PREIT

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# PREIT Celebrates the Strong Consumer and the Positive Implications for the Pace and Strength of Industry Recovery

**PHILADELPHIA, June 23, 2021** – PREIT (NYSE: PEI), a leading real estate owner and developer, redefining the future of the mall with mixed-use districts, highlighted several factors contributing to its optimism about the recovery of its communities:

**Traffic** - During the month of May, traffic on average throughout PREIT's portfolio exceeded 90% of May 2019 levels. Five standout properties generated traffic of 105% of 2019 levels and continue to outperform 2019 today.

In particular, Patrick Henry Mall continues to attract a broader consumer base than pre-pandemic, registering 104% of 2019 traffic on a year-to-date basis. The dominant enclosed shopping center on the Hampton Roads peninsula, Patrick Henry Mall is the only enclosed mall between Norfolk and Richmond. Since it's reopening, comparable tenants have registered double-digit sales growth, on average.

**Sales** – Over 50% of PREIT's managed properties generated sales growth over the comparable period prior to the mall closures. Capital City Mall and Magnolia Mall, both dominant in their markets, have generated particularly impressive sales growth, reflecting their winner-take-all status.

**Occupancy** – Over 700,000 square feet of new space has been signed for occupancy, representing over 150% of 2019 volumes. This includes a healthy mix of traditional mall retailers, emerging retailers, new-to-portfolio, clicks-to-bricks brands and non-traditional uses. Importantly, PREIT's growing pipeline of executed transactions represented over $8.3 million in annualized future revenue as of March 31, 2021.

**Collections**- continuing a trend of tenant business improvement and repayment of deferred rents, PREITs cash collections have continued to be strong, recovering amounts agreed to be paid later. In April and May, cash collected represented 149% and 119% of billed rents, respectively.

"We're excited to welcome customers back to tactile, in-person experiences that have been largely unavailable to them over the last year and a half. Seeing statistics outpacing 2019 numbers paints a telling picture for the future of this business," said Joseph F Coradino, CEO of PREIT. "Our transformative vision for properties previously conceived as traditional malls, strategically reimagining them as lifestyle destinations for consumers seeking one-stop for their daily needs should result in continuing to strengthen our community hubs, generating strong results for all stakeholders."

## 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 expectations and assumptions regarding our business, the economy and other future events and conditions and are based on currently available financial, economic and competitive data and our current business plans. Actual results could vary materially depending on risks, uncertainties and changes in circumstances that may affect our operations, markets, services, prices and other factors as discussed in the Risk Factors section of our other filings with the Securities and Exchange Commission. While we believe our assumptions are reasonable, we caution you against relying on any forward-looking statements as it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, our ability to achieve our forecasted revenue and pro forma leverage ratio and generate free cash flow to further reduce our indebtedness; our ability to manage our business through the impacts of the COVID-19 pandemic, a weakening of global economic and financial conditions, changes in governmental regulations and related compliance and litigation costs and the other factors listed in our SEC filings. Additionally, 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 and our ability to

remain in compliance with our financial covenants under our debt facilities; 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 the sections entitled "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020 and in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021. We do not intend to update or revise any forward-looking statements to reflect new information, future events or otherwise.

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