

Gladstone Commercial Corporation Provides a Business Update

MCLEAN, Va., June 15, 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.

- We have continued to exhibit strength in rent collections: Approximately 98% of June cash base rent has been paid and collected. June rental collections remain consistent with 98% of May and April cash base rent that was paid and collected. The remaining 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 portfolio continues to provide stable cash flow to our investors: Portfolio occupancy remains at approximately 97%, as of June 15, 2020.
- Our leasing initiatives have been successful in the COVID-19 environment: On May 27th we announced a lease amendment with Morgan Stanley Smith Barney Financing for 16,689 square feet at our Easton Commons Ohio office building. Morgan Stanley now leases 100% of the building through December of 2025 and intends to invest significant capital to renovate the common areas of the building while completing tenant improvements on the expansion space. The space was previously occupied by Congressional Bank, which vacated in October 2019. The lease expansion resulted in a 51% increase in GAAP rent over the previous tenant’s rent.
- We have continued to raise additional capital to fund acquisitions and operating needs: Since January 1, 2020, we have issued 1.3 million shares of common stock for net proceeds of \$28.2 million and 45,600 shares of Series E perpetual preferred stock for net proceeds of \$1.0 million.
- We continue to have ample liquidity and a strong capital structure: As of June 15th, our currently available liquidity is in excess of \$30 million via our revolving credit facility availability and cash on hand. We have continued to reduce our net book leverage to 46% as of March 31, 2020.
- We have maintained an active investor outreach program: The Company presented at the virtual 2020 REITWeek and met with numerous investors, analysts, and investment banks. Discussion subjects included portfolio performance, market conditions, capital strategy and our predominantly industrial-focused acquisition program. The positive recent and long-term performance on rent collection, the significant industrial acquisition volume since January 2019, the recast of the credit facility at more favorable terms in tandem with the addition of two Tier 1 banks to the syndicate, and favorable equity issuance were well-received by the audience.

We may receive additional rent relief requests in the near term. Gladstone Commercial's acquisitions and asset management teams intend to predominantly seek near term rent deferral repayment, extended lease term, increased rent, and other favorable lease modifications as consideration for granting relief for certain tenants that have been materially and adversely impacted by the ongoing COVID-19 pandemic, as assessed by us. However, we are unable to quantify the outcomes of 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 March 31, 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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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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