

Gladstone Commercial Corporation Provides a Business Update

MCLEAN, Va., July 16, 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 believe we are in the top 10% of collections for publicly traded U.S. equity REITs. Approximately 99% of July cash base rent has been paid and collected. July rental collections remain consistent with 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.
- We remain within a small subset of U.S. equity REITs that have maintained their dividend rate and payment of distributions in tandem with this level of rental collections during the COVID-19 pandemic. Portfolio occupancy remains at approximately 97%, as of July 16, 2020.
- Our leasing initiatives continue to be successful in the COVID-19 environment. On July 8th we executed a six-year lease extension with Conduent State Healthcare at our 42,213 square foot office building in Richmond, VA. The extension maintains the building’s 100% occupancy until September 2026. GAAP rents increased 24% as a result of the transaction. This successful extension combined with the four lease extensions and tenant expansion in the second quarter increases the overall straight line rent at these properties by 14% and results in increased same store property NOI and an expected increased contribution to core FFO for the third quarter 2020.
- 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 \$28.4 million and 113,000 shares of Series E perpetual preferred stock for net proceeds of \$2.6 million.
- We continue to have ample liquidity and a strong capital structure. As of July 16, 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 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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For Investor Relations inquiries related to any of the monthly dividend paying Gladstone funds, please visit www.gladstonecompanies.com.

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