

Gladstone Commercial Corporation Completes \$1.0 Million PACE-Funded Financing for Energy Saving Improvements at Akron, OH Property

MCLEAN, Va., April 08, 2020 (GLOBE NEWSWIRE) -- [Gladstone Commercial Corporation](#) (Nasdaq: GOOD) ("Gladstone Commercial") announced that it has closed a \$1.0 Million Property Assessed Clean Energy ("PACE") financing for its 260 Springside property in Akron, OH. The rate on the financing is 3.5%. The 84,000 SF single-story multi-tenant office building is 74% leased to Flexsys America L.P. (a subsidiary of Eastman Chemical Company) providing lab and office space for its Tire Additives Technology Center of Excellence. The financings cover 100% of the costs to replace a large portion of the building's HVAC equipment including conversion from electric to gas for many units, to modernize fume hood controls, to install energy efficient interior lighting, and to tie all of it into a robust energy management system installed in 2019 allowing for continued refinement of energy saving strategies over the life of the equipment. Submeters will also be installed allowing for separate metering of tenants' utility usage. In addition, the hood improvements will improve safety in the labs. When the work is complete, it is projected that the energy savings will exceed all of the financing costs making the investment cashflow positive for the tenants with no out of pocket cost for Gladstone Commercial.

"We were happy to partner with Eastman to allow their hoods to be modernized in tandem with our base building work. This is a hallmark of the Gladstone philosophy – strong partnerships with our tenants allowing them to improve their production in a very cost effective manner while also benefiting the environment" said Karen Priesman, Senior Asset Manager for the Midwest Region for Gladstone Commercial. "Preliminary assessments indicate that these improvements will reduce the property's annual utility expenses by 30% and eliminate more than 330 metric tons of carbon dioxide emissions. Using the PACE program, needed equipment replacements and upgrades will be made without having to utilize capital or standard debt products".

"Gladstone works continuously to find creative solutions to capital needs at our properties as well as our tenants' occupancy needs. Through this process we were able to assist our tenant in maximizing their cost savings while increasing the energy efficiency and sustainability of our property and portfolio as a whole without incurring any capital expenditures" stated Buzz Cooper, Senior Managing Director and head of the South Central Region for Gladstone Commercial.

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 December 31, 2019, Gladstone Commercial's real estate portfolio consisted of 118

properties located in 28 states, totaling approximately 14.2 million square feet. For additional information please visit 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.

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