

August 28, 2020



HC Government Realty Trust, Inc. Raises \$90 Million Preferred Equity Investment



Social Security Administration Building, Norfolk, Virginia

WINSTON-SALEM / CHARLOTTE, NC -- HC Government Realty Trust Inc. ("HCGRT"), a fully integrated real estate investment trust focused on the acquisition, development and management of commercial properties leased to the U.S. Government, today announced that it has raised \$90 million of preferred equity through a private offering solely managed by Raymond James. HCGRT primarily intends to use the proceeds from the offering to accelerate property acquisitions while also repaying outstanding mezzanine debt and credit facility borrowings.

HCGRT currently owns and operates a portfolio of 21 single-tenant properties leased 100% to U.S. Government agencies including the FBI, DEA, VA, CIS, USDA, DOT, and SSA. The portfolio's pro forma weighted average remaining lease term is over 9 years with a young portfolio age of approximately 8 years.

HCGRT Chairman & CEO, Steve Hale, made the following statement about today's announcement:

“We are grateful for the efforts of Raymond James on this preferred equity capital raise of \$90 million. After repaying our outstanding mezzanine debt and credit facility borrowings, we will intend to use the proceeds primarily for acquisitions of first generation, long-term leased federal properties. We also thank our responsive bank lending group, led by Keybank Capital Markets and including IberiaBank, Synovus Bank and Atlantic Union Bank, for their continued commitment on our \$100 million credit facility.”

Steven Loffman, Managing Director at Raymond James, made the following statement about today's announcement:

“We remain impressed by HCGRT's executive team, its portfolio of long-term, leased, mission-critical federal government properties and the Company's growth potential over the coming years. The offering was materially oversubscribed as we received significant commitments from institutional investors, insurance companies and accredited investors. Raymond James looks forward to a growing relationship with HC Government Realty Trust.”

For more information, please visit our corporate website at www.hcgovtrust.com.

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