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PREIT Takes Steps to Improve Liquidity Position

Reduces Common Dividend
Executes Credit Facility Amendment
Significantly Reduces Capital Spending and Operating Costs

Philadelphia, March 31, 2020 – PREIT (NYSE: PEI) today announced a series of actions to strengthen its balance sheet and liquidity position during this unique operating environment, creating nearly $300 million in incremental liquidity.

"As we continue to navigate an uncharted operating environment, we are focused on safeguarding the safety and well-being of our associates and communities while enhancing near-term liquidity," said Joseph F. Coradino, Chairman and CEO of PREIT. "PREIT was among the first companies in our sector to embark on a proactive effort to improve our portfolio through anchor repositioning and redevelopment, completing the program ahead of industry peers and in advance of the COVID-19 pandemic. We are now laser-focused on improving our balance sheet to position PREIT for long-term success."

Dividend Policy

In response to the current environment and to enhance financial flexibility, the Company and its Board have decided to rightsize the Company's quarterly dividend on common shares. Beginning with the second quarter dividend, the Company expects to pay a quarterly cash dividend of $0.02 per common share. This 90% reduction will enhance Company liquidity by approximately $15 million per quarter, or $60 million in additional liquidity on a full-year basis. The declaration and payment of dividends remains subject to quarterly action by the Board.

Credit Facility Amendments

As part of PREIT's plan, the Company has executed amendments to its Senior Credit Facilities. The amendments modify certain covenants through September 30, 2020, and under the amendments, PREIT has increased its borrowing capacity by more than $83 million. A description of certain modifications is included as an addendum to this press release and a description and copies of the amendments will be included in PREIT's form 8-K to be filed with the SEC.

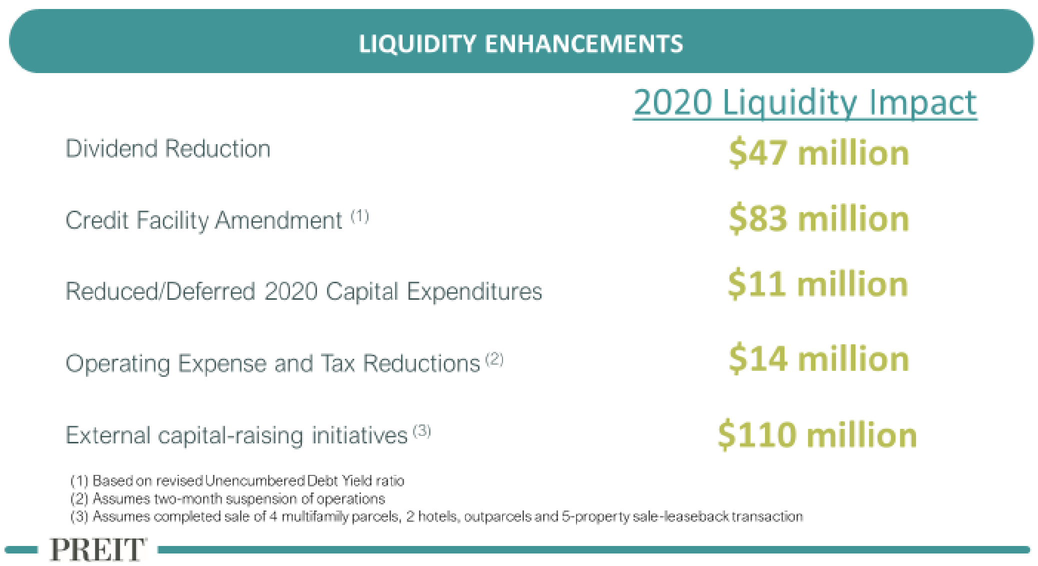
Capital Spending and Operating Expense Reductions

The Company is reviewing its capital spending projections and expects to reduce its planned 2020 spending by 11% or $11 million. The Company is also proactively taking steps to reduce its operating expenses to further enhance liquidity and strengthen its balance sheet. Based on current forecasts, the Company expects to realize savings of approximately $2 million per month while mall operations are suspended.

Other Mitigation Efforts
The Company is working with outside advisors and its industry trade group, ICSC, to secure various forms of relief and funding at the federal, state and local levels. In addition to funding, the Company is working with officials to reduce its municipal tax liabilities, which, if successful, could potentially generate savings of over $10 million.

External Capital Raising Initiatives
PREIT also continues to pursue transactions to raise capital. As disclosed in its fourth quarter 2019 earnings release, the Company has executed agreements of sale for expected gross proceeds of $312.6 million. These include an agreement for the sale - leaseback of five properties, the sale of land parcels for multifamily development at seven properties, operating outparcel sales and the sale of land for hotel development at two properties. Upon closing of these transactions, the Company expects to net approximately $200 million in additional liquidity. Details regarding these transactions and associated assumptions are included in the addendum to this press release.

These actions, together, have the potential to create nearly **$300 million** of incremental liquidity, as detailed in the following chart:



Update on 2020 Earnings Guidance
PREIT expects its financial results for the remainder of 2020 to be impacted by continued global economic uncertainty related to the COVID-19 pandemic. Given the evolving nature of the situation, PREIT is withdrawing its financial outlook for 2020 provided in its February 25, 2020 earnings press release. The Company intends to provide a further update in connection with its first quarter earnings announcement.

About PREIT
PREIT (NYSE:PEI) is a publicly traded real estate investment trust that owns and manages innovative properties at the forefront of shaping consumer experiences through the built environment. PREIT's robust portfolio of carefully curated retail and lifestyle offerings mixed with destination dining and entertainment experiences are located primarily in densely-populated, high barrier-to-entry markets with tremendous opportunity to create vibrant multi-use destinations. Additional information is available at www.preit.com or on Twitter or LinkedIn.

Forward Looking Statements

This press release contains certain forward-looking statements that can be identified by the use of words such as “anticipate,” “believe,” “estimate,” “expect,” “project,” “intend,” “may” or similar expressions. Forward-looking statements relate to expectations, beliefs, projections, future plans, strategies, anticipated events, trends and other matters that are not historical facts. These forward-looking statements reflect our current views about future events, achievements or results and are subject to risks, uncertainties and changes in circumstances that might cause future events, achievements or results to differ materially from those expressed or implied by the forward-looking statements. In particular, our business might be materially and adversely affected by changes in the retail and real estate industries, including consolidation and store closings, particularly among anchor tenants; current economic conditions, including the impact of the COVID-19 pandemic and the steps taken by governmental authorities and other third parties to reduce its spread, and the corresponding effects on tenant business performance, prospects, solvency and leasing decisions; our inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise; our ability to maintain and increase property occupancy, sales and rental rates; increases in operating costs that cannot be passed on to tenants; the effects of online shopping and other uses of technology on our retail tenants; risks related to our development and redevelopment activities, including delays, cost overruns and our inability to reach projected occupancy or rental rates; acts of violence at malls, including our properties, or at other similar spaces, and the potential effect on traffic and sales; our ability to sell properties that we seek to dispose of or our ability to obtain prices we seek; our substantial debt and the liquidation preference of our preferred shares and our high leverage ratio; our ability to refinance our existing indebtedness when it matures, on favorable terms or at all; our ability to raise capital, including through sales of properties or interests in properties and through the issuance of equity or equity-related securities if market conditions are favorable; and potential dilution from any capital raising transactions or other equity issuances.

Additional factors that might cause future events, achievements or results to differ materially from those expressed or implied by our forward-looking statements include those discussed herein and in our Annual Report on Form 10-K for the year ended December 31, 2019 in the section entitled “Item 1A. Risk Factors.” We do not intend to update or revise any forward-looking statements to reflect new information, future events or otherwise.

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Addendum

Select Terms of Credit Facility Amendments

- Total Liabilities to Gross Asset Value covenant has been increased to 65% through September 30, 2020,
- Adjusted EBITDA to Fixed Charges covenant has been reduced to 1.40x through September 30, 2020,
- Unencumbered Debt Yield covenant, which governs PREIT's total unsecured borrowing capacity, has been reduced to 10% through September 30, 2020,
- The definitions of Adjusted NOI and Adjusted EBITDA has been modified to include the annualization of the revenues associated with redeveloped space that hasn't been in occupancy for a year,
- Further, the amendments also include mandatory prepayment, amortization, pricing and other covenant changes that are not summarized here and will be described in PREIT's form 8-K to be filed with the SEC.

External Capital-Raising Initiatives Detail

CAPITAL TRANSACTION OVERVIEW

Capital-raising initiatives to generate ~$200 million in Liquidity

Densification Land Sales

Multifamily

- 7 Properties
- 4 buyers
- **Total Proceeds:** $125 million
- **Net Liquidity:** $125 million
- **Leverage Reduction:** ~350 bps
- Closing Assumptions:
  - 4 properties 2020
  - 3 properties 2021
- **Guidance Assumption:** gains on sale for 4 properties scheduled to close in 2020 assumed in guidance

Hotels

- 2 Properties
- 2 buyers
- **Total Proceeds:** $3.8 million
- **Net Liquidity:** $3.8 million
- **Leverage Reduction:** ~10 bps
- Closing Assumptions:
  - 2 properties 2020
- **Guidance Assumption:** gains on sale assumed in guidance

Outparcels

- 10 Parcels
- 1 buyer
- **Total Proceeds:** $19 million
- **Net Liquidity:** $8 million
- **Leverage Reduction:** ~20 bps
- Closing Assumptions:
  - All parcels to close in 2020
- **Guidance Assumption:** associated NOI reduction backed out of Same store in both periods.

Sale/Leaseback

- 5 mid-tier properties (sales ranging from $410-$510 psf
- 1 buyer
- **Total Proceeds:** $154 million
- **Net Liquidity:** $57 million
- **Leverage Reduction:** ~185 bps
- **Guidance Assumption:** not assumed in 2020 guidance. Estimated $0.06 per share dilutive to FFO on annualized basis

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