

RESEARCH UPDATE
Dave Storms, CFA
dave@stonegateinc.com

214-987-4121

Market Statistics in USD

Price	\$ 12.52
52 week Range	\$10.84 - \$16.00
Daily Vol (3-mo. average)	235,530
Market Cap (M)	\$ 500.8
Enterprise Value (M)	\$ 1,397.6
Shares Outstanding: (M)	40.0
Float (M)	39.4
Public Ownership	52.1%
Institutional Ownership	46.3%

Financial Summary in USD

Cash (M)	\$ 12.0
Cash/Share	\$ 0.30
Debt (M)	\$ 744.0
Equity (M)	\$ 324.3
Equity/Share	\$ 8.11

FYE: Dec **2023** **2024E** **2025E**
(all figures in M, except per share information)

Rev	\$ 147.6	\$ 149.9	\$ 154.4
NOI	\$ 121.7	\$ 124.8	\$ 129.1

EBITDA	\$ 108.6	\$ 111.9	\$ 116.2
Net Income	\$ (7.7)	\$ 3.8	\$ 6.3
AFFO/Share	\$ 1.09	\$ 1.25	\$ 1.29

EV/Revenue	9.6x	9.3x	9.1x
EV/EBITDA	13.1x	12.5x	12.0x
P/AFFO	12.1x	10.0x	9.7x


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.

GLADSTONE COMMERCIAL CORP (NASDAQGS: GOOD)
Company Updates

Transactions: GOOD has remained acquisitive, prioritizing mission critical properties in growth markets at attractive cap rates. As of February 21, 2024 the Company owned 134 properties, a decrease from 137 at the end of FY22. This is in-line with management's stated objective to reduce holdings in non-core office assets. In 2023 the Company completed \$29.5M worth of acquisitions across five properties for a total of 321,432 square feet.

Decreasing Debt Levels: The Company ended the quarter with a total debt level of \$743.8M with an average interest rate of 5.78%. This translates to a Net Debt/Gross Assets percentage of 46.1%. This is in-line with the 2022 ratio of 45.3%. As the Company continues to recycle assets, we expect debt levels to continue to decrease. We note that the Company repaid \$58.9M in fixed rate debt during FY23.

Fundamentals Remain Strong: GOOD fundamentals remain very strong. Occupancy at the end of the quarter was 96.8% with 100% rent collection throughout the quarter. The portfolio weighted average lease terms were at 6.8 years, down from 7.0 years in 4Q22. Subsequent to the end of the quarter GOOD occupancy rate increase to 97.4% as of February 21, 2024.

Quarterly Results: GOOD reported revenue, EPS, and AFFO per share of \$35.9M, \$0.03, and \$0.30, respectively. This compares to our/consensus estimates of \$37.2M/\$36.8M, (\$0.01)/\$0.02, and \$0.39/\$0.32. Net Income to common stockholders was a gain of \$1.3M, largely due to the 319bps sequential expansion in GPM. Core FFO for the quarter was \$0.36 per share, an increase from \$0.34 in the last quarter.

Improving Diversification: GOOD continues to pivot from office properties into industrial. In 4Q23 the Company's portfolio consisted of straight-line rent consisted of 60% industrial properties and 36% office properties, respectfully as it relates to straight line rent. This was up from 56% industrial and 40% office in 4Q22. This pivot is even more pronounced since 2019 when the Company ended the year with 38% industrial and 57% office.

Payout Ratios: The Company currently pays a 9.6% 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 4Q23 per share values for FFO of \$0.36, Core FFO of \$0.36, and AFFO of \$0.30 GOOD has payout ratios of 84%, 84% and 102% respectively.

Valuation: 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 \$14.10 to \$17.63 with a mid-point of \$15.83.

Quarterly Results

	4Q23 results		Notes
	Reported	Model	
Total revenues	35.9	37.2	
Property Operating Expenses	5.6	7.3	
NOI	30.3	30.0	NOI margin came in higher than expected due to successful tax appeals
NOI Margin	84.5%	80.5%	
D&A	13.7	14.0	
Other	8.8	3.2	
Total opex	22.6	17.2	Higher than expected impairment charges brought Opex higher than expected
Operating Profit	7.8	12.7	
Operating margin	21.6%	34.2%	
EBITDA - adjusted	27.2	26.7	EBITDA largely in-line with expectations
EBITDA margin	75.8%	71.8%	
EPS - Diluted	\$ 0.03	\$ (0.01)	FFO in-line with expectations
FFO/Share	\$ 0.36	\$ 0.34	
AFFO/Share	\$ 0.30	\$ 0.39	

	Y/Y Change		Notes
	4Q22	4Q23	
Total revenues	37.2	35.9	Revenue down 3.5% Y/Y
Cost of sales	6.7	5.6	
Gross (loss) profit	30.5	30.3	
Gross margin	82.0%	84.5%	
D&A	16.0	13.7	
Other	4.1	8.8	
Total opex	20.2	22.6	Lower D&A was offset by higher impairment charges
Operating Profit	10.3	7.8	
Operating margin	27.8%	21.6%	
EBITDA - adjusted	26.4	27.2	Strong EBITDA margin growth Y/Y
EBITDA margin	70.9%	75.8%	
EPS - Diluted	\$ (0.03)	\$ 0.03	
FFO/Share	\$ 0.34	\$ 0.36	
AFFO/Share	\$ 0.20	\$ 0.30	

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 February 21, 2024, Gladstone owned 134 properties totaling 16.9 million square feet. GOOD IPO’d on the NASDAQ in 2003 under the trading symbol GOOD and is currently headquartered in McLean, Virginia.

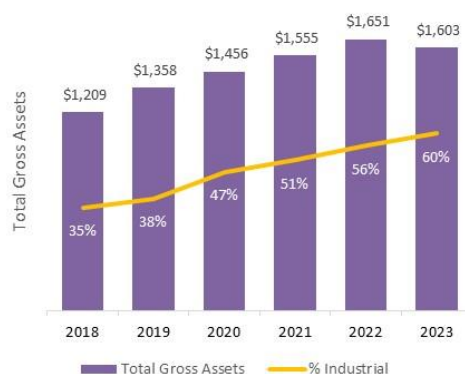
Exhibit 1: Current Portfolio as of 12/31/2023

Portfolio data ¹	
Total assets (\$mm)	\$ 1,133
Properties	135
Tenants	110
Industries	19
States	27
Average remaining lease term (years)	6.8
Occupancy	96.8 %
Square footage owned (mm)	17.1

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 4Q23, GOOD’s total assets were \$1.1B, increasing approximately 22% 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 4Q23, 60% 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.

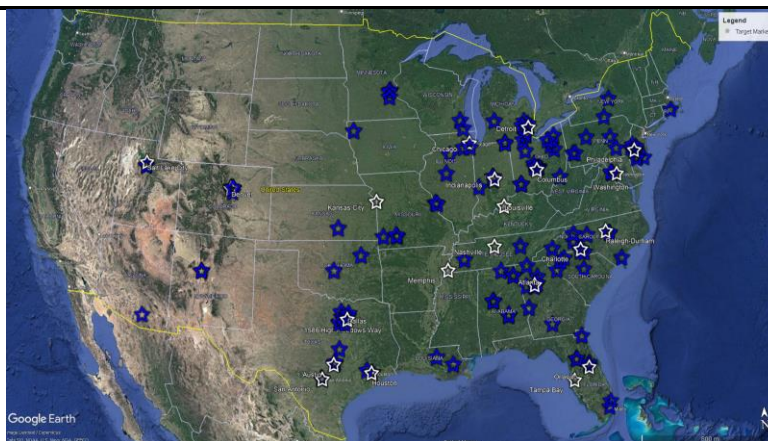
Market Strategy

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 19 different industries such as automotive, telecommunications, and building and real estate, which make up 15%, 10%, and 10% 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 96.8% and has never fallen below 95% since IPO in 2003. In 2023 the Company completed \$29.5M worth of acquisitions across five properties for a total of 321,432 square feet.

Predictable Cash from Quality Assets:

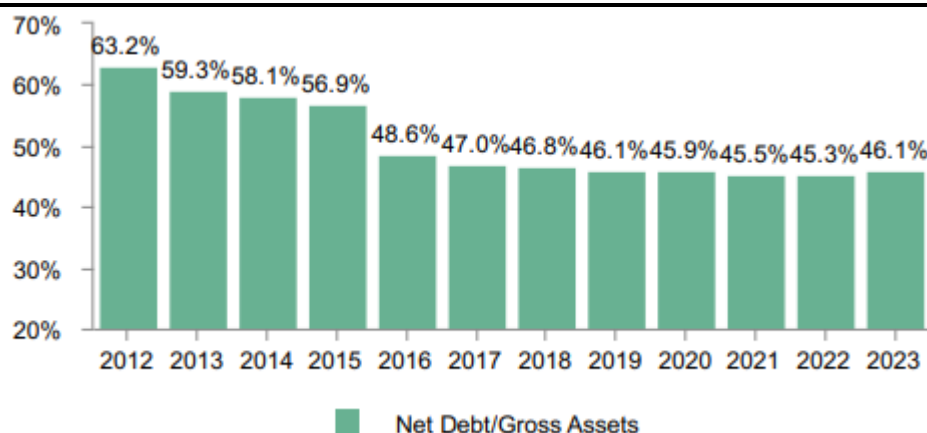
The portfolio contains quality assets with flexible configurations that are critical to their tenants' operations. Gladstone targets net leases with 7+ years remaining once acquired. These properties include single tenant and anchored multi-tenant office and industrial properties. Industrial properties have progressively become the management's priority and now make up 60% 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 46.1% in FY23, decreasing 1,710bps since 2012. There are significant opportunities to create savings through refinancing of debt. The proceeds from refinancing debt help fuel GOOD's acquisition pipeline.

Exhibit 4: Deleveraging

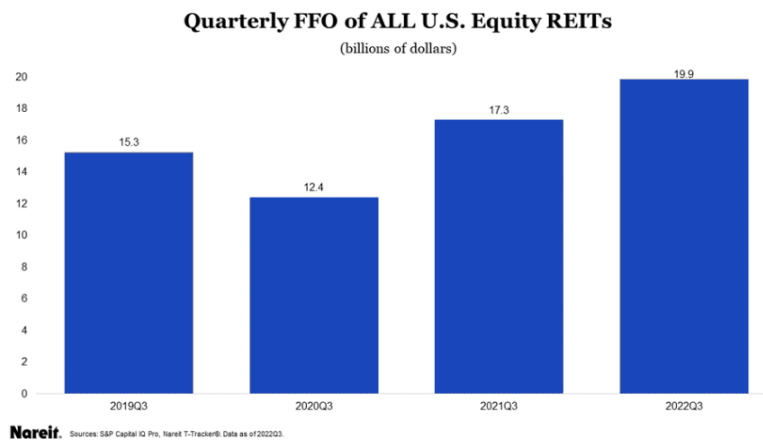


Source: Company Presentation

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.

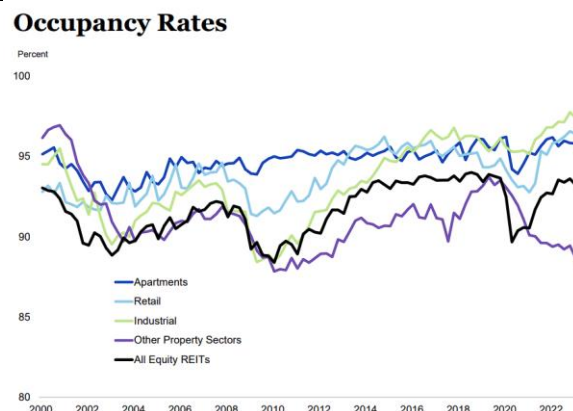
Exhibit 5: Equity REIT Funds From Operations (FFO) Growth



Source: NAREIT T-tracker

As of 3Q23, the most recent quarter with data, occupancy rates in the industrial sector are the highest amongst all industries at over 96.6%. In fact, demand for industrial properties has outpaced all other industries for the last 8 quarters, shown in exhibit 6. 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 their portfolio to a higher concentration in industrial properties.

Exhibit 6: Occupancy Rates by Industry



Source: NAREIT T-tracker

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 \$14.10 to \$17.63 with a mid-point of \$15.83.

Company Name	Symbol	Price ⁽¹⁾	Mkt Cap	EV	Div Yield	BV/Share	EV/Revenue ^(2,3)			EV/EBITDA ^(2,3)			Price/AFFO ^(2,3)		
							2023	2024E	2025E	2023	2024E	2025E	2023	2024E	2025E
Armada Hoffer Properties, Inc.	AHH	\$ 10.82	\$ 729.3	\$ 2,221.7	7.6%	\$ 9.07	11.0x	7.1x	6.3x	19.6x	12.7x	12.1x	12.1x	10.6x	10.2x
Broadstone Net Lease, Inc.	BNL	\$ 14.89	\$ 2,793.6	\$ 4,783.8	7.7%	\$ 16.25	11.6x	11.0x	10.5x	13.7x	12.2x	11.5x	12.2x	10.4x	9.9x
Alpine Income Property Trust, Inc.	PINE	\$ 15.95	\$ 217.2	\$ 504.4	6.9%	\$ 18.36	10.9x	10.2x	9.3x	15.3x	14.9x	13.9x	11.3x	10.2x	9.7x
CTO Realty Growth, Inc.	CTO	\$ 16.60	\$ 378.6	\$ 863.8	9.2%	\$ 20.20	9.0x	8.1x	7.3x	13.6x	13.9x	13.4x	N/A	10.1x	10.6x
LXP Industrial Trust	LXP	\$ 8.69	\$ 2,557.4	\$ 4,267.1	6.0%	\$ 7.29	13.4x	12.9x	12.3x	18.5x	18.0x	16.6x	14.2x	14.5x	13.2x
Modiv Industrial, Inc.	MDV	\$ 14.25	\$ 108.2	\$ 462.4	8.1%	\$ 20.44	9.9x	9.0x	8.6x	14.5x	12.2x	11.2x	N/A	10.2x	9.7x
NNN REIT, Inc.	NNN	\$ 41.15	\$ 7,508.8	\$ 11,868.2	5.5%	\$ 22.78	14.5x	13.7x	12.8x	15.9x	14.9x	14.0x	13.2x	12.4x	11.9x
NETSTREIT Corp.	NTST	\$ 17.04	\$ 1,247.7	\$ 1,841.3	4.8%	\$ 17.28	14.3x	11.6x	9.8x	18.7x	14.7x	12.1x	14.6x	13.5x	12.9x
One Liberty Properties, Inc.	OLP	\$ 20.27	\$ 427.0	\$ 853.2	8.9%	\$ 14.80	9.8x	9.4x	9.0x	14.6x	14.2x	13.6x	N/A	10.0x	9.7x
STAG Industrial, Inc.	STAG	\$ 38.73	\$ 7,040.5	\$ 9,698.1	3.8%	\$ 18.57	13.8x	12.8x	11.8x	18.7x	17.5x	16.2x	N/A	18.6x	17.7x
				Average			6.8%	\$ 16.51	11.8x	10.6x	9.8x	16.3x	14.5x	13.5x	13.0x
				Median			7.2%	\$ 17.82	11.3x	10.6x	9.6x	15.6x	14.4x	13.5x	12.7x
Gladstone Commercial Corporatio	GOOD	\$ 12.52	\$ 500.8	\$ 1,397.6	9.6%	\$ 3.83	9.6x	9.4x	9.2x	13.1x	12.6x	12.3x	12.1x	10.7x	10.8x

(1) Previous day's closing price

(2) Estimates are from Capital IQ

(3) Forward estimates as of calendar year

Source: Company reports, Capital IQ, Stonegate Capital Partners

We are using an EV/EBITDA and Price/AFFO framework to inform our GOOD valuation. Currently GOOD is trading at a FY25 EV/EBITDA of 12.3x compared to comps at an average of 13.5x. We are using our FY25 expected EBITDA, and an EV/EBITDA range of 13.0x to 14.5x with a midpoint of 13.8x which moves GOOD closer to comp companies. This arrives at a valuation range of \$14.37 to \$18.63 with a mid-point of \$16.50. For our Price/AFFO analysis, GOOD is trading at a FY25 multiple of 10.8x compared to comps at an average of 11.6x. We are using our FY25 expected AFFO, and a Price/AFFO range of 11.5x to 12.5x with a midpoint of 12.0x. This arrives at a valuation range of \$13.37 to \$14.54 with a mid-point of \$13.96.

For our NAV analysis we use a cap rate range of 7.00% and 8.00% which we believe is reasonable given the Company's recent transactions. This arrives at a reNAV/Share range of \$16.98 to \$22.63 with a mid-point of \$19.61.

reNAV Sensitivity Analysis									
reNAV/Share	\$ 16.98	\$ 16.98	\$ 16.98	\$ 19.61	\$ 19.61	\$ 19.61	\$ 22.63	\$ 22.63	\$ 22.63
Discount to NAV	75%	80%	85%	75%	80%	85%	75%	80%	85%
Price	\$ 12.73	\$ 13.58	\$ 14.43	\$ 14.71	\$ 15.69	\$ 16.67	\$ 16.97	\$ 18.10	\$ 19.23

EV/EBITDA			
2025 E	13.00x	13.75x	14.50x
Adj EBITDA	113.7	113.7	113.7
TEV	1,477.7	1,563.0	1,648.2

Cash	12.0	12.0	12.0
Debt	744.0	744.0	744.0
Mezz Equity	170.0	170.0	170.0
Minority Int.	1.0	1.0	1.0
Mkt Cap	574.7	660.0	745.2

S/O	40.0	40.0	40.0
Price	\$ 14.37	\$ 16.50	\$ 18.63

Price/AFFO			
2025 E	11.50x	12.00x	12.50x
AFFO/Sh.	1.16	1.16	1.16
Price	\$ 13.37	\$ 13.96	\$ 14.54

NAV			
2025E NOI	\$ 126.6	\$ 126.6	\$ 126.6
Est. Cap Rate ¹	8.00%	7.50%	7.00%
Est. NAV	1,582.1	1,687.6	1,808.1
Cash	12.0	12.0	12.0
Debt	744.0	744.0	744.0
Mezz Equity	170.0	170.0	170.0
Minority Int.	1.0	1.0	1.0
Mkt Cap	679.1	784.6	905.1

S/O	40.0	40.0	40.0
reNAV/Share	\$ 16.98	\$ 19.61	\$ 22.63

(1) Estimate based on Company Reported Cap Rates

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 82% to our forward estimated FY25 FFO we still expect a payout per share of at least \$1.20 which when used in a perpetual growth model returns a valuation range of \$15.06 to \$19.25 with a mid-point of \$17.16. This conservative valuation approach still results in a premium to current price of 20.3% to 53.7% with a mid-point of 37.0%.

Perpetual Growth Model									
2025E FFO	61.1	64.3	67.6	61.1	64.3	67.6	61.1	64.3	67.6
Payout Ratio (Low, LTM, High)		72%			82%			92%	
Forward Payout (\$M)		46.3			52.8			59.2	
Forward S/O		43.9			43.9			43.9	
Payout Per Share		\$ 1.05			\$ 1.20			\$ 1.35	
Discount Rate	10.50%	10.00%	9.50%	10.50%	10.00%	9.50%	10.50%	10.00%	9.50%
Growth Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Price	\$ 14.06	\$ 15.06	\$ 16.22	\$ 16.01	\$ 17.16	\$ 18.48	\$ 17.97	\$ 19.25	\$ 20.73

BALANCE SHEET

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

ASSETS	FY 2018	FY 2019	FY 2020	Q1 Mar-21	Q2 Jun-21	Q3 Sep-21	Q4 Dec-21	FY 2021	Q1 Mar-22	Q2 Jun-22	Q3 Sep-22	Q4 Dec-22	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023
Real Estate At Cost	946.6	1,057.0	1,128.7	1,144.0	1,152.3	1,172.5	1,225.3	1,225.3	1,240.9	1,260.4	1,279.5	1,287.3	1,287.3	1,285.5	1,232.9	1,226.5	1,221.4	1,221.4
Accumulated Depreciation	(178.3)	(207.5)	(228.5)	(240.4)	(249.8)	(257.1)	(266.7)	(266.7)	(276.6)	(279.3)	(284.8)	(287.0)	(287.0)	(294.8)	(286.9)	(292.0)	(299.7)	(299.7)
Total Real Estate, net	768.4	849.5	900.2	903.6	902.5	915.5	958.6	958.6	964.3	981.1	994.7	1,000.3	1,000.3	990.8	945.9	934.5	921.7	921.7
Lease Intangibles	111.4	115.5	117.4	114.1	111.1	111.8	114.5	114.5	112.7	111.7	113.0	111.6	111.6	107.8	104.4	102.6	101.0	101.0
Real Estate and Related Assets Held for Sale, Net	4.2	4.0	8.5	-	-	4.0	-	-	-	18.4	11.4	3.0	3.0	4.7	36.8	29.4	28.8	28.8
Cash and Cash Equivalents	6.6	6.8	11.0	9.9	14.6	10.2	8.0	8.0	9.6	10.7	13.5	11.7	11.7	14.3	16.5	18.3	12.0	12.0
Restricted Cash	2.5	4.6	5.1	4.7	4.6	5.0	5.2	5.2	5.1	4.5	4.1	4.3	4.3	4.5	4.1	3.8	4.2	4.2
Funds Held in Escrow	6.0	7.2	9.1	7.9	8.3	8.9	7.3	7.3	9.8	10.0	9.5	8.8	8.8	5.9	8.5	8.5	7.5	7.5
Right-of-use Assets from Operating Leases	-	5.8	5.6	5.5	5.5	5.4	5.4	5.4	5.3	5.2	5.2	5.1	5.1	5.1	5.0	5.0	4.9	4.9
Deferred Rents Receivable	34.8	37.2	36.6	36.8	37.7	38.2	39.1	39.1	38.0	38.4	38.9	38.9	38.9	39.7	40.0	40.5	41.0	41.0
Other Assets	4.9	8.9	4.5	5.8	4.9	5.8	5.4	5.4	9.7	13.3	19.3	17.7	17.7	13.9	20.7	24.7	12.4	12.4
Total Assets	938.8	1,039.5	1,097.9	1,088.3	1,089.2	1,104.8	1,143.4	1,143.4	1,154.4	1,193.4	1,209.7	1,201.5	1,201.5	1,186.6	1,181.9	1,167.2	1,113.5	1,113.5
LIABILITIES AND SHAREHOLDERS' EQUITY																		
Mortgage Note Payable, Net	441.3	453.7	456.2	454.4	451.2	448.0	449.9	449.9	446.7	462.8	367.6	359.4	359.4	354.6	348.4	311.0	295.9	295.9
Borrowings Under Revolver	50.1	51.6	53.3	-	-	2.1	33.6	33.6	34.6	47.0	7.8	23.3	23.3	26.3	38.5	71.0	75.8	75.8
Borrowings under Term Loans, net	74.6	121.3	159.2	208.8	208.9	224.0	224.0	224.0	224.1	224.2	366.4	366.6	366.6	366.7	366.9	367.1	367.3	367.3
Deferred Rent Liability, Net	17.3	19.3	20.6	20.1	19.4	22.5	26.8	26.8	29.3	38.5	40.7	40.0	40.0	38.8	35.8	31.8	9.3	9.3
Operating Lease Liabilities	-	5.8	5.7	5.6	5.6	5.6	5.5	5.5	5.5	5.4	5.4	5.3	5.3	5.3	5.2	5.1	5.1	5.1
Liabilities Related to Assets Held for Sale, Net	-	0.0	-	-	-	0.0	-	-	-	0.2	0.0	-	-	-	0.9	0.6	0.7	0.7
Asset Retirement Obligations	2.9	3.1	3.1	3.1	3.1	3.2	3.8	3.8	3.8	4.3	4.5	4.8	4.8	4.8	4.8	4.8	4.9	4.9
Accounts Payable and Accrued Expenses	2.7	5.6	4.5	5.4	8.0	8.0	6.7	6.7	5.4	8.8	10.9	9.6	9.6	9.8	11.5	13.6	13.6	13.6
Due to Adviser and Administrator	2.5	2.9	3.0	3.2	3.1	3.2	3.4	3.4	3.6	3.6	3.7	3.4	3.4	2.5	2.6	2.6	2.6	2.6
Other Liabilities	7.3	12.9	17.1	15.2	15.0	16.6	16.8	16.8	16.7	14.4	15.1	14.6	14.6	17.2	13.6	12.9	14.1	14.1
Total Liabilities	598.8	676.3	722.6	715.9	714.2	733.0	770.5	770.5	769.6	809.2	822.0	826.9	826.9	825.9	828.2	820.5	789.2	789.2
Mezzanine Equity	85.6	152.2	159.3	159.3	170.3	170.3	170.3	170.3	170.3	170.3	170.3	170.1	170.1	170.0	170.0	170.0	170.0	170.0
Total Mezzanine Equity	85.6	152.2	159.3	159.3	170.3	170.3	170.3	170.3	170.3	170.3	170.3	170.1	170.1	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	639.1	648.1	656.8	671.1	671.1	692.8	705.6	717.1	721.3	721.3	725.9	728.6	729.4	730.3	730.3
Accumulated Other Comprehensive Income	(0.1)	(2.1)	(4.3)	(1.9)	(2.6)	(2.1)	(1.3)	(1.3)	2.9	5.5	12.4	11.6	11.6	6.0	14.3	19.8	7.8	7.8
Distributions in Excess of Accumulated Earnings	(310.1)	(361.0)	(409.0)	(425.4)	(442.1)	(454.5)	(468.5)	(468.5)	(482.5)	(498.6)	(514.1)	(530.2)	(530.2)	(542.9)	(560.7)	(574.1)	(584.8)	(584.8)
Total Parent Net Equity	249.7	208.1	213.2	211.7	203.4	200.3	201.3	201.3	213.3	212.6	215.4	202.8	202.8	189.0	182.2	175.1	153.3	153.3
Minority interest	4.7	2.9	2.9	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.9	1.8	1.8	1.6	1.5	1.5	1.0	1.0
Total Consolidated Equity	340.0	363.2	375.3	372.4	375.0	371.8	372.8	372.8	384.8	384.2	387.6	374.6	374.6	360.7	353.8	346.6	324.3	324.3
Total Liabilities and Shareholders' Equity	938.8	1,039.5	1,097.9	1,088.3	1,089.2	1,104.8	1,143.4	1,143.4	1,154.4	1,193.4	1,209.7	1,201.5	1,201.5	1,186.6	1,181.9	1,167.2	1,113.5	1,113.5

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

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

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023	Q1 E Mar-24	Q2 E Jun-24	Q3 E Sep-24	Q4 E Dec-24	FY 2024E	Q1 E Mar-25	Q2 E Jun-25	Q3 E Sep-25	Q4 E Dec-25	FY 2025E
Revenue	\$ 106.8	\$ 114.4	\$ 133.2	\$ 137.7	\$ 149.0	\$ 36.6	\$ 38.7	\$ 36.5	\$ 35.9	\$ 147.6	\$ 37.0	\$ 37.9	\$ 37.2	\$ 36.6	\$ 148.7	\$ 37.7	\$ 38.6	\$ 37.9	\$ 37.4	\$ 151.7
Total Revenues	106.8	114.4	133.2	137.7	149.0	36.6	38.7	36.5	35.9	147.6	37.0	37.9	37.2	36.6	148.7	37.7	38.6	37.9	37.4	151.7
Property Operating Expenses	11.5	12.6	26.0	27.1	26.8	6.7	6.7	6.8	5.6	25.9	6.4	6.5	6.1	5.9	24.8	6.2	6.4	6.3	6.2	25.1
Net Operating Income	95.3	101.8	107.1	110.6	122.1	29.8	31.9	29.6	30.3	121.7	30.6	31.4	31.1	30.8	123.9	31.5	32.2	31.7	31.2	126.6
Depreciation and Amortization	47.6	52.0	55.4	60.3	61.7	14.7	16.9	12.5	13.7	57.9	14.5	14.5	14.5	14.5	58.0	15.0	15.0	15.0	15.0	60.0
Base Management Fee	5.1	5.2	5.6	5.9	6.3	1.6	1.6	1.6	1.6	6.4	1.6	1.6	1.6	1.6	6.4	1.6	1.6	1.6	1.6	6.4
Incentive Fee	3.0	3.7	4.3	4.8	5.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administration Fee	1.6	1.7	1.6	1.4	1.9	0.6	0.5	0.6	0.6	2.4	0.6	0.6	0.6	0.6	2.2	0.6	0.6	0.6	0.6	2.2
General and Administrative	2.4	3.2	3.3	3.2	3.7	1.1	1.1	1.3	0.9	4.4	1.1	1.1	1.1	1.1	4.3	1.1	1.1	1.1	1.1	4.3
Impairment Charge	-	1.8	3.6	-	12.1	-	6.8	6.8	5.7	19.3	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	59.7	67.6	73.9	75.7	90.9	17.9	27.0	22.8	22.6	90.2	17.7	17.7	17.7	17.7	70.9	18.2	18.2	18.2	18.2	72.9
Operating Income	35.7	34.2	33.3	34.9	31.2	11.9	4.9	6.9	7.8	31.5	12.9	13.7	13.3	13.0	53.0	13.3	14.0	13.4	13.0	53.7
Interest Expense	(26.2)	(28.3)	(26.8)	(26.9)	(32.5)	(8.8)	(9.1)	(9.9)	(9.5)	(37.3)	(9.3)	(9.3)	(9.3)	(9.3)	(37.2)	(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	-	(0.5)	4.7	3.5	7.7	-	-	-	-	-	-	-	-	-	-
Other Income	0.1	0.7	0.4	2.9	0.5	0.1	0.0	0.2	2.8	3.0	-	-	-	-	-	-	-	-	-	-
Net Income	12.3	9.5	15.0	9.7	9.3	3.2	(4.6)	1.8	4.6	4.9	3.6	4.4	4.0	3.7	15.8	4.0	4.8	4.2	3.7	16.8
Non-Controlling Interest	(0.0)	0.1	(0.0)	0.0	0.0	0.0	0.1	(0.0)	(0.0)	0.1	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
Distributions to D.E.F. & G Preferred Stock	(10.4)	(10.8)	(11.0)	(11.5)	(11.9)	(3.0)	(3.1)	(3.1)	(3.1)	(12.3)	(3.1)	(3.1)	(3.1)	(3.1)	(12.4)	(3.1)	(3.1)	(3.1)	(3.1)	(12.4)
Offering Cost Write Off	-	(2.7)	-	(2.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Attributable to Senior Common	(0.9)	(0.9)	(0.8)	(0.7)	(0.5)	(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
Gain on Repurchase of Series G Stock	-	-	-	-	0.0	0.0	-	-	-	0.0	-	-	-	-	-	-	-	-	-	-
Net Income To Common Stkhldrs	1.0	(4.8)	3.1	(4.6)	(3.0)	0.0	(7.7)	(1.4)	1.3	(7.7)	0.4	1.2	0.8	0.5	2.9	0.8	1.6	1.0	0.5	3.9
Dividend Per Share	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 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	14.8	16.6	13.2	14.6	59.2	15.0	15.8	15.4	15.1	61.3	15.9	16.7	16.1	15.6	64.3
FFO Per Share	\$ 1.63	\$ 1.53	\$ 1.61	\$ 1.58	\$ 1.57	\$ 0.37	\$ 0.41	\$ 0.33	\$ 0.36	\$ 1.46	\$ 0.36	\$ 0.38	\$ 0.37	\$ 0.35	\$ 1.46	\$ 0.37	\$ 0.38	\$ 0.36	\$ 0.35	\$ 1.46
Core FFO to Common (\$M)	47.1	50.3	55.4	58.7	61.8	15.0	16.6	13.7	14.6	59.9	15.0	15.8	15.5	15.2	61.5	16.0	16.7	16.1	15.7	64.5
Core FFO Per Share	\$ 1.64	\$ 1.64	\$ 1.63	\$ 1.61	\$ 1.59	\$ 0.37	\$ 0.41	\$ 0.34	\$ 0.36	\$ 1.47	\$ 0.37	\$ 0.38	\$ 0.37	\$ 0.36	\$ 1.47	\$ 0.37	\$ 0.38	\$ 0.37	\$ 0.35	\$ 1.47
Adj. Funds From Operations (AFFO) to Common (\$M)	42.8	38.4	46.7	48.6	51.7	11.1	9.7	11.6	12.0	44.4	11.9	12.7	12.3	12.0	48.8	12.6	13.4	12.8	12.3	51.1
AFFO Per Share	\$ 1.49	\$ 1.25	\$ 1.37	\$ 1.33	\$ 1.33	\$ 0.27	\$ 0.24	\$ 0.29	\$ 0.30	\$ 1.09	\$ 0.29	\$ 0.30	\$ 0.29	\$ 0.28	\$ 1.17	\$ 0.29	\$ 0.31	\$ 0.29	\$ 0.28	\$ 1.16
Basic EPS	0.03	(0.16)	0.09	(0.13)	(0.08)	0.00	(0.19)	(0.04)	0.03	(0.18)	0.01	0.03	0.02	0.01	0.07	0.02	0.04	0.02	0.01	0.09
Diluted EPS	0.03	(0.16)	0.09	(0.13)	(0.08)	0.00	(0.19)	(0.04)	0.03	(0.19)	0.01	0.03	0.02	0.01	0.07	0.02	0.04	0.02	0.01	0.09
WTD Shares Out - Basic	28.7	30.7	34.0	36.5	39.0	40.3	40.4	39.9	40.3	40.3	40.8	41.3	41.8	42.3	41.5	42.8	43.3	43.8	44.3	43.6
WTD Shares Out - Diluted	28.7	30.7	34.0	36.5	39.0	40.7	40.7	39.9	40.7	40.7	41.1	41.6	42.1	42.6	41.9	43.2	43.7	44.2	44.7	43.9
EBITDA	86.1	89.9	97.2	96.9	103.4	26.7	21.4	24.2	27.8	100.1	27.4	28.2	27.8	27.5	111.0	28.3	29.0	28.4	28.0	113.7
Adjusted EBITDA	\$ 83.3	\$ 88.0	\$ 92.3	\$ 95.2	\$ 105.0	\$ 26.6	\$ 28.7	\$ 26.1	\$ 27.2	\$ 108.6	\$ 27.4	\$ 28.2	\$ 27.8	\$ 27.5	\$ 111.0	\$ 28.3	\$ 29.0	\$ 28.4	\$ 28.0	\$ 113.7

Margin Analysis

NOI Margin	89.3%	89.0%	80.5%	80.3%	82.0%	81.6%	82.6%	81.3%	84.5%	82.5%	82.8%	82.9%	83.5%	84.0%	83.3%	83.5%	83.5%	83.5%	83.5%	83.5%
Operating Margin	33.4%	29.9%	25.0%	25.3%	21.0%	32.5%	12.8%	18.9%	21.6%	21.3%	34.9%	36.1%	35.8%	35.6%	35.6%	35.1%	36.3%	35.4%	34.7%	35.4%
EBITDA Margin	78.0%	76.9%	69.4%	69.1%	70.5%	72.8%	74.2%	71.6%	75.8%	73.6%	74.1%	74.4%	74.8%	75.2%	74.6%	74.9%	75.1%	74.9%	74.8%	74.9%
Net Income Margin	11.5%	8.3%	11.3%	7.1%	6.2%	8.7%	-11.9%	4.9%	12.7%	3.3%	9.7%	11.6%	10.8%	10.2%	10.6%	10.7%	12.4%	11.1%	10.0%	11.1%

Growth Rate Y/Y

Total Revenue	12.7%	7.1%	16.4%	3.4%	8.2%	2.9%	6.2%	-8.5%	-3.5%	-0.9%	1.2%	-2.0%	2.0%	2.0%	0.8%	2.0%	2.0%	2.0%	2.0%	2.0%
NOI	9.4%	6.8%	5.3%	3.2%	10.5%	3.2%	8.4%	-11.0%	-0.5%	-0.3%	2.7%	-1.6%	4.8%	1.4%	1.8%	2.8%	2.7%	1.9%	1.3%	2.2%
Operating Income	34.8%	-4.2%	-2.5%	4.8%	-10.5%	20.4%	-42.7%	188.2%	-24.8%	0.8%	8.5%	176.8%	93.9%	67.8%	68.2%	2.8%	2.5%	0.8%	-0.7%	1.3%
Net Income	107.6%	-22.6%	57.1%	-35.0%	-4.7%	-6.6%	-382.5%	-28.2%	158.6%	-46.9%	13.8%	-195.5%	125.0%	-17.8%	220.2%	12.0%	9.5%	4.4%	-0.4%	6.4%
FFO	3.1%	-6.2%	5.6%	-2.4%	-0.4%	-7.0%	5.3%	-22.1%	5.8%	-7.1%	-0.2%	-6.8%	10.4%	-1.0%	0.5%	1.3%	0.9%	-0.5%	-1.6%	0.0%
Adj. FFO	-5.7%	-16.1%	9.8%	-3.2%	-0.2%	-18.7%	-33.9%	-30.0%	51.3%	-17.6%	5.4%	28.1%	0.3%	-4.6%	6.7%	1.3%	0.8%	-0.9%	-2.3%	-0.3%
Adj. EBITDA	552.1%	5.7%	4.9%	3.1%	10.3%	8.3%	14.0%	-9.5%	3.2%	3.5%	3.0%	-1.8%	6.6%	1.2%	2.1%	3.1%	3.0%	2.2%	1.5%	2.4%

Payout Ratio

FFO Payout Ratio	92.0%	98.1%	93.0%	95.3%	95.9%	82.2%	73.8%	90.5%	83.7%	82.4%	82.3%	79.2%	81.9%	84.5%	81.9%	81.3%	78.5%	82.3%	85.9%	81.9%
Core FFO Payout Ratio	91.4%	91.6%	92.4%	93.5%	94.8%	81.4%	73.6%	87.3%	83.5%	81.4%	82.1%	79.0%	81.8%	84.3%	81.8%	81.1%	78.3%	82.2%	85.7%	81.8%
AFFO Payout Ratio	100.6%	119.9%	109.4%	113.0%	113.4%	109.6%	126.5%	103.1%	101.6%	109.8%	103.9%	98.7%	102.8%	106.5%	102.9%	102.6%	97.9%	103.7%	109.0%	103.2%

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	FY 2019	FY 2020	Q1 Mar-21	Q2 Jun-21	Q3 Sep-21	Q4 Dec-21	FY 2021	Q1 Mar-22	Q2 Jun-22	Q3 Sep-22	Q4 Dec-22	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023
Operating Activities																		
Net Income	12.3	9.5	15.0	0.0	2.1	4.5	3.1	9.7	3.4	1.7	2.4	1.8	9.3	2.4	(3.9)	1.8	4.6	4.9
Depreciation and Amortization	47.6	52.0	55.4	16.7	14.2	14.8	14.7	60.3	14.7	15.1	15.9	16.0	61.7	15.5	16.2	12.5	13.7	57.9
Impairment Charges	-	1.8	3.6	-	-	-	-	-	-	1.4	10.7	-	12.1	-	6.8	6.8	5.7	19.3
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.8)	(2.8)
Gain/loss on Sales of Real Estate, Net	(2.8)	(3.0)	(8.1)	0.9	-	-	0.3	1.1	-	-	(8.9)	(1.2)	(10.1)	-	0.5	(4.7)	(3.5)	(7.7)
Amortization of Deferred Financing Costs	1.4	1.6	1.5	0.4	0.3	0.5	0.4	1.6	0.4	0.5	2.2	0.4	3.5	0.4	0.4	0.4	0.4	1.6
Amortization of Deferred Rent Asset	(0.7)	(1.4)	(1.9)	(1.4)	(0.6)	(0.7)	(0.6)	(3.3)	(0.6)	(0.6)	(1.3)	(1.7)	(4.2)	(1.8)	(2.4)	(1.6)	(1.7)	(7.5)
Amortization of Discount and Premium on Assumed Debt, Net	(0.0)	0.1	0.1	0.0	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
Asset Retirement Obligation Expense	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	0.0	0.1
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash Flow from operating activities before working capital changes	58.0	60.9	65.7	16.7	16.0	19.1	17.9	69.7	17.9	18.1	21.0	15.4	72.4	16.6	17.7	15.2	16.4	65.9
Increase/ (Decrease) in Other Assets	(0.4)	(2.0)	2.9	0.2	0.5	(0.6)	0.5	0.6	(0.4)	(1.3)	0.2	0.9	(0.6)	0.9	(1.7)	3.0	(0.8)	1.5
Increase in Deferred Rent Receivables	(2.5)	(1.5)	(1.9)	(0.4)	(0.8)	(0.7)	(1.0)	(2.9)	1.2	(1.2)	(1.1)	(0.1)	(1.3)	(0.9)	(0.5)	(1.1)	(0.6)	(3.2)
Accounts Payable and Accrued Expenses	0.5	1.5	(1.7)	1.1	2.1	0.9	(1.2)	2.8	(1.5)	3.3	1.6	(1.8)	1.6	(0.5)	1.7	1.1	(2.3)	(0.0)
Changes in amount due to Adviser and Administrator	0.2	0.4	0.1	0.3	(0.1)	0.1	0.2	0.5	0.1	0.1	0.1	(0.3)	(0.1)	(0.9)	0.2	(0.1)	0.0	(0.8)
Other Liabilities	0.2	2.1	1.8	(0.4)	0.0	1.5	0.4	1.4	0.9	(1.4)	1.2	(1.5)	(0.9)	0.2	(0.7)	(0.4)	0.2	(0.7)
Tenant Inducement Payment	-	-	-	-	(0.0)	-	-	(0.0)	-	-	-	-	-	-	-	-	-	-
Leasing Commissions Paid	(0.4)	(1.2)	(1.5)	(0.6)	(0.2)	(0.9)	(0.3)	(2.0)	(1.0)	(0.1)	(0.6)	(0.2)	(1.9)	(0.4)	(0.9)	(0.0)	(1.0)	(2.3)
Cash flow generated/(absorbed) from operating Activities	55.6	60.2	65.5	16.9	17.5	19.3	16.4	70.1	17.2	17.4	22.3	12.3	69.2	14.9	15.8	17.8	11.9	60.4
Investing Activities																		
Acquisition of Real Estate and Related Intangible Assets	(42.4)	(130.3)	(127.9)	(10.8)	(8.2)	(26.8)	(54.3)	(100.2)	(13.5)	(38.5)	(44.0)	(17.1)	(113.0)	-	(5.4)	(12.2)	(12.5)	(30.0)
Improvements of Existing Real Estate	(4.3)	(7.6)	(6.4)	(1.7)	(1.5)	(1.5)	(0.6)	(5.3)	(0.9)	(0.9)	(0.7)	(4.3)	(6.8)	(2.0)	(4.0)	(0.4)	(0.3)	(6.7)
Proceeds from Sale of Real Estate	12.8	6.3	35.8	5.1	-	-	3.7	8.8	-	-	26.8	12.7	39.5	-	4.4	17.8	14.8	37.0
Receipts from Lenders for Funds Held in Escrow	1.8	2.7	1.3	1.8	0.1	0.1	2.0	4.0	0.0	1.8	1.7	2.4	5.9	3.2	0.2	0.3	1.3	5.0
Payments to Lenders for Funds Held in Escrow	(2.4)	(3.9)	(3.2)	(0.6)	(0.5)	(0.7)	(0.4)	(2.1)	(2.5)	(2.0)	(1.2)	(1.8)	(7.5)	(0.3)	(2.7)	(0.3)	(0.3)	(3.7)
Receipts from Tenants for Reserves	2.7	4.8	2.4	1.2	1.2	0.7	0.8	3.8	0.9	0.5	0.1	0.3	1.8	0.5	(0.2)	0.1	0.7	1.0
Payments to Tenants from Reserves	(2.7)	(2.5)	(2.0)	(1.5)	(1.3)	(0.4)	(0.5)	(3.8)	(1.0)	(1.2)	(0.9)	0.6	(2.5)	-	-	(2.2)	0.6	(1.5)
Deposit on Future Acquisitions	-	(1.5)	(0.3)	-	(0.4)	(0.1)	0.5	-	(0.5)	(0.0)	0.3	0.3	-	(0.7)	0.1	0.2	0.4	-
Deposits Refunded or Applied Against Real Estate Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow generated by Investing Activities	(34.4)	(132.0)	(100.3)	(6.5)	(10.6)	(28.8)	(48.8)	(94.8)	(17.6)	(40.3)	(17.7)	(7.0)	(82.5)	0.7	(7.6)	3.3	4.7	1.1
Financing Activities																		
Proceeds from Share Issuance	18.6	134.5	63.6	11.5	109.3	9.2	14.7	144.7	22.2	13.1	10.0	4.4	49.7	4.6	4.1	1.0	0.4	10.2
Offering Costs Paid	(0.3)	(3.4)	(1.0)	(0.2)	(3.7)	(0.5)	(0.3)	(4.6)	(0.4)	(0.3)	(0.2)	(0.2)	(1.1)	(0.1)	(0.3)	(0.1)	(0.0)	(0.5)
Redemption of Series F Preferred Stock	-	-	-	-	-	-	-	-	(0.1)	-	-	-	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	(0.5)
Retirement of Senior Common Stock	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-	(0.1)	-	-	0.0	(0.1)
Repurchase of Series G1 Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	(0.2)	(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)	-	-	(87.7)	-	-	-	-	-	-	-	-	-	-
Borrowings Under Mortgage Notes Payable	14.1	69.7	52.6	5.5	-	-	16.0	21.5	-	35.0	21.3	6.6	62.9	-	-	9.0	-	9.0
Payments for Deferred Financing Costs	(0.4)	(2.5)	(0.6)	(0.6)	(0.0)	-	(0.2)	(0.8)	-	(0.7)	(4.5)	(0.2)	(5.4)	(0.1)	(0.0)	(0.3)	(0.0)	(0.4)
Principal Repayment on Mortgage Notes Payable	(27.9)	(57.4)	(50.7)	(7.5)	(3.4)	(3.4)	(14.1)	(28.5)	(3.5)	(18.6)	(116.8)	(14.9)	(153.7)	(5.0)	(6.3)	(46.3)	(12.4)	(70.1)
Borrowings on Term-loan	-	47.3	37.7	50.0	-	15.0	-	65.0	-	-	150.0	-	150.0	-	-	-	-	-
Repayment on Term Loan	-	-	-	-	-	-	-	-	-	-	(5.0)	-	(5.0)	-	-	-	-	-
Borrowings on Revolving Credit Facility	88.6	165.4	142.7	13.0	2.0	4.1	50.8	69.9	23.1	28.4	35.8	24.5	111.8	13.0	21.2	58.9	30.5	123.6
Repayment on Revolving Credit Facility	(59.4)	(163.6)	(141.2)	(66.9)	(2.0)	(2.0)	(19.4)	(90.3)	(22.1)	(16.0)	(75.0)	(9.0)	(122.1)	(10.0)	(9.0)	(26.4)	(25.7)	(71.1)
Increases in Security Deposits	0.1	(0.2)	(0.0)	(0.0)	-	0.1	0.0	0.1	(0.0)	0.1	0.4	0.0	0.5	-	0.3	(0.1)	(0.0)	0.1
Distributions Paid for Common, Senior Common and Preferred Stock	(54.6)	(58.9)	(63.8)	(16.6)	(16.8)	(16.9)	(17.2)	(67.6)	(17.4)	(17.7)	(18.0)	(18.1)	(71.1)	(15.1)	(15.2)	(15.2)	(15.2)	(60.6)
Cash flow generated/(absorbed) by financing Activities	(21.2)	74.2	39.4	(11.8)	(2.3)	5.5	30.4	21.8	1.9	23.4	(2.1)	(7.0)	16.2	(12.8)	(6.4)	(19.6)	(22.5)	(61.4)
Net Cash flow in the quarter	0.002	2.4	4.6	(1.5)	4.6	(4.0)	(2.0)	(2.9)	1.5	0.5	2.5	(1.7)	2.8	2.8	1.8	1.5	(5.9)	0.1
Cash and Cash Equivalents																		
Beginning Cash balance	9.080	9.1	11.5	16.1	14.6	19.2	15.2	16.1	13.2	14.7	15.2	17.7	13.2	16.0	18.8	20.6	22.1	16.0
Ending Cash balance	9.0820	11.5	16.1	14.6	19.2	15.2	13.2	13.2	14.7	15.2	17.7	16.0	16.0	18.8	20.6	22.07	16.1	16.1

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Stonegate Capital Markets, Inc.
Dave Storms, CFA
Dave@stonegateinc.com
214-987-4121

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