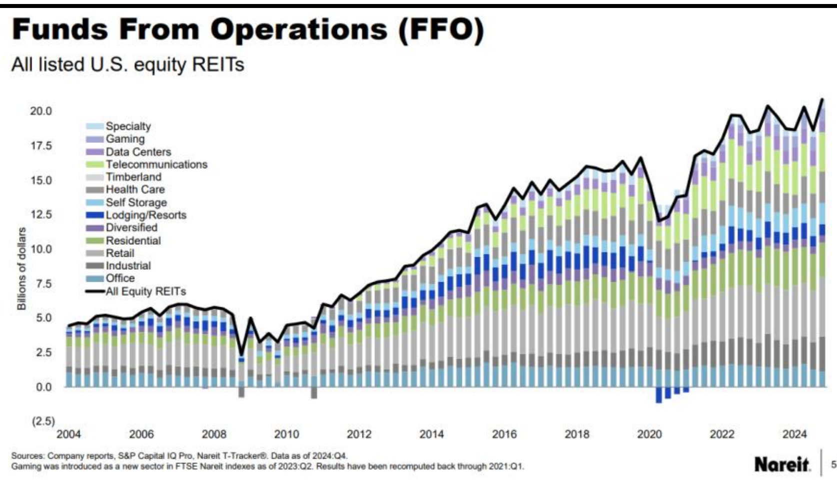


Source: Company Presentation

Industry Overview

U.S. equity REITs experienced reduction in funds from operations (FFO) as a result of the Covid-19 pandemic. However, REITs quickly rebounded and even surpassed pre-pandemic levels. This plays into the fact that REITs historically outperform private real estate and the overall market during and after recessions, shown in exhibit 5. Companies across all industries have instituted return-to-work policies after a movement to work from home in 2020, which will increase broad occupancy rates going forward and thus lead to stronger leasing and operational performance for REITs going forward.

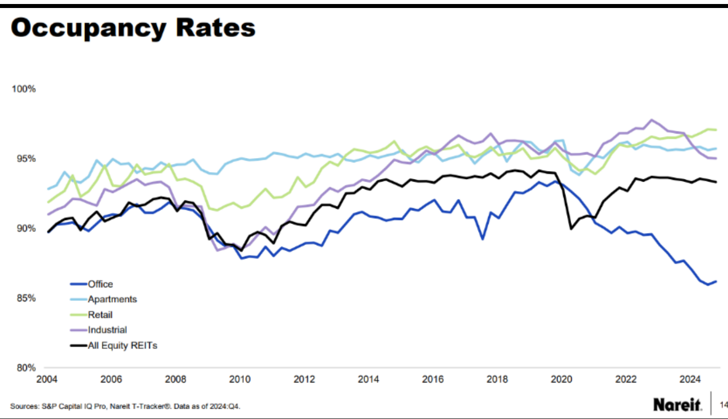
Exhibit 5: Equity REIT Funds from Operations (FFO) Growth



Source: NAREIT T-tracker (4Q24)

As of 4Q24, the most recent quarter with data, occupancy rates in the industrial sector are the highest amongst all industries at ~94.0%. Despite a plateau in starts and sales due to higher rates and economic uncertainty, industrial occupancy has persisted, and long-term demand remains positive. Comparatively, office space development has declined and there is a record high of office properties being demolished, redeveloped, or converted. The pivot to industrials properties bodes well for GOOD going forward as the Company continues to transition its portfolio to a higher concentration in industrial properties.

Exhibit 6: Occupancy Rates by Industry



Source : NAREIT T-tracker (4Q24)

Risks

As with any investment, there are certain risks associated with GOODs operations as well as with the surrounding economic and regulatory environments common to the real estate industry.

Competition – GOOD operates in a highly competitive industry with low barriers to entry. The Company competes with other REITs and lenders, some of whom have greater access to financial resources. Should GOOD lose out on quality properties in potential growth markets to its competitors, its operations and ability to grow its portfolio are at risk.

Interest Rates – High interest rates have historically impacted the value of real estate. Considering REITs are significantly sensitive to volatile movements in interest rates as a result of their leverage, GOOD could see a reduction in the value of its assets as well as a rise in the cost of debt should rates remain volatile.

Tenants – Weakening economic conditions could cause GOOD's tenants to be unable to meet lease obligations. Any failure to meet these obligations would result in a significant impact on GOOD's operations.

Geography – The locations of GOOD's geographic markets pose environmental and economic risks. Immobile hard assets are subject to environmental disasters such as forest fires, tornadoes, and earthquakes which could damage the properties.

VALUATION SUMMARY

We use a combination of comp analysis, reNAV per share analysis, and a Perpetual Growth Model based on the most recent FFO Payout Ratio to frame our valuation of GOOD. When we average these valuation methods it returns a valuation range of $13.57 to $15.43 with a mid-point of $14.50.

Comparative Analysis
(all figures in M, expect per share information)

Company Name	Symbol	Price (1)	Mrkt Cap	EV	Div Yield	BV/Share	EV/Revenue (2, 3) 2024	EV/Revenue 2025E	EV/Revenue 2026E	EV/EBITDA (2, 3) 2024	EV/EBITDA 2025E	EV/EBITDA 2026E	Price/AFFO (2, 3) 2024	Price/AFFO 2025E	Price/AFFO 2026E
Armada Hoffler Properties, Inc.	AHH	$ 6.48	$ 519.4	$ 2,083.1	12.7%	$ 8.26	10.1x	7.9x	7.5x	15.2x	11.9x	10.8x	11.0x	8.8x	7.7x
Broadstone Net Lease, Inc.	BNL	$ 18.15	$ 3,434.3	$ 5,812.9	6.4%	$ 15.25	11.7x	12.8x	12.1x	13.9x	14.8x	13.5x	11.1x	12.2x	11.7x
CTO Realty Growth, Inc.	CTO	$ 16.90	$ 547.1	$ 1,142.9	9.0%	$ 17.05	9.6x	7.7x	7.3x	14.8x	16.5x	11.4x	9.9x	8.6x	7.9x
LXP Industrial Trust	LXP	$ 9.54	$ 2,821.9	$ 4,202.6	5.9%	$ 6.65	11.4x	12.1x	12.0x	15.9x	16.4x	16.2x	12.7x	15.1x	13.5x
Modiv Industrial, Inc.	MDV	$ 14.47	$ 147.0	$ 461.5	8.1%	$ 16.32	9.4x	9.8x	9.6x	12.8x	11.9x	11.5x	11.1x	10.3x	9.9x
NNN REIT, Inc.	NNN	$ 40.89	$ 7,719.3	$ 12,357.9	5.9%	$ 23.28	13.7x	13.5x	12.9x	15.0x	14.9x	14.1x	12.2x	11.9x	11.6x
NETSTREIT Corp.	NTST	$ 18.70	$ 1,562.6	$ 2,623.5	4.6%	$ 15.56	12.7x	13.6x	12.1x	15.3x	17.0x	14.7x	11.2x	14.5x	13.8x
One Liberty Properties, Inc.	OLP	$ 19.99	$ 431.8	$ 870.9	9.0%	$ 14.55	10.9x	9.0x	8.7x	19.2x	13.5x	13.1x	14.3x	10.3x	10.1x
Alpine Income Property Trust, Inc	PINE	$ 14.62	$ 207.1	$ 585.7	7.8%	$ 15.79	11.9x	10.0x	9.7x	14.9x	13.5x	12.4x	9.6x	8.1x	7.6x
STAG Industrial, Inc.	STAG	$ 38.55	$ 7,199.2	$ 10,376.7	3.9%	$ 18.34	11.9x	12.3x	11.5x	16.2x	16.8x	15.5x	N/A	18.2x	17.3x
				Average	**7.3%**	**$ 15.11**	**11.3x**	**10.9x**	**10.3x**	**15.3x**	**14.7x**	**13.3x**	**11.5x**	**11.8x**	**11.1x**
				Median	**7.1%**	**$ 15.68**	**11.6x**	**11.0x**	**10.6x**	**15.1x**	**14.8x**	**13.3x**	**11.1x**	**11.1x**	**10.9x**
Gladstone Commercial Corpora	GOOD	$ 11.40	$ 530.8	$ 1,488.0	10.5%	$ 3.81	10.5x	9.5x	9.0x	14.4x	13.0x	12.5x	18.4x	14.9x	10.4x

(1) Previous day's closing price
(2) Estimates are from Capital IQ
(3) Forward estimates as of calendar year
Source: Company reports, CapitalIQ, Stonegate Capital Partners

We are using an EV/EBITDA and Price/AFFO framework to inform our GOOD valuation. Currently GOOD is trading at a FY26 EV/EBITDA of 12.5x compared to comps at an average of 13.3x. We are using our FY26 expected EBITDA, and an EV/EBITDA range of 13.0x to 14.0x with a midpoint of 13.5x which moves GOOD closer to comp companies. This arrives at a valuation range of $13.68 to $16.23 with a mid-point of $14.95. For our Price/AFFO analysis, GOOD is trading at a FY26 multiple of 10.4x compared to comps at an average of 11.1x We are using our FY26 expected AFFO, and a Price/AFFO range of 11.0x to 12.0x with a midpoint of 11.5x This arrives at a valuation range of $12.10 to $13.19 with a mid-point of $12.65.

For our NAV analysis we use a cap rate range of 8.00% and 8.50% Which we believe is reasonable given the Company's recent transactions. This arrives at a reNAV/Share range, after accounting for a discount to the re/NAV, of $14.05 to $16.02 with a mid-point of $15.01.

EV/EBITDA			
2026 E	**13.00x**	**13.50x**	**14.00x**
Adj EBITDA	118.6	118.6	118.6
TEV	1,542.0	1,601.3	1,660.6
Cash	18.4	18.4	18.4
Debt	753.2	753.2	753.2
Mezz Equity	170.0	170.0	170.0
Minority Int.	0.1	0.1	0.1
Mrkt Cap	637.0	696.3	755.6
S/O	46.6	46.6	46.6
Price	**$ 13.68**	**$ 14.95**	**$ 16.23**

Price/AFFO			
2026 E	**11.00x**	**11.50x**	**12.00x**
AFFO/Sh.	1.10	1.10	1.10
Price	**$ 12.10**	**$ 12.65**	**$ 13.19**

NAV			
2026E NOI	**$ 138.7**	**$ 138.7**	**$ 138.7**
Est. Cap Rate[1]	8.50%	8.25%	8.00%
Est. NAV	1,631.9	1,681.4	1,733.9
Cash	18.4	18.4	18.4
Debt	753.2	753.2	753.2
Mezz Equity	170.0	170.0	170.0
Minority Int.	0.1	0.1	0.1
Mrkt Cap	726.9	776.4	828.9
S/O	46.6	46.6	46.6
reNAV/Share	**$ 15.61**	**$ 16.67**	**$ 17.80**

(1) Estimate based on Company Reported Cap Rates

reNAV Sensitivity Analysis									
reNAV/Share	**$ 15.61**	**$ 15.61**	**$ 15.61**	**$ 16.67**	**$ 16.67**	**$ 16.67**	**$ 17.80**	**$ 17.80**	**$ 17.80**
Discount to NAV	85%	90%	95%	85%	90%	95%	85%	90%	95%
Price	**$ 13.27**	**$ 14.05**	**$ 14.83**	**$ 14.17**	**$ 15.01**	**$ 15.84**	**$ 15.13**	**$ 16.02**	**$ 16.91**

Finally, we look at a perpetual growth model to account for the recent reduction in dividends. Even when we apply the LTM reduced FFO payout ratio of 85% to our forward estimated FY26 FFO we still expect a payout per share of at least $1.23 which when used in a perpetual growth model returns a valuation range of $14.47 to $16.28 with a mid-point of $15.38. This conservative valuation approach still results in a premium to current price of 27.0% to 42.8% with a mid-point of 34.9%.

Perpetual Growth Model									
2026E FFO	**66.4**	**69.9**	**73.4**	**66.4**	**69.9**	**73.4**	**66.4**	**69.9**	**73.4**
Payout Ratio (Low, LTM, High)		80%			85%			90%	
Forward Payout ($M)		55.9			59.4			62.9	
Forward S/O		48.3			48.3			48.3	
Payout Per Share		$ 1.16			$ 1.23			$ 1.30	
Discount Rate	10.50%	10.00%	9.50%	10.50%	10.00%	9.50%	10.50%	10.00%	9.50%
Growth Rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Price	**$ 13.62**	**$ 14.47**	**$ 15.44**	**$ 14.47**	**$ 15.38**	**$ 16.40**	**$ 15.32**	**$ 16.28**	**$ 17.37**

BALANCE SHEET

Gladstone Commercial Corporation
Consolidated Balance Sheets ($M)
Fiscal Year End: December

ASSETS	FY 2018	FY2019	FY 2020	FY 2021	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25
Real Estate At Cost	946.6	1,057.0	1,128.7	1,225.3	1,287.3	1,285.5	1,232.9	1,226.5	1,221.4	1,221.4	1,209.9	1,230.2	1,214.3	1,211.8	1,211.8	1,279.5	1,347.2	1,400.4
Accumulated Depreciation	(178.3)	(207.5)	(228.5)	(266.7)	(287.0)	(294.8)	(286.9)	(292.0)	(299.7)	(299.7)	(304.0)	(311.4)	(313.7)	(319.6)	(319.6)	(329.4)	(339.3)	(350.2)
Total Real Estate, net	768.4	849.5	900.2	958.6	1,000.3	990.8	945.9	934.5	921.7	921.7	905.9	918.8	900.6	892.1	892.1	950.1	1,007.8	1,050.2
Lease Intangibles	111.4	115.5	117.4	114.5	111.6	107.8	104.4	102.6	101.0	101.0	97.7	95.9	97.8	95.1	95.1	102.7	114.2	120.3
Real Estate and Related Assets Held for Sale, N	4.2	4.0	8.5	-	3.0	4.7	36.8	29.4	28.8	28.8	18.3	4.2	17.0	4.4	4.4	4.4	2.8	-
Cash and Cash Equivalents	6.6	6.8	11.0	8.0	11.7	14.3	16.5	18.3	12.0	12.0	10.5	10.4	10.5	11.0	11.0	10.4	11.7	18.4
Restricted Cash	2.5	4.6	5.1	5.2	4.3	4.5	4.1	3.8	4.2	4.2	4.5	4.0	4.0	4.1	4.1	5.0	4.2	6.2
Funds Held in Escrow	6.0	7.2	9.1	7.3	8.8	5.9	8.5	8.5	7.5	7.5	5.3	5.5	5.7	5.4	5.4	5.5	5.7	5.9
Right-of-use Assets from Operating Leases	-	5.8	5.6	5.4	5.1	5.1	5.0	5.0	4.9	4.9	4.1	4.1	4.0	4.0	4.0	6.8	6.8	6.7
Deferred Rents Receivable	34.8	37.2	36.6	39.1	38.9	39.7	40.0	40.5	41.0	41.0	41.9	42.9	44.9	45.3	45.3	45.6	46.4	47.0
Other Assets	4.9	8.9	4.5	5.4	17.7	13.9	20.7	24.7	12.4	12.4	17.0	19.8	11.9	33.0	33.0	30.0	10.4	10.3
Total Assets	**938.8**	**1,039.5**	**1,097.9**	**1,143.4**	**1,201.5**	**1,186.6**	**1,181.9**	**1,167.2**	**1,133.5**	**1,133.5**	**1,105.2**	**1,105.5**	**1,096.3**	**1,094.4**	**1,094.4**	**1,160.4**	**1,210.0**	**1,265.0**
LIABILITIES AND SHAREHOLDERS' EQUITY																		
Mortgage Note Payable, Net	441.3	453.7	456.2	449.9	359.4	354.6	348.4	311.0	295.9	295.9	276.0	273.8	271.6	269.6	269.6	267.3	257.9	255.5
Borrowings Under Revolver	50.1	51.6	53.3	33.6	23.3	26.3	38.5	71.0	75.8	75.8	76.0	81.2	53.3	1.9	1.9	51.3	94.4	145.4
Borrowings under Term Loans, net	74.6	121.3	159.2	224.0	366.6	366.7	366.9	367.1	367.3	367.3	367.4	367.6	367.8	347.9	347.9	348.1	368.1	348.5
Borrowings Under Unsecured Term D Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19.9
Deferred Rent Liability, Net	17.3	19.3	20.6	26.8	40.0	38.8	35.8	31.8	29.3	29.3	27.6	25.5	23.6	22.0	22.0	22.3	20.6	19.1
Operating Lease Liabilities	-	5.8	5.7	5.5	5.3	5.3	5.2	5.1	5.1	5.1	4.2	4.2	4.1	4.1	4.1	4.0	3.9	3.9
Liabilities Related to Assets Held for Sale, Net	-	0.0	-	-	-	-	0.9	0.6	0.7	0.7	0.7	0.7	0.2	-	-	-	2.9	3.0
Asset Retirement Obligations	2.9	3.1	3.1	3.8	4.8	4.8	4.8	4.8	4.9	4.9	5.0	5.0	5.0	5.1	5.1	5.1	5.2	5.3
Accounts Payable and Accrued Expenses	2.7	5.6	4.5	6.7	9.6	9.8	11.5	13.6	13.6	13.6	14.3	16.2	15.7	13.2	13.2	15.8	20.0	15.2
Due to Adviser and Administrator	2.5	2.9	3.0	3.4	3.4	2.5	2.6	2.6	2.6	2.6	2.9	3.6	3.1	2.5	2.5	3.4	3.0	2.5
Senior Unsecured Notes, net	-	-	-	-	-	-	-	-	-	-	-	-	-	74.0	74.0	74.0	74.0	74.1
Other Liabilities	7.3	12.9	17.1	16.8	14.6	17.2	13.6	12.9	14.1	14.1	12.9	12.0	12.9	12.8	12.8	15.8	12.6	17.8
Total Liabilities	**598.8**	**676.3**	**722.6**	**770.5**	**826.9**	**825.9**	**828.2**	**820.5**	**809.2**	**809.2**	**786.9**	**789.7**	**757.2**	**753.0**	**753.0**	**807.1**	**862.6**	**910.0**
Mezzanine Equity	85.6	152.2	159.3	170.3	170.1	170.0	170.0	170.0	170.0	170.0	170.0	170.0	170.0	170.0	170.0	170.0	170.0	170.0
Total Mezzanine Equity	**85.6**	**152.2**	**159.3**	**170.3**	**170.1**	**170.0**	**170.0**	**170.0**	**170.0**	**170.0**	**170.0**	**170.0**	**170.0**	**170.0**	**170.0**	**170.0**	**170.0**	**170.0**
Senior Common Stock - Par Value	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Stock - Par Value	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Series F preferred stock - Par Value	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional Paid in Capital	560.0	571.2	626.5	671.1	721.3	725.9	728.6	729.4	730.3	730.3	730.5	742.1	780.2	784.4	784.4	811.9	820.6	842.0
Accumulated Other Comprehensive Income	(0.1)	(2.1)	(4.3)	(1.3)	11.6	6.0	14.3	19.8	7.8	7.8	13.3	13.8	3.4	10.6	10.6	6.6	4.3	3.7
Distributions in Excess of Accumulated Earning	(310.1)	(361.0)	(409.0)	(468.5)	(530.2)	(542.9)	(560.7)	(574.1)	(584.8)	(584.8)	(596.5)	(610.2)	(614.7)	(623.9)	(623.9)	(635.4)	(647.8)	(660.9)
Total Parent Net Equity	**249.7**	**208.1**	**213.2**	**201.3**	**202.8**	**189.0**	**182.2**	**175.1**	**153.3**	**153.3**	**147.3**	**145.7**	**168.9**	**171.2**	**171.2**	**183.2**	**177.2**	**184.8**
Minority interest	4.7	2.9	2.9	1.3	1.8	1.6	1.5	1.5	1.0	1.0	0.9	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Consolidated Equity	**340.0**	**363.2**	**375.3**	**372.8**	**374.6**	**360.7**	**353.8**	**346.6**	**324.3**	**324.3**	**318.3**	**315.9**	**339.1**	**341.3**	**341.3**	**353.4**	**347.4**	**355.0**
Total Liabilities and Shareholders' Equity	**938.8**	**1,039.5**	**1,097.9**	**1,143.4**	**1,201.5**	**1,186.6**	**1,181.9**	**1,167.2**	**1,133.5**	**1,133.5**	**1,105.2**	**1,105.5**	**1,096.3**	**1,094.3**	**1,094.3**	**1,160.4**	**1,210.0**	**1,265.0**

INCOME STATEMENT

Gladstone Commercial Corporation
Consolidated Statements of Income (in $M, except per share amounts)
Fiscal Year End: December

	FY 2018	FY2019	FY 2020	FY 2021	FY 2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 E Dec-25	FY 2025E	Q1 E Mar-26	Q2 E Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E
Revenue	$ 106.8	$ 114.4	$ 133.2	$ 137.7	$ 149.0	$ 147.6	$ 35.7	$ 37.1	$ 39.2	$ 37.4	$ 149.4	$ 37.5	$ 39.5	$ 40.8	$ 39.0	$ 156.8	$ 40.2	$ 41.2	$ 42.2	$ 41.5	$ 165.1
Total Revenues	**106.8**	**114.4**	**133.2**	**137.7**	**149.0**	**147.6**	**35.7**	**37.1**	**39.2**	**37.4**	**149.4**	**37.5**	**39.5**	**40.8**	**39.0**	**156.8**	**40.2**	**41.2**	**42.2**	**41.5**	**165.1**
Property Operating Expenses	11.5	12.6	26.0	27.1	26.8	25.9	5.9	5.8	6.7	7.0	25.4	6.9	7.3	7.4	6.5	28.1	6.7	6.4	6.8	6.5	26.4
Net Operating Income	**95.3**	**101.8**	**107.1**	**110.6**	**122.1**	**121.7**	**29.8**	**31.3**	**32.6**	**30.3**	**124.0**	**30.6**	**32.3**	**33.4**	**32.5**	**128.8**	**33.5**	**34.8**	**35.4**	**35.0**	**138.7**
Depreciation and Amortization	47.6	52.0	55.4	60.3	61.7	57.9	13.3	16.0	13.3	13.1	55.8	13.2	14.2	15.3	15.3	58.0	15.3	15.5	16.0	16.5	63.3
Base Management Fee	5.1	5.2	5.6	5.9	6.3	6.4	1.5	1.5	1.5	1.5	6.1	1.6	1.6	1.7	1.7	6.6	1.8	1.8	1.8	1.8	7.0
Incentive Fee, net	3.0	3.7	4.3	4.8	5.3	-	0.4	1.0	0.8	0.1	2.2	0.6	-	-	-	0.6	1.5	1.5	1.5	1.5	6.0
Administration Fee	1.6	1.7	1.6	1.4	1.9	2.4	0.6	0.6	0.7	0.6	2.6	0.6	0.6	0.7	0.7	2.6	0.7	0.7	0.7	0.7	2.6
General and Administrative	2.4	3.2	3.3	3.2	3.7	4.4	1.0	1.0	1.0	0.8	3.9	0.9	1.4	0.9	1.0	4.2	1.1	1.1	1.2	1.2	4.5
Impairment Charge	-	1.8	3.6	-	12.1	19.3	0.5	-	4.5	1.8	6.8	-	0.0	-	-	0.0	-	-	-	-	-
Total Operating Expenses	59.7	67.6	73.9	75.7	90.9	90.2	17.4	20.2	21.9	17.9	77.4	17.0	17.9	18.6	18.6	72.1	20.2	20.5	21.1	21.6	83.4
Operating Income	**35.7**	**34.2**	**33.3**	**34.9**	**31.2**	**31.5**	**12.4**	**11.1**	**10.7**	**12.4**	**46.6**	**13.6**	**14.4**	**14.8**	**13.9**	**56.7**	**13.3**	**14.3**	**14.3**	**13.4**	**55.4**
Interest Expense	(26.2)	(28.3)	(26.8)	(26.9)	(32.5)	(37.3)	(9.5)	(9.5)	(9.3)	(9.1)	(37.4)	(9.1)	(10.1)	(10.7)	(10.7)	(40.6)	(9.2)	(9.2)	(9.2)	(9.2)	(36.9)
Gain/Loss on Sale of Real Estate	2.8	3.0	8.1	(1.1)	10.1	7.7	0.3	(0.0)	10.3	3.7	14.2	-	0.4	(0.0)	-	0.4	0.5	0.5	0.5	0.5	2.0
Other Income	0.1	0.7	0.4	2.9	0.5	3.0	0.3	0.0	0.0	0.3	0.6	0.6	(0.1)	0.0	0.1	0.6	0.1	0.1	0.1	0.1	0.2
Net Income	**12.3**	**9.5**	**15.0**	**9.7**	**9.3**	**4.9**	**3.5**	**1.6**	**11.7**	**7.2**	**24.0**	**5.1**	**4.6**	**4.1**	**3.2**	**17.1**	**4.6**	**5.6**	**5.7**	**4.7**	**20.7**
Non-Controlling Interest	(0.0)	0.1	(0.0)	0.0	0.0	0.1	(0.0)	0.0	(0.0)	(0.0)	(0.0)	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Distributions to D,E,F, & G Preferred Stock	(10.4)	(10.8)	(11.0)	(11.5)	(11.9)	(12.3)	(3.1)	(3.1)	(3.1)	(3.1)	(12.4)	(3.1)	(3.1)	(3.1)	(3.0)	(12.3)	(3.0)	(3.0)	(3.0)	(3.0)	(12.0)
Offering Cost Write Off	-	(2.7)	-	(2.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Attributable to Senior Common	(0.9)	(0.9)	(0.8)	(0.7)	(0.5)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)
Loss on Extinguishment of Series F Stock	-	-	-	-	(0.0)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gain on Repurchase of Series G Stock	-	-	-	-	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income To Common Stkhldrs	**1.0**	**(4.8)**	**3.1**	**(4.6)**	**(3.0)**	**(7.7)**	**0.3**	**(1.6)**	**8.5**	**4.0**	**11.1**	**1.9**	**1.5**	**1.0**	**0.1**	**4.5**	**1.5**	**2.6**	**2.6**	**1.6**	**8.3**
Dividend Per Share	**$ 1.50**	**$ 1.50**	**$ 1.50**	**$ 1.50**	**$ 1.50**	**$ 1.20**	**$ 0.30**	**$ 0.30**	**$ 0.30**	**$ 0.30**	**$ 1.20**	**$ 0.30**	**0.30**	**$ 0.30**	**$ 0.30**	**$ 1.20**	**$ 0.30**	**$ 0.30**	**$ 0.30**	**$ 0.30**	**$ 1.20**
Funds From Operations (FFO) to Common ($M)	**46.8**	**46.9**	**55.0**	**57.6**	**61.1**	**59.2**	**13.6**	**14.5**	**16.2**	**15.3**	**60.0**	**15.3**	**15.4**	**16.4**	**15.5**	**62.5**	**16.4**	**17.7**	**18.2**	**17.7**	**69.9**
FFO Per Share	**$ 1.63**	**$ 1.53**	**$ 1.61**	**$ 1.58**	**$ 1.57**	**$ 1.46**	**$ 0.34**	**$ 0.36**	**$ 0.38**	**$ 0.35**	**$ 1.41**	**$ 0.34**	**$ 0.33**	**$ 0.35**	**$ 0.32**	**$ 1.34**	**$ 0.34**	**$ 0.37**	**$ 0.38**	**$ 0.36**	**$ 1.45**
Core FFO to Common ($M)	**47.1**	**50.3**	**55.4**	**58.7**	**61.8**	**59.9**	**13.9**	**14.6**	**16.3**	**15.3**	**60.5**	**15.3**	**16.1**	**16.4**	**16.5**	**64.3**	**16.4**	**17.7**	**18.2**	**17.7**	**70.1**
Core FFO Per Share	**$ 1.64**	**$ 1.64**	**$ 1.63**	**$ 1.61**	**$ 1.59**	**$ 1.47**	**$ 0.34**	**$ 0.36**	**$ 0.38**	**$ 0.35**	**$ 1.42**	**$ 0.34**	**$ 0.35**	**$ 0.35**	**$ 0.35**	**$ 1.38**	**$ 0.34**	**$ 0.37**	**$ 0.38**	**$ 0.36**	**$ 1.45**
Adj. Funds From Operations (AFFO) to Common ($M)	**42.8**	**38.4**	**46.7**	**48.6**	**51.7**	**44.4**	**11.3**	**12.2**	**5.9**	**10.2**	**37.2**	**12.9**	**11.2**	**4.1**	**10.4**	**35.7**	**12.2**	**13.5**	**14.0**	**13.5**	**53.1**
AFFO Per Share	**$ 1.49**	**$ 1.25**	**$ 1.37**	**$ 1.33**	**$ 1.33**	**$ 1.09**	**$ 0.28**	**$ 0.30**	**$ 0.14**	**$ 0.23**	**$ 0.88**	**$ 0.29**	**$ 0.24**	**$ 0.09**	**$ 0.22**	**$ 0.77**	**$ 0.25**	**$ 0.28**	**$ 0.29**	**$ 0.28**	**$ 1.10**
AFFO Payout Ratio	101%	120%	109%	113%	113%	110%	107%	100%	219%	130%	136%	104%	123%	346%	137%	156%	118%	107%	104%	108%	109%
Basic EPS	**0.03**	**(0.16)**	**0.09**	**(0.13)**	**(0.08)**	**(0.18)**	**0.01**	**(0.04)**	**0.20**	**0.09**	**0.27**	**0.04**	**0.03**	**0.02**	**0.00**	**0.10**	**0.03**	**0.05**	**0.05**	**0.03**	**0.17**
Diluted EPS	**0.03**	**(0.16)**	**0.09**	**(0.13)**	**(0.08)**	**(0.19)**	**0.01**	**(0.04)**	**0.20**	**0.09**	**0.27**	**0.04**	**0.03**	**0.02**	**0.00**	**0.10**	**0.03**	**0.05**	**0.05**	**0.03**	**0.17**
WTD Shares Out - Basic	28.7	30.7	34.0	36.5	39.0	40.3	40.3	40.4	42.8	44.0	41.9	44.6	46.2	46.9	47.3	46.3	47.6	47.8	48.1	48.3	47.9
WTD Shares Out - Diluted	28.7	30.7	34.0	36.5	39.0	40.7	40.7	40.7	43.2	44.3	42.3	45.0	46.2	47.2	47.7	46.5	48.0	48.2	48.4	48.7	48.3
EBITDA	**86.1**	**89.9**	**97.2**	**96.9**	**103.4**	**100.1**	**26.3**	**27.1**	**34.4**	**29.4**	**117.2**	**27.5**	**28.9**	**30.1**	**29.2**	**115.7**	**29.1**	**30.4**	**30.9**	**30.4**	**120.8**
Adjusted EBITDA	**$ 83.3**	**$ 88.0**	**$ 92.3**	**$ 95.2**	**$ 105.0**	**$ 108.6**	**$ 26.2**	**$ 27.1**	**$ 28.6**	**$ 27.3**	**$ 109.2**	**$ 26.9**	**$ 28.6**	**$ 30.1**	**$ 29.1**	**$ 114.7**	**$ 28.6**	**$ 29.8**	**$ 30.3**	**$ 29.9**	**$ 118.6**
Margin Analysis																					
NOI Margin	89.3%	89.0%	80.5%	80.3%	82.0%	82.5%	83.5%	84.3%	83.0%	81.1%	83.0%	81.6%	81.6%	81.9%	83.3%	82.1%	83.3%	84.5%	84.0%	84.3%	84.0%
Operating Margin	33.4%	29.9%	25.0%	25.3%	21.0%	21.3%	34.7%	29.9%	27.2%	33.2%	31.2%	36.4%	36.4%	36.3%	35.6%	36.2%	33.1%	34.8%	34.0%	32.2%	33.5%
EBITDA Margin	78.0%	76.9%	69.4%	69.1%	70.5%	73.6%	73.4%	73.1%	72.8%	73.0%	73.1%	71.7%	72.5%	73.7%	74.7%	73.2%	71.0%	72.5%	71.9%	72.0%	71.9%
Net Income Margin	11.5%	8.3%	11.3%	7.1%	6.2%	3.3%	9.9%	4.3%	29.9%	19.2%	16.1%	13.7%	11.7%	10.1%	8.2%	10.9%	11.5%	13.7%	13.4%	11.3%	12.5%
Growth Rate Y/Y																					
Total Revenue	12.7%	7.1%	16.4%	3.4%	8.2%	-0.9%	-2.3%	-4.1%	7.6%	4.1%	1.2%	5.0%	6.7%	4.1%	4.3%	5.0%	7.3%	4.1%	3.3%	6.5%	5.3%
NOI	9.4%	6.8%	5.3%	3.2%	10.5%	-0.3%	0.0%	-2.1%	9.8%	0.0%	1.8%	2.6%	3.3%	2.7%	7.0%	3.9%	9.5%	7.7%	6.0%	7.8%	7.7%
Operating Income	34.8%	-4.2%	-2.5%	4.8%	-10.5%	0.8%	4.3%	124.3%	55.4%	59.6%	48.0%	10.0%	29.8%	38.6%	11.7%	21.7%	-2.4%	-0.4%	-3.2%	-3.4%	-2.4%
Net Income	107.6%	-22.6%	57.1%	-35.0%	-4.7%	-46.9%	11.3%	-134.9%	554.1%	58.1%	388.4%	45.7%	189.6%	-64.7%	-55.5%	-28.8%	-9.6%	21.9%	36.8%	46.9%	20.7%
FFO	3.1%	-6.2%	5.6%	-2.4%	-0.4%	-7.1%	-8.1%	-12.2%	13.1%	-3.7%	-3.3%	1.1%	-6.5%	-7.6%	-6.1%	-4.7%	0.8%	9.7%	8.3%	12.3%	7.7%
Adj.FFO	-5.7%	-16.1%	9.8%	-3.2%	-0.2%	-17.6%	1.9%	26.3%	-53.0%	-21.9%	-19.4%	2.9%	-18.8%	-36.7%	-5.2%	-12.8%	-11.4%	14.8%	232.4%	26.8%	43.2%
Adj. EBITDA	552.1%	5.7%	4.9%	3.1%	10.3%	3.5%	-1.4%	-5.6%	9.4%	0.2%	0.5%	2.5%	5.7%	5.3%	6.7%	5.1%	6.3%	4.1%	0.8%	2.7%	3.4%
Payout Ratio																					
FFO Payout Ratio	92.0%	98.1%	93.0%	95.3%	95.9%	82.4%	89.4%	84.0%	80.0%	86.9%	85.2%	88.4%	89.8%	86.6%	92.6%	89.3%	87.7%	81.9%	80.0%	82.5%	82.9%
Core FFO Payout Ratio	91.4%	91.6%	92.4%	93.5%	94.8%	81.4%	87.5%	83.4%	79.6%	86.7%	84.4%	88.2%	86.0%	86.4%	86.8%	86.9%	87.6%	81.7%	79.8%	82.3%	82.8%
AFFO Payout Ratio	100.6%	119.9%	109.4%	113.0%	113.4%	109.8%	107.5%	100.2%	219.1%	130.0%	136.3%	104.5%	123.4%	345.9%	137.1%	156.3%	118.0%	107.5%	104.0%	108.1%	109.1%

Source: Company Reports, Stonegate Capital Partners estimates

CASH FLOW STATEMENT

Gladstone Commercial Corporation
Consolidated Cash Flow Statements ($M)
Fiscal Year End: December

CASH FLOW	FY 2018	FY2019	FY 2020	FY 2021	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25
Operating Activities																		
Net Income	12.3	9.5	15.0	9.7	9.3	2.4	(3.8)	1.8	4.6	4.9	3.5	1.6	11.7	7.2	24.0	5.1	4.6	4.1
Depreciation and Amortization	47.6	52.0	55.4	60.3	61.7	15.5	16.2	12.5	13.7	57.9	13.3	16.0	13.3	13.1	55.8	13.2	14.2	15.3
Impairment Charges	-	1.8	3.6	-	12.1	-	6.8	6.8	5.7	19.3	0.5	-	4.6	1.8	6.8	-	0.0	-
Gain on Debt Extinguishment, net	-	-	-	-	-	-	-	-	(2.8)	(2.8)	(0.3)	-	-	-	(0.3)	-	-	-
Gain/loss on Sales of Real Estate, Net	(2.8)	(3.0)	(8.1)	1.1	(10.1)	-	0.5	(4.7)	(3.5)	(7.7)	(0.3)	0.0	(10.3)	(3.7)	(14.2)	-	(0.4)	0.0
Amortization of Deferred Financing Costs	1.4	1.6	1.5	1.6	3.5	0.4	0.4	0.4	0.4	1.6	0.5	0.4	0.4	0.4	1.6	0.4	0.5	0.5
Amortization of Deferred Rent Asset	(0.7)	(1.4)	(1.9)	(3.3)	(4.2)	(1.8)	(2.4)	(1.6)	(1.7)	(7.5)	(1.6)	(2.0)	(1.6)	(1.6)	(6.8)	(1.5)	(1.5)	(1.6)
Amortization of Discount and Premium on Assumed Debt, Net	(0.0)	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Asset Retirement Obligation Expense	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Amortization of ROU Asset from Opp. Leases and Opp. Lease Liabilities, Net	-	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	(0.1)	0.0	0.0	0.0	0.0
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.1)	(0.1)	0.1	18.6	18.6
Cash Flow from operating activities before working capital changes	**58.0**	**60.9**	**65.7**	**69.7**	**72.4**	**16.6**	**17.7**	**15.2**	**16.4**	**65.9**	**15.7**	**16.2**	**18.1**	**17.1**	**67.0**	**17.5**	**36.0**	**18.4**
Increase/ (Decrease) in Other Assets	(0.4)	(2.0)	2.9	0.6	(0.6)	0.9	(1.7)	3.0	(0.8)	1.5	1.8	(2.6)	(4.8)	6.9	1.3	(0.4)	(1.0)	0.8
Increase in Deferred Rent Receivables	(2.5)	(1.5)	(1.9)	(2.9)	(1.3)	(0.9)	(0.5)	(1.1)	(0.6)	(3.2)	(1.1)	(1.1)	(2.4)	(0.9)	(5.5)	(0.4)	(0.8)	(0.8)
Accounts Payable and Accrued Expenses	0.5	1.5	(1.7)	2.8	1.6	(0.5)	1.7	1.1	(2.3)	(0.0)	(0.7)	1.9	0.2	(1.4)	(0.0)	1.0	3.2	(1.6)
Changes in amount due to Adviser and Administrator	0.2	0.4	0.1	0.5	(0.1)	(0.9)	0.2	(0.1)	0.0	(0.8)	0.4	0.7	(0.6)	(0.5)	(0.0)	0.8	(0.4)	(0.5)
Other Liabilities	0.2	2.1	1.8	1.4	(0.9)	0.2	(0.7)	(0.4)	0.2	(0.7)	(0.6)	(1.0)	(1.3)	1.9	(1.0)	(0.8)	(1.0)	3.5
Tenant Inducement Payment	-	-	-	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Commissions Paid	(0.4)	(1.2)	(1.5)	(2.0)	(1.9)	(0.4)	(0.9)	(0.0)	(1.0)	(2.3)	(0.3)	(0.4)	(3.8)	(0.2)	(4.8)	(0.1)	(0.2)	(0.9)
Cash flow generated/(absorbed) from operating Activities	**55.6**	**60.2**	**65.5**	**70.1**	**69.2**	**14.9**	**15.8**	**17.8**	**11.9**	**60.4**	**15.0**	**13.6**	**5.5**	**22.8**	**57.0**	**17.7**	**35.8**	**18.9**
Investing Activities																		
Acquisition of Real Estate and Related Intangible Assets	(42.4)	(130.3)	(127.9)	(100.2)	(113.0)	-	(5.4)	(12.2)	(12.5)	(30.0)	-	(12.0)	(10.2)	(5.2)	(27.4)	(73.7)	(79.3)	(54.8)
Improvements of Existing Real Estate	(4.3)	(7.6)	(6.4)	(5.3)	(6.8)	(2.0)	(4.0)	(0.4)	(0.3)	(6.7)	(0.8)	(3.1)	(5.2)	(3.6)	(12.8)	(1.2)	(6.0)	(10.2)
Proceeds from Sale of Real Estate	12.8	6.3	35.8	8.8	39.5	-	4.4	17.8	14.8	37.0	18.6	2.4	14.1	2.5	37.6	-	4.8	2.8
Receipts from Lenders for Funds Held in Escrow	1.8	2.7	1.3	4.0	5.9	3.2	0.2	0.3	1.3	5.0	2.5	0.0	-	0.5	3.0	-	-	-
Payments to Lenders for Funds Held in Escrow	(2.4)	(3.9)	(3.2)	(2.1)	(7.5)	(0.3)	(2.7)	(0.3)	(0.3)	(3.7)	(0.3)	(0.2)	(0.2)	(0.2)	(0.8)	(0.2)	(0.2)	(0.2)
Receipts from Tenants for Reserves	2.7	4.8	2.4	3.8	1.8	0.5	(0.2)	0.1	0.7	1.0	0.4	0.2	0.2	0.2	1.0	0.7	0.2	1.6
Payments to Tenants from Reserves	(2.7)	(2.5)	(2.0)	(3.8)	(2.5)	-	-	(2.2)	0.6	(1.5)	(1.7)	(0.3)	4.1	(4.5)	(2.3)	(0.8)	(0.2)	(1.7)
Deposit on Future Acquisitions	-	(1.5)	(0.3)	-	-	(0.7)	0.1	0.2	0.4	-	(0.3)	0.3	-	-	-	(0.5)	(1.0)	-
Deposits Refunded or Applied Against Real Estate Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.5	-
Cash flow generated by Investing Activities	**(34.4)**	**(132.0)**	**(100.3)**	**(94.8)**	**(82.5)**	**0.7**	**(7.6)**	**3.3**	**4.7**	**1.1**	**18.5**	**(12.7)**	**2.8**	**(10.4)**	**(1.7)**	**(75.6)**	**(80.2)**	**(62.5)**
Financing Activities																		
Proceeds from Share Issuance	18.6	134.5	63.6	144.7	49.7	4.6	4.1	1.0	0.4	10.2	0.2	11.2	39.5	4.5	55.4	28.4	10.6	23.2
Offering Costs Paid	(0.3)	(3.4)	(1.0)	(4.6)	(1.1)	(0.1)	(0.3)	(0.1)	(0.0)	(0.5)	(0.0)	(0.2)	(0.5)	(0.1)	(0.8)	(0.4)	(0.2)	(0.3)
Redemption of Series F Preferred Stock	-	-	-	-	(0.2)	(0.1)	(0.1)	(0.2)	(0.1)	(0.5)	(0.1)	(0.3)	(1.0)	(0.4)	(1.7)	(0.6)	(1.8)	(1.7)
Retirement of Senior Common Stock	(0.0)	-	-	-	-	(0.1)	-	-	0.0	(0.1)	-	-	-	-	-	-	-	-
Repurchase of Series G1 Preferred Stock	-	-	-	-	(0.2)	(0.0)	-	-	-	(0.0)	-	-	-	-	-	-	-	-
Repurchase of Common Stock	-	-	-	-	-	-	(1.0)	-	-	(1.0)	-	-	-	-	-	-	-	-
Redemption of Series D Perpetual Preferred Stock	-	(56.6)	-	(87.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings Under Mortgage Notes Payable	14.1	69.7	52.6	21.5	62.9	-	-	9.0	-	9.0	-	-	-	15.2	15.2	-	-	-
Payments for Deferred Financing Costs	(0.4)	(2.5)	(0.6)	(0.8)	(5.4)	(0.1)	(0.0)	(0.3)	(0.0)	(0.4)	-	(0.0)	-	(1.3)	(1.4)	(0.0)	(0.2)	(0.6)
Principal Repayment on Mortgage Notes Payable	(27.9)	(57.4)	(50.7)	(28.5)	(153.7)	(5.0)	(6.3)	(46.3)	(12.4)	(70.1)	(19.8)	(2.3)	(2.3)	(17.2)	(41.6)	(2.4)	(9.6)	(2.4)
Borrowings on Term-loan / (Senior Secured Notes)	-	47.3	37.7	65.0	150.0	-	-	-	-	-	-	-	-	75.0	75.0	-	20.0	-
Repayment on Term Loan	-	-	-	-	(5.0)	-	-	-	-	-	-	-	-	(20.0)	(20.0)	-	-	-
Borrowings on Revolving Credit Facility	88.6	165.4	142.7	69.9	111.8	13.0	21.2	58.9	30.5	123.6	19.9	21.6	26.6	15.3	83.4	85.1	81.1	77.6
Repayment on Revolving Credit Facility	(59.4)	(163.6)	(141.2)	(90.3)	(122.1)	(10.0)	(9.0)	(26.4)	(25.7)	(71.1)	(19.7)	(16.4)	(54.5)	(66.7)	(157.3)	(35.7)	(38.0)	(26.6)
Increases in Security Deposits	0.1	(0.2)	(0.0)	0.1	0.5	-	0.3	(0.1)	(0.0)	0.1	(0.0)	0.2	0.0	(0.0)	0.2	0.3	(0.1)	0.2
Distributions Paid for Common, Senior Common and Preferred Stock	(54.6)	(58.9)	(63.8)	(67.6)	(71.1)	(15.1)	(15.2)	(15.2)	(15.2)	(60.6)	(15.2)	(15.3)	(16.1)	(16.3)	(62.8)	(16.5)	(16.9)	(17.1)
Cash flow generated/(absorbed) by financing Activities	**(21.2)**	**74.2**	**39.4**	**21.8**	**16.2**	**(12.8)**	**(6.4)**	**(19.6)**	**(22.5)**	**(61.4)**	**(34.7)**	**(1.4)**	**(8.3)**	**(11.9)**	**(56.3)**	**58.2**	**44.9**	**52.3**
Net Cash flow in the quarter	**0.002**	**2.4**	**4.6**	**(2.9)**	**2.8**	**2.8**	**1.8**	**1.5**	**(5.9)**	**0.1**	**(1.2)**	**(0.5)**	**0.1**	**0.5**	**(1.1)**	**0.3**	**0.5**	**8.7**
Cash and Cash Equivalents																		
Beginning Cash balance	9.080	9.1	11.5	16.1	13.2	16.0	18.8	20.6	22.1	16.0	16.1	14.9	14.4	14.5	16.1	15.1	15.4	15.9
Ending Cash balance	9.0820	11.5	16.1	13.2	16.0	18.8	20.6	22.07	16.1	16.1	14.9	14.4	14.5	15.1	15.1	15.4	15.9	24.6

Source: Company Reports, Stonegate Capital Partners

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