

Gladstone Commercial Provides a Business Update

MCLEAN, VA / ACCESSWIRE / February 23, 2021 / [Gladstone Commercial Corporation](#) (NASDAQ:GOOD) ("we" or "Gladstone Commercial") is a real estate investment trust focused on acquiring, owning and operating net leased industrial and office properties across the United States. We are providing the following business update regarding our portfolio performance during this time of market volatility related to, among other factors, the global COVID-19 pandemic.

- Approximately 98% of February cash base rents and January cash base rents have been 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 during their lease term. Portfolio occupancy is in excess of 95% as of February 23, 2021. The incremental increase in vacancy from January to February is a result of our tenant at our 61,358 square foot single-story office property in Rancho Cordova, CA exercising its early termination option, effective at the end of January. The tenant represented 0.9% of our annual base rents. We are currently under contract to sell the property, with a closing anticipated to occur in March 2021.
- On February 11, 2021, we added a new \$65.0 million term loan component to our credit facility, inclusive of a \$15.0 million delayed funding component. We anticipate this will further enable future portfolio growth. The new term loan has a maturity date of February 2026. As a result, we continue to have ample liquidity and a strong capital structure. As of February 23, 2021, our current available liquidity is approximately \$25 million via our available borrowings and cash on hand.
- During the fiscal year ended December 31, 2020, we purchased nine fully occupied industrial properties, with an aggregate of approximately 1.7 million square feet of rental space, for \$130.0 million, at a weighted average cap rate of 7.41% and collected 99% of 2020 base rental charges owed to us throughout the COVID-19 pandemic. We completed 20 lease transactions during 2020; the weighted average straight line rent increased by 4.7% and the overall tenant improvement allowance was approximately \$3 per square foot. For the year, Core FFO available to common stockholders and Non-controlling OP Unitholders was \$55.4 million, a 9.2% increase when compared to the year ended December 31, 2019. We have paid a monthly common dividend to our shareholders without delay or reduction for 193 consecutive months.
- 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 1,726,790 shares of common stock for net proceeds of \$31.2 million and 214,000 shares of Series E perpetual preferred stock for net proceeds of \$5.2 million.

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 December 31, 2020, Gladstone Commercial's real estate portfolio consisted of 121 properties located in 28 states, totaling approximately 15.4 million square feet. For additional information please visit www.gladstonecommercial.com

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All statements contained in this press release, other than historical facts, may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates" and variations of these words and similar expressions are intended to identify forward-looking statements. Readers should not rely upon forward-looking statements because the matters they describe are subject to known and unknown risks and uncertainties that could cause the Gladstone Commercial's business, financial condition, liquidity, results of operations, funds from operations or prospects to differ materially from those expressed in or implied by such statements. Such risks and uncertainties are disclosed under the caption "Risk Factors" of the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, as filed with the SEC on February 16, 2021 and certain other filings we make with the SEC. Gladstone Commercial cautions readers not to place undue reliance on any such forward-looking statements which speak only as of the date made. The company 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.

SOURCE: Gladstone Commercial Corporation

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