

Gladstone Commercial Provides a Business Update

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(Nasdaq:GOOD) ("we" or "Gladstone Commercial") is a real estate investment trust focused on acquiring, owning and operating net leased industrial and office properties across the United States. We are providing the following business update regarding the portfolio performance during the time of market volatility related to, among other factors, the global COVID-19 pandemic.

- Approximately 99% of October cash base rent has been paid and collected. October rental collections remain consistent with 99% of third quarter cash base rents that were paid and collected and 98% of second quarter cash base rents that were paid and collected. The remaining 1-2% of cash base rents are associated with the previously agreed upon deferral agreements. All deferred amounts are to be paid back by the respective tenants commencing in July 2020 and ending in March 2021. Portfolio occupancy is in excess of 95% as of October 21, 2020.
- We continue to execute our growth strategy. On October 14, 2020, we announced the acquisition of a 240,714 square foot rail served manufacturing center in Montgomery, Alabama, for \$14.25 million. The property is 100% leased by WestRock CP, a wholly owned subsidiary of worldwide corrugated solutions leader WestRock Company (NYSE: WRK), which guarantees the lease. The property was originally constructed as a build-to-suit for Westrock and currently has 7.2 years of remaining lease term. The GAAP capitalization rate on the investment is 7.3%. Since January 1, 2019 we have acquired \$225.9 million of industrial properties, consistent with our stated goal of increasing our allocation of industrial investments.
- We have continued to raise additional capital through our at-the-market programs to fund acquisitions and operating needs. Since July 1, 2020 we have issued 282,000 shares of common stock for net proceeds of \$5.2 million and 180,000 shares of Series E perpetual preferred stock for net proceeds of \$4.3 million.
- We continue to have ample liquidity and a strong capital structure. As of October 21, 2020, our current available liquidity is in excess of \$30 million via our revolving credit facility and cash on hand.

We may receive additional rent relief requests during the COVID-19 pandemic. However, we are unable to quantify the outcomes of potential future negotiation of relief packages, the success of any tenant's financial prospects or the amount of relief requests that we will ultimately receive or grant.

About Gladstone Commercial (Nasdaq:GOOD)

Gladstone Commercial is a real estate investment trust focused on acquiring, owning and operating net leased industrial and office properties across the United States. As of June 30, 2020, Gladstone Commercial's real estate portfolio consisted of 122 properties located in 28 states, totaling approximately 15.1 million square feet. For additional information please visit

www.gladstonecommercial.com

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All statements contained in this press release, other than historical facts, may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates" and variations of these words and similar expressions are intended to identify forward-looking statements. Readers should not rely upon forward-looking statements because the matters they describe are subject to known and unknown risks and uncertainties that could cause the Gladstone Commercial's business, financial condition, liquidity, results of operations, funds from operations or prospects to differ materially from those expressed in or implied by such statements. Such risks and uncertainties are disclosed under the caption "Risk Factors" of the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, as filed with the SEC on February 12, 2020 and certain other filings we make with the SEC. Gladstone Commercial cautions readers not to place undue reliance on any such forward-looking statements which speak only as of the date made. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For Investor Relations inquiries related to any of the monthly dividend paying Gladstone funds, please visit www.gladstonecompanies.com.

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