

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-33097

GLADSTONE COMMERCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

02-0681276

(I.R.S. Employer
Identification No.)

1521 Westbranch Drive, Suite 100

McLean, Virginia

(Address of principal executive offices)

22102

(Zip Code)

(703) 287-5800

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	GOOD	The Nasdaq Stock Market LLC
6.625% Series E Cumulative Redeemable Preferred Stock, par value \$0.001 per share	GOODN	The Nasdaq Stock Market LLC
6.00% Series G Cumulative Redeemable Preferred Stock, par value \$0.001 per share	GOODO	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: 6.00% Series F Cumulative Redeemable Preferred Stock, par value \$0.001 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12 b-2 of the Act). Yes No

The aggregate market value of the voting common stock held by non-affiliates of the Registrant on June 30, 2025, based on the closing price on that date of \$14.33 on the Nasdaq Global Select Market, was \$657,435,256. For the purposes of calculating this amount only, all directors and executive officers of the Registrant and entities controlled by our directors and executive officers have been treated as affiliates. There were 48,406,993 shares of the Registrant's common stock, \$0.001 par value per share, outstanding as of February 18, 2026.

Documents Incorporated by Reference: Portions of the Registrant's Proxy Statement, to be filed no later than April 30, 2026, relating to the Registrant's 2026 Annual Meeting of Stockholders, are incorporated by reference into Part III of this Annual Report on Form 10-K.

GLADSTONE COMMERCIAL CORPORATION
FORM 10-K FOR THE YEAR ENDED
DECEMBER 31, 2025

TABLE OF CONTENTS

	PAGE
PART I	
<u>Item 1. Business.</u>	<u>6</u>
<u>Item 1A. Risk Factors.</u>	<u>16</u>
<u>Item 1B. Unresolved Staff Comments.</u>	<u>30</u>
<u>Item 1C. Cybersecurity.</u>	<u>30</u>
<u>Item 2. Properties.</u>	<u>32</u>
<u>Item 3. Legal Proceedings.</u>	<u>34</u>
<u>Item 4. Mine Safety Disclosures.</u>	<u>34</u>
PART II	
<u>Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.</u>	<u>34</u>
<u>Item 6. Reserved.</u>	<u>35</u>
<u>Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.</u>	<u>35</u>
<u>Item 7A. Quantitative and Qualitative Disclosures About Market Risk.</u>	<u>52</u>
<u>Item 8. Financial Statements and Supplementary Data.</u>	<u>54</u>
<u>Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.</u>	<u>94</u>
<u>Item 9A. Controls and Procedures.</u>	<u>95</u>
<u>Item 9B. Other Information.</u>	<u>95</u>
<u>Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.</u>	<u>95</u>
PART III	
<u>Item 10. Directors, Executive Officers and Corporate Governance.</u>	<u>95</u>
<u>Item 11. Executive Compensation.</u>	<u>96</u>
<u>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.</u>	<u>96</u>
<u>Item 13. Certain Relationships and Related Transactions, and Director Independence.</u>	<u>97</u>
<u>Item 14. Principal Accountant Fees and Services.</u>	<u>97</u>
PART IV	
<u>Item 15. Exhibits and Financial Statement Schedules.</u>	<u>97</u>
<u>Item 16. Form 10-K Summary.</u>	<u>101</u>
<u>SIGNATURES</u>	<u>101</u>

Forward-Looking Statements

Our disclosure and analysis in this Annual Report on Form 10-K (the “Form 10-K”) for the year ended December 31, 2025 and the documents that are incorporated by reference herein contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements involve inherent risks and uncertainties as they relate to expectations, beliefs, projections, future plans and strategies, anticipated events, or trends concerning matters that are not historical facts and may ultimately prove to be incorrect or false. Forward-looking statements include information about possible or assumed future events, including, without limitation, those relating to the discussion and analysis of our business, financial condition, results of operations, and our strategic plans and objectives. Words such as “may,” “might,” “believe,” “will,” “anticipate,” “future,” “could,” “growth,” “plan,” “intend,” “expect,” “should,” “would,” “if,” “seek,” “possible,” “potential,” “likely” and variations of these words and similar expressions are intended to identify forward-looking statements, though not all forward-looking statements contain these words. Forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors that could cause actual results to differ materially from those included within or contemplated by such statements, including, but not limited to, the description of risks and uncertainties in “Item 1A. Risk Factors” of this Form 10-K. Additional information regarding risk factors that may affect us is included in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Form 10-K, and readers of our Form 10-K should also read our Securities and Exchange Commission (“SEC”) filings and other publicly filed documents for further discussion regarding such factors.

You are cautioned to not place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made. Except as otherwise may be required by law, we undertake no obligation to update or revise forward-looking statements, including, without limitation, to reflect changes to our assumptions, the occurrence of unanticipated events, or actual operating results.

Summary Risk Factors

Below is a summary of the principal risk factors associated with an investment in our securities. In addition to the below, you should carefully consider the information included in “*Risk Factors*” beginning on page 16 of this Annual Report on Form 10-K together with all of the other information included in this Annual Report on Form 10-K and the other reports and documents filed or furnished by us with the SEC for a more detailed discussion of the principal risks (as well as certain other risks and uncertainties) that you should carefully consider before deciding to invest in our securities.

- *Certain of our tenants may be unable to pay rent, which could adversely affect our cash available to make distributions to our stockholders.*
- *We may be unable to renew leases, lease vacant space or re-lease space as leases expire, which could adversely affect our business and our ability to make distributions to our stockholders.*
- *Net leases may not result in fair market lease rates over time, thereby failing to maximize income and distributions to our stockholders.*
- *Illiquidity of certain of our real estate investments may make it difficult for us to sell properties in response to market conditions and could harm our financial condition and ability to make distributions to our stockholders.*
- *Our real estate investments have a limited number of tenants and are concentrated in a limited number of industries, which subjects us to an increased risk of significant loss if any one of these tenants is unable to pay or if particular industries experience downturns.*
- *We could incur significant costs related to government regulation and private litigation over environmental matters.*
- *Capital markets and economic conditions can materially affect our financial condition and results of operations, the value of our equity securities, and our ability to sustain the payment of distributions at current levels.*
- *Because our business strategy relies on external financing, we may be negatively affected by restrictions on additional borrowings, and the risks associated with leverage, including our debt service obligations.*
- *Interest rate fluctuations may adversely affect our results of operations.*
- *Our success depends on the performance of our Adviser and if our Adviser makes inadvisable investment or management decisions, our operations could be materially adversely impacted.*
- *We may have conflicts of interest with our Adviser and other affiliates.*

- *The death, disability, or unplanned departure of any of our executive officers or key personnel from the Adviser or Administrator, as applicable, could have a material adverse effect on our ability to implement our business strategy and to achieve our investment objectives.*
- *If we fail to qualify as a REIT, our operations and distributions to stockholders would be adversely impacted.*
- *Our ability to pay distributions is limited by the requirements of Maryland law.*
- *Cybersecurity threats and cyber incidents may adversely affect our business by causing a disruption to our operations, or the operations of businesses in which we invest, a compromise or corruption of our confidential information and/or damage to our business relationships, all of which could negatively impact our business, financial condition and operating results.*

This list of risks and uncertainties, however, is only a summary of some of the most important factors to us and is not intended to be exhaustive. You should carefully review the risks set forth herein under the caption Part I, Item 1A, “Risk Factors” of this Form 10-K. New factors may also emerge from time to time that could have a material adverse effect on our business.

PART I

Item 1. Business.

Overview

Gladstone Commercial Corporation (which we refer to as “we,” “us,” or the “Company”) was incorporated under the General Corporation Law of the State of Maryland on February 14, 2003. We have elected to be taxed as a REIT for federal income tax purposes. We focus on acquiring, owning, and managing primarily industrial and office properties. Our shares of common stock, par value \$0.001 per share, 6.625% Series E Cumulative Redeemable Preferred Stock, par value \$0.001 per share (“Series E Preferred Stock”), and 6.00% Series G Cumulative Redeemable Preferred Stock, par value \$0.001 per share (“Series G Preferred Stock”), trade on the Nasdaq Global Select Market (“Nasdaq”) under the trading symbols “GOOD,” “GOODN” and “GOODO,” respectively. Our senior common stock, par value \$0.001 per share (“Senior Common Stock”) and our 6.00% Series F Cumulative Redeemable Preferred Stock, par value \$0.001 per share (“Series F Preferred Stock”), are not listed or traded on any exchange or automated quotation system.

Our properties are geographically diversified and our tenants cover a broad cross section of business sectors and range in size from small to very large private and public companies, many of which are corporations that do not have publicly-rated debt. We have historically entered into, and intend in the future to enter into, purchase agreements for real estate having net leases with terms of approximately seven to 20 years with built-in rental rate increases. Under a net lease, the tenant is required to pay most or all operating, maintenance, repair and insurance costs and real estate taxes with respect to the leased property.

We actively communicate with private equity funds, real estate brokers and other third parties to locate properties for potential acquisition or to provide mortgage financing in an effort to build our portfolio. We target secondary growth markets that possess favorable economic growth trends, diversified industries, and growing population and employment.

As of February 18, 2026:

- we owned 151 properties totaling 17.7 million square feet (all references herein and throughout the Notes to Consolidated Financial Statements to the number of properties and square footage are unaudited) of rentable space, located in 27 states;
- our occupancy rate was 99.1%;
- the weighted average remaining term of our mortgage debt was 2.5 years, and the weighted average interest rate was 4.21%;
- the weighted average remaining term of our senior unsecured notes was 4.4 years, and the weighted average interest rate was 6.22%; and
- the average remaining lease term of the portfolio was 7.3 years.

We conduct substantially all of our business activities through an Umbrella Partnership Real Estate Investment Trust structure, by which all of our properties are held, directly or indirectly, by Gladstone Commercial Limited Partnership (the “Operating Partnership”). We control the sole general partner of the Operating Partnership and currently own, directly or indirectly, approximately 99.9% of the common units of limited partnership interest in the Operating Partnership (“OP Units”). We have in the past, and may in the future, issue OP Units in connection with the acquisition of commercial real estate, and thereby potentially expand the number of limited partners of the Operating Partnership. Limited partners who hold limited partnership units in our Operating Partnership for at least one year will generally be entitled to cause us to redeem these units for cash or, at our election, shares of our common stock on a one-for-one basis.

Our Operating Partnership is the sole member of Gladstone Commercial Lending, LLC (“Gladstone Commercial Lending”). Gladstone Commercial Lending is a Delaware limited liability company that was formed to hold any real estate mortgage loans.

Our business is managed by our external adviser, Gladstone Management Corporation (the “Adviser”). Gladstone Administration, LLC (the “Administrator”), provides administrative services to us. Both our Adviser and our Administrator are affiliates of ours and each other.

Our Investment Objectives and Our Strategy

Our principal investment objectives are to generate income from rental properties, which we use to fund our continuing operations and to pay monthly cash distributions to our stockholders. Our strategy is to invest in and own a diversified portfolio

of leased properties (primarily industrial) that we believe will produce stable cash flow and increase in value. We may sell some of our real estate assets when our Adviser determines that doing so would be advantageous to us and our stockholders.

In addition to cash on hand and cash from operations, we use funds from various other sources to finance our acquisitions and operations, including equity, our Credit Facility, mortgage financing, long-term private debt, and other sources that may become available from time to time. We believe that moderate leverage is prudent and we aspire to reduce our leverage over time.

In addition to our use of leverage, we were active in the equity markets during 2025 by issuing shares of common stock under our common stock at-the-market program, pursuant to our current At-the-Market Equity Offering Sales Agreement (defined below as the 2024 Common Stock Sales Agreement). We also issued shares of our Series F Preferred Stock through bimonthly closings of this registered non-traded continuous offering. We did not sell any shares of our Series E Preferred Stock during the year ended December 31, 2025, as we terminated that program and the Common Stock Sales Agreement dated December 3, 2019, effective February 10, 2023, in connection with the expiration of our registration statement on Form S-3 (File No. 333-236143) (the “2020 Registration Statement”) on February 11, 2023.

On February 22, 2022, we entered into Amendment No. 1 to the At-the-Market Equity Offering Sales Agreement with sales agents Robert W. Baird & Co. Incorporated (“Baird”), Goldman Sachs & Co. LLC (“Goldman Sachs”), Stifel, Nicolaus & Company, Incorporated, (“Stifel”) BTIG, LLC (“BTIG”), and Fifth Third Securities, Inc. (“Fifth Third”), dated December 3, 2019 (together, the “Prior Common Stock Sales Agreement”). We terminated the Prior Common Stock Sales Agreement effective February 10, 2023 in connection with the expiration of our registration statement on Form S-3 (File No. 333-236143) (the “2020 Registration Statement”) on February 11, 2023.

On March 3, 2023, we entered into an At-the-Market Equity Offering Sales Agreement (the “2023 Common Stock Sales Agreement”), with BofA Securities, Inc. (“BofA”), Goldman Sachs, Baird, KeyBanc Capital Markets Inc. (“KeyBanc”), and Fifth Third (collectively the “Common Stock Sales Agents”). In connection with the 2023 Common Stock Sales Agreement, we filed prospectus supplements dated March 3, 2023 and March 7, 2023, to the prospectus dated November 23, 2022, with the SEC, for the offer and sale of an aggregate offering amount of \$250.0 million of common stock.

On March 26, 2024, we entered into Amendment No. 1 to the 2023 Common Stock Sales Agreement (as amended from time to time, the “2024 Common Stock Sales Agreement”). The amendment permitted shares of common stock to be issued pursuant to the 2024 Common Stock Sales Agreement under our registration statement on Form S-3 (File No. 333-277877) (the “2024 Registration Statement”), and future registration statements on Form S-3. In connection with the 2024 Common Stock Sales Agreement, we filed a prospectus supplement with the SEC dated March 26, 2024, to the prospectus dated March 21, 2024, for the offer and sale of an aggregate offering amount of \$250.0 million of common stock. On August 12, 2025, we entered into Amendment No. 2 (“Amendment No. 2”) to the 2024 Common Stock Sales Agreement which, among other things, (i) removed Baird as a Common Stock Sales Agent and (ii) added Huntington Securities, Inc. (“Huntington”) as a Common Stock Sales Agent. After giving effect to Amendment No. 2, the Common Stock Sales Agents are BofA, Goldman Sachs, KeyBanc, Fifth Third, and Huntington. In connection with Amendment No. 2, we filed a prospectus supplement with the SEC dated August 12, 2025, which updates and supplements the prospectus supplement dated March 26, 2024, for the offer and sale of an aggregate offering amount of \$250.0 million of common stock under the 2024 Registration Statement. During the year ended December 31, 2025, we sold 4,412,814 shares of common stock, raising approximately \$61.0 million, in net proceeds under the 2024 Common Stock Sales Agreement, as amended.

Investment Policies

Types of Investments

Overview

We intend to continue earning substantially all of our revenues from the ownership of income-producing real property. We expect that a majority of our investments will continue to be structured as net leases that require the tenant to pay most or all of the operating costs, costs of maintenance and repair, insurance and real estate taxes on the property. However, if a net lease would have an adverse impact on a potential tenant, or we assume a lease with a different existing structure in place, we may structure our investment as either a gross or modified gross lease. Investments are not restricted to geographical areas, but we expect that most of our investments in real estate will continue to be made within the continental United States. Some of our investments may also be made through joint ventures that would permit us to own interests in large properties without restricting the diversity of our portfolio.

We anticipate that we will continue to make substantially all of our investments through our Operating Partnership. Our Operating Partnership may acquire interests in real property or mortgage loans in exchange for the issuance of common shares, OP Units, cash, or through a combination of the aforementioned. OP Units issued by our Operating Partnership generally will be redeemable for cash or, at our election, shares of our common stock on a one-for-one basis after the one-year anniversary of their issuance. We may in the future also conduct some of our business and hold some of our interests in real properties or mortgage loans through one or more wholly-owned subsidiaries that are not owned, directly or indirectly, through our Operating Partnership.

Property Acquisitions and Net Leasing

To date, we have purchased a majority of our properties from owners that have leased their properties to non-affiliated tenants, and while we have engaged in some transactions with tenants who have consummated sale-leaseback transactions, these transactions do not comprise the dominant portion of our portfolio. We expect that some of our sale-leaseback transactions will be in conjunction with acquisitions, recapitalizations or other corporate transactions affecting our tenants. In these transactions, we may act as one of several sources of financing by purchasing one or more properties from the tenant and by leasing it on a net basis to the tenant or its successor in interest.

Our portfolio consists primarily of single-tenant industrial and office real property. Our primary focus currently and going forward is single-tenant industrial properties, although we may continue to acquire select multi-tenant industrial properties. We may, from time to time, also acquire office properties, but this is not our primary focus. Generally, we lease properties to tenants that our Adviser deems creditworthy under leases that will be full recourse obligations of our tenants or their affiliates. We seek to obtain lease terms of approximately seven to 20 years with built-in rental increases.

We have formed relationships with nationally recognized strategic partners to assist us with the management of our properties in each of our markets. These relationships provide local expertise to ensure that our properties are properly maintained and that our tenants have local points of contact to address property issues. This strategy improves our operating efficiencies, increases local market intelligence for the Adviser, and generally does not increase our costs as the local property managers are reimbursed by the tenants in accordance with the lease agreements.

Underwriting Criteria, Due Diligence Process and Negotiating Lease Provisions

We consider underwriting of the real estate and the tenant for the property to be the two most important aspects of evaluating a prospective investment. In analyzing potential acquisitions of properties and leases, our Adviser reviews all aspects of the potential transaction, including tenant and real estate fundamentals, to determine whether potential acquisitions and leases can be structured to satisfy our acquisition criteria. The criteria listed below provide general guideposts that our Adviser may consider when underwriting leases and mortgage loans:

- *Credit Evaluation.* Our Adviser evaluates each potential tenant or borrower for its creditworthiness, considering factors such as its rating by a national credit rating agency, if any, management experience, industry position and fundamentals, operating history and capital structure. As of December 31, 2025, 35% of our lease revenues were earned from tenants that were rated by a nationally recognized statistical rating organization. A prospective tenant or borrower that is deemed creditworthy does not necessarily mean that we will consider its property to be “investment grade.” Our Adviser seeks tenants and borrowers that range from small businesses, many of which do not have publicly rated debt, to large public companies. Our Adviser’s investment professionals have substantial experience in locating and underwriting these types of companies. By leasing properties to these tenants, we believe that we will generally be able to charge rent that is higher than the rent charged to tenants with low leverage ratios and recognized credit, thereby enhancing current return from these properties as compared with properties leased to companies whose credit potential has already been recognized by the market. Furthermore, if a tenant’s credit improves, the value of our lease or investment will likely increase (if all other factors affecting value remain unchanged). In evaluating a possible investment, we believe that the creditworthiness of a prospective tenant can be a more significant factor than the unleased value of the property itself. While our Adviser selects tenants it believes to be creditworthy, tenants are not required to meet any minimum rating established by an independent credit rating agency. Our Adviser’s standards for determining whether a particular tenant is creditworthy vary in accordance with a variety of factors relating to specific prospective tenants. The creditworthiness of a tenant or borrower is determined on a tenant-by-tenant and case-by-case basis. Therefore, general standards for creditworthiness cannot be applied.
- *Leases with Increasing Rent.* Our Adviser seeks to acquire properties with leases that include a provision in each lease that provides for annual rent escalations over the term of the lease. A majority of our leases contain fixed rental

escalations; however certain of our leases are tied to increases in indices, such as the consumer price index and we have a small number of leases without rental escalations.

- *Diversification.* Our Adviser attempts to diversify our portfolio to avoid dependence on any one particular tenant, facility type, geographic location or tenant industry. By diversifying our portfolio, our Adviser intends to reduce the adverse effect of a single under-performing investment or a downturn in any particular industry or geographic region. Please see Part I, Item 2, “Properties” of this Form 10-K for a summary of our portfolio by industry and geographic location.
- *Property Valuation.* The business prospects and the financial strength of the tenant are important aspects of the evaluation of any sale and leaseback of property, or acquisition of property subject to a net lease, particularly a property that is specifically suited to the needs of the tenant. We generally require quarterly unaudited and annual audited financial statements of the tenant to continuously monitor the financial performance of the tenant. Our Adviser evaluates the financial capability of the tenant and its ability to perform per the terms of the lease, including obtaining certificates of insurance and verifying payment of real estate taxes on an annual basis. Our Adviser will also examine the available operating results of prospective investment properties to determine whether or not projected rental levels are likely to be met. As further described below, our Adviser also evaluates the physical characteristics of a prospective property investment and comparable properties as well as the geographic location of the property in the particular market to ensure that the characteristics are favorable for re-leasing the property at approximately the same or higher rental rate should that necessity arise. Our Adviser then computes the value of the property based on historical and projected operating results. In addition, each property that we propose to purchase is appraised by an independent appraiser. These appraisals may take into consideration, among other things, the terms and conditions of the particular lease transaction and the conditions of the credit markets at the time the purchase is negotiated, as well as a value assessment of like properties in the market. We generally limit the purchase price of each acquisition to less than 5% of our consolidated total assets.
- *Properties Important to Tenant Operations.* Our Adviser generally seeks to acquire investment properties that are essential or important to the ongoing operations of the prospective tenant. We believe that these investment properties provide better protection in the event a tenant files bankruptcy, as leases on properties essential or important to the operations of a bankrupt tenant are typically less likely to be rejected in bankruptcy or otherwise terminated.
- *Lease Provisions that Enhance and Protect Value.* When appropriate, our Adviser attempts to acquire properties with leases that require our consent to specified tenant activity or require the tenant to satisfy specific operating tests. These provisions may include operational or financial covenants of the tenant, as well as indemnification of us by the tenant against environmental and other contingent liabilities. We believe that these provisions serve to protect our investments from changes in the operating and financial characteristics of a tenant that may impact its ability to satisfy its obligations to us or that could reduce the value of our properties. Our Adviser generally also seeks covenants requiring tenants to receive our consent prior to any change in control of the tenant.
- *Credit Enhancement.* Our Adviser may also seek to enhance the likelihood of a tenant’s lease obligations being satisfied through a cross-default with other tenant obligations, a letter of credit or a guaranty of lease obligations from the tenant’s corporate parent. We believe that this type of credit enhancement, if obtained, provides us with additional financial security.

Underwriting of the Real Estate and Due Diligence Process

In addition to underwriting the tenant or borrower, our Adviser also underwrites the real estate to be acquired or secured by one of our mortgages. On our behalf, our Adviser performs a due diligence review with respect to each property, such as evaluating the physical condition of a property, zoning and site requirements to ensure the property is in compliance with all zoning regulations as well as an environmental site assessment, in an attempt to determine potential environmental liabilities associated with a property prior to its acquisition, although there can be no assurance that hazardous substances or wastes (as defined by present or future federal or state laws or regulations) will not be discovered on the property after we acquire it. We could incur significant costs related to government regulation and private litigation over environmental matters. See “*Risk Factors – We could be exposed to liability and remedial costs related to environmental matters.*”

Our Adviser also reviews the structural soundness of the improvements on the property and may engage a structural engineer to review multiple aspects of the structures to determine the longevity of each building on the property. This review normally also includes the components of each building, such as the roof, the structure and configuration, the electrical wiring, the heating

and air-conditioning system, the plumbing, parking lot and various other aspects such as compliance with state and federal building codes.

Our Adviser also physically inspects the real estate and surrounding real estate as part of determining its value. This aspect of our Adviser's due diligence is aimed at arriving at a valuation of the real estate under the assumption that it would not be rented to the existing tenant. As part of this process, our Adviser may consider one or more of the following items:

- The comparable value of similar real estate in the same general area of the prospective property. In this regard, comparable property is difficult to define because each piece of real estate has its own distinct characteristics. But to the extent possible, comparable property in the area that has sold or is for sale will be used to determine if the price to be paid for the property is reasonable. The question of comparable properties' sale prices is particularly relevant if a property might be sold by us at a later date.
- An assessment of the relative appropriate nature and flexibility of the building configuration and its ability to be re-leased to other users in a single or multiple tenant arrangement.
- The comparable real estate rental rates for similar properties in the same area of the prospective property.
- Alternative property uses that may offer higher value.
- The replacement cost of the property at current construction prices if it were to be sold.
- The assessed value as determined by the local real estate taxing authority.

In addition, our Adviser supplements its valuation with an independent real estate appraisal in connection with each investment that we consider. When appropriate, our Adviser may engage experts to undertake some or all of the due diligence efforts described above.

Use of Leverage

In addition to cash on hand and cash from operations, we use funds from various other sources to finance our acquisitions and operations, including common and preferred equity, our Credit Facility (defined below), mortgage financing, long-term private debt, and other sources that may become available from time to time. We believe that moderate leverage is prudent and we aspire to reduce our leverage over time.

Currently, the majority of our mortgage borrowings are structured as non-recourse to us, with limited exceptions that would trigger recourse to us only upon the occurrence of certain fraud, misconduct, environmental or bankruptcy events. The use of non-recourse financing allows us to limit our exposure to the amount of equity invested in the properties pledged as collateral for our borrowings. Non-recourse financing generally restricts a lender's claim on the assets of the borrower, and as a result, the lender generally may look only to the property securing the debt for its satisfaction. We believe that this financing strategy, to the extent available, protects our other assets. However, we can provide no assurance that non-recourse financing will be available on terms acceptable to us, or at all, and consequently, there may be circumstances where lenders have recourse to our other assets. None of the \$250.2 million in mortgage notes payable, net, outstanding as of December 31, 2025 have recourse to the Company.

On August 7, 2013, we procured a senior unsecured revolving credit facility ("Revolver"), with KeyBank National Association ("KeyBank") (serving as a revolving lender, a letter of credit issuer and an administrative agent) for \$60.0 million. On October 5, 2015, we added a \$25.0 million five-year term loan facility ("Term Loan A"). On February 11, 2021, we added a new \$65.0 million term loan component, inclusive of a \$15.0 million delayed funding component which was funded on July 20, 2021 ("Term Loan B"). On August 18, 2022, we added a new \$140.0 million term loan facility component ("Term Loan C"). The Credit Facility's bank syndicate was then comprised of KeyBank, Fifth Third Bank, The Huntington National Bank, Bank of America, Synovus Bank, United Bank, First Financial Bank, and S&T Bank. We refer to Term Loan A, Term Loan B, Term Loan C and the Revolver, collectively, herein as the Credit Facility.

On May 30, 2025, the Operating Partnership entered into a Term Loan Agreement with KeyBank in connection with the \$20.0 million Term Loan D ("Term Loan D"). Term Loan D was unsecured and had a maturity date of May 30, 2027 and a SOFR spread ranging from 155 to 200 basis points throughout the life of the loan. The proceeds from Term Loan D were used to pay down the Revolver.

On September 18, 2025, we amended our Credit Facility, increasing our Revolver from \$125.0 million to \$155.0 million. We incurred fees of approximately \$0.5 million in connection with the increase to our Credit Facility. The increased credit availability was used, in part, to fund a nine-property portfolio acquisition that closed on September 30, 2025.

On October 10, 2025, we amended, extended, and upsized our Credit Facility, increasing our Revolver from \$155.0 million to \$200.0 million (and its term to October 2029), decreasing the principal balance of Term Loan A from \$160.0 million to \$125.0 million (and extending its term to October 2029), increasing the principal balance of Term Loan B from \$60.0 million to \$143.3 million (and its term to February 2030), decreasing the principal balance of Term Loan C from \$150.0 million to \$131.7 million, and repaying the full principal balance of Term Loan D. The SOFR spread increased by 10 basis points, ranging from 140 to 210 basis points for the Revolver and 135 to 205 basis points for the Term Loans, depending on our leverage. We incurred fees of approximately \$4.2 million in connection with amending, extending, and upsizing our Credit Facility. The Credit Facility's new (and current) bank syndicate is comprised of KeyBank, Fifth Third Bank, The Huntington National Bank, Bank of America, Synovus Bank, PNC Bank, National Association ("PNC Bank"), Webster Bank, National Association ("Webster Bank"), and S&T Bank. As of December 31, 2025, there was \$437.4 million outstanding under our Credit Facility at a weighted average interest rate of approximately 5.42% and \$2.1 million of outstanding letters of credit.

On December 15, 2025, we and the Operating Partnership entered into a Note Purchase Agreement with the institutional investors named therein, in connection with a private placement of \$85.0 million of 5.99% senior unsecured notes, maturing on December 15, 2030 (the "2030 Notes").

Conflict of Interest Policy

We have adopted policies to reduce potential conflicts of interest. In addition, our directors are subject to certain provisions of Maryland law that are designed to minimize conflicts. However, we cannot provide assurance that these policies or provisions of law will reduce or eliminate the influence of these conflicts.

Under our current conflict of interest policy, without the approval of a majority of our independent directors, we will not:

- acquire from or sell any assets or other property to any of our officers, directors or our Adviser's employees, or any entity in which any of our officers, directors or Adviser's employees has an interest of more than 5%;
- borrow from any of our directors, officers or our Adviser's employees, or any entity, in which any of our officers, directors or our Adviser's employees has an interest of more than 5%; or
- engage in any other transaction with any of our directors, officers or our Adviser's employees, or any entity in which any of our directors, officers or our Adviser's employees has an interest of more than 5% (except that our Adviser may lease office space in a building that we own, provided that the rental rate under the lease is determined by our independent directors to be at a fair market rate).

Our policy also prohibits us from purchasing any real property owned by or co-investing with our Adviser, any of its affiliates or any business in which our Adviser or any of its subsidiaries have invested, except that we may lease property to existing and prospective portfolio companies of current or future affiliates, such as our affiliated publicly-traded funds Gladstone Capital Corporation ("Gladstone Capital"), Gladstone Land Corporation ("Gladstone Land"), Gladstone Investment Corporation ("Gladstone Investment"), or Gladstone Alternative Income Fund ("Gladstone Alternative"), and other entities advised by our Adviser, so long as that entity does not control the portfolio company and the transaction is approved by both companies' board of directors. If we decide to change this policy on co-investments with our Adviser or its affiliates, we will seek our stockholders' approval.

Future Revisions in Policies and Strategies

Our independent directors periodically review our investment policies to evaluate whether they are in the best interests of us and our stockholders. Our investment procedures, objectives and policies may vary as new investment techniques are developed or as regulatory requirements change, and except as otherwise provided in our charter or bylaws, may be altered by a majority of our directors (including a majority of our independent directors) without the approval of our stockholders, to the extent that our Board of Directors determines that such modification is in the best interest of our stockholders. Among other factors, developments in the market which affect the policies and strategies described in this report or which change our assessment of the market may cause our Board of Directors to revise our investment policies and strategies.

Code of Ethics

We have adopted a code of ethics and business conduct (a "Code of Ethics") applicable to all personnel of our Adviser and Administrator performing services on our behalf that complies with the guidelines set forth in Item 406 of Regulation S-K of the Securities Act of 1933. This code establishes procedures for personal investments, restricts certain transactions by such personnel and requires the reporting of certain transactions and holdings by such personnel. A copy of this code is available for review, free of charge, on the investors section of our website at www.GladstoneCommercial.com. The information contained

on or connected to our website is not incorporated by reference into this Form 10-K and should not be considered part of this or any other report that we file with or furnish to the SEC. We intend to provide any required disclosure of any amendments to or waivers of this code of ethics by posting information regarding any such amendment or waiver to our website.

Our Adviser and Administrator

Our business is managed by our Adviser. The officers, directors and employees of our Adviser have significant experience in making investments in and lending to businesses of all sizes, and investing in real estate. We have entered into an investment advisory agreement with our Adviser, as amended from time to time (including the Seventh Amended and Restated Investment Advisory Agreement dated January 10, 2023 and the Eighth Amended and Restated Investment Advisory Agreement dated July 11, 2023, the “Advisory Agreement”), under which our Adviser is responsible for managing our assets and liabilities, for operating our business on a day-to-day basis and for identifying, evaluating, negotiating and consummating investment transactions consistent with our investment policies as determined by our Board of Directors from time to time. The Administrator employs our chief financial officer, treasurer, chief compliance officer, and co-general counsels and co-secretaries (one of whom also serves as our Administrator’s president, general counsel, and secretary) and their respective staffs and provides administrative services for us under the administration agreement with our Administrator (the “Administration Agreement”).

David Gladstone, our chairman and chief executive officer, is also the chairman, chief executive officer and the controlling stockholder of our Adviser and our Administrator. Arthur “Buzz” Cooper, our president, is also an Executive Vice President of our Adviser.

Our Adviser has an investment committee that approves each of our investments. This investment committee is currently comprised of Messrs. Gladstone and Cooper, Laura Gladstone, who is an Executive Vice President of our Adviser, and John Sateri, who is also an Executive Vice President of our Adviser and President of Gladstone Alternative. We believe that the review process of our investment committee gives us a competitive advantage over other REITs because of the substantial experience that its members possess and their unique perspective in evaluating the blend of corporate credit, real estate and lease terms that collectively provide an acceptable risk for our investments.

Our Adviser’s board of directors has empowered our investment committee to authorize and approve our investments, subject to the terms of the Advisory Agreement. Before we acquire any property, the transaction is reviewed by our investment committee to ensure that, in its view, the proposed transaction satisfies our investment criteria and is within our investment policies. Approval by our investment committee is generally the final step in the property acquisition approval process, although the separate approval of our Board of Directors is required in certain circumstances described below. For further detail on this process, please see “*Investment Policies—Underwriting Criteria, Due Diligence Process and Negotiating Lease Provisions.*”

Our Adviser and Administrator are headquartered in McLean, Virginia, a suburb of Washington, D.C., and our Adviser also has offices in other states. Refer to Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Advisory and Administration Agreements” of this Form 10-K for a detailed discussion on the Adviser and Administrator’s fee structure.

Adviser Duties and Authority under the Advisory Agreement

Under the terms of the Advisory Agreement, our Adviser is required to use its best efforts to present to us investment opportunities consistent with our investment policies and objectives as adopted by our Board of Directors. In performing its duties, our Adviser, either directly or indirectly by engaging an affiliate:

- finds, evaluates and enters into contracts to purchase real estate on our behalf in compliance with our investment procedures, objectives and policies, subject to approval of our Board of Directors, where required;
- provides advice to us and acts on our behalf with respect to the negotiation, acquisition, financing, refinancing, holding, leasing and disposition of real estate investments;
- takes the actions and obtains the services necessary to effect the negotiation, acquisition, financing, refinancing, holding, leasing and disposition of real estate investments; and
- provides day-to-day management of our business activities and other administrative services for us as requested by our Board of Directors.

Our Board of Directors has authorized our Adviser to make investments in any property on our behalf without the prior approval of our Board of Directors if the following conditions are satisfied:

- our Adviser has obtained an independent appraisal for the property indicating that the total cost of the property does not exceed its appraised value; and
- our Adviser has concluded that the property, in conjunction with our other investments and proposed investments, is reasonably expected to fulfill our investment objectives and policies as established by our Board of Directors then in effect.

The actual terms and conditions of transactions involving investments in properties are determined at the sole discretion of our Adviser, subject at all times to compliance with the foregoing requirements. However, some types of transactions, including the following, require the prior approval of our Board of Directors, including a majority of our independent directors:

- loans not secured or otherwise supported by real property;
- any acquisition which at the time of investment would have a cost exceeding 20% of our total assets;
- transactions that involve conflicts of interest with our Adviser or other affiliates (other than reimbursement of expenses in accordance with the Advisory Agreement); and
- the lease of assets to our Adviser, its affiliates or any of our officers or directors.

Our Adviser and Administrator also engage in other business ventures and, as a result, their resources are not dedicated exclusively to our business. For example, our Adviser and Administrator also serve as the external adviser or administrator, respectively, to Gladstone Capital and Gladstone Investment, both publicly traded business development companies affiliated with us, Gladstone Land, a publicly traded agricultural REIT that is also our affiliate, and Gladstone Alternative, a non-diversified, closed-end management investment company that operates as an “interval fund” that is also our affiliate. However, under the Advisory Agreement, our Adviser is required to devote sufficient resources to the administration of our affairs to discharge its obligations under the agreement. The Advisory Agreement is not assignable or transferable by either us or our Adviser without the consent of the other party, except that our Adviser may assign the Advisory Agreement to an affiliate for whom our Adviser agrees to guarantee its obligations to us.

Gladstone Securities

Gladstone Securities, LLC (“Gladstone Securities”), is a privately held broker dealer registered with the Financial Industry Regulatory Authority and insured by the Securities Investor Protection Corporation. Gladstone Securities is an affiliate of ours, as its parent company is controlled by David Gladstone, our chairman and chief executive officer. Mr. Gladstone also serves on the board of managers of Gladstone Securities.

Mortgage Financing Arrangement Agreement

We also entered into an agreement with Gladstone Securities, effective June 18, 2013, for it to act as our non-exclusive agent to assist us with arranging mortgage financing for properties we own. In connection with this engagement, Gladstone Securities may from time to time solicit the interest of various commercial real estate lenders or recommend third party lenders to us offering credit products or packages that are responsive to our needs. We pay Gladstone Securities a financing fee in connection with the services it provides to us for securing mortgage financing on any of our properties. The amount of these financing fees, which are payable upon closing of the financing, will be based on a percentage of the amount of the mortgage, generally ranging from 0.15% to a maximum of 1.0% of the mortgage obtained. The amount of the financing fees may be reduced or eliminated, as determined by us and Gladstone Securities, after taking into consideration various factors, including, but not limited to, the involvement of any third party brokers and market conditions. The agreement is scheduled to terminate on August 31, 2026, unless renewed and approved by our Board of Directors or earlier terminated.

Dealer Manager Agreement

On February 20, 2020 we entered into a dealer manager agreement, as amended on February 9, 2023 (together, the “Dealer Manager Agreement”), whereby Gladstone Securities acted as the exclusive dealer manager in connection with our offering (the “Offering”) of up to (i) 20,000,000 shares of our Series F Preferred Stock on a “reasonable best efforts” basis (the “Primary Offering”), and (ii) 6,000,000 shares of Series F Preferred Stock pursuant to our distribution reinvestment plan (the “DRIP”) to those holders of the Series F Preferred Stock who participated in such DRIP. The Series F Preferred Stock was previously registered with the SEC pursuant to a registration statement on Form S-3 (File No. 333-268549), as the same may be amended and/or supplemented (the “2022 Registration Statement”), under the Securities Act, and were offered and sold pursuant to a prospectus supplement, dated February 9, 2023, and a base prospectus dated November 23, 2022 relating to the 2022 Registration Statement. The Series F Preferred Stock is currently registered with the SEC pursuant to a registration statement on Form S-3 (File No. 333-277877), as the same may be amended and/or supplemented (the “2024 Registration Statement”), under

the Securities Act, and was offered and sold pursuant to a prospectus supplement dated May 1, 2024, and a base prospectus dated March 21, 2024 relating to the 2024 Registration Statement (the “Prospectus”). During the years ended December 31, 2023, and 2024, the Series F Preferred Stock was registered with the SEC pursuant to the 2022 Registration Statement, and offered and sold pursuant to a prospectus supplement, dated February 9, 2023, and a base prospectus dated November 23, 2022. During the year ended December 31, 2025, the Series F Preferred Stock was registered with the SEC pursuant to the 2024 Registration Statement, and offered and sold pursuant to a prospectus supplement, dated May 1, 2024, and a base prospectus dated March 21, 2024.

Under the Dealer Manager Agreement, Gladstone Securities, as dealer manager, provided certain sales, promotional and marketing services to the Company in connection with the Offering, and the Company paid Gladstone Securities (i) selling commissions of 6.0% of the gross proceeds from sales of Series F Preferred Stock in the Primary Offering (the “Selling Commissions”), and (ii) a dealer manager fee of 3.0% of the gross proceeds from sales of Series F Preferred Stock in the Primary Offering (the “Dealer Manager Fee”). No Selling Commissions or Dealer Manager Fees were paid with respect to Shares sold pursuant to the DRIP. Gladstone Securities had the sole discretion to reallocate a portion of the Dealer Manager Fee to participating broker-dealers in support of the Offering.

Human Capital Management

We do not currently have any employees and do not expect to have any employees in the foreseeable future. Currently, services necessary for our business are provided by individuals who are employees of our Adviser and our Administrator pursuant to the terms of the Advisory Agreement and the Administration Agreement, respectively. Each of our executive officers is an employee or officer, or both, of our Adviser or our Administrator. We expect that a total of 15 to 20 full time employees of our Adviser and our Administrator will spend substantially all or all of their time on our matters during calendar year 2026. Our president and CFO, accounting team, and the employees of our Adviser that manage our assets and our investments spend all of their time on our matters. To the extent that we acquire more investments, we anticipate that the number of employees of our Adviser and our Administrator who devote time to our matters will increase.

As of December 31, 2025, our Adviser and Administrator collectively had 75 full-time employees. A breakdown of these employees is summarized by functional area in the table below:

Number of Individuals	Functional Area
16	Executive Management
40	Investment Management, Asset Management, Portfolio Management and Due Diligence
19	Administration, Accounting, Compliance, Human Resources, Legal and Treasury

The Adviser and the Administrator aim to attract and retain capable advisory and administrative personnel, respectively, by offering competitive base salaries, benefits and bonus structure and by providing employees with appropriate opportunities for professional development and growth.

Competition

We compete with a number of other real estate investment companies and traditional mortgage lenders, many of whom have greater marketing and financial resources than we do. Principal factors of competition in our primary business of investing in and owning leased industrial and office real property are the quality of properties, leasing terms, attractiveness and convenience of location. Additionally, our ability to compete depends upon, among other factors, trends of the national and local economies, investment alternatives, financial condition and operating results of current and prospective tenants and borrowers, availability and cost of capital, taxes and governmental regulations.

Government Regulations

We must own, operate, manage, acquire and develop our properties in compliance with the laws and regulations of the United States, as well as state and local laws and regulations in the markets where our properties are located, which may differ among jurisdictions. In response to public health emergencies, federal governmental authorities, as well as state and local governmental authorities in jurisdictions where our properties are located, have in recent years implemented laws and regulations which impacted our ability to operate our business in the ordinary course. These governmental authorities may take similar actions in the future in the event of new public health emergencies. Such regulations may materially affect our results of operations for the year ending December 31, 2026. Otherwise, we do not expect that compliance with the various laws and regulations we are

subject to will have a material effect on our capital expenditures, results of operations and competitive position for the year ending December 31, 2026, as compared to prior periods.

For additional information, see *“Risk Factors - We could incur significant costs related to government regulation and private litigation over environmental matters.”*, *“Risk Factors - Compliance or failure to comply with laws requiring access to our properties by disabled persons could result in substantial cost.”*, and *“Risk Factors – We could be exposed to liability and remedial costs related to environmental matters.”*

Available Information

Copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and amendments, if any, to those reports filed or furnished with the SEC, pursuant to Section 13(a) or 15(d) of the Securities Exchange Act are available free of charge through the investors section of our website at www.GladstoneCommercial.com as soon as practicable after such reports have been filed or furnished to the SEC. Information on our website should not be considered part of this Form 10-K. A request for any of these reports may also be submitted to us by sending a written request addressed to Investor Relations, Gladstone Commercial Corporation, 1521 Westbranch Drive, Suite 100, McLean, VA 22102, or by calling our toll-free investor relations line at 1-866-366-5745. The SEC also maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

Item 1A. Risk Factors.

An investment in our securities involves a number of significant risks and other factors relating to our structure and investment objectives. As a result, we cannot assure you that we will achieve our investment objectives. You should consider carefully the following information as an investor and/or prospective investor in our securities. The risks described below may not be the only risks we face. Additional risks not presently known to us or that we currently believe are immaterial may also significantly impact our business operations. If any of these risks occur, our business prospects, financial condition or results of operations could suffer, the market price of our capital stock could decline and you could lose all or part of your investment in our capital stock.

Risks related to our business and properties

Certain of our tenants may be unable to pay rent, which could adversely affect our cash available to make distributions to our stockholders.

Some of our tenants may have recently been either restructured using leverage, or acquired in a leveraged transaction. Tenants that are subject to significant debt obligations may be unable to make their rent payments if there are adverse changes to their businesses or because of the impact of public health emergencies. Rising interest rates, inflation and recessionary conditions also impact a tenant's ability to timely make their rent payments. Tenants that have experienced leveraged restructurings or acquisitions will generally have substantially greater debt and substantially lower net worth than they had prior to the leveraged transaction. In addition, the payment of rent may reduce the working capital available to leveraged entities and prevent them from devoting the resources necessary to remain competitive in their industries.

In situations where management of the tenant will change after a transaction, it may be difficult for our Adviser to determine with reasonable certainty the likelihood of the tenant's business success and of its ability to pay rent throughout the lease term. These companies generally are more vulnerable to adverse economic and business conditions, and increases in interest rates.

We are subject to the credit risk of our tenants, which in the event of bankruptcy, could adversely affect our results of operations.

We are subject to the credit risk of our tenants. Any bankruptcy of a tenant or borrower could cause:

- the loss of lease payments to us;
- an increase in the costs we incur to carry the property occupied by such tenant;
- a reduction in the value of our securities; or
- a decrease in distributions to our stockholders.

Under bankruptcy law, a tenant who is the subject of bankruptcy proceedings has the option of continuing or terminating any unexpired lease. If a bankrupt tenant terminates a lease with us, any claim we might have for breach of the lease (excluding a claim against collateral securing the lease) will be treated as a general unsecured claim. Our claim would likely be capped at the amount the tenant owed us for unpaid rent prior to the bankruptcy unrelated to the termination, plus the greater of one year's lease payments or 15% of the remaining lease payments payable under the lease (but no more than three years' lease payments). In addition, due to the long-term nature of our leases and terms providing for the repurchase of a property by the tenant, a bankruptcy court could re-characterize a net lease transaction as a secured lending transaction. If that were to occur, we would not be treated as the owner of the property, but might have additional rights as a secured creditor.

In addition, we may enter into sale-leaseback transactions, whereby we would purchase a property and then lease the same property back to the person from whom we purchased it. In the event of the bankruptcy of a tenant, a transaction structured as a sale-leaseback may be re-characterized as either a financing or a joint venture, either of which outcomes could adversely affect our business. If the sale-leaseback were re-characterized as a financing, we might not be considered the owner of the property, and as a result would have the status of a creditor in relation to the tenant. In that event, we would no longer have the right to sell or encumber our ownership interest in the property. Instead, we would have a claim against the tenant for the amounts owed under the lease, with the claim arguably secured by the property. The tenant/debtor might have the ability to propose a plan restructuring the term, interest rate and amortization schedule of its outstanding balance. If confirmed by the bankruptcy court, we could be bound by the new terms, and prevented from foreclosing our lien on the property. If the sale-leaseback were re-characterized as a joint venture, we could be treated as a co-venturer with our lessee with regard to the property. As a result, we could be held liable, under some circumstances, for debts incurred by the lessee relating to the property. Either of these outcomes could adversely affect our cash flow and our ability to pay distributions to stockholders.

We may be unable to renew leases, lease vacant space or re-lease space as leases expire, which could adversely affect our business and our ability to make distributions to our stockholders.

If we cannot renew leases, we may be unable to re-lease our properties to other tenants at rates equal to or above the current market rate. Even if we can renew leases, tenants may be able to negotiate lower rates as a result of market conditions. Market conditions may also hinder our ability to lease vacant space in newly developed or redeveloped properties. In addition, we may enter into or acquire leases for properties that are suited to the needs of a particular tenant. Such properties may require renovations, tenant improvements or other concessions to lease them to other tenants if the initial leases terminate. We may be required to expend substantial funds for tenant improvements and tenant refurbishments to re-lease the vacated space and cannot assure you that we will have sufficient sources of funding available to use in the future for such purposes and therefore may have difficulty in securing a replacement tenant. We may also have challenges in leasing properties that currently have leases which make up a significant portion of our rent. Any of these factors could adversely impact our financial condition, results of operations, cash flow or our ability to pay distributions to our stockholders.

Net leases may not result in fair market lease rates over time, thereby failing to maximize income and distributions to our stockholders.

A large portion of our rental income comes from net leases, which frequently provide the tenant greater discretion in using the leased property than ordinary property leases, such as the right to sublease the property, subject to our approval, to make alterations in the leased premises and to terminate the lease prior to its expiration under specified circumstances. Further, net leases are typically for longer lease terms and, thus, there is an increased risk that contractual rental increases in future years will fail to result in fair market rental rates during those years. As a result, our income and distributions to our stockholders could be lower than they would otherwise be if we did not engage in net leases.

Multi-tenant properties expose us to additional risks, such as increasing operating expenses and difficulty finding suitable replacement tenants.

Our multi-tenant properties could expose us to the risk that a sufficient number of suitable tenants may not be found to enable the property to operate profitably. This loss of income could cause a material adverse impact to our results of operations and business. Multi-tenant properties are also subject to tenant turnover and fluctuation in occupancy rates, which could affect our operating results. Furthermore, multi-tenant properties expose us to the risk of increased operating expenses, which may occur when the actual cost of taxes, insurance and maintenance at the property exceeds the operating expenses paid by tenants and/or the amounts budgeted.

Illiquidity of certain of our real estate investments may make it difficult for us to sell properties in response to market conditions and could harm our financial condition and ability to make distributions to our stockholders.

We focus our investments on industrial properties, a number of which include manufacturing facilities, special use storage or warehouse facilities and special use single or multi-tenant properties. Our real estate portfolio also includes office properties, which are a secondary focus for our business. Our types of real estate properties are relatively illiquid compared to other types of real estate and financial assets. This illiquidity will limit our ability to quickly change our portfolio in response to changes in economic or other conditions. To the extent the properties are not subject to net leases, some significant expenditures, such as real estate taxes and maintenance costs, are generally not reduced when circumstances cause a reduction in income from the investment. Should these events occur, our income and funds available for distribution could be adversely affected. In addition, as a REIT, we may be subject to a 100% tax on net income derived from the sale of property considered to be held primarily for sale to customers in the ordinary course of our business. We may seek to avoid this tax by complying with certain safe harbor rules that generally limit the number of properties we may sell in a given year, the aggregate expenditures made on such properties prior to their disposition, and how long we retain such properties before disposing of them. However, we can provide no assurance that we will always be able to comply with these safe harbors. If compliance is possible, the safe harbor rules may restrict our ability to sell assets in the future and achieve liquidity that may be necessary to fund distributions.

Additionally, certain of our real estate investments may include special use and single or multi-tenant properties, which may be difficult to sell or re-lease upon tenant defaults, early lease terminations, or non-renewals. This illiquidity will limit our ability to quickly change our portfolio in response to changes in economic or other conditions. With these properties, if the current lease is terminated or not renewed, we may be required to renovate the property or to make rent concessions to lease the property to another tenant or sell the property. In addition, in the event we are forced to sell the property, we may have difficulty selling it to a party other than the tenant or borrower due to the special purpose for which the property may have been designed.

These and other limitations may affect our ability to sell or re-lease properties without adversely affecting returns to our stockholders.

Many of our tenants are lower middle market businesses, which exposes us to additional risks specific to these entities.

Leasing real property to lower middle market businesses exposes us to a number of risks specifically related to these entities, including the following:

- *Lower middle market businesses may have limited financial resources and may not be able to make their lease or mortgage payments on a timely basis, or at all.* A lower middle market tenant or borrower may be more likely to have difficulty making its lease or mortgage payments when it experiences adverse events, such as the failure to meet its business plan, a downturn in its industry or negative economic conditions because its financial resources may be more limited.
- *Lower middle market businesses typically have narrower product lines and smaller market shares than large businesses.* Because our target tenants and borrowers are typically smaller businesses that may have narrower product lines and smaller market share, they may be more vulnerable to competitors' actions and market conditions, as well as general economic downturns, conditions, and events.
- *There is generally little or no publicly available information about our target tenants and borrowers.* Many of our tenants and borrowers are privately owned businesses, about which there is generally little or no publicly available operating and financial information. As a result, we rely on our Adviser to perform due diligence investigations of these tenants and borrowers, their operations and their prospects. Our Adviser will perform ongoing credit assessments of our tenants by reviewing all financial disclosures required from our respective leases. We may not learn all of the material information we need to know regarding these businesses through our investigations.
- *Lower middle market businesses generally have less predictable operating results.* We expect that many of our tenants and borrowers may experience significant fluctuations in their operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive positions, may otherwise have a weak financial position or may be adversely affected by changes in the business cycle.
- *Lower middle market businesses are more likely to be dependent on one or two persons.* Typically, the success of a lower middle market business also depends on the management talents and efforts of one or two persons or a small group of persons. The death, disability or resignation of one or more of these persons could have a material adverse impact on our tenant or borrower and, in turn, on us.

Our real estate investments have a limited number of tenants and are concentrated in a limited number of industries, which subjects us to an increased risk of significant loss if any one of these tenants is unable to pay or if particular industries experience downturns.

As of December 31, 2025, we owned 151 properties and had 143 leases on these properties, and our five largest tenants accounted for approximately 17.2% of our total lease revenue. A consequence of a limited number of tenants is that the aggregate returns we realize may be materially adversely affected by the unfavorable performance of a small number of tenants. We generally do not have fixed guidelines for industry concentration, but we are restricted from exceeding an industry concentration greater than 20% without approval of our investment committee. As of December 31, 2025, 15.2% was earned from tenants in the Automotive industry, 12.6% of our total lease revenue was earned from tenants in the Diversified/Conglomerate Services industry, 9.6% was earned from tenants in the Buildings and Real Estate industry, and 8.7% was earned from tenants in the Telecommunications industry. As a result, a downturn in an industry in which we have invested a significant portion of our total assets could have a material adverse effect on us. Similarly, events and actions that may not affect us directly, such as tariffs or changes in government regulation, could nevertheless have a material adverse effect on us if such events and actions adversely impact our tenants.

The inability of a tenant in a single tenant property to pay rent will reduce our revenues and increase our carrying costs of the building.

Since most of our properties are occupied by a single tenant, the success of each investment will be materially dependent on the financial stability of these tenants. If a tenant defaults, our lease revenues would be reduced and our expenses associated with carrying the property would increase, as we would be responsible for payments such as taxes and insurance. Lease payment defaults by these tenants could adversely affect our cash flows and cause us to reduce the amount of distributions to stockholders. In the event of a default by a tenant, we may experience delays in enforcing our rights as landlord and may incur

substantial costs in protecting our investment and re-leasing our property. If a lease is terminated, there is no assurance that we will be able to lease the property for the rent previously received or sell the property without incurring a loss.

Liability for uninsured losses or significant increases in our insurance premiums could adversely affect our financial condition.

Losses from disaster-type occurrences (such as wars, hurricanes, floods, wildfires, or earthquakes) may be either uninsurable or not insurable on economically viable terms. Should such a loss occur, we could lose our capital investment or anticipated profits and cash flow from one or more properties. Additionally, insurance premiums are subject to significant increases and fluctuations, which can be widely outside of our control. For example, the potential impact of climate change and the increased risk of extreme weather events and natural disasters could cause a significant increase in our insurance premiums and adversely affect the availability of coverage.

We could incur significant costs related to government regulation and private litigation over environmental matters.

Under various environmental laws, including the Comprehensive Environmental Response, Compensation and Liability Act, a current or previous owner or operator of real property may be liable for contamination resulting from the release or threatened release of hazardous or toxic substances or petroleum at that property, and an entity that arranges for the disposal or treatment of a hazardous or toxic substance or petroleum at another property may be held jointly and severally liable for the cost to investigate and clean up such property or other affected property. Such parties are known as potentially responsible parties (“PRPs”). Environmental laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of the contaminants, and the costs of any required investigation or cleanup of these substances can be substantial. PRPs are liable to the government as well as to other PRPs who may have claims for contribution. The liability is generally not limited under such laws and could exceed the property’s value and the aggregate assets of the liable party. The presence of contamination or the failure to remediate contamination at our properties also may expose us to third-party liability for personal injury or property damage, or adversely affect our ability to sell, lease or develop the real property or to borrow using the real property as collateral.

Environmental laws also impose ongoing compliance requirements on owners and operators of real property. Environmental laws potentially affecting us address a wide variety of matters, including, but not limited to, asbestos-containing building materials, storage tanks, storm water and wastewater discharges, lead-based paint, wetlands and hazardous wastes. Failure to comply with these laws could result in fines and penalties and/or expose us to third-party liability. Some of our properties may have conditions that are subject to these requirements, and we could be liable for such fines or penalties and/or liable to third parties for those conditions.

We could be exposed to liability and remedial costs related to environmental matters.

Certain of our properties may contain, or may have contained, asbestos-containing building materials (“ACBMs”). Environmental laws require that ACBMs be properly managed and maintained and may impose fines and penalties on building owners and operators for failure to comply with these requirements. Also, certain of our properties may contain, or may have contained, or are adjacent to or near other properties that have contained or currently contain storage tanks for the storage of petroleum products or other hazardous or toxic substances. These operations create a potential for the release of petroleum products or other hazardous or toxic substances. Certain of our properties may contain, or may have contained, elevated radon levels. Third parties may be permitted by law to seek recovery from owners or operators for property damage and/or personal injury associated with exposure to contaminants, including, but not limited to, petroleum products, hazardous or toxic substances and asbestos fibers. Also, certain of our properties may contain regulated wetlands that can delay or impede development or require costs to be incurred to mitigate the impact of any disturbance. Absent appropriate permits, we can be held responsible for restoring wetlands and be required to pay fines and penalties.

Certain of our properties may contain, or may have contained, microbial matter such as mold and mildew. The presence of microbial matter could adversely affect our results of operations. In addition, if any of our properties are not properly connected to a water or sewer system, or if the integrity of such systems are breached, or if water intrusion into our buildings otherwise occurs, microbial matter or other contamination can develop. When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. If this were to occur, we could incur significant remedial costs and we may also be subject to material private damage claims and awards. Concern about indoor exposure to mold has been increasing, as exposure to mold may cause a variety of adverse health effects and symptoms, including allergic or other reactions. If we become subject to claims in this regard, it could materially and adversely affect us and our future insurability for such matters.

The assessments we perform on our acquisitions of properties may fail to reveal all environmental conditions, liabilities or compliance concerns. Material environmental conditions, liabilities or compliance concerns may have arisen after the assessments were conducted or may arise in the future, and future laws, ordinances or regulations may impose material additional environmental liability. We cannot assure you that costs of future environmental compliance will not affect our ability to make distributions or that such costs or other remedial measures will not be material to us.

Our properties may be subject to impairment charges, which could adversely affect our results of operations.

We are required to periodically evaluate our properties for impairment indicators. A property's value is considered impaired if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property, based upon its intended use, is less than the carrying value of the property. These estimates of cash flows are based upon factors such as expected future operating income, trends and prospects, as well as the effects of interest and capitalization rates, demand and occupancy, competition and other factors. These factors may result in uncertainty in valuation estimates and instability in the estimated value of our properties which, in turn, could result in a substantial decrease in the value of the properties and significant impairment charges.

We continually assess our properties to determine if any impairments are necessary or appropriate. We may not be able to recover the current carrying amount of our properties in the future. Our failure to do so would require us to recognize additional impairment charges for the period in which we reached that conclusion, which could materially and adversely affect us and our results of operations. We recognized impairment charges of \$0.01 million, \$6.8 million, and \$19.3 million during the years ended December 31, 2025, 2024, and 2023, respectively.

Risks related to our financing

Capital markets and economic conditions can materially affect our financial condition and results of operations, the value of our equity securities, and our ability to sustain the payment of distributions at current levels.

Many factors affect the value of our equity securities and our ability to make or maintain the current levels of distributions to stockholders, including the state of the capital markets and the economy. The availability of credit has been and may in the future again be adversely affected by illiquid credit markets, which could result in financing terms that are less attractive to us and/or the unavailability of certain types of debt financing. Regulatory pressures and the burden of troubled and uncollectible loans have led some lenders and institutional investors to reduce, and in some cases, cease to provide funding to borrowers. If these market conditions recur or if interest rates continue to fluctuate significantly, they may limit our ability and the ability of our tenants to timely refinance maturing liabilities and access the capital markets to meet liquidity needs, or may cause our tenants to incur increased costs associated with issuing debt instruments, which may materially affect our financial condition and results of operations and the value of our equity securities and our ability to sustain payment of distributions to stockholders at current levels.

In addition, it is possible that our ability to access the capital and credit markets may be limited or precluded by these or other factors at a time when we would like, or need, to do so, which would adversely impact our ability to refinance maturing debt and/or react to changing economic and business conditions. Uncertainty in the credit markets could negatively impact our ability to make acquisitions and make it more difficult or not possible for us to sell properties or may adversely affect the price we receive for properties that we do sell, as prospective buyers may experience increased costs of debt financing or difficulties in obtaining debt financing. Potential continued disruptions in the financial markets could also have other unknown adverse effects on us or the economy generally and may cause the price of our securities to fluctuate significantly and/or to decline. If we issue additional equity securities to obtain additional financing, the interest of our existing stockholders could be diluted.

Our Credit Facility contains various covenants which, if not complied with, could accelerate our repayment obligations, thereby materially and adversely affecting our liquidity, financial condition, results of operations and ability to pay distributions to stockholders.

The agreement governing our Credit Facility requires us to comply with certain financial and operational covenants. These covenants require us to, among other things, maintain certain financial ratios, including fixed charge coverage, debt service coverage and a minimum net worth. We are also required to limit our distributions to stockholders to 95% of our Core Funds from Operations ("FFO") (as defined in the Advisory Agreement). As of December 31, 2025, we were in compliance with these covenants. However, our continued compliance with these covenants depends on many factors, and could be impacted by current or future economic conditions, and thus there are no assurances that we will continue to comply with these covenants. Failure to comply with these covenants would result in a default which, if we were unable to obtain a waiver from the lenders,

could accelerate our repayment obligations under the Credit Facility and thereby have a material adverse impact on our liquidity, financial condition, results of operations and ability to pay distributions to stockholders.

Because our business strategy relies on external financing, we may be negatively affected by restrictions on additional borrowings, and the risks associated with leverage, including our debt service obligations.

We use leverage so that we may make more investments than would otherwise be possible to maximize potential returns to stockholders. Although we have been gradually reducing our overall leverage over the past few years to lower this risk, if the income generated by our properties and other assets fails to cover our debt service, we could be forced to reduce or eliminate distributions to our stockholders and may experience losses.

Our ability to achieve our investment objectives will be affected by our ability to borrow funds in sufficient amounts and on favorable terms. We expect that we will primarily borrow funds that will be secured by our properties and that these financing arrangements will contain customary covenants such as those that limit our ability, without the prior consent of the lender, to further mortgage the applicable property or to discontinue insurance coverage. Accordingly, we may be unable to obtain the degree of leverage we believe to be optimal, which may cause us to have less cash for distribution to stockholders than we would have with an optimal amount of leverage. Our use of leverage could also make us more vulnerable to a downturn in our business or the economy, as it may become difficult to meet our debt service obligations if our cash flows are reduced due to tenant defaults. There is also a risk that a significant increase in the ratio of our indebtedness to the measures of asset value used by financial analysts may have an adverse effect on the market price of our securities.

We face liquidity, credit, and performance risks related to “balloon payments” and refinancing.

Some of our debt financing arrangements may require us to make lump-sum or “balloon” payments at maturity. Our ability to make a balloon payment at maturity is uncertain and may depend upon our ability to obtain additional financing or to sell the financed property. At the time the balloon payment is due, we may not be able to refinance the balloon payment on terms as favorable as the original loan or sell the property at a price sufficient to make the balloon payment, which could adversely affect the amount of distributions to our stockholders. We have balloon payments of \$27.6 million payable during the year ending December 31, 2026.

We mortgage our properties, which subjects us to the risk of foreclosure in the event of non-payment.

We intend to acquire additional properties by using our Credit Facility, long-term private debt financing and long-term mortgage financing, where we will borrow a portion of the purchase price of a potential acquisition and secure the loan with a mortgage on some or all of our existing real property. We look to institutional buyers for our bond issuances and we look to regional banks, insurance companies and other non-bank lenders, and, to a lesser extent, the commercial mortgage backed securities (“CMBS”) market to issue mortgages to finance our real estate activities. For the year ended December 31, 2025, we obtained approximately \$85.0 million of long-term private debt financing, which we used to acquire additional properties and repay our revolving credit facility and bank term loans. If we are unable to make our debt payments as required, a mortgage lender could foreclose on the property securing its loan. This could cause us to lose part or all of our investment in such property, which in turn could cause the value of our securities or the amount of distributions to our stockholders to be reduced.

We face a risk from the fact that certain of our properties are cross-collateralized.

As of December 31, 2025, the mortgages on certain of our properties were cross-collateralized. To the extent that any of the properties in which we have an interest are cross-collateralized, any default by the property owner subsidiary under the mortgage note relating to the one property will result in a default under the financing arrangements relating to any other property that also provides security for that mortgage note or is cross-collateralized with such mortgage note.

A change in the value of our assets could cause us to experience a cash shortfall or be in default of our loan covenants.

We borrow on an unsecured basis under the Credit Facility; however, we are required to maintain a sufficient pool of unsecured assets in order to draw on the Credit Facility. A significant reduction in the value of our pool of unencumbered assets could require us to pay down a portion (or significant portion) of the balance of the Credit Facility. Although we believe that we have significant excess collateral and capacity, future asset values are uncertain. If we were unable to meet a request to add collateral to this unsecured asset pool under the Credit Facility, this inability could have a material adverse effect on our liquidity and our ability to meet our loan covenants.

Interest rate fluctuations may adversely affect our results of operations.

We may experience interest rate volatility in connection with mortgage loans on our properties or other variable-rate debt that we may obtain from time to time. Certain of our leases contain escalations based on market interest rates and the interest rate on our Credit Facility is variable. We do not have any variable rate mortgages that are not swapped to fixed rates as of December 31, 2025. Although we seek to mitigate this risk by structuring such provisions to contain a maximum interest rate or escalation rate, as applicable, and generally obtain rate caps and interest rate swaps to limit our exposure to interest rate risk, these features or arrangements do not eliminate this risk. We are also exposed to the effects of interest rate changes as a result of holding cash and cash equivalents in short-term, interest-bearing investments. We have entered into interest rate caps and interest rate swaps to attempt to manage our exposure to interest rate fluctuations on the outstanding Term Loan components of our Credit Facility. Additionally, increases in interest rates, or reduced access to credit markets due, among other things, to more stringent lending requirements or a high level of leverage, may make it difficult for us to refinance our mortgage debt as it matures or limit the availability of mortgage debt, thereby limiting our acquisition and/or refinancing activities. Even in the event that we are able to secure mortgage debt on, or otherwise refinance our mortgage debt, due to increased costs associated with securing financing and other factors beyond our control, we may be unable to refinance the entire mortgage debt as it matures or be subject to unfavorable terms, including higher loan fees interest rates and periodic payments, if we do refinance the mortgage debt. A significant change in interest rates could have an adverse impact on our results of operations.

Adverse changes in our credit ratings could negatively affect our financing activity.

A decline in the credit rating of the \$75.0 million senior unsecured 6.47% notes (the “2029 Notes”) and the \$85.0 million senior unsecured 5.99% notes (the “2030 Notes”), which we guarantee, will increase our cost of such debt. In addition, our credit ratings can affect the amount of capital we can access, as well as the terms and pricing of any debt we may incur. There can be no assurance that we will be able to maintain our current credit ratings, and in the event our credit ratings are downgraded, we would likely incur higher borrowing costs and may encounter difficulty in obtaining additional financing. Also, a downgrade in our credit ratings may trigger additional payments or other negative consequences under certain of our debt instruments. Adverse changes in our credit ratings could negatively impact our business and, in particular, our refinancing and other capital market activities, our ability to manage debt maturities, our future growth and our development and acquisition activity.

The 2029 Notes, the 2030 Notes, and certain of our other secured loans contain, and any other future indebtedness we incur may contain, various covenants, including business activity restrictions, and the failure to comply with those covenants could materially adversely affect us.

The 2029 Notes, the 2030 Notes, and certain of our other secured loans contain, and any other future indebtedness we incur may contain, certain covenants, which, among other things, restrict our activities, including, the incurrence of indebtedness, disposition of assets, mergers and transactions with affiliates. We are also subject to financial and operating covenants including, as applicable, requirements to maintain certain financial coverage ratios and restrictions on our ability to make distributions to stockholders. Failure to comply with any of these covenants would likely result in a default under the applicable indebtedness that would permit the acceleration of amounts due thereunder and under other indebtedness and foreclosure of properties, if any, serving as collateral therefor. The business activity limitations contained in the various covenants will restrict our ability to engage in some business activities that may otherwise be in our best interests.

Risks related to the real estate industry

We are subject to certain risks associated with real estate ownership and borrowing which could reduce the value of our investments.

Our investments include primarily industrial and office property. Our performance, and the value of our investments, is subject to risks inherent to the ownership and operation of these types of properties, including:

- changes in the general economic climate, including the credit market;
- changes in local conditions, such as an oversupply of space or reduction in demand for real estate;
- changes in interest rates and the availability of financing;
- competition from other available space;
- changes in laws and governmental regulations, including those governing real estate usage, zoning and taxes, and the related costs of compliance with laws and regulations; and
- variations in the occupancy rate of our properties.

The debt obligations of our tenants are dependent upon certain factors, which neither we nor our tenants or borrowers control, such as national, local and regional business and economic conditions, government economic policies, and the level of interest rates.

Competition for real estate may impede our ability to make acquisitions or may increase the cost of these acquisitions.

We compete with many other entities to acquire properties, including financial institutions, institutional pension funds, other REITs, foreign real estate investors, other public and private real estate companies and private real estate investors. These competitors may prevent us from acquiring desirable properties, cause an increase in the price we must pay for real estate, have greater resources than we do, and be willing to pay more for certain assets or may have a more compatible operating philosophy with our acquisition targets. In particular, larger REITs may enjoy significant competitive advantages that result from, among other things, a lower cost of capital and enhanced operating efficiencies. Our competitors may also adopt transaction structures similar to ours or offer more substantial rent abatements, tenant improvements, early termination rights or below-market renewal options to retain tenants, which would decrease our competitive advantage in offering flexible transaction terms. In addition, the number of entities and the amount of funds competing for suitable investment properties may increase, resulting in increased demand and increased prices paid for these properties.

Our ownership of properties through ground leases exposes us to risks which are different than those resulting from our ownership of fee title to other properties.

We have acquired an interest in four of our properties by acquiring a leasehold interest in the land underlying the property, and we may acquire additional properties in the future that are subject to similar ground leases. In this situation, while we own the building that occupies the land subject to the ground lease, we have no economic interest in the land underlying the property and do not control this land; thus, this type of ownership interest poses potential risks for our business because (i) if the ground lease terminates for any reason, we will lose our interest in the property, including any investment that we made in the property, (ii) if our tenant defaults under the previously existing lease, we will continue to be obligated to meet the terms and conditions of the ground lease without the annual amount of ground lease payments reimbursable to us by the tenant, and (iii) if the third party owning the land under the ground lease disrupts our use either permanently or for a significant period of time, then the value of our assets could be impaired and our results of operations could be adversely affected.

Risks related to our Adviser and Administrator

We are dependent upon our key personnel, who are employed by our Adviser or Administrator, as applicable, for our future success, particularly David Gladstone, Arthur “Buzz” Cooper and Gary Gerson.

We have no employees, and are therefore dependent on the senior management and other key management members who are employed by our Adviser or Administrator, as applicable, to carry out our business and investment strategies. Our future success depends to a significant extent on the continued service and coordination of our senior management team, particularly David Gladstone, our chairman and chief executive officer, Arthur “Buzz” Cooper, our president, and Gary Gerson, our chief financial officer. Although we, through our Adviser and Administrator, engage in customary mitigating activities, such as succession planning, the death, disability, or the unplanned departure of any of our executive officers or key personnel from the Adviser or Administrator, as applicable, could have a material adverse effect on our ability to implement our business strategy and to achieve our investment objectives.

Our success depends on the performance of our Adviser and if our Adviser makes inadvisable investment or management decisions, our operations could be materially adversely impacted.

Our ability to achieve our investment objectives and to pay distributions to our stockholders is dependent upon the performance of our Adviser in evaluating potential investments, selecting and negotiating property purchases and dispositions, selecting tenants and borrowers, setting lease terms and determining financing arrangements. Accomplishing these objectives on a cost-effective basis is largely a function of our Adviser’s marketing capabilities, management of the investment process, ability to provide competent, attentive and efficient services and our access to financing sources on acceptable terms. Our stockholders have no opportunity to evaluate the terms of transactions or other economic or financial data concerning our investments and must rely entirely on the analytical and management abilities of our Adviser and the oversight of our Board of Directors. If our Adviser or our Board of Directors makes inadvisable investment or management decisions, our operations could be materially adversely impacted. As we grow, our Adviser may be required to hire, train, supervise and manage new employees. Our Adviser’s failure to effectively manage our future growth could have a material adverse effect on our business, financial condition and results of operations.

We may have conflicts of interest with our Adviser and other affiliates.

Our Adviser manages our business and locates, evaluates, recommends and negotiates the acquisition of our real estate investments. At the same time, our Advisory Agreement permits our Adviser to conduct other commercial activities and provide management and advisory services to other entities, including, but not limited to, Gladstone Capital, Gladstone Investment, Gladstone Land, and Gladstone Alternative. Moreover, with the exception of our chief financial officer, treasurer and president, all of our executive officers and directors are also executive officers and directors of Gladstone Capital, Gladstone Investment, and Gladstone Alternative, which actively make loans to and invest in lower middle market companies, and with the exception of our chief financial officer and president, all of our executive officers and directors are also officers and directors of Gladstone Land, an agricultural REIT. Further, our chief executive officer and chairman is on the board of managers of Gladstone Securities, an affiliated broker dealer that provides us with mortgage financing services pursuant to a contractual agreement and is the 100% indirect owner of and controls Gladstone Securities. As a result, we may from time to time have conflicts of interest with our Adviser in its management of our business, Gladstone Securities, in its provision of services to us and our other affiliated funds, and with Gladstone Capital, Gladstone Investment, Gladstone Land, and Gladstone Alternative, which may arise primarily from the involvement of our Adviser, Gladstone Securities, Gladstone Capital, Gladstone Investment, Gladstone Land, Gladstone Alternative and their affiliates in other activities that may conflict with our business.

Examples of these potential conflicts include:

- our Adviser may realize substantial compensation on account of its activities on our behalf, and may, therefore, be motivated to approve acquisitions solely on the basis of increasing compensation to itself;
- Gladstone Securities acts as the dealer manager for our Series F Preferred Stock Offering, and earns fee income from Series F Preferred Stock proceeds;
- our Adviser or Gladstone Securities, may earn fee income from our borrowers or tenants; and
- our Adviser and other affiliates such as Gladstone Capital, Gladstone Investment, Gladstone Land, and Gladstone Alternative could compete for the time and services of our officers and directors.

These and other conflicts of interest between us and our Adviser and other affiliates could have a material adverse effect on the operation of our business and the selection or management of our real estate investments.

Our termination of the Advisory Agreement without cause would require payment of a termination fee.

Termination of the Advisory Agreement with our Adviser without cause would be difficult and costly. We may only terminate the Advisory Agreement without cause (as defined therein) upon 120 days' prior written notice and after the affirmative vote of at least two-thirds of our independent directors. Furthermore, if we default under the agreement and any applicable cure period has expired, the Adviser may terminate the agreement. In each of the foregoing cases, we will be required to pay the Adviser a termination fee equal to two times the sum of the average annual base management fee and incentive fee earned by our Adviser during the 24-month period prior to such termination. This provision increases the cost to us of terminating the Advisory Agreement and adversely affects our ability to terminate our Adviser without cause. Additionally, depending on the amount of the fee, if incurred, it could adversely affect our ability to pay distributions to our common, preferred and senior common stockholders.

Our Adviser is not obligated to provide a waiver of the incentive fee, which could negatively impact our earnings and our ability to maintain our current level of, or increase, distributions to our stockholders.

The Advisory Agreement contemplates a quarterly incentive fee based on our FFO (as defined in the Advisory Agreement). Our Adviser has the ability to issue a full or partial waiver of the incentive fee for current and future periods; however, our Adviser is not required to issue any waiver. Any waiver issued by our Adviser is a voluntary, non-contractual, unconditional and irrevocable waiver. Under the amendment of the Advisory Agreement dated January 10, 2023, our Adviser was not entitled to receive an incentive fee for the quarters ended March 31, 2023 and June 30, 2023. Under the amendment of the Advisory Agreement dated July 11, 2023, our Adviser was not entitled to receive an incentive fee for the quarters ended September 30, 2023 and December 31, 2023. No waivers were required, as the incentive fees for the 12-month period were contractually eliminated. For the years ended December 31, 2025 and 2024, our Adviser issued a voluntary waiver of a portion of the incentive fee of \$1.5 million and \$2.3 million, respectively. If our Adviser does not issue other voluntary waivers in future quarters, it could negatively impact our earnings and may compromise our ability to maintain our current level of, or increase, distributions to our stockholders, which could have a material adverse impact on the market price of our securities.

Risks Related to Qualification and Operation as a REIT

If we fail to qualify as a REIT, our operations and distributions to stockholders would be adversely impacted.

We intend to continue to be organized and to operate to qualify as a REIT under the Internal Revenue Code of 1986, as amended (the “Code”). A REIT generally is not taxed at the corporate level on income it currently distributes to its stockholders. Qualification as a REIT involves the application of highly technical and complex rules for which there are only limited judicial or administrative interpretations. The determination of various factual matters and circumstances not entirely within our control may affect our ability to continue to qualify as a REIT. In addition, new legislation, new regulations, administrative interpretations or court decisions could significantly change the tax laws, possibly with retroactive effect, with respect to qualification as a REIT or the federal income tax consequences of such qualification.

If we were to fail to qualify as a REIT in any taxable year:

- we would not be allowed to deduct our distributions to stockholders when computing our taxable income;
- we would be subject to federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates;
- we would be disqualified from being taxed as a REIT for the four taxable years following the year during which qualification was lost, unless entitled to relief under certain statutory provisions;
- our cash available for distributions to stockholders would be reduced; and
- we may be required to borrow additional funds or sell some of our assets to pay corporate tax obligations that we may incur as a result of our disqualification.

We may need to incur additional borrowings to meet the REIT minimum distribution requirement and to avoid excise tax.

To maintain our qualification as a REIT, we are required to distribute to our stockholders at least 90% of our annual real estate investment trust taxable income (excluding any net capital gain and before application of the distributions paid deduction). To the extent that we satisfy this distribution requirement, but distribute less than 100% of our taxable income, we will be subject to federal corporate income tax on our undistributed taxable income. In addition, we are subject to a 4% nondeductible excise tax on the amount, if any, by which certain distributions paid by us with respect to any calendar year are less than the sum of (i) 85% of our ordinary income for that year, (ii) 95% of our net capital gain for that year and (iii) 100% of our undistributed taxable income from prior years. To meet the 90% distribution requirement and to avoid the 4% excise tax, we may need to incur additional borrowings. Although we intend to pay distributions to our stockholders in a manner that allows us to meet the 90% distribution requirement and avoid this 4% excise tax, we cannot assure you that we will always be able to do so.

Complying with the REIT requirements may cause us to forgo otherwise attractive opportunities or liquidate otherwise attractive investments.

To qualify as a REIT for federal income tax purposes, we must continually satisfy tests concerning, among other things, the nature of our assets, the sources of our gross income, the amounts we distribute to our stockholders and the ownership of our capital stock. To meet these tests, we may be required to forgo investments we might otherwise make. Thus, compliance with the REIT requirements may hinder our performance.

In particular, we must ensure that at the end of each calendar quarter, at least 75% of the value of our assets consists of cash, cash items, government securities and qualified real estate assets. The remainder of our investment in securities (other than government securities, securities of taxable REIT subsidiaries (“TRSs”) and qualified real estate assets) generally cannot include more than 10% by voting power or vote of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of our assets (other than government securities, securities of TRSs and qualified real estate assets) can consist of the securities of any one issuer, and no more than 25% (20% for taxable years beginning after December 31, 2017 and before January 1, 2026) of the value of our total assets can be represented by the securities of one or more TRSs.

We also must ensure that (i) at least 75% of our gross income for each taxable year consists of certain types of income that we derive, directly or indirectly, from investments relating to real property or mortgages on real property or qualified temporary investment income and (ii) at least 95% of our gross income for each taxable year consists of income that is qualifying income for purposes of the 75% gross income test, other types of interest and distributions, gain from the sale or disposition of stock or securities, or any combination of these.

In addition, we may be required to make distributions to our stockholders at disadvantageous times or when we do not have funds readily available for distribution. If we fail to comply with these requirements at the end of any calendar quarter, we must

qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate otherwise attractive investments, and may be unable to pursue investments that would otherwise be advantageous to us to satisfy the asset and gross income requirements for qualifying as a REIT. These actions could have the effect of reducing our income and the amounts available for distribution to our stockholders. Thus, compliance with the REIT requirements may hinder our ability to make, and, in certain cases, maintain ownership of certain attractive investments.

To the extent that our distributions represent a return of capital for tax purposes, you could recognize an increased capital gain upon a subsequent sale of your stock.

Distributions in excess of our current and accumulated earnings and profits and not treated by us as a dividend will not be taxable to a U.S. stockholder to the extent such distributions do not exceed the stockholder's adjusted tax basis in its shares of our stock but instead will constitute a return of capital and will reduce the stockholder's adjusted tax basis in its share of our stock. If our distributions result in a reduction of a stockholder's adjusted basis in its shares of our stock, subsequent sales by such stockholder of its shares of our stock potentially will result in recognition of an increased capital gain or reduced capital loss due to the reduction in such stockholder's adjusted basis in its shares of our stock.

We may be subject to adverse legislative or regulatory tax changes that could reduce the market price of our securities.

At any time, the federal income tax laws governing REITs or the administrative interpretations of those laws may be amended. We cannot predict when or if any new federal income tax law, regulation, or administrative interpretation, or any amendment to any existing federal income tax law, regulation or administrative interpretation, will be adopted, promulgated or become effective and any such law, regulation, or interpretation may take effect retroactively. We and our stockholders could be adversely affected by any such change in, or any new, federal income tax law, regulation or administrative interpretation.

Complying with the REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities.

The REIT provisions of the Code substantially limit our ability to hedge our liabilities. Any income from a hedging transaction that we enter into to manage risk of interest rate changes, price changes or currency fluctuations with respect to borrowings made or to be made to acquire or carry real estate assets does not constitute "gross income" for purposes of the gross income requirements. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as non-qualifying income for purposes of both of the gross income tests. As a result of these rules, we may need to limit our use of advantageous hedging techniques or implement those hedges through TRSs. This could increase the cost of our hedging activities because any TRS would be subject to tax on gains or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses incurred by a TRS generally will not provide any tax benefit, except for being carried forward against future taxable income earned by the TRS.

Ownership limitations may restrict or prevent stockholders from engaging in certain transfers of our common stock.

Our charter contains an ownership limit which prohibits any person or group of persons from acquiring, directly or indirectly, beneficial or constructive ownership of more than 9.8% of our outstanding shares of capital stock. Shares owned by a person or a group of persons in excess of the ownership limit are deemed "excess shares." Shares owned by a person who individually owns of record less than 9.8% of outstanding shares may nevertheless be excess shares if the person is deemed part of a group for purposes of this restriction.

If the transferee-stockholder acquires excess shares, the person is considered to have acted as our agent and holds the excess shares on behalf of the ultimate stockholder. When shares are held in this manner they do not have any voting rights and shall not be considered for purposes of any stockholder vote or determining a quorum for such vote.

Our charter stipulates that any acquisition of shares that would result in our disqualification as a REIT under the Code shall be void to the fullest extent permitted under applicable law.

The ownership limit does not apply to (i) offerors which, in accordance with applicable federal and state securities laws, make a cash tender offer, where at least 90% of the outstanding shares of our stock (not including shares or subsequently issued securities convertible into common stock which are held by the tender offeror and any "affiliates" or "associates" thereof within the meaning of the Exchange Act) are duly tendered and accepted pursuant to the cash tender offer; (ii) an underwriter in a public offering of our shares; (iii) a party initially acquiring shares in a transaction involving the issuance of our shares of capital stock, if our Board determines such party will timely distribute such shares such that, following such distribution, such

shares will not be deemed excess shares; and (iv) a person or persons which our Board exempt from the ownership limit upon appropriate assurances that our qualification as a REIT is not jeopardized.

We operate as a holding company dependent upon the assets and operations of our subsidiaries, and because of our structure, we may not be able to generate the funds necessary to make dividend payments on our capital stock.

We generally operate as a holding company that conducts its businesses primarily through our Operating Partnership, which in turn is a holding company conducting its business through its subsidiaries. These subsidiaries conduct all of our operations and are our only source of income. Accordingly, we are dependent on cash flows and payments of funds to us by our subsidiaries as dividends, distributions, loans, advances, leases or other payments from our subsidiaries to generate the funds necessary to make dividend payments on our capital stock. Our subsidiaries' ability to pay such dividends and/or make such loans, advances, leases or other payments may be restricted by, among other things, applicable laws and regulations, current and future debt agreements and management agreements into which our subsidiaries may enter, which may impair our ability to make cash payments on our common stock or our preferred stock. In addition, such agreements may prohibit or limit the ability of our subsidiaries to transfer any of their property or assets to us, any of our other subsidiaries or to third parties. Our future indebtedness or our subsidiaries' future indebtedness may also include restrictions with similar effects.

In addition, because we are a holding company, stockholders' claims will be structurally subordinated to all existing and future liabilities and obligations (whether or not for borrowed funds) of our Operating Partnership and its subsidiaries. Therefore, in the event of our bankruptcy, liquidation or reorganization, claims of our stockholders will be satisfied only after all of our and our Operating Partnership's and its subsidiaries' liabilities and obligations have been paid in full.

Other risks

We are subject to restrictions that may discourage a change of control. Certain provisions contained in our articles of incorporation and Maryland law may prohibit or restrict a change of control.

- Our articles of incorporation prohibit ownership of more than 9.8% of the outstanding shares of our capital stock by one person. This restriction may discourage a change of control and may deter individuals or entities from making tender offers for our capital stock, which offers might otherwise be financially attractive to our stockholders or which might cause a change in our management.
- Our Board of Directors is divided into three classes, with the term of the directors in each class expiring every third year. At each annual meeting of stockholders, the successors to the class of directors whose term expires at such meeting will be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. After election, a director may only be removed by our stockholders for cause. Election of directors for staggered terms with limited rights to remove directors makes it more difficult for a hostile bidder to acquire control of us. The existence of this provision may negatively impact the price of our securities and may discourage third-party bids to acquire our securities. This provision may reduce any premiums paid to stockholders in a change in control transaction.
- Certain provisions of Maryland law applicable to us prohibit business combinations with:
 - any person who beneficially owns 10% or more of the voting power of our common stock, referred to as an "interested stockholder;"
 - an affiliate of ours who, at any time within the two-year period prior to the date in question, was an interested stockholder; or
 - an affiliate of an interested stockholder.

These prohibitions last for five years after the most recent date on which the interested stockholder became an interested stockholder. Thereafter, any business combination with the interested stockholder must be recommended by our Board of Directors and approved by the affirmative vote of at least 80% of the votes entitled to be cast by holders of our outstanding shares of common stock and two-thirds of the votes entitled to be cast by holders of our common stock other than shares held by the interested stockholder. These requirements could have the effect of inhibiting a change in control even if a change in control were in our stockholders' interest. These provisions of Maryland law do not apply, however, to business combinations that are approved or exempted by our Board of Directors prior to the time that someone becomes an interested stockholder.

Market conditions could adversely affect the market price and trading volume of our securities.

The market price of our common and preferred stock may be highly volatile and subject to wide fluctuations, and the trading volume in our common and preferred stock may fluctuate and cause significant price variations to occur. We cannot assure investors that the market price of our common and preferred stock will not fluctuate or decline in the future. Some market

conditions that could negatively affect our share price or result in fluctuations in the price or trading volume of our securities include, but are not limited to:

- price and volume fluctuations in the stock market from time to time, which are often unrelated to the operating performance of particular companies;
- significant volatility in the market price and trading volume of shares of REITs, real estate companies or other companies in our sector, which is not necessarily related to the performance of those companies;
- price and volume fluctuations in the stock market as a result of terrorist attacks, or speculation regarding future terrorist attacks, in the United States or abroad;
- actual or anticipated variations in our quarterly operating results or distributions to stockholders;
- changes in our FFO or earnings estimates or the publication of research reports about us or the real estate industry generally;
- actions by institutional stockholders;
- speculation in the press or investment community;
- the national and global political environment, including foreign relations, conflicts and trading policies;
- changes in regulatory policies or tax guidelines, particularly with respect to REITs; and
- investor confidence in the stock market.

Shares of common and preferred stock eligible for future sale may have adverse effects on the respective share price.

We cannot predict the effect, if any, of future sales of common or preferred stock, or the availability of shares for future sales, on the market price of our common or preferred stock. Sales of substantial amounts of common or preferred stock (including shares of common stock issuable upon the conversion of units of the Operating Partnership that we may issue from time to time, issuable upon conversion of our Senior Common Stock, or issuances made through any ATM programs or otherwise), or the perception that these sales could occur, may adversely affect prevailing market prices for our common and preferred stock.

Compliance or failure to comply with laws requiring access to our properties by disabled persons could result in substantial cost.

The Americans with Disabilities Act (“ADA”), and other federal, state and local laws generally require public accommodations be made accessible to disabled persons. Noncompliance could result in the imposition of fines by the government or the award of damages to private litigants. These laws may require us to modify our existing properties. These laws may also restrict renovations by requiring improved access to such buildings by disabled persons or may require us to add other structural features which increase our construction costs. Legislation or regulations adopted in the future may impose further burdens or restrictions on us with respect to improved access by disabled persons. We may incur unanticipated expenses that may be material to our financial condition or results of operations to comply with ADA and other federal, state and local laws, or in connection with lawsuits brought by private litigants.

Our Board of Directors may change our investment policy without stockholders’ approval.

Our Board of Directors will determine our investment and financing policies, growth strategy and our debt, capitalization, distribution, acquisition, disposition and operating policies. Our Board of Directors may revise or amend these strategies and policies at any time without a vote by stockholders. Accordingly, stockholders’ control over changes in our strategies and policies is limited to the election of directors, and changes made by our Board of Directors may not serve the interests of stockholders and could adversely affect our financial condition or results of operations, including our ability to distribute cash to stockholders or qualify as a REIT.

Our rights and the rights of our stockholders to take action against our directors and officers are limited.

Maryland law provides that a director or officer has no liability in that capacity if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be advisable and in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In addition, our charter (i) eliminates our directors’ and officers’ liability to us and our stockholders for money damages except for liability resulting from actual receipt of an improper benefit in money, property or services or active and deliberate dishonesty established by a final judgment and that is material to the cause of action and (ii) requires us to indemnify directors and officers for liability resulting from actions taken by them in those capacities to the maximum extent permitted by Maryland law. As a result, our stockholders and we may have more limited rights against our directors and officers than might otherwise exist under common law. In addition, we may be obligated to fund the defense costs incurred by our directors and officers.

We may enter into tax protection agreements in the future if we issue OP Units in connection with the acquisition of properties, which could limit our ability to sell or otherwise dispose of certain properties.

Our Operating Partnership may enter into tax protection agreements in connection with issuing OP units to acquire additional properties which could provide that, if we dispose of any interest in the protected acquired property to a certain time, we will indemnify the other party for its tax liabilities attributable to the built-in gain that exists with respect to such a property. Therefore, although it otherwise may be in our stockholders' best interests that we sell one of these properties, it may be economically prohibitive for us to do so if we are a party to such a tax protection agreement. While we do not currently have any of these tax protection agreements in place, we may enter into such agreements in the future.

Our redemption of OP Units could result in the issuance of a large number of new shares of our common stock and/or force us to expend significant cash, which may limit our funds necessary to make distributions on our common stock.

As of the date of this filing, unaffiliated third parties owned approximately 0.1% of the outstanding OP Units. Following any contractual lock-up provisions, including the one-year mandatory holding period, an OP Unitholder may require us to redeem the OP Units it holds for cash. At our election, we may satisfy the redemption through the issuance of shares of our common stock on a one-for-one basis. However, the limited partners' redemption rights may not be exercised if and to the extent that the delivery of the shares upon such exercise would result in any person violating the ownership and transfer restrictions set forth in our charter. If we issued a large number of OP Units in connection with future property acquisitions and/or a large number of OP Units were redeemed, it could result in the issuance of a large number of new shares of our common stock, which could dilute our existing stockholders' ownership. Alternatively, if we were to redeem a large number of OP Units for cash, we may be required to expend significant amounts to pay the redemption price, which may limit our funds necessary to make distributions on our common stock. Further, if we do not have sufficient cash on hand at the time the OP Units are tendered for redemption, we may be forced to sell additional shares of our common stock or preferred stock to raise cash, which could cause dilution to our existing stockholders and adversely affect the market price of our common stock.

Our ability to pay distributions is limited by the requirements of Maryland law.

Our ability to pay distributions on our stock is limited by the laws of Maryland. Under applicable Maryland law, a Maryland corporation generally may not make a distribution if, after giving effect to the distribution, the corporation would not be able to pay its debts as the debts become due in the usual course of business or the corporation's total assets would be less than the sum of its total liabilities plus, unless the corporation's charter permits otherwise, the amount that would be needed, if the corporation were dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights are superior to those receiving the distribution. Accordingly, we generally may not make a distribution on our stock if, after giving effect to the distribution, we would not be able to pay our debts as they become due in the usual course of business or our total assets would be less than the sum of our total liabilities plus, unless the terms of such class or series provide otherwise, the amount that would be needed to satisfy the preferential rights upon dissolution of the holders of shares of any class or series of stock then outstanding, if any, with preferences upon dissolution senior to those of such class of stock with respect to which the distribution would be made.

Cybersecurity threats and cyber incidents may adversely affect our business by causing a disruption to our operations, or the operations of businesses in which we invest, a compromise or corruption of our confidential information and/or damage to our business relationships, all of which could negatively impact our business, financial condition and operating results.

In the normal course of business, we and our service providers collect and retain certain personal information provided by our tenants, employees of our Administrator and Adviser, and vendors. We also rely extensively on computer systems to process transactions and manage our business. Despite careful security and controls design, implementation, updating and independent third-party verification, our information technology systems, and those of our third party providers, could become subject to cybersecurity incidents. A cybersecurity incident is defined by the SEC as an unauthorized occurrence, or a series of related unauthorized occurrences, on or conducted through our information systems that jeopardize the confidentiality, integrity or availability of our information resources or any information residing therein. A cybersecurity incident may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our information systems or those of our third-party providers for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. The result of a cybersecurity incident may include disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation and damage to our business relationships. As our reliance on technology has increased, so have the risks posed to our information systems, both internal and those provided to us by third-party service providers. In addition, cybersecurity threats such as those noted above have increased in recent years in part due to increasingly numerous and sophisticated malicious cyber actors. We have implemented processes, procedures and internal controls to help prevent, detect and mitigate cybersecurity threats and cyber intrusions, but these measures, as well as our increased awareness of the nature and extent of a threat of a cyber-incident, do not

guarantee that a cyber-incident will not occur, will be timely detected and/or that our financial results, operations or confidential information will not be negatively impacted by such an incident. The development and maintenance of these measures are also costly and require ongoing monitoring, testing and updating as technologies and processes change, and efforts to overcome cybersecurity measures become increasingly sophisticated.

Legislative or regulatory tax changes related to REITs could materially and adversely affect us.

The U.S. federal income tax laws and regulations governing REITs and their stockholders, as well as the administrative interpretations of those laws and regulations, constantly are under review and may be changed at any time, possibly with retroactive effect. No assurance can be given as to whether, when, or in what form, the U.S. federal income tax laws applicable to us and our stockholders may be enacted. Changes to the U.S. federal income tax laws and interpretations of U.S. federal tax laws could adversely affect an investment in our stock.

We are exposed to the potential impacts of climate change, which may result in unanticipated losses that could affect our business and financial condition.

We are exposed to potential physical risks from possible changes in climate. Our properties may be exposed to catastrophic weather events, such as severe storms, fires or floods. If the frequency of extreme weather events increases, our exposure to these events could increase, putting our portfolio at risk. Our business may be indirectly impacted by the effects of climate change, as well. These indirect effects may include increases to the costs of electricity, fuel, water consumption, and waste disposal, as well as increasing the cost of (or making unavailable) property insurance on terms we find acceptable. Together, these risks would require us to expend the necessary funds to adequately protect and repair our properties.

We do not currently consider ourselves to be materially exposed to regulatory risks related to climate change, because the operation of our properties typically does not generate a significant amount of greenhouse gas emissions or other regulated chemicals. However, we may be adversely impacted as a real estate owner in the future by stricter energy efficiency standards or greenhouse gas regulations for the industrial building sectors. Although such standards and regulations have not had any known material adverse effect on the Company to date, they could impact our tenants and other companies with which we do business or result in substantial costs to the Company, including compliance costs, construction costs, monitoring and reporting costs and capital expenditures for environmental control facilities and other new equipment. We cannot give any assurance that other such conditions do not exist or may not arise in the future. The potential impacts of climate change on our real estate properties could adversely affect our ability to lease, develop or sell such properties or to borrow using such properties as collateral.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Risk Management and Strategy

We have implemented ongoing processes that are designed to continually identify, assess, manage and mitigate the dynamic and evolving material risks to us from cybersecurity threats. Our cybersecurity threat risks are identified, assessed, managed, and monitored by our Adviser's and Administrator's resource management, information technology ("IT"), and compliance departments, on our behalf, and work in conjunction with an independent third-party information technology service provider ("ISP") engaged by our Adviser to manage our information technology strategy. The ISP regularly performs cyber assessments and assists in maintaining our cyber and information security programs. The ISP proposes recommendations to our Adviser's Head of Resource Management, Director of IT, and Chief Compliance Office ("CCO"), which then are considered by other officers and employees of our Adviser and Administrator, working on our behalf, before improvements are implemented to our information technology strategy, cybersecurity, and incident response policies, processes and procedures.

In addition, regular ongoing cybersecurity threat risk assessments are performed throughout the year and reported to our officers and Board of Directors by our CCO no less than quarterly. Cybersecurity risks are assessed in general as part of the overall enterprise risk management for us, but also specifically between the ISP and our Adviser and Administrator in monitoring and determining not only the risks but also in assessing corresponding processes and procedures to mitigate those risks appropriately. Additionally, third party business applications are also incorporated in these risk assessments.

As an international service provider, our ISP constantly monitors information technology risk and cybersecurity threats globally. When risks are detected, our Head of Resource Management, Director of IT, and CCO consult with the ISP to assess if the risk is a cybersecurity threat to our information technology systems or data. If a risk to our information systems or data is identified, we then, through our Adviser and Administrator, work in conjunction with the ISP to implement recommended processes, improvements, or safeguards to our systems or processes to address the risks as needed. Relevant examples of such efforts include but are not limited to:

- implementation of industry leading Cloud solutions and business applications which possess integrated cybersecurity safeguards;
- restrict access to known devices only;
- anti-malware, antivirus and threat detection software;
- ransomware containment and isolation software;
- enhanced password requirements and multifactor authentication requirements;
- endpoint encryption;
- intrusion detection and response system conduct file integrity monitoring;
- email archiving, firewalls, and quarantine capabilities;
- mobile device management of business applications;
- frequent systems backups with recovery capabilities; and
- regular vulnerability scans and penetration testing.

Contractually, we require the ISP to annually provide a third-party report on its systems and on the suitability of the design and operating effectiveness of its controls relevant to information and cyber security. In addition to the ongoing dialogue and technology interaction between our Director of IT and our ISP, any significant findings in these reports are shared with us, including our Board of Directors and other officers, to enhance ongoing monitoring and assessment of our information technology and cybersecurity risk management.

While our ISP works to create a hardened information technology systems environment, our Adviser and Administrator also regularly trains employees working on our behalf on the evolving threats and educates them on cybersecurity risks. Whether it is communicating information about the latest cybersecurity threats, assessing employees' awareness through mock fraud exercises, social engineering and phishing campaigns, or providing access to a library of educational material about past and newly evolving cybersecurity attacks, our Adviser and Administrator work in concert with the ISP, on our behalf, to keep employees servicing us informed so as to provide an additional protection barrier through end-user knowledge.

Notwithstanding our risk management and strategy described above, we may not be successful in preventing or mitigating a cybersecurity incident that could have a material adverse effect on us. See *“Risk Factors - Cybersecurity threats and cyber incidents may adversely affect our business by causing a disruption to our operations, or the operations of businesses in which we invest, a compromise or corruption of our confidential information and/or damage to our business relationships, all of which could negatively impact our business, financial condition and operating results.”* for a discussion of risks related to cybersecurity and cyber incidents.

Governance

Our Board of Directors is actively engaged in overseeing our cybersecurity and information security program. Our Board of Directors receives regular reports during board meetings from our CCO on our and our Adviser's and Administrator's efforts concerning information security and addressing information technology and cybersecurity risks, no less than quarterly. The reports are distributed to our Board of Directors, and our CCO engages in detailed discussions with the independent board members during the independent members' session. The reports cover all potentially material cybersecurity threats facing us, as well as key risks and mitigation efforts undertaken by us and our Adviser and Administrator. As significant threats or events are identified by management or the ISP between regular reporting periods, our CCO will inform our Board of Directors immediately and keep it informed as to the developments of assessing the risks, mitigating efforts, and potential disclosure. Appropriate members of management and third party providers will be involved as deemed necessary based on the potential impact.

Our management personnel most involved with assessing and managing the cybersecurity risks and program with our ISP include our Head of Resources Management, who is also a member of our Board of Directors, Director of IT, and CCO. Our Head of Resources Management has more than 30 years of overall experience and more than 20 years directly assessing and managing our cyber information technology and human resources systems, and the associated security concerns. Our Director of IT has over 20 years of experience in IT, with a focus in the implementation of information security projects to enhance organizations' resilience against emerging threats, and has collaborated closely with security vendors/partners to contain and

address cybersecurity incidents. Our CCO has more than 30 years of overall experience as a CPA, with more than 15 years managing information technology systems and databases, and 15-plus years supporting our Adviser's and Administrator's resource management department. This includes identifying, assessing, mitigating, and monitoring cyber information security risks. These managers, as well as other management personnel, attend various professional continuing education programs, which include cybersecurity matters. Certain members of our Board of Directors have, or previously held, positions with other companies, including other public companies, that involved managing risks associated with their cyber and information technology systems. Our Board of Directors regularly receives updates from third parties on various business risks, which include cybersecurity matters.

Item 2. Properties.

As of December 31, 2025, we wholly-owned 151 properties, comprised of 17.7 million square feet of rentable space in 27 states. Our properties were 99.1% leased with an average remaining lease term of 7.3 years. See Schedule III - Real Estate and Accumulated Depreciation included elsewhere in this Annual Report on Form 10-K for a detailed listing of the properties in our portfolio.

The following table summarizes the lease expirations by year for our properties for leases in place as of December 31, 2025 (dollars in thousands):

Year of Lease Expiration	Square Feet (1)	Number of Expiring Leases	Lease Revenue for the twelve months ended December 31, 2025	% Expiring
2026	1,386,295	8	\$ 19,103	11.8 %
2027	1,136,955	13	18,215	11.3
2028	1,822,647	15	12,772	7.9
2029	1,647,579	17	11,731	7.3
2030	996,574	12	12,063	7.5
Thereafter	10,519,597	78	84,918	52.6
Sold/terminated leases	N/A	N/A	2,534	1.6
	17,509,647	143	\$ 161,336	100.0 %

(1) Our vacant square footage totaled 166,316 square feet as of December 31, 2025.

N/A - Not Applicable

The following table summarizes the geographic locations of our properties as of December 31, 2025, 2024, and 2023, respectively (dollars in thousands):

State	Lease Revenue for the twelve months ended December 31, 2025	% of Lease Revenue	Number of Leases for the twelve months ended December 31, 2025	Rentable Square Feet for the twelve months ended December 31, 2025	Lease Revenue for the twelve months ended December 31, 2024	% of Lease Revenue	Number of Leases for the twelve months ended December 31, 2024	Rentable Square Feet for the twelve months ended December 31, 2024	Lease Revenue for the year ended December 31, 2023	% of Lease Revenue	Number of Leases for the year ended December 31, 2023	Rentable Square Feet for the year ended December 31, 2023
Texas	\$ 25,454	15.8 %	17	1,723,160	\$ 18,772	12.6 %	15	1,367,382	\$ 17,847	12.1 %	14	1,473,264
Pennsylvania	21,419	13.3	11	2,420,790	20,209	13.5	11	2,420,790	14,809	10.0	10	2,267,847
Florida	17,489	10.8	9	1,045,404	17,228	11.5	9	1,045,404	19,387	13.1	9	1,045,404
Ohio	13,487	8.4	15	1,197,505	12,267	8.2	15	1,197,505	14,347	9.7	15	1,312,291
Georgia	9,439	5.9	12	1,102,054	12,132	8.1	9	1,660,655	12,061	8.2	11	1,686,986
Alabama	8,689	5.4	6	1,107,654	8,675	5.8	6	1,107,654	8,793	6.0	6	1,107,654
North Carolina	8,577	5.3	9	1,479,430	9,464	6.3	10	1,539,430	9,340	6.3	10	1,539,430
Michigan	8,073	5.0	10	1,341,513	6,833	4.6	6	973,638	6,487	4.4	6	973,638
Colorado	7,506	4.7	4	482,481	7,480	5.0	4	482,481	7,480	5.1	4	482,481
Wisconsin	5,761	3.6	3	951,083	1,815	1.2	2	647,092	1,728	1.2	2	647,092
All Other States	35,442	21.8	47	4,824,889	34,513	23.2	45	4,457,856	35,305	23.9	50	4,523,182
	\$ 161,336	100.0 %	143	17,675,963	\$ 149,388	100.0 %	132	16,899,887	\$ 147,584	100.0 %	137	17,059,269

The following table summarizes lease revenue by tenant industries for the years ended December 31, 2025, 2024 and 2023 (dollars in thousands):

Industry Classification	For the year ended December 31,					
	2025		2024		2023	
	Lease Revenue	Percentage of Lease Revenue	Lease Revenue	Percentage of Lease Revenue	Lease Revenue	Percentage of Lease Revenue
Automotive	\$ 24,534	15.2 %	\$ 21,617	14.5 %	\$ 20,697	14.0 %
Diversified/Conglomerate Services	20,285	12.6	23,584	15.8	18,379	12.5
Buildings and Real Estate	15,437	9.6	14,800	9.9	9,667	6.6
Telecommunications	14,030	8.7	13,401	9.0	21,306	14.1
Beverage, Food & Tobacco	12,918	8.0	5,829	3.9	5,724	3.9
Diversified/Conglomerate Manufacturing	12,126	7.5	9,969	6.7	10,648	7.2
Personal, Food & Miscellaneous Services	10,481	6.5	9,554	6.4	9,382	6.4
Banking	8,949	5.5	9,366	6.3	9,538	6.5
Machinery	7,375	4.6	7,393	4.9	5,874	4.0
Personal & Non-Durable Consumer Products	7,317	4.5	7,440	5.0	7,648	5.2
Healthcare	7,217	4.5	8,180	5.5	11,156	7.6
Chemicals, Plastics & Rubber	5,399	3.3	5,391	3.6	5,365	3.6
Containers, Packaging & Glass	4,727	2.9	4,620	3.1	4,065	2.8
Electronics	2,829	1.8	1,176	0.8	1,145	0.8
Childcare	2,294	1.4	2,293	1.5	2,292	1.6
Information Technology	2,288	1.4	2,288	1.5	2,439	1.7
Printing & Publishing	1,066	0.7	1,065	0.7	930	0.6
Oil & Gas	994	0.6	339	0.2	—	—
Education	577	0.4	590	0.4	836	0.6
Home & Office Furnishings	493	0.3	493	0.3	493	0.3
Total	\$ 161,336	100.0 %	\$ 149,388	100.0 %	\$ 147,584	100.0 %

Item 3. Legal Proceedings.

We are not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us. However, from time to time we may be party to various litigation matters, typically involving ordinary course and routine claims incidental to our business, which we may not consider material.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock is traded on the Nasdaq, under the symbol "GOOD." Our Board of Directors regularly evaluates our per share distribution payments as they monitor the capital markets and the impact that the economy has upon us. The decision whether to authorize and pay distributions on shares of our common stock in the future, as well as the timing, amount and composition of any such future distributions, will be at the sole and absolute discretion of our Board of Directors in light of conditions then existing, including our earnings, taxable income, FFO, financial condition, liquidity, capital requirements, debt maturities, the availability of capital, contractual prohibitions or other restrictions, applicable REIT and legal restrictions and general overall economic conditions and other factors. While the statements above concerning our distribution policy represent our current expectations, any actual distribution payable will be determined by our Board of Directors based upon the circumstances at the time of declaration and the actual number of common shares then outstanding, and any common distribution payable may vary from such expected amounts.

To qualify as a REIT, we are required to make ordinary dividend distributions to our common stockholders. The amount of these distributions must equal at least the sum of (A) 90% of our "REIT taxable income" (computed without regard to the dividends paid deduction and capital gain) and (B) 90% of the net income (after tax), if any, from foreclosure property.

For federal income tax purposes, our common distributions generally consist of ordinary income, capital gains, nontaxable return of capital or a combination of those items. Distributions that exceed our current and accumulated earnings and profits (calculated for tax purposes) constitute a return of capital rather than a dividend, which reduces a stockholder's basis in its shares of stock and will not be taxable to the extent of the stockholder's basis in its shares of our stock. To the extent a distribution exceeds the stockholder's share of both our current and accumulated earnings and profits and the stockholder's basis in its shares of our stock, that distribution will be treated as a gain from the sale or exchange of that stockholder's shares of our stock. Every year, we notify stockholders of the taxability of distributions paid to stockholders during the preceding year.

A covenant in the agreement governing our Credit Facility requires us to, among other things, limit our distributions to stockholders to 95% of our FFO, excluding extraordinary or non-routine items, and continued compliance with this covenant may require us to limit our distributions to stockholders in the future. For a discussion of our Credit Facility, including the financial and operating covenants required for us to access this source of financing, see "*Risk Factors – Our Credit Facility contains various covenants which, if not complied with, could accelerate our repayment obligations, thereby materially and adversely affecting our liquidity, financial condition, results of operations and ability to pay distributions to stockholders*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Credit Facility*" herein.

As of February 11, 2026, there were 54,347 beneficial owners of our common stock.

Subject to the approval of our board of directors, we pay distributions on shares of our Senior Common Stock in an amount equal to \$1.05 per share per annum, declared daily and paid at the rate of \$0.0875 per share per month. The Senior Common Stock is not traded on any exchange or automated quotation system.

As of February 11, 2026, there were 141 beneficial owners of our Senior Common Stock.

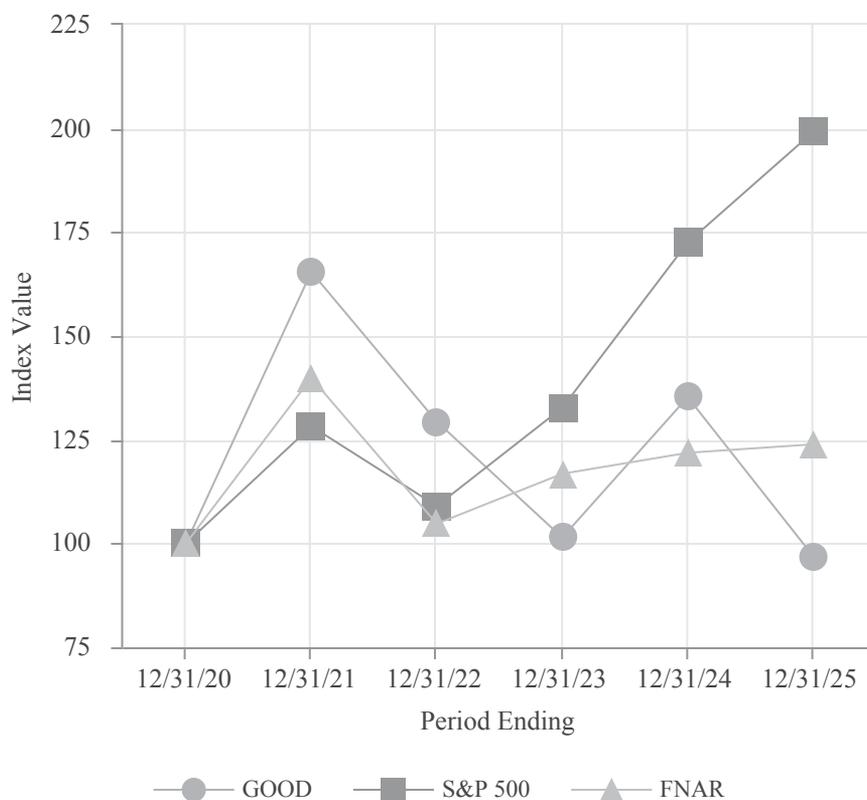
Sale of Unregistered Securities

We did not sell unregistered shares of stock during the fiscal year ended December 31, 2025.

We did not repurchase any stock during the fourth fiscal quarter ended December 31, 2025.

Stock Performance Graph

The following graph compares the cumulative stockholder return (assuming reinvestment of distributions) of our common stock with the Standard and Poor's 500 Index ("S&P 500") and the FTSE NAREIT All REIT Index ("FNAR"), which is a market capitalization-weighted index that includes all REITs that are listed on the New York Stock Exchange, the American Stock Exchange or the Nasdaq National Market List. The stock performance graph assumes \$100 was invested on December 31, 2020.



	At December 31,					
	2020	2021	2022	2023	2024	2025
GOOD	\$ 100.00	\$ 165.45	\$ 129.38	\$ 101.43	\$ 135.27	\$ 96.95
S&P 500	\$ 100.00	\$ 128.26	\$ 109.04	\$ 132.69	\$ 172.54	\$ 199.19
FNAR	\$ 100.00	\$ 139.88	\$ 104.77	\$ 116.80	\$ 121.86	\$ 123.90

Item 6. Reserved.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the notes thereto contained elsewhere in this Form 10-K.

General

We are an externally-advised REIT that was incorporated under the General Corporation Law of the State of Maryland on February 14, 2003. We focus on acquiring, owning, and managing primarily industrial and office properties. Our properties are geographically diversified and our tenants cover a broad cross section of business sectors and range in size from small to very large private and public companies, many of which are corporations that do not have publicly-rated debt. We have historically

entered into, and intend in the future to enter into, purchase agreements primarily for real estate having net leases with remaining terms of approximately seven to 20 years and built-in rental rate increases. Under a net lease, the tenant is required to pay most or all operating, maintenance, repair and insurance costs and real estate taxes with respect to the leased property.

We actively communicate with private equity funds, real estate brokers and other third parties to locate properties for potential acquisition or to provide mortgage financing in an effort to build our portfolio. We target secondary growth markets that possess favorable economic growth trends, diversified industries, and growing population and employment.

All references to annualized generally accepted accounting principles (“GAAP”) rent are rents that each tenant pays in accordance with the terms of its respective lease reported evenly over the non-cancelable term of the lease.

As of February 18, 2026:

- we owned 151 properties totaling 17.7 million square feet of rentable space, located in 27 states;
- our occupancy rate was 99.1%;
- the weighted average remaining term of our mortgage debt was 2.5 years and the weighted average interest rate was 4.21%;
- the weighted average remaining term of our senior unsecured notes was 4.4 years, and the weighted average interest rate was 6.22%; and
- the average remaining lease term of the portfolio was 7.3 years.

Business Environment

The business environment stabilized late in 2025 as interest rate volatility eased. After holding its benchmark rate steady for much of the year, the Federal Reserve implemented a 25 basis point cut in each of September, October, and December, lowering the federal funds target range in aggregate by 75 basis points to 3.50% to 3.75% by year-end. Subsequent to year end, the Federal Reserve held rates unchanged. Lower short-term rates improved sentiment in commercial real estate late in the year, though financing conditions remained selective and transaction activity limited. Liquidity showed modest improvement in the fourth quarter of 2025, but pricing gaps persisted and activity varied by property type. We expect conditions to remain generally consistent with those experienced in the fourth quarter of 2025, with interest rates, access to debt capital, and transaction activity remaining key factors.

According to Cushman & Wakefield plc (“Cushman”), industrial demand strengthened through the fourth quarter of 2025, marking a second consecutive quarter with net absorption exceeding 50 million square feet. Fourth quarter of 2025 net absorption totaled 54.5 million square feet, representing a 29% increase year over year and contributing to total 2025 absorption of 176.8 million square feet, a 16.3% increase compared to the prior year. Nationwide industrial vacancy remained stable at 7.1% for the third consecutive quarter, signaling that demand continued to catch up with a moderating supply pipeline.

National industrial rent growth slowed to 1.5% year over year in the fourth quarter of 2025, the lowest growth rate since early 2020. While rent growth moderated, approximately 40% of U.S. markets continued to report positive year over year rent growth. According to Cushman, new construction deliveries totaled approximately 280 million square feet in 2025, the lowest annual level in eight years, reflecting reduced speculative development activity and a greater share of build to suit projects, which may support vacancy stabilization and rental growth over time.

We collected 100% of all outstanding base rent for calendar year 2025. We believe this reflects the strength of our credit underwriting and ongoing asset management. Our tenant base remains diversified, with limited exposure to tenants in the retail, hospitality, airlines, and oil and gas industries. As of December 31, 2025, our 151 properties were located across 27 states, which we believe helps limit exposure to regional economic, regulatory, or weather-related risks in any one geographic market or area. While we received rent modification requests from certain of our tenants in the past, and it is possible we may receive additional requests in the future, occupancy increased to 99.1% at December 31, 2025.

During 2025, we continued to strengthen our balance sheet and liquidity position. In October 2025, we amended, extended, and upsized our Credit Facility from \$525.0 million to \$600.0 million, with an option to further increase the facility to \$850.0 million. Further, in December 2025, our Operating Partnership issued \$85.0 million in a private placement of the 5.99% 2030 Notes. We believe we currently have adequate liquidity in the near term, and we believe that our cash on hand combined with the availability on our Credit Facility is sufficient to cover all near-term debt obligations and operating expenses and to continue our industrial property focused growth strategy. As of December 31, 2025, we had \$73.6 million in available liquidity via our revolving credit facility and cash on hand and were in compliance with all of our debt covenants.

We completed \$207.9 million of industrial acquisitions during the year ended 2025, consisting of ten facilities totaling approximately 1.6 million square feet, with a weighted average capitalization rate of 8.88% and a weighted average lease term of 15.9 years at acquisition. We also renewed or extended approximately 1.2 million square feet of leases during the year ended 2025, and sold two properties.

Other Business Environment Considerations

Broader economic and geopolitical uncertainty due to recent world events and tariffs continues to influence tenant decision making, particularly for industrial users evaluating supply chain resiliency and domestic production needs. While shifts toward onshoring and advanced manufacturing may support long term industrial demand, these decisions typically require extended planning and capital investment and may take time to translate into leasing activity. These uncertain times create both risks and opportunities for us and our tenants, and we believe we are well-capitalized and positioned to take advantage. The environmental landscape remains unpredictable due to the increase in intensity of weather patterns, including hurricanes. We continue to monitor our properties and have not seen any significant impact to our properties in Florida, Georgia, North Carolina, South Carolina, Tennessee, and Texas from the recent hurricane season.

Operationally, we remain focused on maintaining high occupancy through lease renewals and releasing activity, managing upcoming lease expirations, and addressing upcoming debt maturities. At December 31, 2025, we had four partially vacant buildings and no fully vacant buildings. We continue to actively market the limited remaining vacant space and monitor tenant credit performance across the portfolio. We believe our lease expiration schedule for 2026 is manageable as it equates to 11.8% of annual lease revenue at December 31, 2025.

Our ability to make new investments depends on our access to capital and financing markets. While lending standards remain selective, we believe the Company maintains access to multiple sources of capital, including long-term unsecured notes in the private placement market, long-term mortgage loans secured by properties, bank facilities, and borrowings under our Credit Facility. We continue to evaluate financing options and capital allocation decisions with a focus on maintaining balance sheet flexibility and a conservative liquidity profile.

Recent Developments

Sale Activity

During the year ended December 31, 2025, we continued to execute our capital recycling program, whereby we sold properties and redeployed proceeds to either fund property acquisitions in our target secondary growth markets, or repay outstanding debt. We expect to continue to execute our capital recycling plan and sell properties as reasonable disposition opportunities become available. During the year ended December 31, 2025, we sold two properties, located in Hickory, North Carolina and Oklahoma City, Oklahoma, which are summarized in the table below (dollars in thousands):

Aggregate Square Footage Sold	Aggregate Sales Price	Aggregate Sales Costs	Aggregate Impairment Charge for the Twelve Months Ended December 31, 2025	Aggregate Gain on Sale of Real Estate, net
116,000	\$ 8,025	\$ 487	\$ 9	\$ 367

On April 30, 2025, we completed the transaction to sell our 676,031 square foot property in Tifton, Georgia for \$18.5 million, incurring \$0.3 million in closing costs, which are included in other expense in the consolidated statements of operations and comprehensive income for the year ended December 31, 2025. During the year ended December 31, 2024, we recorded a sales-type lease receivable on this property and derecognized the carrying value of this property, recognizing a \$3.9 million selling profit from sales-type lease, net, that was included in the gain on sale of real estate, net, in the consolidated statement of operations.

On January 12, 2026, we sold a portion of a land parcel at one of our Ocala, Florida properties for \$2.0 million. We realized a \$1.8 million gain on sale, net.

Acquisition Activity

During the year ended December 31, 2025, we acquired 19 properties, which are summarized below (dollars in thousands):

Aggregate Square Footage	Weighted Average Remaining Lease Term at Time of Acquisition	Aggregate Purchase Price	Aggregate Capitalized Acquisition Expenses	Aggregate Annualized GAAP Fixed Lease Payments
1,568,107	15.9 years	\$ 207,905	\$ 1,205	\$ 18,351

Leasing Activity

During the year ended December 31, 2025, we executed 16 lease extensions and/or modifications, which are summarized below (dollars in thousands):

Aggregate Square Footage	Weighted Average Remaining Lease Term	Aggregate Annualized GAAP Fixed Lease Payments	Aggregate Tenant Improvement	Aggregate Leasing Commissions
1,189,916	7.6 years	(1) \$ 15,860	\$ 6,889	\$ 3,289

(1) Weighted average remaining lease term is weighted according to the annualized GAAP rent earned by each lease. Our leases have remaining terms ranging from 0.7 years to 11.7 years.

During the year ended December 31, 2025, we had one lease termination, which is summarized below (dollars in thousands):

Aggregate Square Footage Reduced	Aggregate Accelerated Rent	Aggregate Accelerated Rent Recognized through December 31, 2025
39,417	\$ 1,551	\$ 1,551

Financing Activity

During the year ended December 31, 2025, we repaid two mortgages, collateralized by two properties, which are summarized below (dollars in thousands):

Aggregate Variable Rate Debt Repaid	Weighted Average Interest Rate on Variable Rate Debt Repaid
\$ 7,181	SOFR + 2.25%

Aggregate Fixed Rate Debt Repaid	Weighted Average Interest Rate on Fixed Rate Debt Repaid
\$ 3,089	4.59 %

On May 30, 2025, the Operating Partnership entered into a Term Loan Agreement with KeyBank in connection with the \$20.0 million Term Loan D. Term Loan D was unsecured and had a maturity date of May 30, 2027 and a SOFR spread ranging from 155 to 200 basis points throughout the life of the loan. The proceeds from Term Loan D were used to pay down the Revolver. As discussed below, we repaid the full principal balance of Term Loan D in connection with the Credit Facility amendment that occurred on October 10, 2025.

On September 18, 2025, we amended our Credit Facility, increasing our Revolver from \$125.0 million to \$155.0 million. We incurred fees of approximately \$0.5 million in connection with the increase to our Credit Facility. The increased credit availability was used, in part, to fund a nine-property portfolio acquisition that closed on September 30, 2025.

On October 10, 2025, we amended, extended, and upsized our Credit Facility, increasing our Revolver from \$155.0 million to \$200.0 million (and its term to October 2029), decreasing the principal balance of Term Loan A from \$160.0 million to \$125.0 million (and extending its term to October 2029), increasing the principal balance of Term Loan B from \$60.0 million to \$143.3 million (and its term to February 2030), decreasing the principal balance of Term Loan C from \$150.0 million to \$131.7 million, and repaying the full principal balance of our Term Loan D. The SOFR spread increased by 10 basis points,

ranging from 140 to 210 basis points for the Revolver and 135 to 205 basis points for the Term Loans, depending on our leverage. We incurred fees of approximately \$4.2 million in connection with amending, extending, and upsizing our Credit Facility. The Credit Facility's new (and current) bank syndicate is comprised of KeyBank, Fifth Third Bank, The Huntington National Bank, Bank of America, Synovus Bank, PNC Bank, Webster Bank, and S&T Bank.

On December 15, 2025, we and the Operating Partnership entered into a Note Purchase Agreement with the institutional investors named therein, to issue an aggregate \$85.0 million of our 2030 Notes. The proceeds were used to repay the Revolver by \$80.3 million.

Equity Activity

Common Stock ATM Program

On February 22, 2022, we entered into Amendment No. 1 to the At-the-Market Equity Offering Sales Agreement with sales agents Baird, Goldman Sachs, Stifel, Nicolaus & Company, Incorporated, ("Stifel") BTIG, LLC, and Fifth Third, dated December 3, 2019 (together, the "Prior Common Stock Sales Agreement"). We terminated the Prior Common Stock Sales Agreement effective February 10, 2023 in connection with the expiration of our registration statement on Form S-3 (File No. 333-236143) (the "2020 Registration Statement") on February 11, 2023.

On March 3, 2023, we entered into the 2023 Common Stock Sales Agreement, with the Common Stock Sales Agents. In connection with the 2023 Common Stock Sales Agreement, we filed prospectus supplements dated March 3, 2023 and March 7, 2023, to the prospectus dated November 23, 2022, with the SEC, for the offer and sale of an aggregate offering amount of \$250.0 million of common stock. During the year ended December 31, 2025, we did not sell any shares of common stock under the 2023 Common Stock Sales Agreement.

On March 26, 2024, we entered into the 2024 Common Stock Sales Agreement, which amended the 2023 Common Stock Sales Agreement and permits shares of common stock to be issued pursuant to the 2024 Common Stock Sales Agreement under the Company's 2024 Registration Statement, and future registration statements on Form S-3. In connection with the 2024 Common Stock Sales Agreement, we filed a prospectus supplement with the SEC dated March 26, 2024, to the prospectus dated March 21, 2024, for the offer and sale of an aggregate offering amount of \$250.0 million of common stock. On August 12, 2025, we entered into Amendment No. 2 ("Amendment No. 2") to the 2024 Common Stock Sales Agreement which, among other things, (i) removed Baird as a Common Stock Sales Agent and (ii) added Huntington Securities, Inc. ("Huntington") as a Common Stock Sales Agent. After giving effect to Amendment No. 2, the Common Stock Sales Agents are BofA, Goldman Sachs, KeyBanc, Fifth Third, and Huntington. In connection with Amendment No. 2, we filed a prospectus supplement with the SEC dated August 12, 2025, which updates and supplements the prospectus supplement dated March 26, 2024, for the offer and sale of an aggregate offering amount of \$250.0 million of common stock under the 2024 Registration Statement. During the year ended December 31, 2025, we sold 4,412,814 shares of common stock, raising approximately \$61.0 million in net proceeds under the 2024 Common Stock Sales Agreement, as amended.

Series E Preferred ATM Program

We previously had an At-the-Market Equity Offering Sales Agreement (the "Series E Preferred Stock Sales Agreement") with sales agents Baird, Goldman Sachs, Stifel, Fifth Third, and U.S. Bancorp Investments, Inc., pursuant to which we could, from time to time, offer to sell shares of our Series E Preferred Stock, in an aggregate offering price of up to \$100.0 million (the "Series E Preferred ATM Program"). We did not sell any shares of our Series E Preferred Stock pursuant to the Series E Preferred Stock Sales Agreement during the year ended December 31, 2025, as we terminated the Series E Preferred Stock Sales Agreement effective February 10, 2023 in connection with the expiration of the 2020 Registration Statement on February 11, 2023.

Universal Shelf Registration Statement

On January 29, 2020, we filed the 2020 Registration Statement. The 2020 Registration Statement was declared effective on February 11, 2020 and was in addition to the 2019 Registration Statement. The 2020 Registration Statement allowed us to issue up to an additional \$800.0 million of securities. Of the \$800.0 million of available capacity under our 2020 Registration Statement, approximately \$636.5 million was reserved for the sale of Series F Preferred Stock. The 2020 Registration Statement expired on February 11, 2023.

On November 23, 2022, we filed the 2022 Registration Statement. There was no limit on the aggregate amount of the securities that we could offer pursuant to the 2022 Registration Statement.

On March 13, 2024, we filed the 2024 Registration Statement, which was declared effective on March 21, 2024. The 2024 Registration Statement allows us to issue up to \$1.3 billion of securities and replaced the 2022 Registration Statement.

Preferred Series F Continuous Offering

On February 20, 2020, we filed with the Maryland Department of Assessments and Taxation Articles Supplementary (i) setting forth the rights, preferences and terms of the Series F Preferred Stock and (ii) reclassifying and designating 26,000,000 shares of the Company's authorized and unissued shares of common stock as shares of Series F Preferred Stock. The reclassification decreased the number of shares classified as common stock from 86,290,000 shares immediately prior to the reclassification to 60,290,000 shares immediately after the reclassification. We sold 15,700 shares of our Series F Preferred Stock, raising \$0.4 million in net proceeds, pursuant to the 2024 Registration Statement, during the year ended December 31, 2025.

The primary offering of our Series F Preferred Stock terminated according to its terms on June 1, 2025. We expensed \$0.3 million in prepaid offering costs due to the termination, which was included in general and administrative expenses in the condensed consolidated statements of operations.

Amendments to Operating Partnership Agreement

In connection with the authorization of the Series F Preferred Stock in February of 2020, the Operating Partnership controlled by the Company through its ownership of GCLP Business Trust II, the general partner of the Operating Partnership, adopted the Second Amendment to its Second Amended and Restated Agreement of Limited Partnership (collectively, the "Amendment"), as amended from time to time, establishing the rights, privileges and preferences of 6.00% Series F Cumulative Redeemable Preferred Units, a newly-designated class of limited partnership interests (the "Series F Preferred Units"). The Amendment provides for the Operating Partnership's establishment and issuance of an equal number of Series F Preferred Units as are issued shares of Series F Preferred Stock by the Company in connection with the offering upon the Company's contribution to the Operating Partnership of the net proceeds of the offering. Generally, the Series F Preferred Units provided for under the Amendment have preferences, distribution rights and other provisions substantially equivalent to those of the Series F Preferred Stock.

On June 23, 2021, the Operating Partnership adopted the Third Amendment to its Second Amended and Restated Agreement of Limited Partnership, including Exhibit SGP thereto (collectively, the "Third Amendment"), establishing the rights, privileges, and preferences of 6.00% Series G Cumulative Redeemable Preferred Units, a newly-designated class of limited partnership interests (the "Series G Term Preferred Units"). The Third Amendment provides for the Operating Partnership's establishment and issuance of an equal number of Series G Term Preferred Units as are issued shares of Series G Preferred Stock by the Company in connection with the offering of Series G Preferred Stock upon the Company's contribution to the Operating Partnership of the net proceeds of the offering of Series G Preferred Stock. Generally, the Series G Term Preferred Units provided for under the Third Amendment have preferences, distribution rights, and other provisions substantially equivalent to those of the Series G Preferred Stock.

On August 5, 2021, the Operating Partnership adopted the Fourth Amendment to its Second Amended and Restated Agreement of Limited Partnership, including Exhibit SGP thereto, to remove all references to the 7.00% Series D Cumulative Redeemable Preferred Units of the Partnership and update the rights, privileges, and preferences accordingly.

Amendments to the Advisory Agreement

On January 10, 2023, we amended and restated the Sixth Amended Advisory Agreement by entering into the Seventh Amended and Restated Investment Advisory Agreement between the Company and the Adviser (the "Seventh Amended Advisory Agreement"), as approved unanimously by our Board of Directors, including specifically, our independent directors. The Seventh Amended Advisory Agreement contractually eliminated the payment of the incentive fee for the quarters ended March 31, 2023 and June 30, 2023. The calculation of the other fees remained unchanged.

On July 11, 2023, the Company then entered into the Eighth Amended Advisory Agreement, as approved unanimously by our Board of Directors, including specifically, our independent directors. The Eighth Amended Advisory Agreement contractually eliminated the payment of the incentive fee for the quarters ended September 30, 2023 and December 31, 2023. In addition, the Eighth Amended Advisory Agreement also clarified that for any future quarter whereby an incentive fee would exceed by greater than 15% of the average quarterly incentive fee paid, the measurement would be versus the last four quarters where an incentive fee was actually paid. The calculation of the other fees remained unchanged.

For the years ended December 31, 2023, the contractually eliminated incentive fee would have been \$4.6 million.

Non-controlling Interests in Operating Partnership

As of December 31, 2025 and 2024, we owned approximately 99.9% and 99.9%, respectively, of the outstanding OP Units. During the year ended December 31, 2024, we redeemed 271,169 OP units for an equivalent amount of common stock.

The Operating Partnership is required to make distributions on each OP Unit in the same amount as those paid on each share of the Company's common stock, with the distributions on the OP Units held by the Company being utilized to make distributions to the Company's common stockholders.

As of December 31, 2025 and 2024, there were 39,474 and 39,474 outstanding OP Units held by Non-controlling OP Unitholders, respectively.

Our Adviser and Administrator

The Adviser is led by a management team with extensive experience purchasing real estate and originating mortgage loans. Our Adviser and Administrator are controlled by Mr. Gladstone, who is also our chairman and chief executive officer. Mr. Gladstone also serves as the chairman and chief executive officer of both our Adviser and Administrator. Mr. Cooper, our president, also serves as executive vice president of commercial and industrial real estate of our Adviser. Our Administrator employs our chief financial officer, treasurer, chief compliance officer, and co-general counsels and co-secretaries (one of whom also serves as our Administrator's president, co-general counsel, and co-secretary, as well as executive vice president of administration of our Adviser) and their respective staffs.

Our Adviser and Administrator also provide investment advisory and administrative services, respectively, to certain of our affiliates, including, but not limited to, Gladstone Capital and Gladstone Investment, both publicly-traded business development companies, Gladstone Land, a publicly-traded REIT that primarily invests in farmland, and Gladstone Alternative, a non-diversified, closed-end management investment company that operates as an "interval fund" that is also our affiliate. With the exception of Mr. Gerson, our chief financial officer, Jay Beckhorn, our treasurer, and Mr. Cooper, our president, all of our executive officers and all of our directors serve as either directors or executive officers, or both, of Gladstone Capital, Gladstone Investment, and Gladstone Alternative. In addition, with the exception of Messrs. Cooper and Gerson, all of our executive officers and all of our directors, serve as either directors or executive officers, or both, of Gladstone Land. Messrs. Cooper and Gerson generally spend all of their time focused on the Company, and do not put forth any material efforts in assisting affiliated companies. In the future, our Adviser may provide investment advisory services to other companies, both public and private.

Advisory and Administration Agreements

Many of the services performed by our Adviser and Administrator in managing our day-to-day activities are summarized below. This summary is provided to illustrate the material functions which our Adviser and Administrator perform for us pursuant to the terms of the Advisory Agreement with our Adviser and an administration agreement with our Administrator (the "Administration Agreement").

Advisory Agreement

Under the terms of the Eighth Amended Advisory Agreement, we continue to be responsible for all expenses incurred for our direct benefit. Examples of these expenses include legal, accounting, interest, directors' and officers' insurance, stock transfer services, stockholder-related fees, consulting and related fees. In addition, we are also responsible for all fees charged by third parties that are directly related to our business, which include real estate brokerage fees, mortgage placement fees, lease-up fees and transaction structuring fees (although we may be able to pass some or all of such fees on to our tenants and borrowers). Our entrance into the Advisory Agreement and each amendment thereto (including the Eighth Amended Advisory Agreement) has been approved unanimously by our Board of Directors. Our Board of Directors reviews and considers renewing the agreement with our Adviser annually, typically during the month of July. During its July 2025 meeting, our Board of Directors reviewed and renewed the Advisory Agreement and Administration Agreement for an additional year, through August 31, 2026.

Base Management Fee

On July 14, 2020, the Company entered into the Sixth Amended Advisory Agreement, which replaced the previous calculation of the Base Management Fee. Under the Sixth Amended Advisory Agreement, the Base Management Fee is payable quarterly

in arrears and shall be calculated at an annual rate of 0.425% (0.10625% per quarter) of the prior calendar quarter's "Gross Tangible Real Estate," defined in the agreement as the current gross value of the Company's property portfolio (meaning the aggregate of each property's original acquisition price plus the cost of any subsequent capital improvements thereon). The calculation of the other fees remained unchanged. The revised Base Management Fee calculation began with the fee calculations for the quarter ended September 30, 2020.

On January 10, 2023, we amended and restated the Sixth Amended Advisory Agreement, by entering into the Seventh Amended Advisory Agreement, which was approved unanimously by our Board of Directors, including specifically, our independent directors. The Seventh Amended Advisory Agreement contractually eliminated the payment of the incentive fee, as applicable, for the quarters ended March 31, 2023 and June 30, 2023. The calculation of the other fees remained unchanged.

On July 11, 2023, we then entered into the Eighth Amended Advisory Agreement, as approved unanimously by our Board of Directors, including specifically, our independent directors. The Eighth Amended Advisory Agreement contractually eliminated the payment of the incentive fee for the quarters ended September 30, 2023 and December 31, 2023. In addition, the Eighth Amended Advisory Agreement also clarified that for any future quarter whereby an incentive fee would exceed by greater than 15% of the average quarterly incentive fee paid, the measurement would be versus the last four quarters where an incentive fee was actually paid. The calculation of the other fees remained unchanged.

Incentive Fee

Pursuant to the Advisory Agreement, the calculation of the incentive fee rewards the Adviser in circumstances where our quarterly Core FFO (defined at the end of this paragraph), before giving effect to any incentive fee, or pre-incentive fee Core FFO, exceeds 2.0% quarterly, or 8.0% annualized, of adjusted total equity (after giving effect to the base management fee but before giving effect to the incentive fee). We refer to this as the new hurdle rate. The Adviser will receive 15.0% of the amount of our pre-incentive fee Core FFO that exceeds the new hurdle rate. However, in no event shall the incentive fee for a particular quarter exceed by 15.0% (the cap) the average quarterly incentive fee paid by us for the previous four quarters (excluding quarters for which no incentive fee was paid). Core FFO (as defined in the Advisory Agreement) is GAAP net income (loss) available (attributable) to common stockholders, excluding the incentive fee, depreciation and amortization, any realized and unrealized gains, losses or other non-cash items recorded in net income (loss) available (attributable) to common stockholders for the period, and one-time events pursuant to changes in GAAP.

Capital Gain Fee

Under the Advisory Agreement, we will pay to the Adviser a capital gains-based incentive fee that will be calculated and payable in arrears as of the end of each fiscal year (or upon termination of the Advisory Agreement). In determining the capital gain fee, we will calculate aggregate realized capital gains and aggregate realized capital losses for the applicable time period. For this purpose, aggregate realized capital gains and losses, if any, equals the realized gain or loss calculated by the difference between the sales price of the property, less any costs to sell the property and the current gross value of the property (equal to the property's original acquisition price plus any subsequent non-reimbursed capital improvements) of the disposed property. At the end of the fiscal year, if this number is positive, then the capital gain fee payable for such time period shall equal 15.0% of such amount. No capital gains fee was recognized during the years ended December 31, 2025, 2024, and 2023.

Termination Fee

The Advisory Agreement includes a termination fee clause whereby, in the event of our termination of the agreement without cause (with 120 days' prior written notice and the vote of at least two-thirds of our independent directors), a termination fee would be payable to the Adviser equal to two times the sum of the average annual base management fee and incentive fee earned by the Adviser during the 24-month period prior to such termination. A termination fee is also payable if the Adviser terminates the Advisory Agreement after the Company has defaulted and applicable cure periods have expired. The Advisory Agreement may also be terminated for cause by us (with 30 days' prior written notice and the vote of at least two-thirds of our independent directors), with no termination fee payable. Cause is defined in the Advisory Agreement to include if the Adviser breaches any material provisions of the agreement, the bankruptcy or insolvency of the Adviser, dissolution of the Adviser and fraud or misappropriation of funds.

Administration Agreement

Under the terms of the Administration Agreement, we pay separately for our allocable portion of our Administrator's overhead expenses in performing its obligations to us including, but not limited to, rent and our allocable portion of the salaries and benefits expenses of our Administrator's employees, including, but not limited to, our chief financial officer, treasurer, chief

compliance officer, chief administrative officer, co-general counsels and co-secretaries (one of whom also serves as our Administrator's president), and their respective staffs. Our allocable portion of the Administrator's expenses are generally derived by multiplying our Administrator's total expenses by the approximate percentage of time the Administrator's employees perform services for us in relation to their time spent performing services for all companies serviced by our Administrator under contractual agreements. We believe that the methodology of allocating the Administrator's total expenses by approximate percentage of time services were performed among all companies serviced by our Administrator more closely approximates fees paid to actual services performed.

Critical Accounting Estimates

The preparation of our financial statements in accordance with GAAP, requires management to make judgments that are subjective in nature to make certain estimates and assumptions. Application of these accounting policies involves the exercise of judgment regarding the use of assumptions as to future uncertainties, and as a result, actual results could materially differ from these estimates. A summary of all of our significant accounting policies is provided in Note 1, "Organization, Basis of Presentation and Significant Accounting Policies," to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, as well as a summary of recently issued accounting pronouncements and their expected impact to our current and future financial statements. There were no material changes to our critical accounting policies during the year ended December 31, 2025.

Allocation of Purchase Price

When we acquire real estate with an existing lease, we allocate the purchase price to (i) the acquired tangible assets and liabilities, consisting of land, building, tenant improvements and long-term debt and (ii) the identified intangible assets and liabilities, consisting of the value of above-market and below-market leases, in-place leases, unamortized lease origination costs, tenant relationships and capital lease obligations. We allocate the fair values in accordance with Accounting Standard Codification 360, Property Plant and Equipment. All expenses related to the acquisition are capitalized and allocated among the identified assets.

Our Adviser estimates value using methods similar to those used by independent appraisers (e.g., discounted cash flow analysis). Factors considered by management in its analysis include an estimate of carrying costs during hypothetical expected lease-up periods, considering current market rental rates and costs to execute similar leases. Our Adviser also considers information obtained about each property as a result of our pre-acquisition due diligence, marketing and leasing activities in estimating the fair value of the tangible and intangible assets and liabilities acquired. In estimating carrying costs, management also includes real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the hypothetical expected lease-up periods, which primarily range from nine to 18 months, depending on specific local cap rates and discount rates. Our Adviser also estimates costs to execute similar leases, including leasing commissions, legal and other related expenses to the extent that such costs are not already incurred in connection with a new lease origination as part of the transaction. Our Adviser also considers the nature and extent of our existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant's credit quality and management's expectations of lease renewals (including those existing under the terms of the lease agreement), among other factors. A change in any of the assumptions above, which are very subjective, could have a material impact on our results of operations.

The allocation of the purchase price directly affects the following in our consolidated financial statements:

- the amount of purchase price allocated to the various tangible and intangible assets and liabilities on our balance sheet;
- the amounts allocated to the value of above-market and below-market lease values are amortized to rental income over the remaining non-cancelable terms of the respective leases. The amounts allocated to all other tangible and intangible assets are amortized to depreciation or amortization expense. Thus, depending on the amounts allocated between land and other depreciable assets, changes in the purchase price allocation among our assets could have a material impact on our FFO, a metric which is used by many REIT investors to evaluate our operating performance; and
- the period of time over which tangible and intangible assets are depreciated varies greatly, and thus, changes in the amounts allocated to these assets will have a direct impact on our results of operations. Intangible assets are generally amortized over the respective life of the leases, which normally range from 10 to 15 years. Also, we depreciate our buildings for a period of time up to 39 years, but do not depreciate our land. These differences in timing could have a material impact on our results of operations.

We periodically review the carrying value of each property to determine if circumstances that indicate impairment in the carrying value of the investment exist or that depreciation periods should be modified. In determining if impairment exists, our Adviser considers such factors as our tenants' payment histories, the financial condition of our tenants, including calculating the current leverage ratios of tenants, the likelihood of lease renewal, business conditions in the industries in which our tenants operate, whether the fair value of our real estate has decreased and whether our hold period has shortened. If any of the factors above indicate the possibility of impairment, we prepare a projection of the undiscounted future cash flows, without interest charges, of the specific property and determine if the carrying amount of such property is recoverable. In preparing the projection of undiscounted future cash flows, we estimate cap rates, market rental rates, and tenant improvement allowances using information that we obtain from market comparability studies and other comparable sources, and apply the undiscounted cash flows against our expected holding period. If impairment were indicated, the carrying value of the property would be written down to its estimated fair value based on our best estimate of the property's discounted future cash flows using market derived cap rates, discount rates and market rental rates applied against our expected hold period. Any material changes to the estimates and assumptions used in this analysis could have a significant impact on our results of operations, as the changes would impact our determination of whether impairment is deemed to have occurred and the amount of impairment loss that we would recognize.

Using the methodology discussed above, we evaluated our entire portfolio, as of December 31, 2025, for any impairment indicators and performed an impairment analysis on select properties that had an indication of impairment. See *Note 4 - Real Estate Dispositions, Held for Sale, and Impairment Charges - Impairment Charges* of the accompanying consolidated financial statements.

We will continue to monitor our portfolio for any other indicators of impairment.

Results of Operations

The weighted average yield on our total portfolio, which was 8.5% and 8.6% at December 31, 2025 and 2024, respectively, is calculated by taking the annualized straight-line rents plus operating expense recoveries, reflected as lease revenue on our consolidated statements of operations and other comprehensive income, less property operating expenses, of each acquisition since inception, as a percentage of the acquisition cost plus subsequent capital improvements. The weighted average yield does not account for the interest expense incurred on the mortgages placed on our properties or other types of existing indebtedness.

A comparison of our operating results for the year ended December 31, 2025 and 2024 is below (dollars in thousands, except per share amounts):

	For the year ended December 31,			
	2025	2024	\$ Change	% Change
Operating revenues				
Lease revenue	\$ 161,336	\$ 149,388	\$ 11,948	8.0 %
Total operating revenues	\$ 161,336	\$ 149,388	\$ 11,948	8.0 %
Operating expenses				
Depreciation and amortization	\$ 58,245	\$ 55,786	\$ 2,459	4.4 %
Property operating expenses	28,625	25,418	3,207	12.6 %
Base management fee	6,641	6,111	530	8.7 %
Incentive fee	2,765	4,488	(1,723)	(38.4)%
Administration fee	2,581	2,567	14	0.5 %
General and administrative	4,040	3,879	161	4.2 %
Impairment charge	9	6,822	(6,813)	(99.9)%
Total operating expense before incentive fee waiver	\$ 102,906	\$ 105,071	\$ (2,165)	(2.1)%
Incentive fee waiver	(1,517)	(2,263)	746	(33.0)%
Total operating expenses	\$ 101,389	\$ 102,808	\$ (1,419)	(1.4)%
Other (expense) income				
Interest expense	\$ (41,914)	\$ (37,395)	\$ (4,519)	12.1 %
Gain on sale of real estate, net	367	14,229	(13,862)	(97.4)%
Gain on debt extinguishment, net	—	300	(300)	(100.0)%
Other income	892	326	566	173.6 %
Total other expense, net	\$ (40,655)	\$ (22,540)	\$ (18,115)	80.4 %
Net income	\$ 19,292	\$ 24,040	\$ (4,748)	(19.8)%
Distributions attributable to Series E, F, and G preferred stock	(12,299)	(12,440)	141	(1.1)%
Distributions attributable to senior common stock	(406)	(420)	14	(3.3)%
Gain (loss) on extinguishment of Series F preferred stock	10	(14)	24	(171.4)%
Net income available to common stockholders and Non-controlling OP Unitholders	\$ 6,597	\$ 11,166	\$ (4,569)	(40.9)%
Net income available to common stockholders and Non-controlling OP Unitholders per weighted average share and unit - basic & diluted	\$ 0.14	\$ 0.27	\$ (0.13)	(48.1)%
FFO available to common stockholders and Non-controlling OP Unitholders - basic (1)	\$ 64,484	\$ 59,245	\$ 5,239	8.8 %
FFO available to common stockholders and Non-controlling OP Unitholders - diluted (1)	\$ 64,890	\$ 59,665	\$ 5,225	8.8 %
FFO per weighted average share of common stock and Non-controlling OP Unit - basic (1)	\$ 1.38	\$ 1.41	\$ (0.03)	(2.1)%
FFO per weighted average share of common stock and Non-controlling OP Unit - diluted (1)	\$ 1.38	\$ 1.41	\$ (0.03)	(2.1)%

(1) Refer to the “Funds from Operations” section below within the Management’s Discussion and Analysis section for the definition of FFO and FFO, as adjusted for comparability.

Same Store Analysis

For the purposes of the following discussion, same store properties are properties we owned as of January 1, 2024, which have not been subsequently vacated or disposed. Acquired and disposed properties are properties which were either acquired, disposed of or classified as held for sale at any point subsequent to December 31, 2023. Properties with vacancy are properties that were fully vacant or had greater than 5% vacancy, based on square footage, at any point subsequent to January 1, 2024.

Operating Revenues

Lease Revenues	For the year ended December 31,			
	(Dollars in Thousands)			
	2025	2024	\$ Change	% Change
Same Store Properties	\$ 130,126	\$ 125,128	\$ 4,998	4.0 %
Acquired & Disposed Properties	14,699	7,232	7,467	103.2 %
Properties with Vacancy	16,511	17,028	(517)	(3.0)%
	\$ 161,336	\$ 149,388	\$ 11,948	8.0 %

Lease revenues consist of rental income and operating expense recoveries earned from our tenants. Lease revenues from same store properties increased for the year ended December 31, 2025, due to an increase in recovery revenue from property operating expenses and an increase in rental rates from leasing activity subsequent to the year ended December 31, 2024, partially offset by a settlement received at one of our properties related to deferred maintenance in the prior period. Lease revenues increased for acquired and disposed of properties for the year ended December 31, 2025, as compared to the year ended December 31, 2024, primarily due to an increase in recovery revenue from property expenses and an increase in rental rates on the 19 properties acquired subsequent to December 31, 2024. Lease revenues decreased for properties with vacancy for the year ended December 31, 2025, mainly due to a loss of rental revenue from increased vacancy, partially offset by an increase in variable lease payments.

Operating Expenses

Depreciation and amortization expense increased for the year ended December 31, 2025, as compared to the year ended December 31, 2024, due to an increase in depreciation and amortization expense on the 19 properties acquired subsequent to December 31, 2024. This was partially offset by the reduced depreciation and amortization expense from the nine property sales during and subsequent to December 31, 2024.

Property Operating Expenses	For the year ended December 31,			
	(Dollars in Thousands)			
	2025	2024	\$ Change	% Change
Same Store Properties	\$ 20,355	\$ 16,795	\$ 3,560	21.2 %
Acquired & Disposed Properties	543	1,029	(486)	(47.2)%
Properties with Vacancy	7,727	7,594	133	1.8 %
	\$ 28,625	\$ 25,418	\$ 3,207	12.6 %

Property operating expenses consist of franchise taxes, management fees, insurance, ground lease payments, property maintenance and repair expenses paid on behalf of tenants at certain of our properties. Property operating expenses increased for same store properties for the year ended December 31, 2025, as compared to the year ended December 31, 2024, as a result of general cost increases due to the inflationary environment and increased repair expenses during the year. The decrease in property operating expenses on acquired and disposed of properties for the year ended December 31, 2025, as compared to the year ended December 31, 2024, is a result of a decrease in property operating expenses in relation to properties held for sale or sold during the year that were fully or partially vacant. The increase in property operating expenses for properties with vacancy for the year ended December 31, 2025, as compared to the year ended December 31, 2024, is a result of general cost increases due to the inflationary environment.

The base management fee paid to the Adviser increased for the year ended December 31, 2025, as compared to the year ended December 31, 2024, due to an increase in gross tangible real estate, the main component of the base management fee calculation under the Eighth Amended Advisory Agreement, from property acquisitions and capital projects. The calculation of the base management fee is described in detail above within *“Advisory and Administration Agreements.”*

The net incentive fee paid to the Adviser decreased for the year ended December 31, 2025, as compared to the year ended December 31, 2024, due to the Adviser unconditionally waiving a larger portion of the incentive fee during the prior period. The calculation of the incentive fee is described in detail above within *“Advisory and Administration Agreements.”*

The administration fee paid to the Administrator increased slightly for the year ended December 31, 2025, as compared to the year ended December 31, 2024. The slight increase is a result of our Administrator incurring greater costs that are allocated to

the Company. The calculation of the administration fee is described in detail above within “*Advisory and Administration Agreements.*”

General and administrative expenses increased for the year ended December 31, 2025, as compared to the year ended December 31, 2024, primarily as a result of an increase in professional fee expenses, partially offset by a decrease in travel and advertising expenses.

We recorded an impairment charge during the year ended December 31, 2025 on one property, as we had determined the carrying value of this property was in excess of the fair market value and not recoverable. Accordingly, we impaired this property to fair market value. We recorded an impairment charge on three properties during the year ended December 31, 2024.

Other Income and Expenses

Interest expense increased for the year ended December 31, 2025, as compared to the year ended December 31, 2024. This increase is primarily the result of increased interest costs on variable rate debt, as a result of larger amounts drawn on the Credit Facility, writing off deferred financing fees as part of the credit facility amendment, and new interest expense on the 2029 Notes and 2030 Notes.

The gain on sale of real estate, net, during the year ended December 31, 2025 is a result of the sale of two properties. The gain on sale of real estate, net, during the year ended December 31, 2024 was a result of the sale of seven properties and a selling profit from sales-type leases related to one lease. The gain on debt extinguishment, net, during the year ended December 31, 2024 was recognized in conjunction with two of our sales.

Other income increased during the year ended December 31, 2025, as compared to the year ended December 31, 2024, mainly due to nonrecurring income items that occurred during the year ended December 31, 2025.

Net Income Available to Common Stockholders and Non-controlling OP Unitholders

Net income available to common stockholders and Non-controlling OP Unitholders decreased for the year ended December 31, 2025, as compared to the year ended December 31, 2024, primarily due to the gain on sale, net, from the prior period coupled with an increase in interest expense and depreciation expense in the current period. This was partially offset by an increase in recovery revenue from property expenses, an increase in rental rates from leasing activity, a decrease in the net incentive fee payable to the Adviser, and higher impairment charges in the prior period.

A discussion of the results of operations for the year ended December 31, 2023 is found in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 18, 2025, which is available free of charge on the SEC’s website at www.sec.gov and on the investors section of our website at www.GladstoneCommercial.com.

Liquidity and Capital Resources

Overview

Our sources of liquidity include cash flows from operations, cash and cash equivalents, borrowing capacity under our Revolver and through issuance of additional equity securities. Our available liquidity as of December 31, 2025, was \$73.6 million, including \$10.8 million in cash and cash equivalents and an available borrowing capacity of \$62.8 million under our Revolver. Our available borrowing capacity under the Revolver decreased to \$60.0 million as of February 18, 2026.

Future Capital Needs

We actively seek conservative investments that we expect are likely to produce income to allow us to pay distributions to our stockholders and Non-controlling OP Unitholders. We intend to use the proceeds received from future equity raised and debt capital borrowed to continue to invest in industrial properties, which is our strategic focus, or to a lesser extent, office real property, or pay down outstanding borrowings under our Revolver. Accordingly, to ensure that we are able to effectively execute our business strategy, we routinely review our liquidity requirements and continually evaluate all potential sources of liquidity. Our short-term liquidity needs include proceeds necessary to fund our distributions to stockholders, pay the debt service costs on our existing long-term mortgages, bank debt, and long-term private debt, refinance maturing debt and fund our current operating costs. Our long-term liquidity needs include proceeds necessary to grow and maintain our portfolio of investments.

We believe that our available liquidity is sufficient to fund our distributions to stockholders, pay the debt service costs, and fund our current operating costs in the near term. We also believe we will be able to refinance our mortgage debt, bank debt, and long-term private debt as they mature. Additionally, to satisfy our short-term obligations, we may request credits to our management fees that are issued from our Adviser, although our Adviser is under no obligation to provide any such credits, either in whole or in part. We further believe that our cash flow from operations, coupled with the financing capital available to us in the future, is sufficient to fund our long-term liquidity needs.

Equity Capital

The following table summarizes net proceeds raised from our various equity sales during the year ended December 31, 2025 (dollars in thousands, except for share price):

	Net Proceeds	Number of Shares Sold	Weighted Average Share Price
Common Stock ATM Program	\$ 60,960	4,412,814	\$ 14.00
Series F Preferred Stock Continuous Public Offering (1)	356	15,700	24.90
	\$ 61,316	4,428,514	

(1) The primary offering of our Series F Preferred Stock terminated according to its terms on June 1, 2025.

As of February 18, 2026, we had the ability to raise up to \$1.0 billion of additional equity capital through the sale and issuance of securities that are registered under the 2024 Registration Statement, in one or more future public offerings. We expect to continue to use our 2024 Common Stock Sales Agreement as a source of liquidity in 2026.

Debt Capital

As of December 31, 2025, we had 38 mortgage notes payable in the aggregate principal amount of \$251.6 million, collateralized by a total of 44 properties with a remaining weighted average maturity of 2.7 years. The weighted-average interest rate on the mortgage notes payable as of December 31, 2025 was 4.21%.

We continue to see banks and other non-bank lenders willing to issue mortgages for properties comparable to those held in our portfolio on terms that are commercially reasonable. Consequently, we remain focused on obtaining mortgages through insurance companies, regional banks, non-bank lenders and, to a lesser extent, the commercial mortgage backed securities market.

As of December 31, 2025, we had mortgage debt in the aggregate principal amount of \$35.4 million payable during 2026 and \$95.4 million payable during 2027. The 2026 principal amounts payable include both amortizing principal payments and five balloon principal payments. We anticipate being able to refinance our mortgages that come due during 2026 and 2027 with a combination of new mortgage debt, availability under our Credit Facility, the issuance of long-term unsecured notes in the private placement market, the issuance of additional equity securities under our 2024 Common Stock Sales Agreement, the sale and issuance of other equity securities that are registered under the 2024 Registration Statement, or the sale and issuance of unregistered equity or debt securities. We have successfully repaid \$10.3 million of mortgage debt over the past 12 months through property sales or by generating additional availability by adding properties to our unsecured pool under our Credit Facility.

As of December 31, 2025, we also had \$75.0 million of the 2029 Notes outstanding and \$85.0 million of the 2030 Notes outstanding.

Operating Activities

Net cash provided by operating activities during the year ended December 31, 2025, was \$88.2 million, as compared to net cash provided by operating activities of \$57.0 million for the year ended December 31, 2024. This change was primarily a result of an increase in operating revenues due to acquisitions and leasing activity, partially offset by an increase in interest expense due to larger amounts drawn on the Credit Facility, the 2029 Notes, and the 2030 Notes. The majority of cash from operating activities is generated from the rental payments and operating expense recoveries that we receive from our tenants. We utilize this cash to fund our property-level operating expenses and use the excess cash primarily for debt and interest payments on our mortgage notes payable, interest payments on our Credit Facility, interest payments on our unsecured notes, distributions to our

stockholders, management fees to our Adviser, administration fees to our Administrator and other entity-level operating expenses.

Investing Activities

Net cash used in investing activities during the year ended December 31, 2025, was \$221.4 million, which primarily consisted of the acquisition of 19 properties, coupled with the capital improvements performed at certain of our properties, partially offset by proceeds from the sale of real estate. Net cash used in investing activities during the year ended December 31, 2024, was \$1.7 million, which primarily consisted of the acquisition of seven properties, coupled with the capital improvements performed at certain of our properties, partially offset by proceeds from the sale of real estate.

Financing Activities

Net cash provided by financing activities during the year ended December 31, 2025, was \$134.7 million, which primarily consisted of proceeds from our common and preferred equity offerings, mortgage borrowings, net increase in Credit Facility borrowings, and borrowings under unsecured notes, partially offset by the repayment of outstanding mortgage debt, redemptions of Series F Preferred Stock, and distributions paid to our stockholders and Non-controlling OP Unitholders. Net cash used in financing activities during the year ended December 31, 2024, was \$56.3 million, which primarily consisted of proceeds from our common and preferred equity offerings, mortgage borrowings, and borrowings under unsecured notes, partially offset by the repayment of outstanding mortgage debt, net decrease in Credit Facility borrowings, and distributions paid to our stockholders and Non-controlling OP Unitholders.

Credit Facility

On August 7, 2013, we procured the Revolver, with KeyBank (serving as a revolving lender, a letter of credit issuer and an administrative agent) for \$60.0 million. On October 5, 2015, we added the \$25.0 million Term Loan A. On February 11, 2021, we added the \$65.0 million Term Loan B. On August 18, 2022, we added the new \$140.0 million Term Loan C. The Credit Facility's bank syndicate was then comprised of KeyBank, Fifth Third Bank, The Huntington National Bank, Bank of America, Synovus Bank, United Bank, First Financial Bank, and S&T Bank.

On September 18, 2025, we amended our Credit Facility, increasing our Revolver from \$125.0 million to \$155.0 million. We incurred fees of approximately \$0.5 million in connection with the increase to our Credit Facility. The increased credit availability was used, in part, to fund a nine-property portfolio acquisition that closed on September 30, 2025.

On October 10, 2025, we amended, extended, and upsized our Credit Facility, increasing our Revolver from \$155.0 million to \$200.0 million (and its term to October 2029), decreasing the principal balance of Term Loan A from \$160.0 million to \$125.0 million (and extending its term to October 2029), increasing the principal balance of Term Loan B from \$60.0 million to \$143.3 million (and its term to February 2030), decreasing the principal balance of Term Loan C from \$150.0 million to \$131.7 million, and repaying the full principal balance of Term Loan D. The SOFR spread increased by 10 basis points, ranging from 140 to 210 basis points for the Revolver and 135 to 205 basis points for the Term Loans, depending on our leverage. We incurred fees of approximately \$4.2 million in connection with amending, extending, and upsizing our Credit Facility. The Credit Facility's new (and current) bank syndicate is comprised of KeyBank, Fifth Third Bank, The Huntington National Bank, Bank of America, Synovus Bank, PNC Bank, Webster Bank, and S&T Bank.

As of December 31, 2025, there was \$437.4 million outstanding under our Credit Facility at a weighted average interest rate of approximately 5.42%, and \$2.1 million outstanding letters of credit, at a weighted average interest rate of 1.60%. As of February 18, 2026, the maximum additional amount we could draw under the Credit Facility was \$60.0 million. We were in compliance with all covenants under the Credit Facility as of December 31, 2025.

Contractual Obligations

The following table reflects our material contractual obligations as of December 31, 2025 (dollars in thousands):

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Debt Obligations (1)	\$ 848,948	\$ 35,369	\$ 264,492	\$ 534,099	\$ 14,988
Interest on Debt Obligations (2)	152,954	43,658	72,822	35,532	942
Operating Lease Obligations (3)	5,226	460	937	855	2,974
Finance Lease Obligations (4)	7,982	172	356	356	7,098
Purchase Obligations (5)	8,021	7,221	800	—	—
	\$ 1,023,131	\$ 86,880	\$ 339,407	\$ 570,842	\$ 26,002

- (1) Debt obligations represent borrowings under our Revolver, which represents \$37.4 million of the debt obligation due in 2029, Term Loan A, which represents \$125.0 million of the debt obligation due in 2029, Term Loan B, which represents \$143.3 million of the debt obligation due in 2030, Term Loan C, which represents \$131.7 million of the debt obligation due in 2028, the 2029 Notes, which represents \$75.0 million of the debt obligation due in 2029, the 2030 Notes, which represents \$85.0 million of the debt obligation due in 2030, and mortgage notes payable that were outstanding as of December 31, 2025. This figure does not include \$0.02 million of premiums and (discounts), net, and \$5.5 million of deferred financing costs, net, which are reflected in mortgage notes payable, net, borrowings under Term Loan A, Term Loan B, Term Loan C, net, and senior unsecured notes, net, on the consolidated balance sheet.
- (2) Interest on debt obligations includes estimated interest on our borrowings under our Revolver, Term Loan A, Term Loan B, Term Loan C, senior unsecured notes, and mortgage notes payable. The balance and interest rate on our Revolver and Term Loan A, Term Loan B, Term Loan C is variable; thus, the interest payment obligation calculated for purposes of this table was based upon rates and balances as of December 31, 2025.
- (3) Operating lease obligations represent the ground lease payments due on three of our properties.
- (4) Finance lease obligations represent the ground lease payments due on one of our properties.
- (5) Purchase obligations consist of tenant and capital improvements at tenor of our properties.

Off-Balance Sheet Arrangements

We did not have any material off-balance sheet arrangements as of December 31, 2025.

Funds from Operations

The National Association of Real Estate Investment Trusts (“NAREIT”) developed FFO as a relevant non-GAAP supplemental measure of operating performance of an equity REIT to recognize that income-producing real estate historically has not depreciated on the same basis determined under GAAP. FFO, as defined by NAREIT, is net income (computed in accordance with GAAP), excluding gains or losses from sales of property and impairment losses on property, plus depreciation and amortization of real estate assets, and after adjustments for unconsolidated partnerships and joint ventures.

FFO does not represent cash flows from operating activities in accordance with GAAP, which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income. FFO should not be considered an alternative to net income as an indication of our performance or to cash flows from operations as a measure of liquidity or ability to make distributions. Comparison of FFO, using the NAREIT definition, to similarly titled measures for other REITs may not necessarily be meaningful due to possible differences in the application of the NAREIT definition used by such REITs.

FFO available to common stockholders and holders of Non-controlling interests in the Operating Partnership (“Non-controlling OP Unitholders”) is FFO adjusted to subtract preferred share and Senior Common Stock share distributions. We believe that net income available to common stockholders is the most directly comparable GAAP measure to FFO available to the aggregate of our common stockholders and Non-controlling OP Unitholders.

Basic funds from operations per share (“Basic FFO per share”), and diluted funds from operations per share (“Diluted FFO per share”), is FFO available to common stockholders and Non-controlling OP Unitholders divided by the number of weighted average shares of the aggregate of shares of common stock and OP Units held by Non-controlling OP Unitholders outstanding and FFO available to common stockholders and Non-controlling OP Unitholders divided by the number of weighted average shares of the aggregate of shares of common stock and OP Units held by Non-controlling OP Unitholders outstanding on a

diluted basis, respectively, during a period. We believe that net income is the most directly comparable GAAP measure to FFO, Basic EPS is the most directly comparable GAAP measure to Basic FFO per share, and that Diluted EPS is the most directly comparable GAAP measure to Diluted FFO per share.

The following table provides a reconciliation of our FFO and FFO as adjusted for comparability for the years ended December 31, 2025 and 2024 to the most directly comparable GAAP measure, net income, and a computation of basic and diluted FFO per weighted average total share:

	For the twelve months ended December 31, (Dollars in Thousands, Except for Per Share Amounts)	
	2025	2024
Calculation of basic FFO per share of common stock and Non-controlling OP Unit		
Net income	\$ 19,292	\$ 24,040
Less: Distributions attributable to preferred and senior common stock	(12,705)	(12,860)
Add/Less: Gain (loss) on extinguishment of Series F preferred stock, net	10	(14)
Net income available to common stockholders and Non-controlling OP Unitholders	\$ 6,597	\$ 11,166
Adjustments:		
Add: Real estate depreciation and amortization	58,245	55,786
Add: Impairment charge	9	6,822
Less: Gain on sale of real estate, net	(367)	(14,229)
Less: Gain on debt extinguishment, net	—	(300)
FFO available to common stockholders and Non-controlling OP Unitholders - basic	\$ 64,484	\$ 59,245
Weighted average common shares outstanding - basic	46,538,232	41,766,263
Weighted average Non-controlling OP Units outstanding	39,474	157,160
Weighted average common shares and Non-controlling OP Units	46,577,706	41,923,423
Basic FFO per weighted average share of common stock and Non-controlling OP Unit	\$ 1.38	\$ 1.41
Calculation of diluted FFO per share of common stock and Non-controlling OP Unit		
Net income	\$ 19,292	\$ 24,040
Less: Distributions attributable to preferred and senior common stock	(12,705)	(12,860)
Add/Less: Gain (loss) on extinguishment of Series F preferred stock, net	10	(14)
Net income available to common stockholders and Non-controlling OP Unitholders	\$ 6,597	\$ 11,166
Adjustments:		
Add: Real estate depreciation and amortization	58,245	55,786
Add: Impairment charge	9	6,822
Add: Income impact of assumed conversion of senior common stock	406	420
Less: Gain on sale of real estate, net	(367)	(14,229)
Less: Gain on debt extinguishment, net	—	(300)
FFO available to common stockholders and Non-controlling OP Unitholders plus assumed conversions	\$ 64,890	\$ 59,665
Weighted average common shares outstanding - basic	46,538,232	41,766,263
Weighted average Non-controlling OP Units outstanding	39,474	157,160
Effect of convertible senior common stock	322,315	330,456
Weighted average common shares and Non-controlling OP Units outstanding - diluted	46,900,021	42,253,879
Diluted FFO per weighted average share of common stock and Non-controlling OP Unit	\$ 1.38	\$ 1.41
Distributions declared per share of common stock and Non-controlling OP Unit	\$ 1.20	\$ 1.20

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. The primary risk that we believe we are and will be exposed to is interest rate risk. Certain of our leases contain escalations based on market indices, and the interest rate on our Credit Facility is variable. Although we seek to mitigate this risk by structuring such provisions of our loans and leases to contain a minimum interest rate or escalation rate, as applicable, these features do not eliminate this risk. To that end, we have entered into derivative contracts to cap interest rates for our variable rate notes payable, and we have entered into interest rate swaps whereby we pay a fixed interest rate to our respective counterparty, and receive SOFR in return. For details regarding our rate cap agreements and our interest rate swap agreements, see *Note 5 – Mortgage Notes Payable, Credit Facility, and Senior Unsecured Notes* of the accompanying consolidated financial statements.

To illustrate the potential impact of changes in interest rates on our net income for the year ended December 31, 2025, we have performed the following analysis, which assumes that our consolidated balance sheet remains constant and that no further actions beyond a minimum interest rate or escalation rate are taken to alter our existing interest rate sensitivity.

The following table summarizes the annual impact of a 1%, 2% and 3% increase, and a 1%, 2% and 3% decrease in SOFR as of December 31, 2025. As of December 31, 2025, our effective average SOFR was 3.87%. The impact of these fluctuations is presented below (dollars in thousands).

Interest Rate Change	(Decrease) increase to Interest Expense	Net increase (decrease) to Net Income
3% Decrease to SOFR	\$ (1,137)	\$ 1,137
2% Decrease to SOFR	(758)	758
1% Decrease to SOFR	(379)	379
1% Increase to SOFR	379	(379)
2% Increase to SOFR	758	(758)
3% Increase to SOFR	1,137	(1,137)

As of December 31, 2025, the fair value of our mortgage debt outstanding was \$240.5 million. Interest rate fluctuations may affect the fair value of our debt instruments. If interest rates on our debt instruments, using rates at December 31, 2025, had been one percentage point higher or lower, the fair value of those debt instruments on that date would have decreased or increased by \$5.4 million and \$5.6 million, respectively.

As of December 31, 2025, the fair value of our 2029 Notes outstanding was \$75.8 million. Interest rate fluctuations may affect the fair value of our debt instruments. If interest rates on our debt instruments, using rates at December 31, 2025, had been one percentage point higher or lower, the fair value of those debt instruments on that date would have decreased or increased by \$3.3 million and \$3.4 million, respectively.

As of December 31, 2025, the fair value of our 2030 Notes outstanding was \$84.5 million. Interest rate fluctuations may affect the fair value of our debt instruments. If interest rates on our debt instruments, using rates at December 31, 2025, had been one percentage point higher or lower, the fair value of those debt instruments on that date would have decreased or increased by \$3.7 million and \$3.8 million, respectively.

The amount outstanding under the Credit Facility approximates fair value as of December 31, 2025.

In the future, we may be exposed to additional effects of interest rate changes, primarily as a result of our Revolver, Term Loans (i.e., Term Loan A, Term Loan B, and Term Loan C), private placement bond issuances, or long-term mortgage debt, which we use to maintain liquidity and fund expansion of our real estate investment portfolio and operations. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. To achieve these objectives, we will borrow primarily at fixed rates or variable rates with the lowest margins available and, in some cases, with the ability to convert variable rates to fixed rates. We may also enter into derivative financial instruments, such as interest rate swaps and caps to mitigate the interest rate risk on a related financial instrument. We will not enter into derivative or interest rate transactions for speculative purposes.

In addition to changes in interest rates, the value of our real estate is subject to fluctuations based on changes in local and regional economic conditions and changes in the creditworthiness of lessees and borrowers, all of which may affect our ability to refinance debt, if necessary.

As of December 31, 2025, approximately \$411.6 million of our debt bore interest at fixed rates, as shown in the future principal debt payment table below (dollars in thousands):

	2026	2027	2028	2029	2030	Thereafter	Total
Fixed rate	\$ 35,369	\$ 95,392	\$ 37,433	\$ 109,868	\$ 118,528	\$ 14,988	\$ 411,578
Variable rate	\$ —	\$ —	\$ 131,667	\$ 162,370	\$ 143,333	\$ —	\$ 437,370
	\$ 35,369	\$ 95,392	\$ 169,100	\$ 272,238	\$ 261,861	\$ 14,988	\$ 848,948

Item 8. Financial Statements and Supplementary Data.

Index to Consolidated Financial Statements

<u>Report of Management on Internal Control over Financial Reporting</u>	<u>55</u>
<u>Report of Independent Registered Public Accounting Firm (PCAOB ID 238)</u>	<u>56</u>
<u>Consolidated Balance Sheets as of December 31, 2025 and 2024</u>	<u>58</u>
<u>Consolidated Statements of Operations and Comprehensive Income for the years ended December 31, 2025, 2024 and 2023</u>	<u>60</u>
<u>Consolidated Statements of Equity for the years ended December 31, 2025, 2024 and 2023</u>	<u>61</u>
<u>Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023</u>	<u>63</u>
<u>Notes to Consolidated Financial Statements</u>	<u>65</u>
<u>Schedule III – Real Estate and Accumulated Depreciation as of December 31, 2025</u>	<u>89</u>

Report of Management on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and include those policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and the dispositions of our assets, provide reasonable assurance that our transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with appropriate authorizations; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, we assessed the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations (COSO). Based on our assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2025.

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

February 18, 2026

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Gladstone Commercial Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Gladstone Commercial Corporation and its subsidiaries (the “Company”) as of December 31, 2025 and 2024, and the related consolidated statements of operations and comprehensive income, of equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes and schedule of real estate and accumulated depreciation as of December 31, 2025, appearing under Item 8 (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Real Estate Impairment Evaluation – Undiscounted Future Cash Flows

As described in Notes 1, 3, and 4 to the consolidated financial statements, the Company's consolidated total real estate, net balance was \$1.0 billion as of December 31, 2025. During 2025, the Company recognized an impairment charge of \$0.01 million. Management periodically reviews the carrying value of each property to determine if circumstances indicate impairment in the carrying value of the investment exists. If circumstances indicate the possibility of impairment, management prepares a projection of the undiscounted future cash flows, without interest charges, of the specific property and determines if the carrying amount of such property is recoverable. In preparing the projection of undiscounted future cash flows, management estimates cap rates, market rental rates, and tenant improvement allowances using information obtained from market comparability studies and other comparable sources, and applies the undiscounted cash flows against the expected holding period. If impairment were indicated, the carrying value of the property would be written down to its estimated fair value based on management's best estimate of the property's discounted future cash flows using market derived cap rates, discount rates and market rental rates applied against the expected hold period.

The principal considerations for our determination that performing procedures relating to the undiscounted future cash flows used in the real estate impairment evaluation is a critical audit matter are (i) the significant judgment by management when developing the projection of the undiscounted future cash flows and (ii) a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating management's significant assumptions related to the cap rates, market rental rates and expected holding period assumptions.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's real estate impairment evaluation, including controls over the projection of the undiscounted future cash flows. These procedures also included, among others (i) testing management's process for developing the projection of the undiscounted future cash flows; (ii) evaluating the appropriateness of the undiscounted cash flow model; (iii) testing the completeness and accuracy of underlying data used in the undiscounted cash flow model; and (iv) evaluating the reasonableness of the significant assumptions used by management related to cap rates, market rental rates, tenant improvement allowances, and expected holding periods. Evaluating management's assumptions related to the cap rates, market rental rates and expected holding period involved evaluating whether the assumptions used by management were reasonable considering (i) the consistency with external market and industry data and (ii) whether the assumptions were consistent with evidence obtained in other areas of the audit.

/s/ PricewaterhouseCoopers LLP
Washington, District Of Columbia
February 18, 2026

We have served as the Company's auditor since 2003.

Gladstone Commercial Corporation
Consolidated Balance Sheets
(Dollars in Thousands, Except Share and Per Share Data)

	December 31, 2025	December 31, 2024
ASSETS		
Real estate, at cost	\$ 1,390,445	\$ 1,211,793
Less: accumulated depreciation	359,513	319,646
Total real estate, net	1,030,932	892,147
Lease intangibles, net	115,579	95,107
Real estate and related assets held for sale	11,260	4,363
Cash and cash equivalents	10,810	10,956
Restricted cash	5,781	4,118
Funds held in escrow	5,336	5,367
Right-of-use assets from operating leases	3,707	3,961
Right-of-use assets from finance leases, net	2,877	—
Deferred rent receivable, net	47,922	45,324
Sales-type lease receivable, net	—	18,618
Other assets	12,729	14,387
TOTAL ASSETS	\$ 1,246,933	\$ 1,094,348
LIABILITIES, MEZZANINE EQUITY AND EQUITY		
LIABILITIES		
Mortgage notes payable, net	\$ 250,193	\$ 269,579
Borrowings under Revolver	37,370	1,900
Borrowings under Term Loan A, Term Loan B and Term Loan C, net	397,702	347,948
Senior unsecured notes, net	158,201	73,958
Deferred rent liability, net	17,191	21,996
Operating lease liabilities	3,816	4,063
Finance lease liabilities	2,964	—
Asset retirement obligation	5,363	5,061
Accounts payable and accrued expenses	10,959	13,198
Liabilities related to assets held for sale	397	—
Due to Adviser and Administrator (1)	3,223	2,540
Other liabilities	17,621	12,763
TOTAL LIABILITIES	\$ 905,000	\$ 753,006
MEZZANINE EQUITY		
Series E and G redeemable preferred stock, net, par value \$0.001 per share; \$25 per share liquidation preference; 10,750,886 and 10,750,886 shares authorized; and 7,052,334 and 7,052,334 shares issued and outstanding at December 31, 2025 and December 31, 2024, respectively (3)	\$ 170,041	\$ 170,041
TOTAL MEZZANINE EQUITY	\$ 170,041	\$ 170,041
EQUITY		
Senior common stock, par value \$0.001 per share; 950,000 shares authorized; and 379,223 and 389,190 shares issued and outstanding at December 31, 2025 and December 31, 2024, respectively (3)	\$ 1	\$ 1
Common stock, par value \$0.001 per share, 62,599,663 and 62,400,887 shares authorized; and 48,406,993 and 43,986,038 shares issued and outstanding at December 31, 2025 and December 31, 2024, respectively (3)	48	44
Series F redeemable preferred stock, par value \$0.001 per share; \$25 per share liquidation preference; 25,699,451 and 25,898,227 shares authorized; and 750,247 and 914,553 shares issued and outstanding at December 31, 2025 and December 31, 2024, respectively (3)	1	1
Additional paid in capital	841,574	784,389
Accumulated other comprehensive income	3,314	10,648
Distributions in excess of accumulated earnings	(673,168)	(623,912)
TOTAL STOCKHOLDERS' EQUITY	\$ 171,770	\$ 171,171
OP Units held by Non-controlling OP Unitholders (3)	122	130

TOTAL EQUITY	<u>\$ 171,892</u>	<u>\$ 171,301</u>
TOTAL LIABILITIES, MEZZANINE EQUITY AND EQUITY	<u>\$ 1,246,933</u>	<u>\$ 1,094,348</u>

- (1) Refer to Note 2 “Related-Party Transactions”
- (2) Refer to Note 6 “Commitments and Contingencies”
- (3) Refer to Note 7 “Equity and Mezzanine Equity”

The accompanying notes are an integral part of these consolidated financial statements.

Gladstone Commercial Corporation
Consolidated Statements of Operations and Comprehensive Income
(Dollars in Thousands, Except Share and Per Share Data)

	For the year ended December 31,		
	2025	2024	2023
Operating revenues			
Lease revenue	\$ 161,336	\$ 149,388	\$ 147,584
Total operating revenues	<u>\$ 161,336</u>	<u>\$ 149,388</u>	<u>\$ 147,584</u>
Operating expenses			
Depreciation and amortization	\$ 58,245	\$ 55,786	\$ 57,856
Property operating expenses	28,625	25,418	25,858
Base management fee (1)	6,641	6,111	6,380
Incentive fee (1)	2,765	4,488	—
Administration fee (1)	2,581	2,567	2,350
General and administrative	4,040	3,879	4,363
Impairment charge	9	6,822	19,296
Total operating expense before incentive fee waiver	<u>\$ 102,906</u>	<u>\$ 105,071</u>	<u>\$ 116,103</u>
Incentive fee waiver (1)	(1,517)	(2,263)	—
Total operating expenses	<u>\$ 101,389</u>	<u>\$ 102,808</u>	<u>\$ 116,103</u>
Other (expense) income			
Interest expense	\$ (41,914)	\$ (37,395)	\$ (37,330)
Gain on sale of real estate, net	367	14,229	7,737
Gain on debt extinguishment, net	—	300	2,830
Other income	892	326	204
Total other (expense) income, net	<u>\$ (40,655)</u>	<u>\$ (22,540)</u>	<u>\$ (26,559)</u>
Net income	<u>\$ 19,292</u>	<u>\$ 24,040</u>	<u>\$ 4,922</u>
Net (income) loss (available) attributable to OP Units held by Non-controlling OP Unitholders	(6)	(42)	63
Net income available to the Company	<u>\$ 19,286</u>	<u>\$ 23,998</u>	<u>\$ 4,985</u>
Distributions attributable to Series E, F, and G preferred stock	(12,299)	(12,440)	(12,285)
Distributions attributable to senior common stock	(406)	(420)	(430)
Gain (loss) on extinguishment of Series F preferred stock, net	10	(14)	(11)
Gain on repurchase of Series G preferred stock	—	—	3
Net income (loss) available (attributable) to common stockholders	<u>\$ 6,591</u>	<u>\$ 11,124</u>	<u>\$ (7,738)</u>
Income (loss) per weighted average share of common stock - basic & diluted			
Income (loss) available (attributable) to common stockholders	<u>\$ 0.14</u>	<u>\$ 0.27</u>	<u>\$ (0.19)</u>
Weighted average shares of common stock outstanding			
Basic and Diluted	46,538,232	41,766,263	39,943,167
Distributions declared per common share	<u>\$ 1.20</u>	<u>\$ 1.20</u>	<u>\$ 1.20</u>
Earnings per weighted average share of senior common stock	<u>\$ 1.05</u>	<u>\$ 1.05</u>	<u>\$ 1.05</u>
Weighted average shares of senior common stock outstanding - basic	<u>386,691</u>	<u>398,828</u>	<u>409,903</u>
Comprehensive (loss) income			
Change in unrealized (loss) gain related to interest rate hedging instruments, net	\$ (7,349)	\$ 2,702	\$ (4,853)
Other comprehensive (loss) income	(7,349)	2,702	(4,853)
Net income	<u>\$ 19,292</u>	<u>\$ 24,040</u>	<u>\$ 4,922</u>
Comprehensive income	<u>\$ 11,943</u>	<u>\$ 26,742</u>	<u>\$ 69</u>
Comprehensive (income) loss (available) attributable to OP Units held by Non-controlling OP Unitholders	(6)	(42)	63
Total comprehensive income available to the Company	<u>\$ 11,937</u>	<u>\$ 26,700</u>	<u>\$ 132</u>

(1) Refer to Note 2 “Related-Party Transactions”

The accompanying notes are an integral part of these consolidated financial statements.

Gladstone Commercial Corporation
Consolidated Statements of Equity
(Dollars in Thousands)

	Series F Preferred Stock	Common Stock	Senior Common Stock	Senior Common Stock	Common Stock	Series F Preferred Stock	Additional Paid in Capital	Accumulated Other Comprehensive Income	Distributions in Excess of Accumulated Earnings	Total Stockholders' Equity	Non-Controlling Interest	Total Equity
Balance at December 31, 2022	670,895	39,744,359	431,064	1	39	1	721,327	11,640	(529,104)	203,904	1,790	205,694
Issuance of common stock and Series F preferred stock, net	247,706	238,078	—	—	1	—	7,118	—	—	7,119	—	7,119
Conversion of senior common stock to common stock	—	18,114	(24,639)	—	—	—	—	—	—	—	—	—
Retirement of senior common stock, net	—	—	—	—	—	—	52	—	—	52	—	52
Distributions declared to common, senior common, preferred stockholders and Non-controlling OP Unit holders	—	—	—	—	—	—	—	(4,853)	(60,649)	(60,649)	(457)	(61,106)
Comprehensive income	—	—	—	—	—	—	—	—	—	(4,853)	—	(4,853)
Reclassification into interest expense	—	—	—	—	—	—	—	971	—	971	—	971
Redemptions of OP Units	—	80,825	—	—	—	—	1,040	—	—	1,040	(1,040)	—
Redemption of Series F preferred stock, net	—	—	—	—	—	—	477	—	(11)	466	—	466
Repurchase of Series G preferred stock, net	—	—	—	—	—	—	—	—	3	3	—	3
Repurchase of common stock, net	—	(80,780)	—	—	—	—	998	—	—	998	—	998
Adjustment to OP Units held by Non-controlling OP Unit holders resulting from changes in ownership of the Operating Partnership	—	—	—	—	—	—	(756)	—	—	(756)	756	—
Net income	—	—	—	—	—	—	—	—	4,985	4,985	(63)	4,922
Balance at December 31, 2023	918,601	40,000,596	406,425	1	40	1	730,256	7,758	(584,776)	153,280	986	154,266
Issuance of common stock and Series F preferred stock, net	70,020	3,699,597	—	—	4	—	51,721	—	—	51,725	—	51,725
Conversion of senior common stock to common stock	—	14,676	(17,235)	—	—	—	—	—	—	—	—	—
Distributions declared to common, senior common, preferred stockholders and Non-controlling OP Unit holders	—	—	—	—	—	—	—	2,702	(63,120)	(63,120)	(184)	(63,304)
Comprehensive income	—	—	—	—	—	—	—	—	—	2,702	—	2,702
Reclassification into interest expense	—	—	—	—	—	—	—	188	—	188	—	188
Redemptions of OP Units	—	271,169	—	—	—	—	3,865	—	—	3,865	(3,865)	—
Redemption of Series F preferred stock, net	(74,068)	—	—	—	—	—	1,698	—	(14)	1,684	—	1,684
Adjustment to OP Units held by Non-controlling OP Unit holders resulting from changes in ownership of the Operating Partnership	—	—	—	—	—	—	(3,151)	—	—	(3,151)	3,151	—
Net income	—	—	—	—	—	—	—	—	23,998	23,998	42	24,040
Balance at December 31, 2024	914,553	43,986,038	389,190	1	44	1	784,389	10,648	(623,912)	171,171	130	171,301

Issuance of common stock and Series F preferred stock, net	34,470	4,412,814	—	—	61,739	—	—	61,743	—	61,743
Conversion of senior common stock to common stock	—	8,141	(9,967)	—	—	—	—	—	—	—
Distributions declared to common, senior common, preferred stockholders and Non-controlling OP Unit holders	—	—	—	—	—	—	(68,552)	(68,552)	(48)	(68,600)
Comprehensive income	—	—	—	—	(7,349)	—	—	(7,349)	—	(7,349)
Reclassification into interest expense	—	—	—	—	—	15	—	15	—	15
Redemption of Series F preferred stock, net	(198,776)	—	—	—	(4,520)	—	10	(4,510)	—	(4,510)
Adjustment to OP Units held by Non-controlling OP Unitholders resulting from changes in ownership of the Operating Partnership	—	—	—	—	(34)	—	—	(34)	34	—
Net income	—	—	—	—	—	—	19,286	19,286	6	19,292
Balance at December 31, 2025	750,247	48,406,993	379,223	\$ 1	\$ 48	\$ 3,314	\$ (673,168)	\$ 171,770	\$ 122	\$ 171,892

The accompanying notes are an integral part of these consolidated financial statements.

Gladstone Commercial Corporation
Consolidated Statements of Cash Flows
(Dollars in Thousands)

	For the year ended December 31,		
	2025	2024	2023
Cash flows from operating activities:			
Net income	\$ 19,292	\$ 24,040	\$ 4,922
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	58,245	55,786	57,856
Impairment charge	9	6,822	19,296
Gain on debt extinguishment, net	—	(300)	(2,830)
Gain on sale of real estate, net	(367)	(14,229)	(7,737)
Amortization of deferred financing costs	2,447	1,631	1,646
Amortization of deferred rent asset and liability, net	(6,029)	(6,813)	(7,457)
Decrease (increase) in sales-type lease receivable	153	(136)	—
Receipt of sales-type lease receivable	18,465	—	—
Amortization of discount and premium on assumed debt, net	27	34	41
Asset retirement obligation expense	138	133	126
Amortization of right-of-use asset from operating leases and operating lease liabilities, net	7	7	27
Amortization of right-of-use asset finance lease liabilities, net	26	—	—
Bad debt expense	—	64	—
Operating changes in assets and liabilities			
Increase (decrease) in other assets	(448)	1,278	1,483
Increase in deferred rent receivable	(3,025)	(5,541)	(3,161)
Increase (decrease) in accounts payable and accrued expenses	796	(41)	(11)
Increase (decrease) in amount due to Adviser and Administrator	683	(16)	(800)
Increase (decrease) in other liabilities	506	(983)	(722)
Leasing commissions paid	(2,774)	(4,783)	(2,312)
Net cash provided by operating activities	<u>\$ 88,151</u>	<u>\$ 56,953</u>	<u>\$ 60,367</u>
Cash flows from investing activities:			
Acquisition of real estate and related intangible assets	\$ (207,905)	\$ (27,357)	\$ (30,018)
Improvements of existing real estate	(20,979)	(12,797)	(6,674)
Proceeds from sale of real estate	7,644	37,635	37,008
Receipts from lenders for funds held in escrow	754	2,996	4,972
Payments to lenders for funds held in escrow	(723)	(848)	(3,669)
Receipts from tenants for reserves	3,141	952	1,037
Payments to tenants from reserves	(3,309)	(2,308)	(1,518)
Net cash (used in) provided by investing activities	<u>\$ (221,377)</u>	<u>\$ (1,727)</u>	<u>\$ 1,138</u>
Cash flows from financing activities:			
Proceeds from issuance of equity	\$ 62,182	\$ 55,425	\$ 10,225
Offering costs paid	(876)	(821)	(538)
Redemption of Series F preferred stock	(4,500)	(1,712)	(488)
Retirement of senior common stock	—	—	(52)
Repurchase of Series G preferred stock	—	—	(12)
Repurchase of common stock	—	—	(998)
Borrowings under mortgage notes payable	—	15,240	9,000
Payments for deferred financing costs	(5,813)	(1,379)	(400)
Principal repayments on mortgage notes payable	(19,926)	(41,560)	(70,083)
Borrowings on term loan	103,333	—	—
Repayments on term loan	(53,333)	(20,000)	—
Borrowings on unsecured term loan	20,000	—	—
Repayments on unsecured term loan	(20,000)	—	—
Borrowings under senior unsecured notes	85,000	75,000	—
Borrowings from revolving credit facility	265,600	83,400	123,600
Repayments on revolving credit facility	(230,130)	(157,250)	(71,100)
Increase in security deposits	1,379	158	104
Distributions paid to common, senior common, preferred stock and Non-controlling OP Unitholders	(68,173)	(62,788)	(60,620)
Net cash provided by (used in) financing activities	<u>\$ 134,743</u>	<u>\$ (56,287)</u>	<u>\$ (61,362)</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	<u>\$ 1,517</u>	<u>\$ (1,061)</u>	<u>\$ 143</u>

Cash, cash equivalents, and restricted cash at beginning of period	\$ 15,074	\$ 16,135	\$ 15,992
Cash, cash equivalents, and restricted cash at end of period	\$ 16,591	\$ 15,074	\$ 16,135
SUPPLEMENTAL INFORMATION			
Cash paid for interest	\$ 38,714	\$ 35,666	\$ 33,136
NON-CASH INFORMATION			
Tenant funded fixed asset improvements included in deferred rent liability, net	\$ —	\$ (479)	\$ (1,312)
Derecognized carry value of property to sales-type lease receivable	\$ —	\$ (14,553)	\$ —
Capital improvements and leasing commissions included in accounts payable and accrued expenses	\$ 2,090	\$ 5,125	\$ 5,475
Unrealized (loss) gain related to interest rate hedging instruments, net	\$ (7,349)	\$ 2,702	\$ (4,853)
Increase in asset retirement obligation in connection with acquisition	\$ 164	\$ —	\$ 95
Dividends paid on Series F preferred stock via additional share issuances	\$ 427	\$ 516	\$ 487
Right-of-use asset from finance leases	\$ 2,938	\$ —	\$ —
Finance lease liabilities	\$ (2,938)	\$ —	\$ —

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same amounts shown in the consolidated statements of cash flows (dollars in thousands):

	For the year ended December 31,		
	2025	2024	2023
Cash and cash equivalents	\$ 10,810	\$ 10,956	\$ 11,985
Restricted cash	5,781	4,118	4,150
Total cash, cash equivalents, and restricted cash shown in the consolidated statement of cash flows	\$ 16,591	\$ 15,074	\$ 16,135

Restricted cash consists of security deposits and receipts from tenants for reserves. These funds will be released to the tenants upon completion of agreed upon tasks, as specified in the lease agreements, mainly consisting of maintenance and repairs on the buildings and upon receipt by us of evidence of insurance and tax payments.

The accompanying notes are an integral part of these consolidated financial statements.

Gladstone Commercial Corporation
Notes to Consolidated Financial Statements

1. Organization, Basis of Presentation and Significant Accounting Policies

Gladstone Commercial Corporation was incorporated under the General Corporation Law of the State of Maryland on February 14, 2003. We have elected to be taxed as a real estate investment trust (“REIT”) for federal income tax purposes. We focus on acquiring, owning and managing primarily industrial and office properties. Subject to certain restrictions and limitations, our business is managed by Gladstone Management Corporation, a Delaware corporation (the “Adviser”), and administrative services are provided by Gladstone Administration, LLC, a Delaware limited liability company (the “Administrator”), each pursuant to a contractual arrangement with us. Our Adviser and Administrator collectively employ all of our personnel and pay their salaries, benefits, and general expenses directly. Gladstone Commercial Corporation conducts substantially all of its operations through a subsidiary, Gladstone Commercial Limited Partnership, a Delaware limited partnership (the “Operating Partnership”).

All further references herein to “we,” “our,” “us” and the “Company” mean Gladstone Commercial Corporation and its consolidated subsidiaries, except where it is made clear that the term means only Gladstone Commercial Corporation. All references herein and throughout the Notes to Consolidated Financial Statements to the number of properties and square footage are unaudited.

Subsidiaries

We conduct substantially all of our operations through the Operating Partnership. We currently control the sole general partner of the Operating Partnership and own, directly or indirectly, a majority of the limited partnership interests in the Operating Partnership (“Non-controlling OP Units”) through two of our subsidiaries, GCLP Business Trust I and II. The financial position and results of operations of the Operating Partnership are consolidated within our financial statements. As of December 31, 2025 and 2024, the Company owned 99.9% and 99.9%, respectively, of the outstanding OP Units (See Note 7, “Equity and Mezzanine Equity” for additional discussion regarding OP Units).

Gladstone Commercial Lending, LLC, a Delaware limited liability company (“Gladstone Commercial Lending”), a subsidiary of ours, was created to conduct all operations related to our real estate mortgage loans. As the Operating Partnership currently owns all of the membership interests of Gladstone Commercial Lending, the financial position and results of operations of Gladstone Commercial Lending are consolidated with ours.

Gladstone Commercial Advisers, Inc., a Delaware corporation (“Commercial Advisers”), and wholly-owned taxable REIT subsidiary (“TRS”) of ours, was created to collect any non-qualifying income related to our real estate portfolio. There has been no such income earned to date. Since we own 100% of the voting securities of Commercial Advisers, the financial position and results of operations of Commercial Advisers are consolidated within our financial statements.

GCLP Business Trust I and GCLP Business Trust II, each a subsidiary and business trust of ours, were formed under the laws of the Commonwealth of Massachusetts on December 28, 2005. We transferred our 99% limited partnership interest in the Operating Partnership to GCLP Business Trust I in exchange for 100 shares of the trust. Gladstone Commercial Partners, LLC, a subsidiary of ours, transferred its 1% general partnership interest in the Operating Partnership to GCLP Business Trust II in exchange for 100 trust shares.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could materially differ from those estimates.

Real Estate and Lease Intangibles

We record investments in real estate at cost and capitalize improvements and replacements when they extend the useful life or improve the efficiency of the asset. We expense costs of repairs and maintenance as such costs are incurred. We generally compute depreciation using the straight-line method over the estimated useful life, or up to 39 years, for buildings, ten to 25 years for improvements, and the remaining lease term for tenant improvements.

Most properties that we acquire are already being operated as rental properties, which we consider to be asset acquisitions under Accounting Standards Codification (“ASC”) 360, “Property Plant and Equipment” (“ASC 360”). When an acquisition is considered an asset acquisition, ASC 360 requires that the purchase price of real estate be allocated to the acquired tangible assets and liabilities, consisting of land, building, tenant improvements, long-term debt assumed and identified intangible assets and liabilities, typically the value of above-market and below-market leases, the value of in-place leases, the value of lease origination costs and the value of tenant relationships, based in each case on their fair values. ASC 360 allows us to capitalize all expenses related to an acquisition accounted for as an asset acquisition into the cost of the acquisition.

Management’s estimates of fair value are made using methods similar to those used by independent appraisers (e.g. discounted cash flow analysis). Factors considered by management in its analysis include an estimate of carrying costs during hypothetical expected lease-up periods considering current market conditions and costs to execute similar leases. We also consider information obtained about each property as a result of our pre-acquisition due diligence, marketing and leasing activities in estimating the fair value of the tangible and intangible assets acquired and liabilities assumed. In estimating carrying costs, management also includes lost reimbursement of real estate taxes, insurance and other operating expenses as well as estimates of lost rents at market rates during the hypothetical expected lease-up periods, which generally range from nine to 18 months, depending on specific local market conditions. Management also estimates costs to execute similar leases, including leasing commissions, legal and other related expenses to the extent that such costs are not already incurred in connection with a new lease origination as part of the transaction.

We allocate purchase price to the fair value of the tangible assets of an acquired property by valuing the property as if it were vacant. The “as-if-vacant” value is allocated to land, building and tenant improvements based on management’s determination of the relative fair values of these assets on the date of acquisition.

Above-market and below-market in-place lease fair values for acquired properties are recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management’s estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease. When determining the non-cancelable term of the lease, we evaluate which fixed-rate renewal options, if any, should be included. The capitalized above-market lease values, included in the accompanying consolidated balance sheets as part of deferred rent receivable, are amortized as a reduction of rental income over the remaining non-cancelable terms of the respective leases. Total amortization related to above-market lease values was \$0.5 million, \$0.5 million, and \$0.6 million for the years ended December 31, 2025, 2024, and 2023, respectively. The capitalized below-market lease values, included in the accompanying consolidated balance sheets as part of deferred rent liability, are amortized as an increase to rental income over the remaining non-cancelable terms of the respective leases, including any below market renewal periods. Total amortization related to below-market lease values was \$6.5 million, \$7.3 million, and \$8.0 million for the years ended December 31, 2025, 2024, and 2023, respectively.

The total amount of the remaining intangible assets acquired, which consists of in-place lease values, lease origination costs, and customer relationship intangible values, are allocated based on management’s evaluation of the specific characteristics of each tenant’s lease and our overall relationship with that respective tenant. Characteristics to be considered by management in determining these values include the nature and extent of our existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant’s credit quality and our expectations of lease renewals (including those existing under the terms of the lease agreement), among other factors.

The value of in-place leases and lease origination costs are amortized to amortization expense over the remaining term of the respective leases, which generally range from seven to 20 years. The value of customer relationship intangibles, which is the benefit to us resulting from the likelihood of an existing tenant renewing its lease, are amortized to amortization expense over the remaining term and any anticipated renewal periods in the respective leases, but in no event does the amortization period for intangible assets exceed the remaining depreciable life of the building. Total amortization expense related to these intangible assets and liabilities was \$16.0 million, \$16.3 million, and \$16.7 million for the years ended December 31, 2025, 2024, and 2023, respectively.

Should a tenant terminate its lease, the unamortized portion of the above-market and below-market lease values would be charged to rental income and the unamortized portion of in-place lease values, lease origination costs and customer relationship intangibles will be charged to amortization expense through the revised termination date.

Sales-Type Lease Receivable

We assess lease classification at lease commencement to determine whether a lease should be accounted for as an operating, sales-type, or direct finance lease, as outlined in ASC 842 “Leases” (“ASC 842”). For leases that meet the qualifications to be classified as a sales-type lease, we record a net investment in the lease, calculated as the sum of the present value of the future lease payments and unguaranteed residual value, discounted using the rate implicit in the lease. A selling profit or loss, equal to the difference between the net investment in the lease and the carrying value, is recognized at lease commencement.

Allowance for Credit Losses

In June 2016, the FASB issued ASU 2016-13, “Financial Instruments - Credit Losses (Topic 326).” The new standard required more timely recognition of credit losses on loans and other financial instruments that are not accounted for at fair market value through net income. The standard also required that financial assets measured at amortized cost be presented at the net amount anticipated to be collected, through an allowance for credit losses that is deducted from the amortized cost basis, based upon historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the financial assets. We adopted ASU 2016-13 during the year ended December 31, 2024.

We measure and record expected credit losses for our sales-type lease receivable in our consolidated balance sheet in accordance with ASC 326 “Financial Instruments-Credit Losses” (“ASC 326” or “CECL”). In developing the expected credit loss, we utilize a probability of default method. We estimate the credit loss using the probability of tenant default, the loss given a tenant default, and the loss exposure. Various factors are considered under this method, including tenant’s financial strength, historical losses, and current payment collectibility status. The resulting allowance is recorded as a reduction to the sales-type lease receivable, net, on the consolidated balance sheets. We evaluate the allowance quarterly basis, at minimum, or whenever we become aware of changes in the tenant or guarantor’s credit or collectibility status.

Impairment Charges

We account for the impairment of real estate in accordance with ASC 360-10-35, “Property, Plant, and Equipment,” which requires us to periodically review the carrying value of each property to determine if circumstances indicate impairment of the carrying value of the investment exists or that depreciation periods should be modified. In determining if impairment exists, we consider such factors as each tenant’s payment history and financial condition, the likelihood of lease renewal, business conditions in the industry in which the tenants operate, whether there are indications that the fair value of the real estate has decreased or our intended holding period of the property is shortened. If any of the factors above indicate the possibility of impairment, we prepare a projection of the undiscounted future cash flows, without interest charges, of the specific property and determine if the carrying amount of such property is recoverable. In preparing the projection of undiscounted future cash flows, we estimate cap rates, market rental rates, and tenant improvement allowances using information that we obtain from market comparability studies and other comparable sources, and apply the undiscounted cash flows against our expected holding period. If impairment were indicated, the carrying value of the property would be written down to its estimated fair value based on our best estimate of the property’s discounted future cash flows using market derived cap rates, discount rates and market rental rates applied against our expected hold period. We evaluate our entire portfolio of properties each quarter for any impairment indicators and perform an impairment analysis on those select properties that have an indication of impairment.

Held for Sale Property

For properties considered held for sale, we cease depreciating and amortizing the property and value the property at the lower of depreciated and amortized cost or fair value, less costs to dispose. We present qualifying assets and liabilities and the results of operations that have been sold, or otherwise qualify as held for sale, as discontinued operations in all periods when the sale meets the definition of discontinued operations. Under GAAP, the definition of discontinued operations is the disposal of a component or group of components that is disposed or is classified as held for sale and represents a strategic shift that has (or will have) a major effect on our operations and financial results. The components of the property’s net income (loss) that are reflected as discontinued operations if classified as such include operating results, depreciation, amortization, and interest expense.

When properties are considered held for sale, but do not qualify as a discontinued operation, we present qualifying assets and liabilities as held for sale in the consolidated balance sheet in all periods that the qualifying assets and liabilities meet the held for sale criteria under ASC 360-10-49-9. The components of the held for sale property’s net income (loss) is recorded within continuing operations under the consolidated statement of operations and comprehensive income.

Cash and Cash Equivalents

We consider cash equivalents to be short-term, highly-liquid investments that are both readily convertible to cash and have a maturity of three months or less at the time of purchase, except that any such investments purchased with funds held in escrow or similar accounts are classified as restricted cash. Items classified as cash equivalents include money-market deposit accounts. The Company maintains majority of its cash and cash equivalents with financial institutions in the U.S., which management believes to be financially sound and with minimal credit risk. At times, the balance of our cash and cash equivalents may exceed federally insurable limits.

Restricted Cash

Restricted cash consists of security deposits and receipts from tenants for reserves. These funds will be released to the tenants upon completion of agreed upon tasks, as specified in the lease agreements, mainly consisting of maintenance and repairs on the buildings and upon receipt by us of evidence of insurance and tax payments. For purposes of the consolidated statements of cash flows, changes in restricted cash caused by changes in reserves held for tenants are shown as investing activities. Changes in restricted cash caused by changes in security deposits are reflected as financing activities.

Funds Held in Escrow

Funds held in escrow consist of funds held by certain of our lenders for properties held as collateral by these lenders. These funds will be released to us upon completion of agreed upon tasks, as specified in the mortgage agreements, mainly consisting of maintenance and repairs on the buildings, and when evidence of insurance and tax payments has been submitted to the lenders. For the purposes of the consolidated statements of cash flows, changes in funds held in escrow caused by changes in lender held reserve balances are shown as investing activities.

Deferred Financing Costs

Deferred financing costs consist of costs incurred to obtain financing, including legal fees, origination fees and administrative fees. The costs are deferred and amortized using the straight-line method, which approximates the effective interest method, over the term of the secured financing. We made payments of \$5.8 million, \$1.4 million, and \$0.4 million for deferred financing costs during the years ended December 31, 2025, 2024, and 2023, respectively. Total amortization expense related to deferred financing costs is included in interest expense and was \$2.4 million, \$1.6 million, and \$1.6 million for the years ended December 31, 2025, 2024, and 2023, respectively.

Gains on Sale of Real Estate, Net

Gains on sale of real estate, net, consist of the excess consideration received for a property over the property carrying value at the time of sale, or gains on real estate, offset by consideration received for a property less than the property carrying value at the time of sale, or loss on sale of real estate.

Lease Revenue

Lease revenue includes rents that each tenant pays in accordance with the terms of its respective lease reported evenly over the non-cancelable term of the lease. Most of our leases contain rental increases at specified intervals. We recognize such revenues on a straight-line basis. Deferred rent receivable in the accompanying consolidated balance sheet includes the cumulative difference between lease revenue, as recorded on a straight-line basis, and rents received from the tenants in accordance with the lease terms, along with the capitalized above-market in-place lease values of certain acquired properties. Deferred rent liability in the accompanying consolidated balance sheet includes the capitalized below-market in-place lease values of certain acquired properties. Accordingly, we determine, in our judgment, to what extent the deferred rent receivable applicable to each specific tenant is collectible. We review deferred rent receivable, as it relates to straight line rents, on a quarterly basis and take into consideration the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the geographic area in which the property is located. In the event that the collectability of deferred rent with respect to any given tenant is in doubt, we record an allowance for uncollectible accounts or record a direct write-off of the specific rent receivable. We did not incur deferred rent write offs during the year ended December 31, 2025, and incurred \$0.1 million and \$0.4 million in deferred rent write offs during the years ended December 31, 2024 and 2023, respectively.

Tenant recovery revenue includes payments from tenants as reimbursements for franchise taxes, management fees, insurance, maintenance and repairs, utilities, and ground lease payments. We recognize tenant recovery revenue in the same periods that

we incur the related expenses. We do not record any tenant recovery revenues or operating expenses associated with costs paid directly by our tenants for our net leased properties.

Income Taxes

We have operated and intend to continue to operate in a manner that will allow us to qualify as a REIT under the Internal Revenue Code of 1986, as amended, and, accordingly, will not be subject to federal income taxes on amounts distributed to stockholders (except income from foreclosure property), provided that we distribute at least 90% of our REIT taxable income to our stockholders and meet certain other conditions. To the extent that we satisfy the distribution requirement but distribute less than 100% of our taxable income, we will be subject to federal corporate income tax on our undistributed income.

Commercial Advisers is a wholly-owned TRS that is subject to federal and state income taxes. Though Commercial Advisers has had no activity to date, we would account for any future income taxes in accordance with the provisions of ASC 740, "Income Taxes." Under ASC 740-10-25, we would account for income taxes using the asset and liability method under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

We may recognize a tax benefit from an uncertain tax position when it is more-likely-than-not (defined as a likelihood of more than 50%) that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. If a tax position does not meet the more-likely-than-not recognition threshold, despite our belief that the filing position is supportable, the benefit of that tax position is not recognized in the statements of operations. We recognize interest and penalties, as applicable, related to unrecognized tax benefits as a component of income tax expense. We recognize unrecognized tax benefits in the period that the uncertainty is eliminated by either affirmative agreement of the uncertain tax position by the applicable taxing authority, or by expiration of the applicable statute of limitation. For the years ended December 31, 2025, 2024, and 2023, we did not record any provisions for uncertain tax positions.

Asset Retirement Obligations

ASC 410, "Asset Retirement and Environmental Obligation," requires an entity to recognize a liability for a conditional asset retirement obligation when incurred if the liability can be reasonably estimated. ASC 410-20-20 clarifies that the term "Conditional Asset Retirement Obligation" refers to a legal obligation (pursuant to existing laws or by contract) to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. ASC 410-20-25-6 clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. We have accrued a liability at the present value of the estimated payments expected to be made and corresponding increase to the cost of the related properties for disposal related to all properties constructed prior to 1985 that have, or may have, asbestos present in the building. The liabilities are accreted to their estimated obligation over the life of the leases for the respective properties. We accrued \$0.2 million and \$0.1 million of liabilities in connection with acquisitions for the years ended December 31, 2025, and 2023, respectively, and did not accrue any liabilities in connection with acquisitions for the year ended December 31, 2024. We recorded accretion expense of \$0.1 million in each of the years ended December 31, 2025, 2024, and 2023, to general and administrative expense. Costs of future expenditures for obligations are discounted to their present value. The aggregate undiscounted obligation on all properties is \$11.6 million and the discount rates used in the calculations range from 2.0% to 7.0%. We do not expect to make any material payments in conjunction with these obligations in each of the next five years.

Stock Issuance Costs

We account for stock issuance costs in accordance with SEC Staff Accounting Bulletin ("SAB") Topic 5.A, which states that incremental costs directly attributable to a proposed or actual offering of securities may properly be deferred and charged against the gross proceeds of the offering. Accordingly, we record costs incurred related to our ongoing equity offerings to other assets on our consolidated balance sheet and ratably apply these amounts to the cost of equity as stock is issued. If an equity offering is subsequently terminated and there are amounts remaining in other assets that have not been allocated to the cost of the offering, the remaining amounts are recorded as a general and administrative expense on our consolidated statements of operations.

Comprehensive Income

We record the effective portion of changes in the fair value of the interest rate cap and swap agreements that qualify as cash flow hedges to accumulated other comprehensive income. For the years ended December 31, 2025, 2024, and 2023, we

reconciled net income to comprehensive income on the consolidated statements of operations and comprehensive income in the accompanying consolidated financial statements.

Segment Reporting

Our current business strategy includes one reporting segment: Real Estate Rental Operations. We generate revenues, earnings, net income, and cash flows through our single segment as follows: We collect rent from our customers through operating leases, including reimbursements for the majority of our property operating costs. We expect to generate earnings growth by increasing rents, maintaining high occupancy rates, and controlling expenses. The primary drivers of our revenue growth will be the rolling of in-place leases to current market rents when leases expire, and the acquisition of new properties. We believe our active portfolio management, combined with the skills of our asset management team will allow us to maximize net income across our portfolio.

Our CODM is our Chief Executive Officer. The CODM uses consolidated net income to make decisions about allocating resources to individual properties and assessing performance. The CODM will sometimes reference other metrics, including net operating income, however, as net income is the measure most consistent with the amounts disclosed in the consolidated financial statements, only consolidated net income is disclosed.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, “Income Statement - Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses” (“ASU 2024-03”). ASU 2024-03 requires public entities to disaggregate specific types of expenses, including disclosures for depreciation, intangible asset amortization, and selling expenses. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, with prospective application required and retrospective application or early adoption permitted. We are currently evaluating the impact from adopting ASU 2024-03 on our consolidated financial statements and disclosures.

2. Related-Party Transactions

Gladstone Management Corporation and Gladstone Administration, LLC

We are externally managed pursuant to contractual arrangements with our Adviser and our Administrator, which collectively employ all of our personnel and pay their salaries, benefits, and general expenses directly. Both our Adviser and Administrator are affiliates of ours, as their parent company is owned and controlled by Mr. Gladstone, our chairman and chief executive officer. One of our executive officers, Mr. Gladstone, serves as a director and executive officer of our Adviser and our Administrator. Our president, Mr. Cooper, is also an executive vice president of commercial and industrial real estate of our Adviser. Mr. Michael LiCalsi, our chief administrative officer, co-general counsel, and co-secretary, also serves in the same roles for our Adviser and Administrator (in addition to serving as president of our Administrator). Mr. Erich Hellmold, our co-general counsel and co-secretary, also serves in the same roles for our Adviser and Administrator. We have entered into an advisory agreement with our Adviser, as amended from time to time (the “Advisory Agreement”), and an administration agreement with our Administrator (the “Administration Agreement”). The services and fees under the Advisory Agreement and Administration Agreement are described below. As of December 31, 2025 and December 31, 2024, \$3.2 million and \$2.5 million, respectively, was collectively due to our Adviser and Administrator.

Base Management Fee

On July 14, 2020, the Company amended and restated the Fifth Amended Advisory Agreement by entering into the Sixth Amended and Restated Investment Advisory Agreement between the Company and the Adviser (the “Sixth Amended Advisory Agreement”). The Sixth Amended Advisory Agreement replaced the previous calculation of the base management fee with a calculation based on Gross Tangible Real Estate. The revised Base Management Fee is payable quarterly in arrears and is calculated at an annual rate of 0.425% (0.10625% per quarter) of the prior calendar quarter’s “Gross Tangible Real Estate,” defined in the Sixth Amended Advisory Agreement as the current gross value of the Company’s property portfolio (meaning the aggregate of each property’s original acquisition price plus the cost of any subsequent capital improvements thereon). The calculation of the other fees in the agreement remained unchanged. The revised Base Management Fee calculation began with the fee calculations for the quarter ended September 30, 2020.

For the years ended December 31, 2025, 2024, and 2023, we recorded a base management fee of \$6.6 million, \$6.1 million, and \$6.4 million, respectively.

Incentive Fee

Pursuant to the Advisory Agreement, the calculation of the incentive fee rewards the Adviser in circumstances where our quarterly Core FFO (defined at the end of this paragraph), before giving effect to any incentive fee, or pre-incentive fee Core FFO, exceeds 2.0% quarterly, or 8.0% annualized, of adjusted total stockholders' equity (after giving effect to the base management fee but before giving effect to the incentive fee). We refer to this as the new hurdle rate. The Adviser will receive 15.0% of the amount of our pre-incentive fee Core FFO that exceeds the new hurdle rate. However, in no event shall the incentive fee for a particular quarter exceed by 15.0% (the cap) the average quarterly incentive fee paid by us for the previous four quarters (excluding quarters for which no incentive fee was paid). Core FFO (as defined in the Advisory Agreement) is GAAP net income (loss) available (attributable) to common stockholders, excluding the incentive fee, depreciation and amortization, any realized and unrealized gains, losses or other non-cash items recorded in net income (loss) available (attributable) to common stockholders for the period, and one-time events pursuant to changes in GAAP.

On January 10, 2023, the Company amended and restated the Sixth Amended Advisory Agreement by entering into the Seventh Amended and Restated Investment Advisory Agreement between the Company and the Adviser (the "Seventh Amended Advisory Agreement"), as approved unanimously by our Board of Directors, including specifically, our independent directors. The Seventh Amended Advisory Agreement contractually eliminated the payment of the incentive fee, as applicable, for the quarters ended March 31, 2023 and June 30, 2023. The calculation of the other fees remained unchanged.

On July 11, 2023, the Company amended and restated the Seventh Amended Advisory Agreement by entering into the Eighth Amended Advisory Agreement (the "Eighth Amended Advisory Agreement"), as approved unanimously by our Board of Directors, including specifically, our independent directors. The Eighth Amended Advisory Agreement contractually eliminated the payment of the incentive fee for the quarters ended September 30, 2023 and December 31, 2023. In addition, the Eighth Amended Advisory Agreement also clarified that for any future quarter whereby an incentive fee would exceed by greater than 15% the average quarterly incentive fee paid, the measurement would be versus the last four quarters where an incentive fee was actually paid. The calculation of the other fees remained unchanged.

For the year ended December 31, 2025, we recorded an incentive fee of \$2.8 million, partially offset by credits related to non-contractual, unconditional, and irrevocable waivers issued by the Adviser of \$1.5 million. For the year ended December 31, 2024, we recorded an incentive fee of \$4.5 million, partially offset by credits related to non-contractual, unconditional, and irrevocable waivers issued by the Adviser of \$2.3 million. For the year ended December 31, 2023, the contractually eliminated incentive fee would have been \$4.6 million. Waivers are non-contractual, unconditional, and irrevocable and cannot be recouped by the Adviser in the future.

Capital Gain Fee

Under the Advisory Agreement, we will pay to the Adviser a capital gains-based incentive fee that will be calculated and payable in arrears as of the end of each fiscal year (or upon termination of the Advisory Agreement). In determining the capital gain fee, we calculate aggregate realized capital gains and aggregate realized capital losses for the applicable time period. For this purpose, aggregate realized capital gains and losses, if any, equals the realized gain or loss calculated by the difference between the sales price of the property, less any costs to sell the property and the all-in acquisition cost of the disposed property. At the end of the fiscal year, if this number is positive, then the capital gain fee payable for such time period shall equal 15.0% of such amount. No capital gain fee was recognized during the years ended December 31, 2025, 2024, or 2023.

Termination Fee

The Advisory Agreement includes a termination fee clause whereby, in the event of our termination of the agreement without cause (with 120 days' prior written notice and the vote of at least two-thirds of our independent directors), a termination fee would be payable to the Adviser equal to two times the sum of the average annual base management fee and incentive fee earned by the Adviser during the 24-month period prior to such termination. A termination fee is also payable if the Adviser terminates the Advisory Agreement after we have defaulted and applicable cure periods have expired. The Advisory Agreement may also be terminated for cause by us (with 30 days' prior written notice and the vote of at least two-thirds of our independent directors), with no termination fee payable. Cause is defined in the Advisory Agreement to include if the Adviser breaches any material provisions thereof, the bankruptcy or insolvency of the Adviser, dissolution of the Adviser and fraud or misappropriation of funds.

Administration Agreement

Under the terms of the Administration Agreement, we pay separately for our allocable portion of our Administrator's overhead expenses in performing its obligations to us including, but not limited to, rent and our allocable portion of the salaries and benefits expenses of our Administrator's employees, including, but not limited to, our chief financial officer, treasurer, chief compliance officer, chief administrative officer, co-general counsels and co-secretaries (one of whom also serves as our Administrator's president), and their respective staffs. Our allocable portion of the Administrator's expenses are generally derived by multiplying our Administrator's total expenses by the approximate percentage of time the Administrator's employees perform services for us in relation to their time spent performing services for all companies serviced by our Administrator under contractual agreements. We believe that the methodology of allocating the Administrator's total expenses by approximate percentage of time services were performed among all companies serviced by our Administrator more closely approximates fees paid to actual services performed. For the years ended December 31, 2025, 2024, and 2023, we recorded an administration fee of \$2.6 million, \$2.6 million, and \$2.4 million, respectively. Our Board of Directors reviews and considers approving or renewing the Administration Agreement each July.

Gladstone Securities, LLC

Gladstone Securities, LLC ("Gladstone Securities"), is a privately held broker dealer registered with the Financial Industry Regulatory Authority and insured by the Securities Investor Protection Corporation. Gladstone Securities is an affiliate of ours, as its parent company is owned and controlled by David Gladstone, our chairman and chief executive officer. Mr. Gladstone also serves on the board of managers of Gladstone Securities.

Mortgage Financing Arrangement Agreement

We entered into an agreement with Gladstone Securities, effective June 18, 2013, for it to act as our non-exclusive agent to assist us with arranging mortgage financing for our owned properties. In connection with this engagement, Gladstone Securities will, from time to time, continue to solicit the interest of various commercial real estate lenders or recommend to us third-party lenders offering credit products or packages that are responsive to our needs. We pay Gladstone Securities a financing fee in connection with the services it provides to us for securing mortgage financing on any of our properties. The amount of these financing fees, which are payable upon closing of the financing, are based on a percentage of the amount of the mortgage, generally ranging from 0.15% to a maximum of 1.0% of the mortgage obtained. The amount of the financing fees may be reduced or eliminated, as determined by us and Gladstone Securities, after taking into consideration various factors, including, but not limited to, the involvement of any third-party brokers and market conditions. We did not pay financing fees to Gladstone Securities during the year ended December 31, 2025 and paid financing fees of \$0.1 million, and \$0.1 million to Gladstone Securities during the years ended December 31, 2024 and 2023, respectively, which are included in mortgage notes payable, net, in the consolidated balance sheets, or 0.28%, and 0.29% of total mortgage principal secured or extended during the respective periods. Our Board of Directors renewed the agreement for an additional year, through August 31, 2026, at its July 2025 meeting.

Dealer Manager Agreement

On February 20, 2020, we entered into a dealer manager agreement, as amended by that certain First Amendment on February 9, 2023 (the "Dealer Manager Agreement"), whereby Gladstone Securities acted as the exclusive dealer manager in connection with our offering (the "Offering") of up to (i) 20,000,000 shares of our 6.00% Series F Cumulative Redeemable Preferred Stock of the Company, par value \$0.001 per share (the "Series F Preferred Stock"), on a "reasonable best efforts" basis (the "Primary Offering"), and (ii) 6,000,000 shares of Series F Preferred Stock pursuant to our distribution reinvestment plan (the "DRIP") to those holders of the Series F Preferred Stock who participated in such DRIP. The Series F Preferred Stock was previously registered with the SEC pursuant to a registration statement on Form S-3 (File No. 333-268549), as the same may be amended and/or supplemented (the "2022 Registration Statement"), under the Securities Act of 1933, and was offered and sold pursuant to a prospectus supplement, dated February 9, 2023, and a base prospectus dated November 23, 2022 relating to the 2022 Registration Statement. The Series F Preferred Stock is currently registered with the SEC pursuant to a registration statement on Form S-3 (File No. 333-277877), as the same may be amended and/or supplemented (the "2024 Registration Statement"), under the Securities Act, and was offered and sold pursuant to a prospectus supplement dated May 1, 2024, and a base prospectus dated March 21, 2024 relating to the 2024 Registration Statement (the "Prospectus"). During the years ended December 31, 2023 and 2024, the Series F Preferred Stock was registered with the SEC pursuant to the 2022 Registration Statement, and offered and sold pursuant to a prospectus supplement, dated February 9, 2023, and a base prospectus dated November 23, 2022. During the year ended December 31, 2025, the Series F Preferred Stock was registered with the SEC pursuant to the 2024 Registration Statement, and offered and sold pursuant to a prospectus supplement, dated May 1, 2024, and a base prospectus dated March 21, 2024.

Under the Dealer Manager Agreement, Gladstone Securities, as dealer manager, provided certain sales, promotional and marketing services to us in connection with the Offering, and we paid Gladstone Securities (i) selling commissions of 6.0% of the gross proceeds from sales of Series F Preferred Stock in the Primary Offering (the “Selling Commissions”), and (ii) a dealer manager fee of 3.0% of the gross proceeds from sales of Series F Preferred Stock in the Primary Offering (the “Dealer Manager Fee”). No Selling Commissions or Dealer Manager Fee are paid with respect to shares sold pursuant to the DRIP. Gladstone Securities had sole discretion to re-allow for payment of a portion of the Dealer Manager Fee to participating broker-dealers in support of the Offering. We paid fees of \$0.03 million, \$0.1 million, and \$0.5 million to Gladstone Securities during the years ended December 31, 2025, 2024 and 2023, respectively, in connection with the Offering.

3. Real Estate and Intangible Assets

Real Estate

The following table sets forth the components of our investments in real estate as of December 31, 2025 and 2024, respectively, excluding real estate held for sale as of December 31, 2025 (dollars in thousands):

	December 31, 2025	December 31, 2024
Real estate:		
Land (1)	\$ 150,873	\$ 139,743
Building and improvements	1,183,036	1,017,534
Tenant improvements	56,536	54,516
Accumulated depreciation	(359,513)	(319,646)
Real estate, net	\$ 1,030,932	\$ 892,147

(1) This amount includes \$2,711 of land value subject to land lease agreements which we may purchase at our option for a nominal fee.

Real estate depreciation expense on building and tenant improvements was \$42.2 million, \$39.5 million, and \$41.2 million for the years ended December 31, 2025, 2024, and 2023, respectively.

Acquisitions

During the years ended December 31, 2025 and 2024, we acquired 19 and seven industrial properties, respectively, which are summarized below (dollars in thousands):

Location	Year ended December 31, 2025					
	Aggregate Number of Properties (unaudited)	Acquisition Date	Aggregate Square Footage (unaudited)	Weighted Average Remaining Lease Term at Time of Acquisition	Aggregate Purchase Price	Aggregate Capitalized Acquisition Expenses
Houston, TX	5	February 19, 2025	215,474	10.0 years	\$ 29,457	\$ 207
Dallas, TX	1	March 28, 2025	140,304	11.3 years	44,268	268
Germantown, WI	1	May 9, 2025	303,991	19.4 years	62,851	151
Harrison Township, MI	3	June 25, 2025	215,102	10.0 years	16,491	241
Cartersville, GA	1	September 30, 2025	117,430	20.0 years	12,195	56
Ossian, IN	1	September 30, 2025	263,756	20.0 years	19,531	56
Ligonier, IN	1	September 30, 2025	159,277	20.0 years	10,641	56
Caro, MI	4	September 30, 2025	86,751	20.0 years	5,823	58
Chesterfield, MI	1	September 30, 2025	39,701	20.0 years	4,747	57
Cass City, MI	1	September 30, 2025	26,321	20.0 years	1,901	55
	19		1,568,107	15.9 years	\$ 207,905	\$ 1,205

Year ended December 31, 2024

Location	Aggregate Number of Properties (unaudited)	Acquisition Date	Aggregate Square Footage (unaudited)	Weighted Average Remaining Lease Term at Time of Acquisition	Aggregate Purchase Price	Aggregate Capitalized Acquisition Expenses
Warfordsburg, PA	5	May 7, 2024	142,125	25.1 years	\$ 11,954	\$ 267
Midland, TX	1	August 29, 2024	50,102	15.0 years	10,168	168
St. Clair, MO	1	November 15, 2024	124,500	20.0 years	5,235	135
	7		316,727	20.8 years	\$ 27,357	\$ 570

We determined the fair value of assets acquired and liabilities assumed related to the properties acquired during the years ended December 31, 2025 and 2024, respectively, as follows (dollars in thousands):

Acquired assets and liabilities	Year ended December 31, 2025	Year ended December 31, 2024
	Purchase price	Purchase price
Land	\$ 13,107 (1)	\$ 2,862
Building	160,301	18,919
Tenant Improvements	2,293	613
In-place Leases	14,739	1,921
Leasing Costs	14,416	2,580
Customer Relationships	5,636	527
Above Market Leases	905 (2)	90 (2)
Below Market Leases	(3,492) (3)	(155) (3)
Total Purchase Price	\$ 207,905	\$ 27,357

- (1) The Dallas-Fort Worth, Texas property that we acquired is subject to a ground lease, therefore there is no land asset included on the condensed consolidated balance sheets.
- (2) This amount includes \$838 and \$90 of loans receivable included in Other assets on the consolidated balance sheets, respectively.
- (3) This amount includes \$1,627 and \$155 of prepaid rent included in Other liabilities on the consolidated balance sheets, respectively.

Future Lease Payments

Future operating lease payments from tenants under non-cancelable leases, excluding tenant reimbursement of expenses, for each of the five succeeding fiscal years and thereafter is as follows (dollars in thousands):

Year	Tenant Lease Payments
2026	\$ 136,229
2027	122,492
2028	110,932
2029	103,668
2030	92,241
Thereafter	571,121

In accordance with the lease terms, substantially all operating expenses are required to be paid by the tenant directly, or reimbursed to us from the tenant; however, we would be required to pay operating expenses on the respective properties in the event the tenants fail to pay them.

Lease Revenue Reconciliation

The table below sets forth the allocation of lease revenue between fixed contractual lease payments and variable lease payments for the years ended December 31, 2025, 2024, and 2023, respectively (dollars in thousands):

Lease revenue reconciliation	For the year ended December 31,		
	2025	2024	2023
Fixed lease payments	\$ 140,545	\$ 132,272	\$ 130,551
Variable lease payments	20,791	17,116	17,033
	\$ 161,336	\$ 149,388	\$ 147,584

Sales-Type Leases

During the year ended December 31, 2024, we had one lease classified as a sales-type lease. We recorded a sales-type lease receivable of \$18.6 million in the consolidated balance sheet, net of \$0.02 million in allowance for credit loss, and derecognized the carry value of \$14.6 million in the consolidated balance sheet. We recognized a \$3.9 million selling profit from sale-type leases, net, that was included in gain on sale of real estate, net, in the consolidated statements of operations. For the years ended December 31, 2025 and 2024, the interest income earned from sales-types leases of \$0.5 million and \$0.1 million, respectively, was included in other income in the consolidated statements of operations. There was no sales-type lease activity in the year ended December 31, 2023. In developing the expected credit loss, we reviewed the tenant's credit rating, which was AA- stable, and performed a collectibility analysis, confirming they were current on payments as of December 31, 2024. The sales-type lease receivable, net, approximated fair value as of December 31, 2024.

On April 1, 2025, the tenant exercised their purchase option provided in their lease agreement with us. The sale transaction was completed on April 30, 2025, resulting in the realization of the sales-type lease receivable from the consolidated balance sheets. Refer to Note 4, "Real Estate Dispositions, Held for Sale, and Impairment Charges" for additional detail.

Accounts Receivable

At December 31, 2025 and 2024, accounts receivable from tenants totaled \$2.1 million and \$1.4 million, respectively, included in other assets on the consolidated balance sheets.

Intangible Assets

The following table summarizes the carrying value of intangible assets, liabilities and the accumulated amortization for each intangible asset and liability class as of December 31, 2025 and 2024, excluding real estate held for sale (dollars in thousands):

	December 31, 2025		December 31, 2024	
	Lease Intangibles	Accumulated Amortization	Lease Intangibles	Accumulated Amortization
In-place leases	\$ 109,960	\$ (69,932)	\$ 96,392	\$ (64,830)
Leasing costs	105,468	(55,214)	89,093	(48,963)
Customer relationships	65,190	(39,893)	60,377	(36,962)
	\$ 280,618	\$ (165,039)	\$ 245,862	\$ (150,755)
	Deferred Rent Receivable/(Liability)	Accumulated (Amortization)/Accretion	Deferred Rent Receivable/(Liability)	Accumulated (Amortization)/Accretion
Above market leases	\$ 11,843	\$ (10,135)	\$ 13,718	\$ (11,582)
Below market leases and deferred revenue	(57,930)	40,739	(56,616)	34,620

Total amortization expense related to in-place leases, leasing costs and customer relationship lease intangible assets was \$16.0 million, \$16.3 million, and \$16.7 million for the years ended December 31, 2025, 2024, and 2023, respectively, and is included in depreciation and amortization expense in the consolidated statement of operations and comprehensive income.

Total amortization related to above-market lease values was \$0.5 million, \$0.5 million, and \$0.6 million for the years ended December 31, 2025, 2024, and 2023, respectively, and is included in lease revenue in the consolidated statement of operations and comprehensive income.

Total amortization related to below-market lease values was \$6.5 million, \$7.3 million, and \$8.0 million for the years ended December 31, 2025, 2024, and 2023, respectively, and is included in lease revenue in the consolidated statement of operations and comprehensive income.

We acquired 19 industrial properties during the year ended December 31, 2025, and acquired seven industrial properties during the year ended December 31, 2024. The weighted average amortization periods in years for the intangible assets acquired and liabilities assumed during the years ended December 31, 2025 and 2024, respectively, were as follows:

Intangible Assets & Liabilities	2025	2024
In-place leases	18.2	20.9
Leasing costs	18.2	20.9
Customer relationships	22.9	26.9
Above market leases	19.7	25.1
Below market leases	18.4	20.1
All intangible assets & liabilities	19.4	22.3

The estimated aggregate amortization expense to be recorded for in-place leases, leasing costs, and customer relationships for each of the five succeeding fiscal years and thereafter is as follows, excluding real estate held for sale as of December 31, 2025 (dollars in thousands):

Year	Estimated Amortization Expense of In-Place Leases, Leasing Costs, and Customer Relationships	
2026	\$	17,921
2027		14,927
2028		12,272
2029		11,399
2030		9,163
Thereafter		49,897
	\$	115,579

The estimated aggregate rental income to be recorded for the amortization of both above and below market leases for each of the five succeeding fiscal years and thereafter is as follows, excluding real estate held for sale as of December 31, 2025 (dollars in thousands):

Year	Net Increase to Rental Income Related to Above and Below Market Leases (1)	
2026	\$	3,893
2027		2,601
2028		2,563
2029		2,544
2030		1,049
Thereafter		2,744
	\$	15,394

(1) Does not include ground lease amortization of \$89.

4. Real Estate Dispositions, Held for Sale, and Impairment Charges

Real Estate Dispositions

During the year ended December 31, 2025, we continued to execute our capital recycling program, whereby we sell properties and redeploy proceeds to either fund property acquisitions in our target secondary growth markets, or repay outstanding debt. We expect to continue to execute our capital recycling plan and sell properties as reasonable disposition opportunities become available. During the year ended December 31, 2025, we sold two properties, located in Hickory, North Carolina and Oklahoma City, Oklahoma, which is summarized in the table below (dollars in thousands):

Aggregate Square Footage Sold	Aggregate Sales Price	Aggregate Sales Costs	Aggregate Impairment Charge for the Twelve Months Ended December 31, 2025	Aggregate Gain on Sale of Real Estate, net
116,000	\$ 8,025	\$ 487	\$ 9	\$ 367

On April 30, 2025, we completed the transaction to sell our 676,031 square foot property in Tifton, Georgia for \$18.5 million, incurring \$0.3 million in closing costs, which are included in other expense in the consolidated statements of operations and comprehensive income for the year ended December 31, 2025. During the year ended December 31, 2024, we recorded a sales-type lease receivable on this property and derecognized the carrying value of this property, recognizing a \$3.9 million selling profit from sales-type lease, net, that was included in the gain on sale of real estate, net, in the consolidated statement of operations.

Our 2025 dispositions were not classified as discontinued operations because they did not represent a strategic shift in operations, nor will they have a major effect on our operations and financial results. Accordingly, the operating results of these properties are included within continuing operations for all periods reported.

The table below summarizes the components of operating income from the real estate and related assets disposed of during the years ended December 31, 2025, 2024, and 2023, respectively (dollars in thousands):

	For the year ended December 31,		
	2025	2024	2023
Operating revenue	\$ 291	\$ 1,274	\$ 1,511
Operating expense	185 (1)	3,170 (3)	593
Other income (expense), net	367 (2)	—	—
Income (expense) from real estate and related assets sold	\$ 473	\$ (1,896)	\$ 918

- (1) Includes a \$0.01 million impairment charge.
- (2) Includes a \$0.4 million gain on sale of real estate, net, from two property sales.
- (3) Includes a \$1.8 million impairment charge.

Real Estate Held for Sale

At December 31, 2025, we had one property classified as held for sale, located in Charlotte, North Carolina, and a portion of a land parcel held for sale, located in Ocala, Florida.

At December 31, 2024, we had two properties classified as held for sale, located in Tifton, Georgia and Hickory, North Carolina, and which have been sold as described above.

The table below summarizes the components of the assets held for sale at December 31, 2025 and 2024 reflected on the accompanying consolidated balance sheet (dollars in thousands):

	December 31, 2025	December 31, 2024
Total real estate held for sale	\$ 10,428	\$ 4,337
Lease intangibles, net	832	26
Total Assets Held for Sale	\$ 11,260	\$ 4,363
Liabilities Held for Sale		
Deferred rent liability, net	\$ 397	\$ —
Total Liabilities Held for Sale	\$ 397	\$ —

Impairment Charges

We evaluated our portfolio for triggering events to determine if any of our held and used assets were impaired during the year ended December 31, 2025 and did not recognize an impairment charge.

We evaluated our held for sale assets to determine if any of these assets were impaired during the year ended December 31, 2025 and identified one held for sale asset, located in Oklahoma City, Oklahoma, which was impaired by \$0.01 million during the three months ended June 30, 2025. In performing our held for sale assessment, the carrying value of this asset was above the fair value, less costs of sale. As a result, we impaired this property to equal the fair market value less costs of sale. The property was sold during the year ended December 31, 2025.

During the year ended December 31, 2024, we identified one held and used asset, located in Oklahoma City, Oklahoma, which was impaired by \$1.8 million during the quarter ended December 31, 2024. In performing our impairment testing, the undiscounted cash flows were below the carrying value, which resulted in an impairment charge. We also identified two held for sale assets, located in Richardson, Texas and Fridley, Minnesota, which were impaired by an aggregate \$5.0 million during the three months ended March 31, 2024 and September 30, 2024. In performing our held for sale assessment, the carrying value of these assets were above the fair value, less costs of sale, which resulted in us recognizing an impairment charge.

Fair market value for this asset was calculated using Level 3 inputs (defined in Note 5 “Mortgage Notes Payable, Credit Facility, and Senior Unsecured Notes”), which were determined using a negotiated sales price from an executed purchase and sale agreement with a third party. We continue to evaluate our properties on a quarterly basis for changes that could create the need to record impairment. Future impairment losses may result, and could be significant, should market conditions deteriorate in the markets in which we hold our assets or we are unable to secure leases at terms that are favorable to us, which could impact the estimated cash flow of our properties over the period in which we plan to hold our properties. Additionally, changes in management’s decisions to either own and lease long-term or sell a particular asset will have an impact on this analysis.

The fair values for the above properties were calculated using Level 3 inputs which were calculated using an estimated sales price, less estimated costs to sell. The estimated sales price was determined using executed purchase and sale agreements.

5. Mortgage Notes Payable, Credit Facility, and Senior Unsecured Notes

Our \$200.0 million unsecured revolving credit facility (“Revolver”), \$125.0 million term loan facility (“Term Loan A”), \$143.3 million term loan facility (“Term Loan B”), and \$131.7 million term loan facility (“Term Loan C”) are collectively referred to herein as the Credit Facility.

Our mortgage notes payable, Credit Facility, and Senior Unsecured Notes as of December 31, 2025 and December 31, 2024 are summarized below (dollars in thousands):

	Encumbered properties at December 31, 2025	Carrying Value at		Stated Interest Rates at December 31, 2025	Scheduled Maturity Dates at December 31, 2025
		December 31, 2025	December 31, 2024		
Mortgage and other secured loans:					
Fixed rate mortgage loans	44	\$ 251,578	\$ 264,243	(1)	(2)
Variable rate mortgage loans	—	—	7,260	N/A	N/A
Premiums and discounts, net	—	19	(8)	N/A	N/A
Deferred financing costs, mortgage loans, net	—	(1,404)	(1,916)	N/A	N/A
Total mortgage notes payable, net	44	\$ 250,193	\$ 269,579	(4)	
Variable rate revolving credit facility	— (6)	\$ 37,370	\$ 1,900	SOFR + 1.60%	(3) 10/10/2029
Total revolver	—	\$ 37,370	\$ 1,900		
Variable rate term loan facility A	— (6)	125,000	160,000	SOFR + 1.55%	(3) 10/10/2029
Variable rate term loan facility B	— (6)	143,333	40,000	SOFR + 1.55%	(3) 2/15/2030
Variable rate term loan facility C	— (6)	131,667	150,000	SOFR + 1.55%	(3) 2/18/2028
Deferred financing costs, term loan facility	—	(2,298)	(2,052)	N/A	N/A
Total term loan, net	N/A	\$ 397,702	\$ 347,948		
Senior unsecured notes 2029	—	\$ 75,000	\$ 75,000	6.47%	12/18/2029
Senior unsecured notes 2030	—	\$ 85,000	\$ —	5.99%	12/15/2030
Deferred financing costs, senior unsecured notes	—	(1,799)	(1,042)	N/A	N/A
Total senior unsecured notes, net	N/A	\$ 158,201	\$ 73,958		
Total mortgage notes payable, credit facility, and senior unsecured notes	44	\$ 843,466	\$ 693,385	(5)	

- (1) Interest rates on our fixed rate mortgage notes payable vary from 2.80% to 6.63%.
- (2) We have 38 mortgage notes payable with maturity dates ranging from April 1, 2026 through August 1, 2037.
- (3) As of December 31, 2025, SOFR was approximately 3.87%.
- (4) The weighted average interest rate on the mortgage notes outstanding at December 31, 2025, was approximately 4.21%.
- (5) The weighted average interest rate on all debt outstanding at December 31, 2025, was approximately 5.21%.
- (6) The amount we may draw under our Credit Facility is based on a percentage of the fair value of a combined pool of 106 unencumbered properties as of December 31, 2025.

N/A - Not Applicable

Mortgage Notes Payable

As of December 31, 2025, we had 38 mortgage notes payable, collateralized by a total of 44 properties with a net book value of \$421.0 million. We have limited recourse liabilities that could result from any one or more of the following circumstances: a borrower voluntarily filing for bankruptcy, improper conveyance of a property, fraud or material misrepresentation, misapplication or misappropriation of rents, security deposits, insurance proceeds or condemnation proceeds, or physical waste or damage to the property resulting from a borrower's gross negligence or willful misconduct. As of December 31, 2025, we did not have any recourse mortgages. From time to time, we will also indemnify lenders against claims resulting from the presence of hazardous substances or activity involving hazardous substances in violation of environmental laws on a property.

During the year ended December 31, 2025, we repaid two mortgages collateralized by two properties, which are summarized below (dollars in thousands):

	Aggregate Variable Rate Debt Repaid	Weighted Average Interest Rate on Variable Rate Debt Repaid
\$	7,181	SOFR + 2.25%

Aggregate Fixed Rate Debt Repaid	Weighted Average Interest Rate on Fixed Rate Debt Repaid
\$ 3,089	4.59 %

Scheduled principal payments of mortgage notes payable for each of the five succeeding fiscal years and thereafter are as follows (dollars in thousands):

Year	Scheduled Principal Payments
2026	\$ 35,369
2027	95,392
2028	37,433
2029	34,868
2030	33,528
Thereafter	14,988
	\$ 251,578 (1)

(1) This figure does not include \$19,149 premiums and (discounts), net, and \$1.4 million of deferred financing costs, which are reflected in mortgage notes payable on the consolidated balance sheets.

We believe we will be able to address all mortgage notes payable maturing over the next 12 months through a combination of refinancing our existing indebtedness, cash from operations, proceeds from one or more equity offerings and availability on our Credit Facility.

Interest Rate Caps and Swaps

We have entered into interest rate cap agreements that cap the interest rate on certain of our variable-rate debt and we have assumed or entered into interest rate swap agreements in which we hedged our exposure to variable interest rates by agreeing to pay fixed interest rates to our respective counterparty. We have adopted the fair value measurement provisions for our financial instruments recorded at fair value. The fair value guidance establishes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. Generally, we will estimate the fair value of our interest rate caps and interest rate swaps, in the absence of observable market data, using estimates of value including estimated remaining life, counterparty credit risk, current market yield and interest rate spreads of similar securities as of the measurement date. At December 31, 2025 and 2024, our interest rate cap and interest rate swap agreements were valued using Level 2 inputs.

The fair value of the interest rate cap agreements is recorded in other assets on our accompanying consolidated balance sheets. We record changes in the fair value of the interest rate cap agreements quarterly based on the current market valuations at quarter end. If the interest rate cap qualifies for hedge accounting, the change in the estimated fair value is recorded to accumulated other comprehensive income to the extent that it is effective, with any ineffective portion recorded to interest expense in our consolidated statements of operations and comprehensive income. If the interest rate cap does not qualify for hedge accounting, or if it is determined the hedge is ineffective, any change in the fair value is recognized in interest expense in our consolidated statements of operations and comprehensive income. During the next 12 months, we estimate that an additional \$0.3 million will be reclassified out of accumulated other comprehensive income into interest expense in our consolidated statements of operations and comprehensive income, as a reduction to interest expense. The following table summarizes the interest rate caps at December 31, 2025 and 2024 (dollars in thousands):

Aggregate Cost	December 31, 2025		December 31, 2024	
	Aggregate Notional Amount	Aggregate Fair Value	Aggregate Notional Amount	Aggregate Fair Value
\$ — (1)	\$ —	\$ —	\$ 60,000	\$ —

(1) We have entered into an interest rate cap agreement on variable rate debt with a SOFR cap of 5.50%. This cap matured in March 2025.

We have assumed or entered into interest rate swap agreements in connection with certain of our mortgage financings and Credit Facility, whereby we will pay our counterparty a fixed interest rate on a monthly basis, and receive payments from our

counterparty equivalent to the stipulated floating rate. The fair value of our interest rate swap agreements is recorded in other assets or liabilities on our accompanying consolidated balance sheets. We have designated our interest rate swaps as cash flow hedges, and we record changes in the fair value of the respective interest rate swap agreement to accumulated other comprehensive income on the consolidated balance sheets. We record changes in fair value on a quarterly basis, using current market valuations at quarter end. The following table summarizes our interest rate swaps at December 31, 2025 and 2024 (dollars in thousands):

December 31, 2025			December 31, 2024		
Aggregate Notional Amount	Aggregate Fair Value Asset	Aggregate Fair Value Liability	Aggregate Notional Amount	Aggregate Fair Value Asset	Aggregate Fair Value Liability
\$ 627,097	\$ 3,130	\$ (1,532)	\$ 360,484	\$ 8,965	\$ (19)

The following tables present the impact of our derivative instruments in the consolidated financial statements (dollars in thousands):

	Amount of (loss) gain, net, recognized in Comprehensive Income		
	2025	2024	2023
Derivatives in cash flow hedging relationships			
Interest rate caps	\$ —	\$ (691)	\$ (3,038)
Interest rate swaps	(7,349)	3,393	(1,815)
Total	<u>\$ (7,349)</u>	<u>\$ 2,702</u>	<u>\$ (4,853)</u>

The following table presents the reclassifications of our derivative instruments out of accumulated other comprehensive income into interest expense in the consolidated financial statements (dollars in thousands):

	Amount reclassified out of Accumulated Other Comprehensive Income		
	2025	2024	2023
Derivatives in cash flow hedging relationships			
Interest rate caps	\$ (15)	\$ (188)	\$ (971)
Total	<u>\$ (15)</u>	<u>\$ (188)</u>	<u>\$ (971)</u>

The following table sets forth certain information regarding our derivative instruments (dollars in thousands):

Derivatives Designated as Hedging Instruments	Balance Sheet Location	Asset (Liability) Derivatives Fair Value at	
		December 31, 2025	December 31, 2024
Interest rate caps	Other assets	\$ —	\$ —
Interest rate swaps	Other assets	3,130	8,965
Interest rate swaps	Other liabilities	(1,532)	(19)
Total derivative liabilities, net		<u>\$ 1,598</u>	<u>\$ 8,946</u>

The fair value of all mortgage notes payable outstanding as of December 31, 2025 was \$240.5 million, as compared to the carrying value stated above of \$250.2 million. The fair value is calculated based on a discounted cash flow analysis, using management's estimate of market interest rates on long-term debt with comparable terms and loan to value ratios. The fair value was calculated using Level 3 inputs of the hierarchy established by ASC 820, "Fair Value Measurements and Disclosures."

Credit Facility

On August 7, 2013, we procured our \$60.0 million Revolver with KeyBank National Association ("KeyBank") (serving as revolving lender, a letter of credit issuer and an administrative agent). In October 2015, we expanded our Revolver to \$85.0 million and entered into Term Loan A whereby we added a \$25.0 million, five-year Term Loan subject to the same leverage tiers as the Revolver, with the interest rate at each leverage tier being five basis points lower than that of the Revolver. We have the option to repay Term Loan A in full, or in part, at any time without penalty or premium prior to the maturity date.

On October 27, 2017, we amended this Credit Facility, increasing Term Loan A from \$25.0 million, to \$75.0 million, with the Revolver commitment remaining at \$85.0 million. Term Loan A's maturity date was extended to October 27, 2022, and the Revolver maturity date was extended to October 27, 2021. In connection with the amendment, the interest rate for the Credit Facility was reduced by 25 basis points at each of the leverage tiers. At the time of amendment, we entered into multiple interest rate cap agreements on Term Loan A, which cap LIBOR at 2.75% to hedge our exposure to variable interest rates.

On July 2, 2019, we amended, extended and upsized our Credit Facility, expanding Term Loan A from \$75.0 million to \$160.0 million, inclusive of a delayed draw component whereby we can incrementally borrow on the Term Loan up to the \$160.0 million commitment, and increasing the Revolver from \$85.0 million to \$100.0 million. Term Loan A has a new five-year term, with a maturity date of July 2, 2024, and the Revolver has a new four-year term, with a maturity date of July 2, 2023. The interest rate margin for the Credit Facility was reduced by 10 basis points at each of the leverage tiers. We entered into multiple interest rate cap agreements on Term Loan A, which cap LIBOR ranging from 2.50% to 2.75%, to hedge our exposure to variable interest rates. We used the net proceeds derived from the amended Credit Facility to repay all previously existing borrowings under the Revolver. We incurred fees of approximately \$1.3 million in connection with the Credit Facility amendment. The bank syndicate for the Credit Facility was then comprised of KeyBank, Fifth Third Bank, U.S. Bank National Association, The Huntington National Bank, Goldman Sachs Bank USA, and Wells Fargo Bank, National Association.

On February 11, 2021, we added a new \$65.0 million Term Loan B, inclusive of a \$15.0 million delayed funding component, which was funded on July 20, 2021. Term Loan B has a maturity date of February 11, 2026 and a LIBOR floor of 25 basis points, plus a spread ranging from 140 to 225 basis points, depending on leverage. We entered into multiple interest rate cap agreements on Term Loan B, which cap LIBOR from 1.50% to 1.75%. We incurred fees of approximately \$0.5 million in connection with issuing Term Loan B.

On August 18, 2022, we amended, extended and upsized our Credit Facility, increasing our Revolver from \$100.0 million to \$120.0 million (and its term to August 2026), adding the new \$140.0 million Term Loan C, decreasing the principal balance of Term Loan B to \$60.0 million and extending the maturity date of Term Loan A to August 2027. Term Loan C has a maturity date of February 18, 2028 and a SOFR spread ranging from 125 to 195 basis points, depending on our leverage. On September 27, 2022 we further increased the Revolver to \$125.0 million and Term Loan C to \$150.0 million, as permitted under the terms of the Credit Facility. We entered into multiple interest rate swap agreements on Term Loan C, which swap the interest rate to fixed rates ranging from 3.15% to 3.75%. We also entered into an interest rate swap agreement on Term Loan A to replace the expiring rate caps, which swaps the interest rate to a fixed rate of 3.70%. We incurred fees of approximately \$4.2 million in connection with extending and upsizing our Credit Facility. The net proceeds of the transaction were used to repay the then-outstanding borrowings on the Revolver, pay off mortgage debt, and fund acquisitions.

On September 18, 2025, we amended our Credit Facility, increasing our Revolver from \$125.0 million to \$155.0 million. We incurred fees of approximately \$0.5 million in connection with the increase to our Credit Facility. The increased credit availability was used, in part, to fund a nine-property portfolio acquisition that closed on September 30, 2025.

On October 10, 2025, we amended, extended, and upsized our Credit Facility, increasing our Revolver from \$155.0 million to \$200.0 million (and its term to October 2029), decreasing the principal balance of Term Loan A from \$160.0 million to \$125.0 million (and extending its term to October 2029), increasing the principal balance of Term Loan B from \$60.0 million to \$143.3 million (and its term to February 2030), decreasing the principal balance of Term Loan C from \$150.0 million to \$131.7 million, and repaying the full principal balance of our unsecured term loan ("Term Loan D"). The SOFR spread increased by 10 basis points, ranging from 140 to 210 basis points for the Revolver and 135 to 205 basis points for the Term Loans, depending on our leverage. We incurred fees of approximately \$4.2 million in connection with amending, extending, and upsizing our Credit Facility. The Credit Facility's new (and current) bank syndicate is comprised of KeyBank, Fifth Third Bank, The Huntington National Bank, Bank of America, Synovus Bank, PNC Bank, National Association ("PNC Bank"), Webster Bank, National Association ("Webster Bank"), and S&T Bank.

As of December 31, 2025, there was \$437.4 million outstanding under our Credit Facility, at a weighted average interest rate of approximately 5.42%, and \$2.1 million outstanding letters of credit, at a weighted average interest rate of 1.60%. As of December 31, 2025, the maximum additional amount we could draw under the Credit Facility was \$62.8 million. We were in compliance with all covenants under the Credit Facility as of December 31, 2025.

The amount outstanding under the Credit Facility approximates fair value as of December 31, 2025.

Unsecured Term Loan D

On May 30, 2025, the Operating Partnership entered into a Term Loan Agreement with KeyBank in connection with the \$20.0 million Term Loan D. Term Loan D was unsecured and had a maturity date of May 30, 2027 and a SOFR spread ranging from 155 to 200 basis points throughout the life of the loan. The proceeds from Term Loan D were used to pay down the Revolver. We repaid the full principal balance of Term Loan D in connection with the Credit Facility amendment that occurred on October 10, 2025.

Senior Unsecured Notes

On December 18, 2024, we and the Operating Partnership entered into a Note Purchase Agreement with the institutional investors named therein, to issue an aggregate \$75.0 million in senior unsecured notes in a private placement, at a fixed interest rate of 6.47% and a maturity date of December 18, 2029 (the “2029 Notes”). The proceeds were used to pay down Term Loan B by \$20.0 million and the Revolver by \$55.0 million.

On December 15, 2025, we and the Operating Partnership entered into a Note Purchase Agreement with the institutional investors named therein, to issue an aggregate \$85.0 million in senior unsecured notes in a private placement, at a fixed interest rate of 5.99% and a maturity date of December 15, 2030 (the “2030 Notes”). The proceeds were used to repay the Revolver by \$80.3 million.

The fair value of the 2029 Notes outstanding as of December 31, 2025 was \$75.8 million, as compared to the carrying value stated above of \$74.1 million. The fair value of the 2030 Notes outstanding as of December 31, 2025 was \$84.5 million, as compared to the carrying value stated above of \$84.1 million. The fair value is calculated based on a discounted cash flow analysis, using management’s estimate of market interest rates on long-term debt with comparable terms and loan to value ratios. The fair value was calculated using Level 3 inputs of the hierarchy established by ASC 820, “Fair Value Measurements and Disclosures.”

6. Commitments and Contingencies

Ground Leases

We are obligated as lessee under four ground leases. Future minimum rental payments due under the terms of these leases as of December 31, 2025, are as follows (dollars in thousands):

Year	Future Lease Payments Due Under Operating Leases
2026	\$ 460
2027	467
2028	470
2029	470
2030	385
Thereafter	2,974
Total anticipated lease payments	\$ 5,226
Less: amount representing interest	(1,410)
Present value of lease payments	\$ 3,816

Year	Future Lease Payments Due Under Finance Leases
2026	172
2027	178
2028	178
2029	178
2030	178
Thereafter	7,098
Total anticipated lease payments	\$ 7,982
Less: amount representing interest	(5,018)
Present value of lease payments	\$ 2,964

Rental expense incurred for properties with ground lease obligations was \$0.5 million, \$0.3 million, and \$0.3 million for the years ended December 31, 2025, 2024 and 2023, respectively. Three of our ground leases are treated as operating leases and rental expenses are reflected in property operating expenses on the consolidated statements of operations and comprehensive income. One of our ground leases is treated as a finance lease and rental expense is reflected in interest expenses on the consolidated statements of operations and comprehensive income. Our ground leases have a weighted average remaining lease term of 22.6 years and weighted average discount rate of 5.80%.

Letters of Credit

As of December 31, 2025, there were \$2.1 million outstanding letters of credit.

7. Equity and Mezzanine Equity

Distributions

We paid the following distributions per share for the years ended December 31, 2025, 2024, and 2023:

	For the year ended December 31,		
	2025	2024	2023
Common Stock and Non-controlling OP Units	\$ 1.20	\$ 1.20	\$ 1.20
Senior Common Stock	1.05	1.05	1.05
Series E Preferred Stock	1.656252	1.656252	1.656252
Series F Preferred Stock	1.50	1.50	1.50
Series G Preferred Stock	1.50	1.50	1.50

For federal income tax purposes, distributions paid to stockholders may be characterized as ordinary income, capital gains, return of capital or a combination of the foregoing. The characterization of distributions during each of the last three years is reflected in the table below:

	Ordinary Income	Return of Capital	Long-Term Capital Gains
Common Stock and OP Units			
For the year ended December 31, 2023	5.39525 %	94.60475 %	— %
For the year ended December 31, 2024	— %	100.00000 %	— %
For the year ended December 31, 2025	28.57962 %	71.42038 %	— %
Senior Common Stock			
For the year ended December 31, 2023	100.00000 %	— %	— %
For the year ended December 31, 2024	— %	100.00000 %	— %
For the year ended December 31, 2025	100.00000 %	— %	— %
Series E Preferred Stock			
For the year ended December 31, 2023	100.00000 %	— %	— %
For the year ended December 31, 2024	— %	100.00000 %	— %
For the year ended December 31, 2025	100.00000 %	— %	— %
Series F Preferred Stock			
For the year ended December 31, 2023	100.00000 %	— %	— %
For the year ended December 31, 2024	— %	100.00000 %	— %
For the year ended December 31, 2025	100.00000 %	— %	— %
Series G Preferred Stock			
For the year ended December 31, 2023	100.00000 %	— %	— %
For the year ended December 31, 2024	— %	100.00000 %	— %
For the year ended December 31, 2025	100.00000 %	— %	— %

Recent Activity

Common Stock ATM Program

On February 22, 2022, we entered into Amendment No. 1 to the At-the-Market Equity Offering Sales Agreement with sales agents Robert W. Baird & Co. Incorporated (“Baird”), Goldman Sachs & Co. LLC (“Goldman Sachs”), Stifel, Nicolaus & Company, Incorporated, (“Stifel”) BTIG, LLC, and Fifth Third Securities, Inc. (“Fifth Third”), dated December 3, 2019 (together, the “Prior Common Stock Sales Agreement”). We terminated the Prior Common Stock Sales Agreement effective February 10, 2023 in connection with the expiration of our registration statement on Form S-3 (File No. 333-236143) (the “2020 Registration Statement”) on February 11, 2023.

On March 3, 2023, we entered into an At-the-Market Equity Offering Sales Agreement (the “2023 Common Stock Sales Agreement”), with BofA Securities, Inc. (“BofA”), Goldman Sachs, Baird, KeyBanc Capital Markets Inc. (“KeyBanc”), and Fifth Third (collectively the “Common Stock Sales Agents”). In connection with the 2023 Common Stock Sales Agreement, we filed prospectus supplements with the SEC dated March 3, 2023 and March 7, 2023, to the prospectus dated November 23, 2022, for the offer and sale of an aggregate offering amount of \$250.0 million of common stock. During the year ended December 31, 2025, we did not sell any shares of common stock under the 2023 Common Stock Sales Agreement.

On March 26, 2024, we entered into Amendment No. 1 to the 2023 Common Stock Sales Agreement (as amended from time to time, the “2024 Common Stock Sales Agreement”). The amendment permitted shares of common stock to be issued pursuant to the 2024 Common Stock Sales Agreement under the Company’s Registration Statement on Form S-3 (File No. 333-277877) (the “2024 Registration Statement”), and future registration statements on Form S-3. In connection with the 2024 Common Stock Sales Agreement, we filed a prospectus supplement with the SEC dated March 26, 2024, to the prospectus dated March 21, 2024, for the offer and sale of an aggregate offering amount of \$250.0 million of common stock. On August 12, 2025, we entered into Amendment No. 2 (“Amendment No. 2”) to the 2024 Common Stock Sales Agreement which, among other things, (i) removed Baird as a Common Stock Sales Agent and (ii) added Huntington Securities, Inc. (“Huntington”) as a Common Stock Sales Agent. After giving effect to Amendment No. 2, the Common Stock Sales Agents are BofA, Goldman Sachs, KeyBanc, Fifth Third, and Huntington. In connection with Amendment No. 2, we filed a prospectus supplement with the SEC dated August 12, 2025, which updates and supplements the prospectus supplement dated March 26, 2024, for the offer and sale of an aggregate offering amount of \$250.0 million of common stock under the 2024 Registration Statement. During the

year ended December 31, 2025, we sold 4,412,814 shares of common stock, raising approximately \$61.0 million in net proceeds under the 2024 Common Stock Sales Agreement, as amended.

Common Stock Buyback Program

During the year ended December 31, 2023, we repurchased \$1.0 million worth of our common stock through our common stock repurchase program. We did not repurchase any stock during the years ended December 31, 2025 and 2024.

Mezzanine Equity

Our 6.625% Series E Cumulative Redeemable Preferred Stock (“Series E Preferred Stock”) and our 6.00% Series G Cumulative Redeemable Preferred Stock (“Series G Preferred Stock”), are classified as mezzanine equity in our consolidated balance sheet because both are redeemable at the option of the stockholder upon a change of control of greater than 50% in accordance with ASC 480-10-S99 “Distinguishing Liabilities from Equity,” which requires mezzanine equity classification for preferred stock issuances with redemption features which are outside of the control of the issuer. A change in control of the Company, outside of our control, is only possible if a tender offer is accepted by over 90% of our stockholders. All other change in control situations would require input from our Board of Directors. In addition, our Series E Preferred Stock and Series G Preferred Stock are redeemable at the option of the stockholder in the event a delisting event occurs. We will periodically evaluate the likelihood that a change of control or delisting event of greater than 50% will take place, and if we deem this probable, we would adjust the Series E Preferred Stock and Series G Preferred Stock presented in mezzanine equity to their redemption value, with the offset to gain (loss) on extinguishment. We currently believe the likelihood of a change of control of greater than 50%, or a delisting event, is remote.

Series E Preferred Stock ATM Program

We had an At-the-Market Equity Offering Sales Agreement (the “Series E Preferred Stock Sales Agreement”), with sales agents Baird, Goldman Sachs, Stifel, Fifth Third, and U.S. Bancorp Investments, Inc., pursuant to which we could, from time to time, offer to sell shares of our Series E Preferred Stock in an aggregate offering price of up to \$100.0 million. We did not sell any shares of our Series E Preferred Stock pursuant to the Series E Preferred Stock Sales Agreement during the year ended December 31, 2025, as we terminated the Series E Preferred Stock Sales Agreement effective February 10, 2023 in connection with the expiration of the 2020 Registration Statement on February 11, 2023.

Universal Shelf Registration Statement

On January 11, 2019, we filed a registration statement on Form S-3 (File No. 333-229209), and an amendment thereto on Form S-3/A on January 24, 2019 (collectively referred to as the “2019 Registration Statement”). The 2019 Registration Statement became effective on February 13, 2019 and replaced our prior registration statement. The 2019 Registration Statement allowed us to issue up to \$500.0 million of securities and expired on February 13, 2022.

On January 29, 2020, we filed the 2020 Registration Statement. The 2020 Registration Statement was declared effective on February 11, 2020 and was in addition to the 2019 Registration Statement. The 2020 Registration Statement allowed us to issue up to an additional \$800.0 million of securities. Of the \$800.0 million of available capacity under our 2020 Registration Statement, approximately \$636.5 million was reserved for the sale of our Series F Preferred Stock.

On November 23, 2022, we filed the 2022 Registration Statement. There was no limit on the aggregate amount of the securities that we may offer pursuant to the 2022 Registration Statement.

On March 13, 2024, we filed the 2024 Registration Statement, which was declared effective on March 21, 2024. The 2024 Registration Statement allows us to issue up to \$1.3 billion of securities and replaced the 2022 Registration Statement.

Preferred Series F Continuous Offering

On February 20, 2020, we filed with the Maryland Department of Assessments and Taxation Articles Supplementary (i) setting forth the rights, preferences and terms of the Series F Preferred Stock and (ii) reclassifying and designating 26,000,000 shares of the Company’s authorized and unissued shares of common stock as shares of Series F Preferred Stock. The reclassification decreased the number of shares classified as common stock from 86,290,000 shares immediately prior to the reclassification to 60,290,000 shares immediately after the reclassification. We sold 15,700 shares of our Series F Preferred Stock pursuant to the 2024 Registration Statement, raising \$0.4 million in net proceeds during the year ended December 31, 2025.

The primary offering of our Series F Preferred Stock terminated according to its terms on June 1, 2025. We expensed \$0.3 million in prepaid offering costs due to the termination, which was included in general and administrative expenses in the condensed consolidated statements of operations.

Non-controlling Interests in Operating Partnership

As of December 31, 2025 and 2024, we owned approximately 99.9% and 99.9%, respectively, of the outstanding OP Units. During the year ended December 31, 2024, we redeemed 271,169 OP units for an equivalent amount of common stock.

The Operating Partnership is required to make distributions on each OP Unit in the same amount as those paid on each share of the Company's common stock, with the distributions on the OP Units held by the Company being utilized to make distributions to the Company's common stockholders.

As of December 31, 2025 and 2024, there were 39,474 and 39,474 outstanding OP Units held by Non-controlling OP Unitholders, respectively.

8. Earnings (loss) per Share of Common Stock

The following tables set forth the computation of basic and diluted earnings (loss) per share of common stock for the years ended December 31, 2025, 2024 and 2023, respectively. The OP Units held by Non-controlling OP Unitholders (which may be redeemed for shares of common stock) have been excluded from the diluted earnings (loss) per share calculation, as these would be anti-dilutive. Net income (loss) figures are presented net of such non-controlling interests in the earnings (loss) per share calculation.

We computed basic earnings (loss) per share for the years ended December 31, 2025, 2024 and 2023, respectively, using the weighted average number of shares outstanding during the periods. The diluted earnings (loss) per share for the years ended December 31, 2025, 2024 and 2023, would reflect additional shares of common stock related to our convertible Senior Common Stock, if the effect of conversion would be dilutive, that would have been outstanding if such dilutive potential shares of common stock had been issued, as well as an adjustment to net income (loss) available (attributable) to common stockholders as applicable to common stockholders that would result from their assumed issuance (dollars in thousands, except per share amounts).

	For the year ended December 31,		
	2025	2024	2023
Calculation of basic and diluted earnings per share of common stock:			
Net income (loss) available (attributable) to common stockholders	\$ 6,591	\$ 11,124	\$ (7,738)
Denominator for basic and diluted weighted average shares of common stock (1) (2)	46,538,232	41,766,263	39,943,167
Basic and diluted earnings per share of common stock	\$ 0.14	\$ 0.27	\$ (0.19)

- (1) The weighted average number of OP Units held by Non-controlling OP Unitholders was 39,474, 157,160, and 382,563 for the years ended December 31, 2025, 2024, and 2023, respectively.
- (2) We excluded convertible shares of Senior Common Stock of 322,315, 330,456 and 345,132 from the calculation of diluted earnings (loss) per share for the years ended December 31, 2025, 2024 and 2023, respectively, because these shares were anti-dilutive.

9. Subsequent Events

Distributions

On January 13, 2026, our Board of Directors declared the following monthly distributions for the months of January, February, and March of 2026:

Record Date	Payment Date	Common Stock and Non-controlling OP Unit Distributions per Share	Series E Preferred Distributions per Share	Series G Preferred Distributions per Share
January 23, 2026	January 30, 2026	\$ 0.10	\$ 0.138021	\$ 0.125
February 18, 2026	February 27, 2026	0.10	0.138021	0.125
March 23, 2026	March 31, 2026	0.10	0.138021	0.125
		\$ 0.30	\$ 0.414063	\$ 0.375

Series F Preferred Stock Distributions

Record Date	Payment Date	Distribution per Share
January 27, 2026	February 5, 2026	\$ 0.125
February 24, 2026	March 5, 2026	0.125
March 25, 2026	April 3, 2026	0.125
		\$ 0.375

Senior Common Stock Distributions

Payable to the Holders of Record During the Month of:	Payment Date	Distribution per Share
January	February 5, 2026	\$ 0.0875
February	March 5, 2026	0.0875
March	April 3, 2026	0.0875
		\$ 0.2625

Sale Activity

On January 12, 2026, we sold a portion of a land parcel at one of our Ocala, Florida properties for \$2.0 million. We realized a \$1.8 million gain on sale, net.

GLADSTONE COMMERCIAL CORPORATION
SCHEDULE III—REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2025 (Dollars in Thousands)

Location of Property	Initial Cost				Total Cost				Accumulated Depreciation (2)	Net Real Estate	Year Construction/Improvements	Date Acquired
	Encumbrances	Land	Buildings & Improvements	Improvement Costs Capitalized Subsequent to Acquisition	Land	Buildings & Improvements	Total (1)					
Raleigh, North Carolina (3)												
Office Building	\$ —	\$ 960	\$ 4,481	\$ 2,431	\$ 960	\$ 6,912	\$ 7,872	\$ 3,408	\$ 4,464	1997	12/23/2003	
Canton, Ohio (3)												
Office Building	—	186	3,083	1,256	187	4,338	4,525	2,230	2,295	1994	1/30/2004	
Akron, Ohio (3)												
Office Building	—	1,973	6,771	4,091	1,974	10,861	12,835	5,907	6,928	1968/1999	4/29/2004	
Canton, North Carolina (3)												
Industrial Building	—	150	5,050	7,285	150	12,335	12,485	5,348	7,137	1998/2014	7/6/2004	
Crenshaw, Pennsylvania (3)												
Industrial Building	—	100	6,574	269	100	6,843	6,943	3,777	3,166	1991	8/5/2004	
Lexington, North Carolina (3)												
Industrial Building	—	820	2,107	69	820	2,176	2,996	1,225	1,771	1986	8/5/2004	
Mt. Pocono, Pennsylvania (3)												
Industrial Building	—	350	5,819	18	350	5,837	6,187	3,206	2,981	1995/1999	10/15/2004	
San Antonio, Texas (3)												
Office Building	—	843	7,514	3,208	843	10,722	11,565	5,952	5,613	1999	2/10/2005	
Big Flats, New York (3)												
Industrial Building	—	275	6,459	515	275	6,974	7,249	3,585	3,664	2001	4/15/2005	
Wichita, Kansas (3)												
Office Building	—	1,525	9,703	1,368	1,525	11,071	12,596	5,750	6,846	2000	5/18/2005	
Duncan, South Carolina (3)												
Industrial Building	—	783	10,790	1,889	783	12,679	13,462	6,575	6,887	1984/2001/2007	7/14/2005	
Duncan, South Carolina (3)												
Industrial Building	—	195	2,682	470	195	3,152	3,347	1,634	1,713	1984/2001/2007	7/14/2005	
Clintonville, Wisconsin (3)												
Industrial Building	—	55	4,717	3,785	55	8,502	8,557	3,850	4,707	1992/2013	10/31/2005	
Burnsville, Minnesota (3)												
Office Building	—	3,511	8,746	9,238	3,511	17,984	21,495	10,694	10,801	1984	5/10/2006	
Menomonee Falls, Wisconsin (3)												
Industrial Building	—	625	6,911	686	625	7,597	8,222	4,021	4,201	1986/2000	6/30/2006	
Mason, Ohio (3)												
Office Building	—	797	6,258	2,026	797	8,284	9,081	4,144	4,937	2002	1/5/2007	
Raleigh, North Carolina (3)												
Industrial Building	—	1,606	5,513	4,700	1,606	10,213	11,819	6,101	5,718	1994	2/16/2007	
Tulsa, Oklahoma (3)												
Industrial Building	—	—	14,057	1,018	—	15,075	15,075	8,145	6,930	2004	3/1/2007	
Hialeah, Florida (3)												
Industrial Building	—	3,562	6,672	2,108	3,562	8,780	12,342	3,779	8,563	1956/1992	3/9/2007	
Mason, Ohio (3)												
Retail Building	—	1,201	4,961	—	1,201	4,961	6,162	2,399	3,763	2007	7/1/2007	
Cicero, New York (3)												
Industrial Building	—	299	5,019	150	299	5,169	5,468	2,395	3,073	2005	9/6/2007	
Grand Rapids, Michigan (3)												
Office Building	—	1,629	10,500	1,573	1,629	12,073	13,702	5,615	8,087	2001	9/28/2007	
Bolingbrook, Illinois (3)												
Industrial Building	—	1,272	5,003	1,070	1,272	6,073	7,345	3,268	4,077	2002	9/28/2007	
Decatur, Georgia (3)												
Medical Office Building	—	783	3,241	358	844	3,538	4,382	1,711	2,671	1989	12/13/2007	
Decatur, Georgia (3)												
Medical Office Building	—	205	847	94	221	925	1,146	448	698	1989	12/13/2007	
Decatur, Georgia (3)												
Medical Office Building	—	257	1,062	118	277	1,160	1,437	561	876	1989	12/13/2007	
Snellville, Georgia (3)												
Medical Office Building	—	176	727	81	190	794	984	384	600	1986	12/13/2007	
Covington, Georgia (3)												
Medical Office Building	—	232	959	106	250	1,047	1,297	507	790	2000	12/13/2007	
Conyers, Georgia (3)												
Medical Office Building	—	296	1,228	135	319	1,340	1,659	649	1,010	1994	12/13/2007	
Reading, Pennsylvania (3)												
Industrial Building	—	491	6,202	357	491	6,559	7,050	2,936	4,114	2007	1/29/2008	
Pineville, North Carolina (3)												

Location of Property	Initial Cost			Improvement Costs Capitalized Subsequent to Acquisition	Total Cost			Accumulated Depreciation (2)	Net Real Estate	Year Construction/Improvements	Date Acquired
	Encumbrances	Land	Buildings & Improvements		Land	Buildings & Improvements	Total (1)				
Industrial Building Marietta, Ohio (3)	—	669	3,028	293	669	3,321	3,990	1,607	2,383	1985	4/30/2008
Industrial Building Chalfont, Pennsylvania (3)	—	829	6,607	529	829	7,136	7,965	3,446	4,519	1992/2007	8/29/2008
Industrial Building Orange City, Iowa	—	1,249	6,420	1,372	1,249	7,792	9,041	3,671	5,370	1987	8/29/2008
Industrial Building Springfield, Missouri (3)	1,058	258	5,861	6	258	5,867	6,125	2,761	3,364	1990	12/15/2010
Office Building Dartmouth, Massachusetts (3)	—	1,700	12,038	1,237	1,845	13,130	14,975	5,595	9,380	2006	6/20/2011
Retail Location Springfield, Missouri	—	—	4,236	—	—	4,236	4,236	1,670	2,566	2011	11/18/2011
Retail Location Ashburn, Virginia (3)	580	—	2,275	—	—	2,275	2,275	1,007	1,268	2005	12/13/2011
Office Building Ottumwa, Iowa	—	706	7,858	2,754	705	10,613	11,318	3,699	7,619	2002	1/25/2012
Industrial Building New Albany, Ohio	706	212	5,072	310	212	5,382	5,594	2,229	3,365	1970	5/30/2012
Office Building Columbus, Georgia (3)	4,260	1,658	8,746	3,441	1,658	12,187	13,845	4,335	9,510	2007	6/5/2012
Office Building Fort Worth, Texas	—	1,378	4,520	—	1,378	4,520	5,898	2,414	3,484	2012	6/21/2012
Industrial Building Vance, Alabama (3)	6,249	963	15,647	—	963	15,647	16,610	5,972	10,638	2005	11/8/2012
Industrial Building Austin, Texas	—	457	10,529	6,692	457	17,221	17,678	5,919	11,759	2013	5/9/2013
Office Building Englewood, Colorado (3)	—	2,330	44,021	6,507	2,330	50,528	52,858	25,166	27,692	1999	7/9/2013
Office Building Novi, Michigan (3)	—	1,503	11,739	1,498	1,503	13,237	14,740	6,340	8,400	2008	12/11/2013
Industrial Building Allen, Texas (3)	—	352	5,626	144	352	5,770	6,122	2,176	3,946	1988	12/27/2013
Retail Building Colleyville, Texas (3)	—	874	3,634	—	874	3,634	4,508	1,385	3,123	2004	3/27/2014
Retail Building Coppell, Texas (3)	—	1,277	2,424	—	1,277	2,424	3,701	918	2,783	2000	3/27/2014
Retail Building Taylor, Pennsylvania (3)	—	1,448	3,349	—	1,448	3,349	4,797	1,292	3,505	2005	5/8/2014
Industrial Building Aurora, Colorado (3)	—	3,101	25,405	5,629	3,101	31,034	34,135	9,607	24,528	2000/2006	6/9/2014
Industrial Building Indianapolis, Indiana (3)	—	2,882	3,917	96	2,882	4,013	6,895	1,509	5,386	1983	7/1/2014
Office Building Denver, Colorado (3)	—	502	6,422	1,964	499	8,389	8,888	4,182	4,706	1981/2014	9/3/2014
Industrial Building Monroe, Michigan	—	1,621	7,071	11,878	1,621	18,949	20,570	5,283	15,287	1985	10/31/2014
Industrial Building Monroe, Michigan	8,775	658	14,607	195	658	14,802	15,460	4,914	10,546	2004	12/23/2014
Industrial Building Dublin, Ohio (3)	6,121	460	10,225	(20)	459	10,206	10,665	3,365	7,300	2004	12/23/2014
Office Building Hapeville, Georgia (3)	—	1,338	5,058	1,086	1,338	6,144	7,482	2,753	4,729	1980/Various	5/28/2015
Office Building Villa Rica, Georgia (3)	—	2,272	8,778	263	2,272	9,041	11,313	3,400	7,913	1999/2007	7/15/2015
Industrial Building Fort Lauderdale, Florida	—	293	5,277	309	293	5,586	5,879	2,029	3,850	2000/2014	10/20/2015
Office Building King of Prussia, Pennsylvania	10,550	4,117	15,516	8,046	4,117	23,562	27,679	9,049	18,630	1984	9/12/2016
Office Building Conshohocken, Pennsylvania	13,152	3,681	15,739	473	3,681	16,212	19,893	6,703	13,190	2001	12/14/2016
Office Building Philadelphia, Pennsylvania	4,105	1,996	10,880	1,028	1,996	11,908	13,904	3,799	10,105	1996	6/22/2017
Industrial Building Maitland, Florida	13,644	5,896	16,282	1,418	5,906	17,690	23,596	6,504	17,092	1994/2011	7/7/2017
Office Building Maitland, Florida	12,911	3,073	19,661	1,646	3,091	21,289	24,380	9,039	15,341	1998	7/31/2017
Office Building Columbus, Ohio (3)	6,473	2,095	9,339	9	2,095	9,348	11,443	3,274	8,169	1999	7/31/2017

Location of Property	Initial Cost			Improvement Costs Capitalized Subsequent to Acquisition	Total Cost				Net Real Estate	Year Construction/Improvements	Date Acquired
	Encumbrances	Land	Buildings & Improvements		Land	Buildings & Improvements	Total (1)	Accumulated Depreciation (2)			
Office Building	—	1,926	11,410	875	1,925	12,286	14,211	4,251	9,960	2007	12/1/2017
Salt Lake City, Utah (3)											
Office Building	—	4,446	9,938	801	4,446	10,739	15,185	4,196	10,989	2007	12/1/2017
Vance, Alabama (3)											
Industrial Building	—	459	12,224	44	469	12,258	12,727	3,506	9,221	2018	3/9/2018
Columbus, Ohio											
Industrial Building	3,931	681	6,401	599	681	7,000	7,681	2,456	5,225	1990	9/20/2018
Detroit, Michigan											
Industrial Building	4,974	1,458	10,092	10	1,468	10,092	11,560	2,620	8,940	1997	10/30/2018
Detroit, Michigan (3)											
Industrial Building	—	662	6,681	10	672	6,681	7,353	1,764	5,589	2002/2016	10/30/2018
Lake Mary, Florida											
Office Building	9,337	3,018	11,756	172	3,020	11,926	14,946	3,628	11,318	1997/2018	12/27/2018
Moorestown, New Jersey (3)											
Industrial Building	—	471	1,825	—	471	1,825	2,296	692	1,604	1991	2/8/2019
Indianapolis, Indiana (3)											
Industrial Building	—	255	2,809	—	255	2,809	3,064	755	2,309	1989/2019	2/28/2019
Ocala, Florida (3)											
Industrial Building	—	1,286	8,535	—	1,286	8,535	9,821	1,956	7,865	2001	4/5/2019
Ocala, Florida (3)											
Industrial Building	—	725	4,814	849	724	5,664	6,388	1,384	5,004	1965/2007	4/5/2019
Delaware, Ohio (3)											
Industrial Building	—	316	2,355	—	316	2,355	2,671	604	2,067	2005	4/30/2019
Denton, Texas (3)											
Industrial Building	—	1,497	4,151	—	1,496	4,152	5,648	1,182	4,466	2012	7/30/2019
Temple, Texas (3)											
Industrial Building	—	200	4,335	65	200	4,400	4,600	1,115	3,485	1973/2006	9/26/2019
Temple, Texas (3)											
Industrial Building	—	296	6,425	99	296	6,524	6,820	1,653	5,167	1978/2006	9/26/2019
Indianapolis, Indiana (3)											
Industrial Building	—	1,158	5,162	4	1,162	5,162	6,324	1,910	4,414	1967/1998	11/14/2019
Jackson, Tennessee											
Industrial Building	4,028	311	7,199	—	311	7,199	7,510	1,448	6,062	2019	12/16/2019
Carrollton, Georgia											
Industrial Building	3,580	291	6,720	—	292	6,719	7,011	1,308	5,703	2015/2019	12/17/2019
New Orleans, Louisiana											
Industrial Building	3,192	2,168	4,667	25	2,166	4,694	6,860	1,497	5,363	1975	12/17/2019
San Antonio, Texas											
Industrial Building	3,276	775	6,877	864	773	7,743	8,516	1,700	6,816	1985	12/17/2019
Port Allen, Louisiana											
Industrial Building	2,428	292	3,411	412	291	3,824	4,115	1,045	3,070	1983/2005	12/17/2019
Albuquerque, New Mexico											
Industrial Building	1,571	673	2,291	4	671	2,297	2,968	540	2,428	1998/2017	12/17/2019
Tucson, Arizona											
Industrial Building	2,940	819	4,636	210	817	4,848	5,665	1,094	4,571	1987/1995/2005	12/17/2019
Albuquerque, New Mexico											
Industrial Building	2,974	818	5,219	240	815	5,462	6,277	1,171	5,106	2000/2018	12/17/2019
Indianapolis, Indiana (3)											
Industrial Building	—	489	3,956	283	493	4,235	4,728	941	3,787	1987	1/8/2020
Houston, Texas											
Industrial Building	8,629	1,714	14,170	3	1,717	14,170	15,887	2,456	13,431	2000/2018	1/27/2020
Charlotte, North Carolina											
Industrial Building	4,661	1,458	6,778	4	1,461	6,779	8,240	1,493	6,747	1995/1999/2006	1/27/2020
St. Charles, Missouri											
Industrial Building	2,578	924	3,749	4	928	3,749	4,677	672	4,005	2012	1/27/2020
Crandall, Georgia											
Industrial Building	15,221	2,711	26,632	172	2,711	26,804	29,515	4,658	24,857	2020	3/9/2020
Terre Haute, Indiana (3)											
Industrial Building	—	502	8,076	—	502	8,076	8,578	1,289	7,289	2010	9/1/2020
Montgomery, Alabama (3)											
Industrial Building	—	599	11,290	3	602	11,290	11,892	2,340	9,552	1990/1997	10/14/2020
Huntsville, Alabama											
Industrial Building	8,875	1,445	15,040	11,158	1,445	26,198	27,643	5,191	22,452	2001	12/18/2020
Pittsburgh, Pennsylvania											
Industrial Building	5,982	1,422	10,094	567	1,422	10,661	12,083	2,355	9,728	1994	12/21/2020
Findlay, Ohio											
Industrial Building	4,742	258	8,847	—	258	8,847	9,105	1,561	7,544	1992/2008	1/22/2021
Baytown, Texas (3)											

Location of Property	Initial Cost			Improvement Costs Capitalized Subsequent to Acquisition	Total Cost				Net Real Estate	Year Construction/Improvements	Date Acquired
	Encumbrances	Land	Buildings & Improvements		Land	Buildings & Improvements	Total (1)	Accumulated Depreciation (2)			
Industrial Building Pacific, Missouri (3)	—	1,604	5,533	3	1,607	5,533	7,140	1,224	5,916	2018	6/17/2021
Industrial Building Pacific, Missouri (3)	—	926	7,294	—	926	7,294	8,220	1,063	7,157	2019/2021	7/21/2021
Industrial Building Pacific, Missouri (3)	—	235	1,852	—	235	1,852	2,087	270	1,817	2019/2021	7/21/2021
Industrial Building Pacific, Missouri (3)	—	607	4,782	—	607	4,782	5,389	697	4,692	2019/2021	7/21/2021
Industrial Building Peru, Illinois (3)	—	257	2,027	—	257	2,027	2,284	295	1,989	2019/2021	7/21/2021
Industrial Building Peru, Illinois (3)	—	89	1,413	—	89	1,413	1,502	280	1,222	1987/1998	8/20/2021
Industrial Building Charlotte, North Carolina (3)	—	140	2,225	—	140	2,225	2,365	440	1,925	1987/1998	8/20/2021
Industrial Building Atlanta, Georgia (3)	—	1,400	10,615	—	1,400	10,615	12,015	1,767	10,248	1972/2018	11/3/2021
Industrial Building Crossville, Tennessee	—	1,255	8,787	1,503	1,255	10,290	11,545	1,475	10,070	1974	12/21/2021
Industrial Building Wilkesboro, North Carolina (3)	15,055	434	24,589	—	434	24,589	25,023	2,706	22,317	2020	12/21/2021
Industrial Building Cleveland, Ohio	—	346	5,758	—	346	5,758	6,104	869	5,235	2014	2/24/2022
Industrial Building Fort Payne, Alabama	3,425	628	5,252	495	628	5,747	6,375	1,133	5,242	1966/1972/2000/2013	5/4/2022
Industrial Building Wilmington, North Carolina	6,141	217	10,778	—	217	10,778	10,995	1,375	9,620	2013	5/4/2022
Industrial Building Wilmington, North Carolina	6,065	1,104	9,730	22	1,104	9,752	10,856	1,572	9,284	2000/2020	5/12/2022
Industrial Building Wilmington, North Carolina	3,135	571	5,031	12	571	5,043	5,614	813	4,801	2000/2020	5/12/2022
Industrial Building Bridgeton, New Jersey	241	44	386	1	44	387	431	62	369	2000/2020	5/12/2022
Industrial Building Vineland, New Jersey	1,901	571	2,753	3	574	2,753	3,327	496	2,831	2017	8/5/2022
Industrial Building Jacksonville, Florida	14,631	860	24,634	4	864	24,634	25,498	2,975	22,523	2003/2009	8/5/2022
Industrial Building Fort Payne, Alabama (3)	4,338	1,099	5,587	222	1,099	5,809	6,908	733	6,175	1978	9/16/2022
Industrial Building Denver, Colorado	—	39	4,774	—	39	4,774	4,813	501	4,312	2022	9/20/2022
Industrial Building Greenville, South Carolina (3)	6,513	5,227	4,649	157	5,228	4,805	10,033	657	9,376	1978	10/26/2022
Industrial Building Riverdale, Illinois	—	411	3,693	105	410	3,799	4,209	441	3,768	1964	12/21/2022
Industrial Building Dallas Forth Worth, Texas	2,685	675	3,862	43	676	3,904	4,580	369	4,211	1949/1992	4/14/2023
Retail Building Dallas Forth Worth, Texas	1,438	770	1,636	(1)	770	1,635	2,405	164	2,241	2010/2023	7/10/2023
Industrial Building Allentown, Pennsylvania (3)	4,507	1,269	6,617	—	1,268	6,618	7,886	602	7,284	1999	7/28/2023
Industrial Building Indianapolis, Indiana (3)	—	987	5,506	53	988	5,558	6,546	413	6,133	1974/2016	10/12/2023
Industrial Building Warfordsburg, Pennsylvania (3)	—	928	3,102	(108)	820	3,102	3,922	248	3,674	1997	11/3/2023
Industrial Building Warfordsburg, Pennsylvania (3)	—	414	2,925	—	414	2,925	3,339	208	3,131	1991/1999	5/7/2024
Industrial Building Warfordsburg, Pennsylvania (3)	—	77	542	—	77	542	619	38	581	1991/1999	5/7/2024
Industrial Building Warfordsburg, Pennsylvania (3)	—	576	4,079	—	576	4,079	4,655	290	4,365	1991/1999	5/7/2024
Industrial Building Warfordsburg, Pennsylvania (3)	—	101	716	—	101	716	817	51	766	1991/1999	5/7/2024
Industrial Building Warfordsburg, Pennsylvania (3)	—	1	6	—	1	6	7	—	7	1991/1999	5/7/2024
Industrial Building Midland, Texas (3)	—	525	7,772	—	525	7,772	8,297	322	7,975	2024	8/29/2024
Industrial Building St. Clair, Missouri (3)	—	1,168	3,493	5,488	1,169	8,980	10,149	130	10,019	2014	11/15/2024
Industrial Building Houston, Texas (3)											

Location of Property	Initial Cost			Improvement Costs Capitalized Subsequent to Acquisition	Total Cost			Accumulated Depreciation (2)	Net Real Estate	Year Construction/ Improvements	Date Acquired			
	Encumbrances	Land	Buildings & Improvements		Land	Buildings & Improvements	Total (1)							
Industrial Building Houston, Texas (3)	—	256	926	—	256	926	1,182	28	1,154	2009/2023	2/19/2025			
Industrial Building Houston, Texas (3)	—	239	866	—	239	866	1,105	26	1,079	2009/2023	2/19/2025			
Industrial Building Houston, Texas (3)	—	2,133	7,721	(1)	2,132	7,721	9,853	235	9,618	2009/2023	2/19/2025			
Industrial Building Houston, Texas (3)	—	2,580	9,342	—	2,580	9,342	11,922	284	11,638	2009/2023	2/19/2025			
Industrial Building Dallas, Texas (3)	—	362	1,310	—	362	1,310	1,672	40	1,632	2009/2023	2/19/2025			
Industrial Building Germantown, Wisconsin (3)	—	—	39,195	—	—	39,195	39,195	813	38,382	2021	3/28/2025			
Industrial Building Harrison Township, Missouri (3)	—	3,103	48,268	1	3,104	48,268	51,372	848	50,524	2022/2024	5/9/2025			
Industrial Building Harrison Township, Missouri (3)	—	91	492	29	91	521	612	11	601	1970/1994	6/25/2025			
Industrial Building Harrison Township, Missouri (3)	—	1,303	7,012	400	1,302	7,413	8,715	162	8,553	1970/1994	6/25/2025			
Industrial Building Harrison Township, Missouri (3)	—	573	3,087	176	573	3,263	3,836	71	3,765	1970/1994	6/25/2025			
Industrial Building Cartersville, Georgia (3)	—	805	9,970	35	804	10,006	10,810	95	10,715	1983	9/30/2025			
Industrial Building Ossian, Indiana (3)	—	519	15,006	1	520	15,006	15,526	146	15,380	1995	9/30/2025			
Industrial Building Ligonier, Indiana (3)	—	511	8,667	(1)	510	8,667	9,177	88	9,089	1992	9/30/2025			
Industrial Building Caro, Michigan (3)	—	94	4,124	24	95	4,147	4,242	41	4,201	1955/1980 /1990	9/30/2025			
Industrial Building Caro, Michigan (3)	—	23	991	4	23	995	1,018	10	1,008	1955/1980 /1990	9/30/2025			
Industrial Building Caro, Michigan (3)	—	6	251	1	6	252	258	3	255	1955/1980 /1990	9/30/2025			
Industrial Building Caro, Michigan (3)	—	3	133	1	3	134	137	1	136	1955/1980 /1990	9/30/2025			
Industrial Building Chesterfield, Michigan (3)	—	416	3,681	—	415	3,682	4,097	34	4,063	1987/2013	9/30/2025			
Industrial Building Cass City, Michigan (3)	—	90	1,550	8	90	1,558	1,648	18	1,630	1960/1995 /2005/2022	9/30/2025			
	\$	251,578	\$152,190	\$	1,115,018	\$	135,432	\$152,453	\$	1,250,187	\$1,402,640	\$	361,280	\$1,041,360

- (1) The aggregate cost for land and building improvements for federal income tax purposes is the same as the total gross cost of land, building improvements and acquisition costs capitalized for asset acquisitions under ASC 360, which is \$1,402.6 million.
- (2) Depreciable life of all buildings is the shorter of the useful life of the asset or 39 years. Depreciable life of all improvements is the shorter of the useful life of the assets or the life of the respective leases on each building, which range from 5-25 years.
- (3) These properties are in our unencumbered pool of assets on our Credit Facility.

The following table reconciles the change in the balance of real estate during the years ended December 31, 2025, 2024 and 2023, respectively (in thousands):

	2025	2024	2023
Balance at beginning of period	\$ 1,219,918	\$ 1,261,715	\$ 1,299,570
Additions:			
Acquisitions during period	175,701	22,394	25,352
Improvements	18,632	12,160	9,087
Deductions:			
Dispositions during period	(11,602)	(69,723)	(53,281)
Impairments during period	(9)	(6,628)	(19,013)
Balance at end of period	\$ 1,402,640 (1)	\$ 1,219,918 (2)	\$ 1,261,715 (3)

(1) The real estate figure includes \$12.2 million of real estate held for sale as of December 31, 2025.

(2) The real estate figure includes \$8.1 million of real estate held for sale as of December 31, 2024.

(3) The real estate figure includes \$40.4 million of real estate held for sale as of December 31, 2023.

The following table reconciles the change in the balance of accumulated depreciation during the years ended December 31, 2025, 2024 and 2023, respectively (in thousands):

	2025	2024	2023
Balance at beginning of period	\$ 323,434	\$ 312,517	\$ 295,130
Additions during period	42,204	39,511	41,174
Dispositions during period	(4,358)	(28,594)	(23,787)
Balance at end of period	\$ 361,280 (1)	\$ 323,434 (2)	\$ 312,517 (3)

(1) The accumulated depreciation figure includes \$1.8 million of real estate held for sale as of December 31, 2025.

(2) The accumulated depreciation figure includes \$3.8 million of real estate held for sale as of December 31, 2024.

(3) The accumulated depreciation figure includes \$12.9 million of real estate held for sale as of December 31, 2023.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

a) Evaluation of Disclosure Controls and Procedures

As of December 31, 2025, our management, including our chief executive officer and chief financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, the chief executive officer and chief financial officer, concluded that our disclosure controls and procedures were effective as of December 31, 2025 in providing a reasonable level of assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable SEC rules and forms, including providing a reasonable level of assurance that information required to be disclosed by us in such reports is accumulated and communicated to our management, including our chief executive officer and our chief financial officer, as appropriate to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of necessarily achieving the desired control objectives, and management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

b) Management’s Annual Report on Internal Control Over Financial Reporting

Refer to Report of Management on Internal Control over Financial Reporting located in Part II, Item 8, “Financial Statements and Supplementary Data” of this Annual Report on Form 10-K.

c) Attestation Report of the Registered Public Accounting Firm

Refer to the Report of Independent Registered Public Accounting Firm located in Part II, Item 8, “Financial Statements and Supplementary Data” of this Annual Report on Form 10-K.

d) Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

During the three months ended December 31, 2025, no officer or director of the Company adopted or terminated any “Rule 10b5-1 trading agreement” or any “non-Rule 10b5-1 trading agreement,” as each item is defined in Item 408 of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

We will file a definitive Proxy Statement for our 2026 Annual Meeting of Stockholders (the “2026 Proxy Statement”) with the SEC, pursuant to Regulation 14A, not later than 120 days after December 31, 2025. Accordingly, certain information required by Part III has been omitted under General Instruction G(3) to Form 10-K. Only those sections of the 2026 Proxy Statement that specifically address the items set forth herein are incorporated by reference.

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by Item 10 is hereby incorporated by reference from our 2026 Proxy Statement under the captions “*Proposal 1 - Election of Directors to the Class of 2029*,” “*Information Regarding the Board of Directors and Corporate Governance*,” “*Compensation Committee Report*,” “*Executive Officers*,” and sub-captions “*Code of Ethics and Business Conduct*” and “*Insider Trading Policy*” as well as from the information disclosed under the caption “*Code of Ethics*” included in Part I, Item 1 of this Annual Report on Form 10-K. Our Insider Trading Policy is filed as Exhibit 19 with this Annual Report on Form 10-K.

Item 11. Executive Compensation.

The information required by Item 11 is hereby incorporated by reference from our 2026 Proxy Statement under the captions “*Executive Compensation*,” “*Director Compensation*,” and “*Compensation Committee Report*,” and sub-caption “*Compensation Committee Interlocks and Insider Participation*.”

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by Item 12 is hereby incorporated by reference from our 2026 Proxy Statement under the caption “*Security Ownership of Certain Beneficial Owners and Management*.”

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by Item 13 is hereby incorporated by reference from our 2026 Proxy Statement under the captions “*Transactions with Related Persons*” and “*Information Regarding the Board of Directors and Corporate Governance*.”

Item 14. Principal Accountant Fees and Services.

The information required by Item 14 is hereby incorporated by reference from our 2026 Proxy Statement under the sub-captions “*Independent Registered Public Accounting Firm Fees*” and “*Pre-Approval Policy and Procedures*” under the caption “*Ratification of Selection of Independent Registered Public Accounting Firm*.”

PART IV

Item 15. Exhibits and Financial Statement Schedules.

a. DOCUMENTS FILED AS PART OF THIS REPORT

1 The following financial statements are filed herewith:

Report of Management on Internal Control over Financial Reporting
Report of Independent Registered Public Accounting Firm
Consolidated Balance Sheets as of December 31, 2025 and 2024
Consolidated Statements of Operations and Comprehensive Income for the years ended December 31, 2025, 2024 and 2023
Consolidated Statements of Equity for the years ended December 31, 2025, 2024 and 2023
Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023
Notes to Consolidated Financial Statements

2 Financial statement schedules

Schedule III – Real Estate and Accumulated Depreciation is filed herewith.
All other schedules are omitted because they are not applicable, or because the required information is included in the financial statements or notes thereto.

3 Exhibits

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the SEC:

Exhibit Index

<u>Exhibit Number</u>	<u>Exhibit Description</u>
3.1	<u>Articles of Restatement, incorporated by reference to Exhibit 3.2 to the Registrant’s Current Report on Form 8-K (File No. 001-33097), filed January 12, 2017.</u>
3.2	<u>Bylaws of the Registrant, incorporated by reference to Exhibit 3.2 to the Registrant’s Registration Statement on Form S-11 (File No. 333-106024), filed June 11, 2003.</u>
3.3	<u>First Amendment to Bylaws of the Registrant, incorporated by reference to Exhibit 99.1 to the Registrant’s Current Report on Form 8-K (File No. 001-33097), filed July 10, 2007.</u>
3.4	<u>Second Amendment to Bylaws of the Registrant, incorporated by reference to Exhibit 3.1 to the Registrant’s Current Report on Form 8-K (File No. 001-33097), filed December 1, 2016.</u>
3.5	<u>Third Amendment to Bylaws of the Registrant, incorporated by reference to Exhibit 3.1 to the Registrant’s Current Report on Form 8-K (File No. 001-33097), filed October 10, 2023.</u>

- 3.6 Articles Supplementary, incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed April 12, 2018.
- 3.7 Articles of Amendment, incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed April 12, 2018.
- 3.8 Articles Supplementary for 6.625% Series E Cumulative Redeemable Preferred Stock, incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed on September 27, 2019.
- 3.9 Articles Supplementary, incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed December 3, 2019.
- 3.10 Articles Supplementary for 6.00% Series F Cumulative Redeemable Preferred Stock, incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed February 20, 2020.
- 3.11 Articles Supplementary for 6.00% Series G Cumulative Redeemable Preferred Stock, incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed June 24, 2021.
- 3.12 Articles Supplementary, incorporated by reference to Exhibit 3.8 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-33097), filed August 9, 2021.
- 4.1 Form of Certificate for Common Stock of the Registrant, incorporated by reference to Exhibit 4.1 to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11 (File No. 333-106024), filed August 8, 2003.
- 4.2 Form of Certificate for 6.625% Series E Cumulative Redeemable Preferred Stock of the Registrant, incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed September 27, 2019.
- 4.3 Form of Certificate for 6.00% Series F Cumulative Redeemable Preferred Stock of the Registrant, incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed February 20, 2020.
- 4.4 Form of Certificate for 6.00% Series G Cumulative Redeemable Preferred Stock, incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed June 24, 2021.
- 4.5 Form of Indenture, incorporated by reference to Exhibit 4.5 to the Registrant's Registration Statement on Form S-3 (File No. 333-268549), filed November 23, 2022.
- 4.6 Description of the Registrant's securities registered pursuant to Section 12 of the Exchange Act (filed herewith).
- 4.7 Form of 6.47% Senior Guaranteed Notes due December 18, 2029, included as Schedule 1 to the Note Purchase Agreement, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed December 19, 2024.
- 4.8 Form of 5.99% Senior Guaranteed Notes due December 15, 2030, included as Schedule 1 to the Note Purchase Agreement, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed December 15, 2025.
- 10.1 Administration Agreement between the Registrant and Gladstone Administration, LLC, dated January 1, 2007, incorporated by reference to Exhibit 99.2 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed January 3, 2007.
- 10.2 Escrow Agreement, dated as of February 20, 2020, by and between Gladstone Commercial Corporation and UMB Bank, National Association, incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Escrow Agreement, dated as of February 20, 2020, by and between Gladstone Commercial Corporation and UMB Bank, National Association, incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed February 20, 2020.
- 10.3 Second Amended and Restated Agreement of Limited Partnership of Gladstone Commercial Limited Partnership, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed July 11, 2018.
- 10.4 Exhibit SEP to Second Amended and Restated Agreement of Limited Partnership of Gladstone Commercial Limited Partnership: Designation of 6.625% Series E Cumulative Redeemable Preferred Units, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed September 27, 2019.
- 10.5 First Amendment to Second Amended and Restated Agreement of Limited Partnership of Gladstone Commercial Operating Partnership, dated December 2, 2019, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed December 3, 2019.
- 10.6 Second Amendment to the Second Amended and Restated Agreement of Limited Partnership of Gladstone Commercial Limited Partnership, including Exhibit SFP thereto, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed February 20, 2020.

- 10.7 Third Amendment to the Second Amended and Restated Agreement of Limited Partnership of Gladstone Commercial Limited Partnership, including Exhibit SGP thereto, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed June 24, 2021.
- 10.8 Fourth Amendment to the Second Amended and Restated Agreement of Limited Partnership of Gladstone Commercial Limited Partnership, incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-33097), filed August 9, 2021.
- 10.9 Third Amended and Restated Credit Agreement and Other Loan Documents, dated as of February 11, 2021, by and among Gladstone Commercial Limited Partnership, as borrower, Gladstone Commercial Corporation and certain of its wholly owned subsidiaries, as guarantors, each of the financial institutions initially a signatory thereto together with their successors and assignees, as lenders, and KeyBank National Association, as lender and agent, incorporated by reference to Exhibit 10.18 to the Registrant's Annual Report on Form 10-K (File No. 001-33097), filed February 16, 2021.
- 10.10 Fourth Amended and Restated Credit Agreement and Other Loan Documents, dated as of August 18, 2022 by and among Gladstone Commercial Limited Partnership, as borrower, Gladstone Commercial Corporation and certain of its wholly owned subsidiaries, as guarantors, each of the financial institutions initially a signatory thereto together with their successors and assignees, as lenders, and KeyBank National Association, as lender and agent, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed August 19, 2022.
- 10.11 First Amendment to Fourth Amended and Restated Credit Agreement and Other Loan Documents, dated as of January 18, 2023, by and among Gladstone Commercial Limited Partnership, as borrower, Gladstone Commercial Corporation and certain of its wholly owned subsidiaries, as guarantors, each of the financial institutions initially a signatory thereto together with their successors and assignees, as lenders, and KeyBank National Association, as lender and agent, incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-33097), filed November 4, 2024.
- 10.12 Sixth Amended and Restated Investment Advisory Agreement, dated as of July 14, 2020, by and between the Registrant and Gladstone Management Corporation, incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-33097), filed July 27, 2020.
- 10.13 Seventh Amended and Restated Investment Advisory Agreement by and between the Registrant and Gladstone Management Corporation, incorporated by reference to Exhibit 10.12 to the Registrant's Annual Report on Form 10-K (File No. 001-33097), filed February 22, 2023.
- 10.14 Eighth Amended and Restated Investment Advisory Agreement, dated July 11, 2023, by and between the Registrant and Gladstone Management Corporation, incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-33097), filed August 8, 2023.
- 10.15 Note Purchase Agreement, dated December 18, 2024 by and among Gladstone Commercial Limited Partnership, Gladstone Commercial Corporation and the Purchasers party thereto, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed December 19, 2024.
- 10.16 Unconditional Guaranty of Payment and Performance, dated December 18, 2024, between Gladstone Commercial Corporation and the other guarantors party thereto, incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed December 19, 2024.
- 10.17 Term Loan Agreement, dated as of May 30, 2025, by and among Gladstone Commercial Limited Partnership, as borrower, Gladstone Commercial Corporation, as guarantor, KeyBank National Association, as lender and agent, and the other lenders which are parties to the agreement, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed June 2, 2025.
- 10.18 Increase Letter Agreement, dated as of September 18, 2025, by and among Gladstone Commercial Limited Partnership, as borrower, Gladstone Commercial Corporation and certain of its wholly owned subsidiaries, as guarantors, and KeyBank National Association, as increasing lender and agent, incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-33097), filed November 3, 2025.
- 10.19 Fifth Amended and Restated Credit Agreement and Other Loan Documents, dated as of October 10, 2025 by and among Gladstone Commercial Limited Partnership, as borrower, Gladstone Commercial Corporation and certain of its wholly owned subsidiaries, as guarantors, each of the financial institutions initially a signatory thereto together with their successors and assignees, as lenders, and KeyBank National Association, as lender and agent, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed October 14, 2025.
- 10.20 Note Purchase Agreement, dated December 15, 2025 by and among Gladstone Commercial Limited Partnership, Gladstone Commercial Corporation and the Purchasers party thereto, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed December 15, 2025.
- 10.21 Form of Unconditional Guaranty of Payment and Performance, incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-33097), filed December 15, 2025.

19	<u>Insider Trading Policy (filed herewith).</u>
21	<u>List of Subsidiaries of the Registrant (filed herewith).</u>
23	<u>Consent of PricewaterhouseCoopers LLP (filed herewith).</u>
31.1	<u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).</u>
31.2	<u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).</u>
32.1	<u>Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).</u>
32.2	<u>Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).</u>
97.1	<u>Gladstone Commercial Corporation Compensation Recoupment Policy, incorporated by reference to Exhibit 97.1 to the Registrant's Annual Report on Form 10-K (File No. 001-33097), filed February 21, 2024.</u>
99.1	<u>Estimated Value Methodology for Series F Cumulative Redeemable Preferred Stock as of December 31, 2025 (filed herewith).</u>
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Definition Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Attached as Exhibit 101 to this Annual Report on Form 10-K are the following materials, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets as of December 31, 2025 and December 31, 2024, (ii) the Consolidated Statements of Operations and Comprehensive Income for the years ended December 31, 2025, 2024 and 2023, (iii) the Consolidated Statements of Equity for the years ended December 31, 2025, 2024 and 2023, (iv) the Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023 and (v) the Notes to Consolidated Financial Statements.

Item 16. Form 10-K Summary.

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date:	February 18, 2026	Gladstone Commercial Corporation
		By: <u>/s/ Gary Gerson</u>
		Gary Gerson
		Chief Financial Officer
Date:	February 18, 2026	By: <u>/s/ David Gladstone</u>
		David Gladstone
		Chief Executive Officer and
		Chairman of the Board of Directors

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: February 18, 2026 By: /s/ David Gladstone
David Gladstone
Chief Executive Officer and Chairman of the
Board of Directors (principal executive officer)

Date: February 18, 2026 By: /s/ Gary Gerson
Gary Gerson
Chief Financial Officer
(principal financial and accounting officer)

Date: February 18, 2026 By: /s/ Michela A. English
Michela A. English
Director

Date: February 18, 2026 By: /s/ Katharine C. Gorka
Katharine C. Gorka
Director

Date: February 18, 2026 By: /s/ Paula Novara
Paula Novara
Director

Date: February 18, 2026 By: /s/ John Outland
John Outland
Director

Date: February 18, 2026 By: /s/ Anthony W. Parker
Anthony W. Parker
Director

Date: February 18, 2026 By: /s/ Walter H. Wilkinson, Jr.
Walter H. Wilkinson, Jr.
Director

