

# Gladstone Commercial Corporation Provides a Business Update

MCLEAN, Va., Aug. 19, 2020 (GLOBE NEWSWIRE) -- [Gladstone Commercial Corporation](#) (Nasdaq: GOOD) ("we" or "Gladstone Commercial") is providing the following business update regarding portfolio performance during this time of market volatility related to the global COVID-19 pandemic.

- Approximately 99% of August cash base rent has been paid and collected. August rental collections remain consistent with 99% of July cash base rents that were paid and collected and 98% of June, May and April 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.
- Our strong performance was reflected in our results for the second quarter ended June 30, 2020. Core FFO available to common shareholders and Non-controlling OP Unitholders for the three months ended June 30, 2020, was \$14.2 million, or \$0.41 per share, a 3.3% increase when compared to the three months ended March 31, 2020. Portfolio occupancy remains at approximately 97%, as of August 19, 2020.
- Our leasing initiatives continue to be successful in the COVID-19 environment. On August 4, 2020 we announced that we executed five-year lease extensions with two tenants, renewing John Bean Technologies Corporation, who occupies 100% of our 67,200 square foot flex building in the Philadelphia area, and extending Continental Broadband Pennsylvania, LLC, who occupies 100% of our 26,080 square foot data center building in the Pittsburgh area. On July 13, 2020 we announced that we executed a six-year lease extension with Conduent State Healthcare, LLC at our 42,213 square foot office building in Richmond, VA, maintaining the building's 100% occupancy until September 2026. GAAP rents increased 3.2% because of these three lease extensions.
- Year-to-date we have completed ten (10) renewals and expansions totaling 471,584 square feet at an increased GAAP rent of 8.0%.
- We continue to execute our capital recycling program with a goal of selectively disposing of non-core assets and redeploying the capital into accretive acquisitions. On July 1, 2020 we sold our Maple Heights, Ohio property for \$11.4 million, resulting in a net gain of \$1.2 million.
- 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 117,000 shares of common stock for net proceeds of \$2.2 million and 102,000 shares of Series E perpetual preferred stock for net proceeds of \$2.3 million.
- We continue to have ample liquidity and a strong capital structure. As of August 19,

2020, our current available liquidity is in excess of \$35 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](http://www.gladstonecommercial.com)

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For Investor Relations inquiries related to any of the monthly dividend paying Gladstone funds, please visit [www.gladstonecompanies.com](http://www.gladstonecompanies.com).

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