

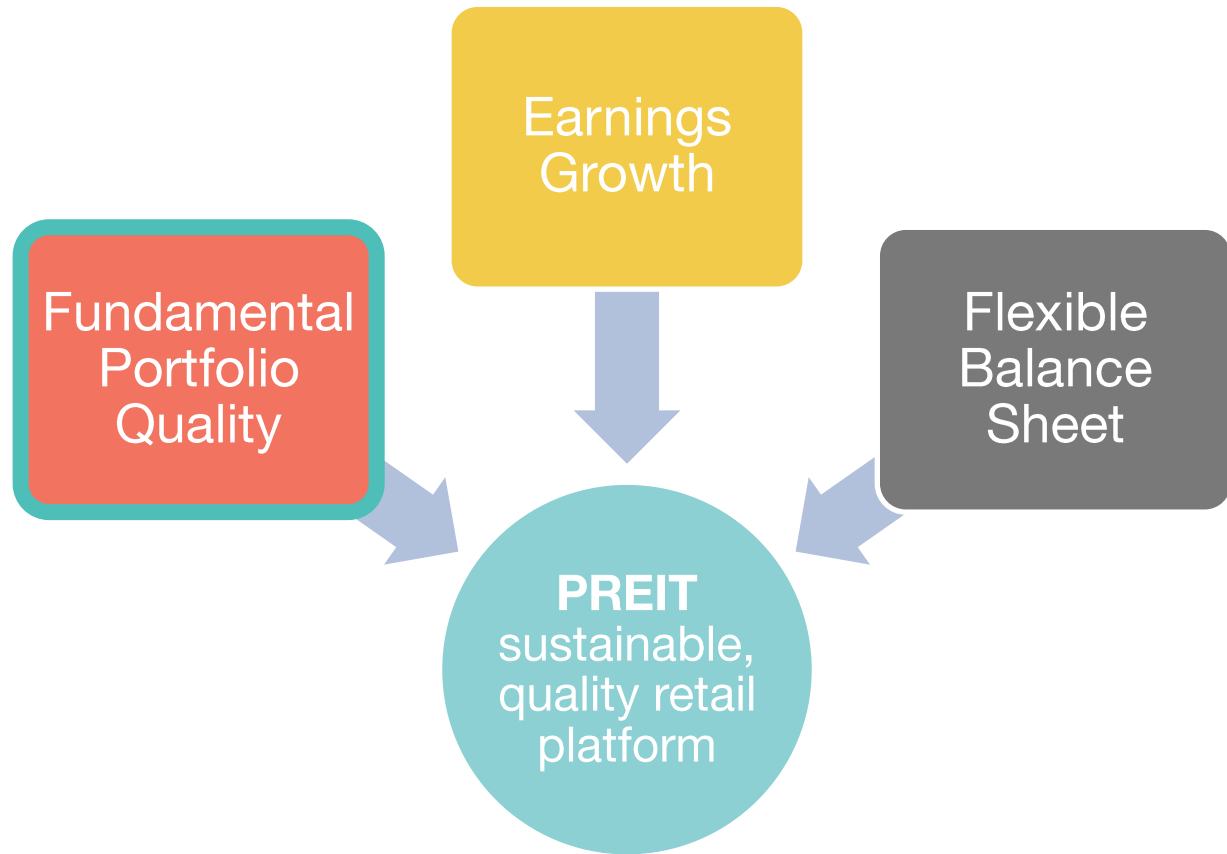


INVESTOR UPDATE

JUNE 2019

OUR STRATEGY

PREIT FOCUSES ON CREATING THRIVING AND EVOLVED ENVIRONMENTS WITH RETAIL AT THE CORE



We have created a sustainable quality retail platform based on 3 key objectives: **FUNDAMENTAL PORTFOLIO QUALITY**, **EARNINGS GROWTH** and CRAFTING A FLEXIBLE BALANCE SHEET so we can continue to lead the pack in evolving alongside the constituencies we serve.

A DIFFERENTIATED PLATFORM

Department Store repositionings are complete

Successfully repositioned 13 former department stores with over 25 tenants

NO remaining unleased anchor spaces in core portfolio

Among lowest Sears exposure in sector; 2 of Macy's Growth 150 Stores

Traffic up over 7% during Easter season at properties where anchors have been replaced

Extensive multifamily opportunity allows for creation of powerful mixed-use platform!

Due to PREIT's presence in densely populated markets, PREIT has identified significant opportunity to add over 5,000 multifamily units and over 2,000 hotel rooms to its properties.

High-impact redevelopments coming online in 2019

Fashion District Philadelphia – opening 9/19/19, over 85% committed with key tenants: City Winery, AMC, Round One, Nike, H&M, Ulta Beauty

Woodland Mall: opening in Q4 with key tenants: Von Maur, Urban Outfitters, REI, Black Rock Bar & Grill, The Cheesecake Factory

Differentiated tenant base secured

Over 50% of 2018 executed leases for future occupancy are with tenants in diverse categories: health & wellness, off-price, dining, entertainment, arts & crafts

Proven portfolio quality

Core mall portfolio sales reach \$525 per square foot as of April 30, 2019

Core mall total leased space 96.6% as of March 31, 2019

93% of GLA from 2017/2018 bankruptcies retained or replaced

Balance sheet improvement/secure dividend

Generated over \$70 million in incremental liquidity in 1H19

No material debt maturities until 2021

FFO payout ratio expected to be approximately 60% and FAD payout ratio expected to be below 90% in 2020

Over \$12 Million annualized in secured revenue signed for future occupancy *excluding* impact of Fashion Distraic

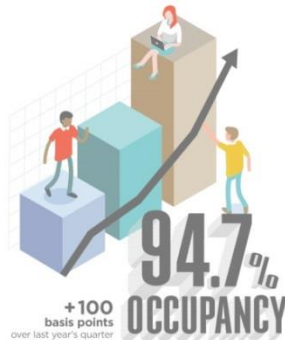
Small scale allows for agility

We are nimble, focused and act quickly as the industry evolves

Reorganization increases focus on revenue-generation and driving traffic

RESULTS

FOR THE PERIOD ENDED MARCH 31, 2019



TRAFFIC



+6.5%
During Easter at comp properties

+7.2%
at recent remerchandisings

3 PROPERTIES OVER
\$600 PER SF

WILLOW GROVE PARK OVER
\$750 PER SF

CAPITAL PLAN

\$43 million FROM ASSET SALES
\$70 million IMPROVED LIQUIDITY
Plan to raise \$150-\$300 MILLION

ZERO UNLEASED ANCHORS



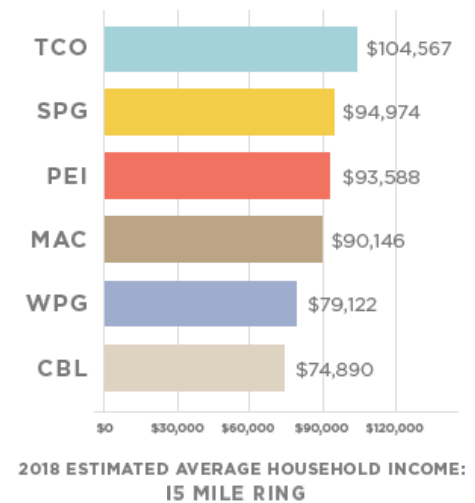
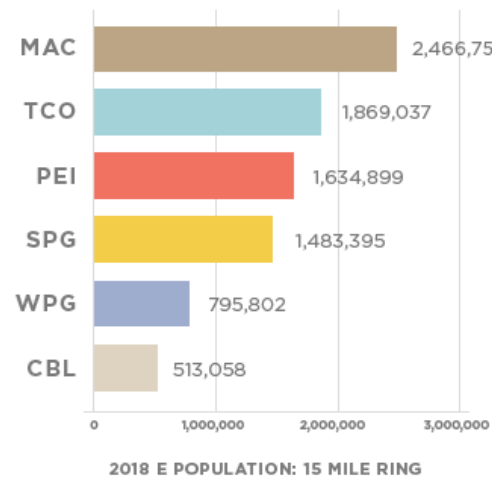
14 of top 20 retailers showed **COMP GROWTH** in April

10 of 20 showed **DOUBLE-DIGIT GROWTH**
Sales data as of April 30, 2019

QUALITY PORTFOLIO

WITH STRONG COMPARATIVE DEMOGRAPHIC PROFILE

COMPARATIVE DEMOGRAPHICS



Data source: Evercore ISI Annual Demographic Update for the Retail REITs dated 3/11/19

HIGH QUALITY PORTFOLIO



TRADING PRICE (as of 6/1/19)

\$6.41/sh

TOP 5 PROPERTIES ~NAV ⁽¹⁾

\$10-12/sh

MULTIFAMILY LAND VALUE⁽²⁾

\$2-4/sh

- (1) NAV based on range of cap rates of 6-6.75% applied to 2020 stabilized NOI, less mortgage debt and remaining costs to complete anchor replacements and redevelopments. Does not include any allocation of corporate debt or preferred shares. Blended cap rate for these assets per Green Street Advisors Mall Database as of May, 2019 was 6.7%.
- (2) Assumes \$25-\$50K/unit and 5-7,000 units. Exton land sold at >\$30K/unit

COMPARABLE PORTFOLIO STRENGTH

BY ALL OPERATING MEASURES, PREIT'S PORTFOLIO SCREENS MORE LIKE AN A-MALL OPERATOR

	Sales PSF ⁽¹⁾	Mall Occupancy ⁽¹⁾	Re-leasing Spreads ⁽¹⁾	2019 Q1 SS NOI Growth ⁽¹⁾	2019 SS NOI Growth range ⁽¹⁾	Avg FFO Multiple over 20 years ⁽²⁾	FFO Multiple based on '19E FFO ⁽²⁾	Net Debt/EBITDA ⁽²⁾
SPG	\$660	95.1%	27.3%	1.6%	2.0%	12.9	13.1	5.3
TCO	\$832	93.2%	7.1%	2.3%	2.0%	14.4	12.1	8.7
MAC	\$746	94.7%	11.0%	1.7%	.75%	13.1	10.5	9.4
PEI	\$525	94.7%	2.2%	2.2%	1.45%	8.3	5.2	10.3
CBL (3)	\$377	91.3%	(9.4%)	(5.3%)	(7.0%)	8.1	0.6	7.9
WPG (4)	\$399	93.3%	(5.2%)	(4.0%)	(2.0%)	n/a	3.6	10.0

(1) Based on company reports. PEI figures for sales and occupancy are for core malls as of 4/30/19.

(2) Citi "Hunter Express and Lodging" dated 5.29.19

(3) Re-leasing spreads represent Q1 2019 data for CBL and LTM data for all others.

(4) **Sales PSF, Occupancy, Releasing Spreads and 2019 SS NOI growth exclude Tier II assets**

PREMIER PROPERTY HIGHLIGHT

CHERRY HILL MALL

HOME TO
1 OF ONLY **2**
NORDSTROMS
IN THE REGION



**2+ MILLION
TRADE AREA**

including **Center City, Philadelphia**

SALES
approaching
\$700/SF

TOP-NOTCH TENANTS

APPLE | CRATE & BARREL | POTTERY BARN | ZARA
URBAN OUTFITTERS | MICHAEL KORS | CAPITAL GRILLE
SEASONS 52 | GRAND LUX CAFE

PREMIER PROPERTY HIGHLIGHT

WILLOW GROVE PARK

SALES EXCEED

\$750 PSF



**Merchandise mix
caters to area's
sophisticated shopper:**

- APPLE
- BANANA REPUBLIC
- MICHAEL KORS
- LUCKY JEANS
- SEPHORA
- THE CHEESECAKE FACTORY
- PANDORA
- J.CREW

Redevelopment
INCLUDES ADDITION OF

Dine & Recline Theater

**STUDIO
MOVIE GRILL**



Yard House

Home to 1 of 2 **bloomingdale's** in Philly metro

PREMIER PROPERTY HIGHLIGHT

WOODLAND MALL

DOMINANT PROPERTY
IN WESTERN MICHIGAN

En route to **Lake Michigan**
with **popular beach towns**
and **tourist destinations**.

**TOP MARKET FOR
MILLENNIALS**

Business Insider (2018)

**THE #1 FASTEST
GROWING ECONOMY
IN THE US**

Forbes (2017)

REDEVELOPMENT BRINGING



VON MAUR®

URBAN
OUTFITTERS



ALONGSIDE

APPLE | LUSH | POTTERY BARN | ALTAR'D STATE

**SALES
EXCEED**

\$610
PSF

**PRIOR TO
NEW
ADDITIONS**



PREMIER PROPERTY HIGHLIGHT

springfieldtowncenter

RESTAURANT + ENTERTAINMENT
SALES EXCEED

\$80 MILLION



STRATEGICALLY LOCATED

AT THE INTERSECTION OF
I-95 • I-385 • I-495
+
Fairfax County Parkway

562,000
Vehicles
Daily

15,000
Daily Transit
Commuters

TOP-NOTCH TENANTS



SEPHORA

NORDSTROM
rack



EXPRESS

★ macy's
TOP 150 GROWTH STORE

MAGGIANO'S
LITTLE ITALY

VANS

H&M

HOLLISTER



REGAL

GROWING POPULATION

in the **3rd most
affluent county**
in the U.S.

- Adjacent to **new TSA HQ**
- Home to **3,000 new jobs** in 2020
- Just 2 metro stops from the brand new **Amazon HQ2**

Sales up to
\$557 PSF
without Apple

PREMIER PROPERTY HIGHLIGHT

MIPG MALL AT
PRINCE
GEORGE'S

DENSELY POPULATED
MARKET WITHIN
2ND MOST POPULOUS
COUNTY IN MARYLAND

Sales up to
\$555
PSF
without Apple

OVER
\$1 BILLION
INVESTED IN
SURROUNDING
DEVELOPMENTS

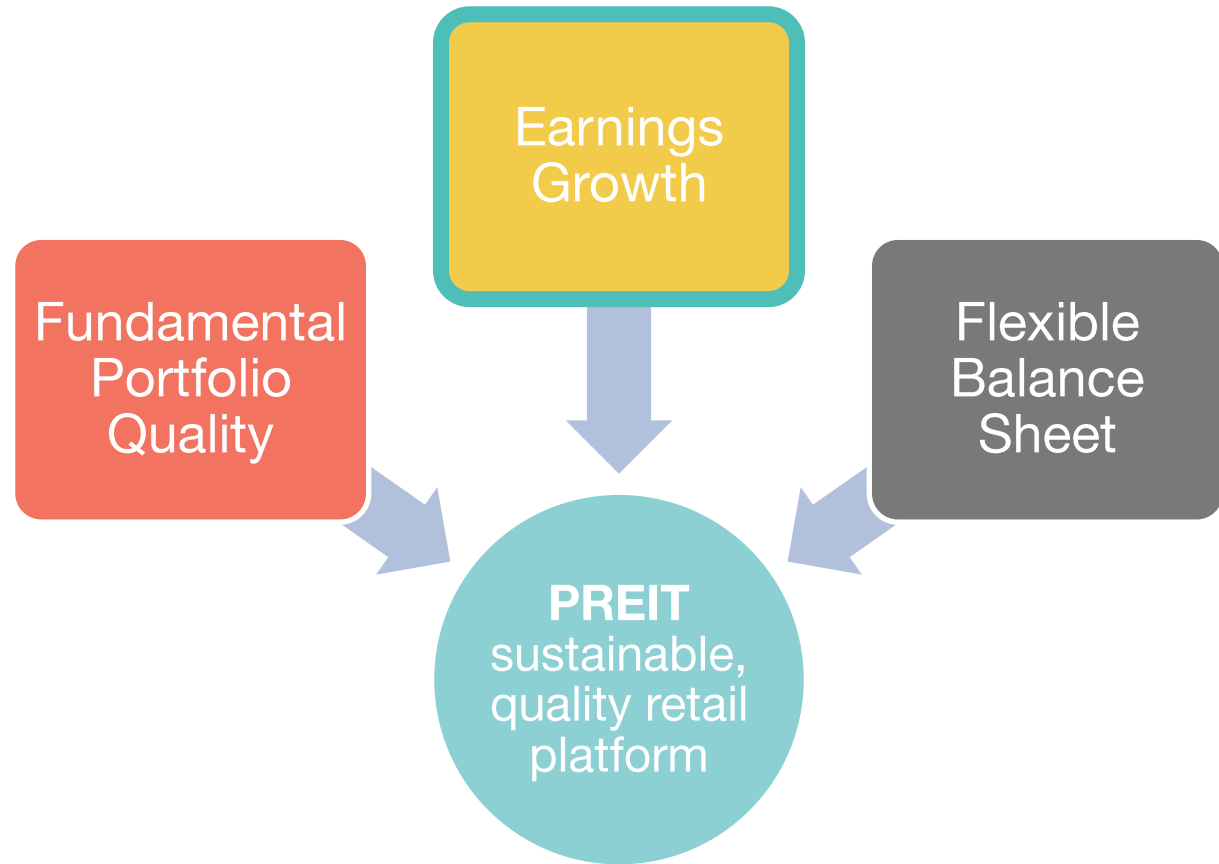


Adjacent to
Metro Green Line
with
100K riders daily

Successful remerchandising effort completed in
2018 bringing top national brands in underserved market:

DSW | ULTA | FIVE BELOW | H&M
CHIPOTLE | FIVE GUYS | MEZEH MEDITERRANEAN GRILL | & PIZZA

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CONCLUDING DEPARTMENT STORE REPLACEMENT EFFORT NO UNLEASED DEPARTMENT STORES

Property	Remaining to Spend	% Leased	Return	Former Tenant	New Tenant(s)	Stabilization
Woodland Mall	\$30 million	89.2%	6%	Sears	Von Maur, REI, Urban Outfitters, Black Rock Bar & Grill, etc...	2021
Capital City	\$3.5 million	93.6%	8%	Sears	DICK's Sporting Goods, PA Fine Wine + Good Spirits, Primanti Bros	2019
Moorestown Mall	\$5.7 million	80.9%	7%	Macy's	HomeSense Five Below Sierra Michael's	2020
Valley Mall – Phase I	\$6 million	100%	8%	Macy's	Tilt Studio Onelife Fitness	2020
				Bon-Ton	Belk	
Plymouth Meeting Mall	\$28 million	92.6%	7%	Macy's	DICK's Sporting Goods Burlington Michael's Millers Ale House Edge Fitness	2020
Willow Grove Park	\$7.5 million	81.6%	8%	JC Penney	Studio Movie Grill Entertainment (at lease)	2021

2019 MILESTONES



[Fashion District Philadelphia](#)
September 2019



Woodland Mall
October 2019

COMPONENTS OF 2020 EARNINGS GROWTH AND RESULTING BALANCE SHEET IMPROVEMENT

Committed revenue from anchor replacements (incremental)	\$7 - 9 million
Committed revenue from other new leases (incremental)	\$4 - 6 million
Historical same unit growth @ 1.5%	\$4 - 6 million
Fashion District NOI	<u>\$11 - 15 million</u>
	\$26 - 36 million

\$30 million of incremental **NOI** reduces Debt/EBITDA by 1x

\$200 million of incremental **proceeds** reduces Debt/EBITDA by 1x

NEXT PHASE: DENSIFICATION

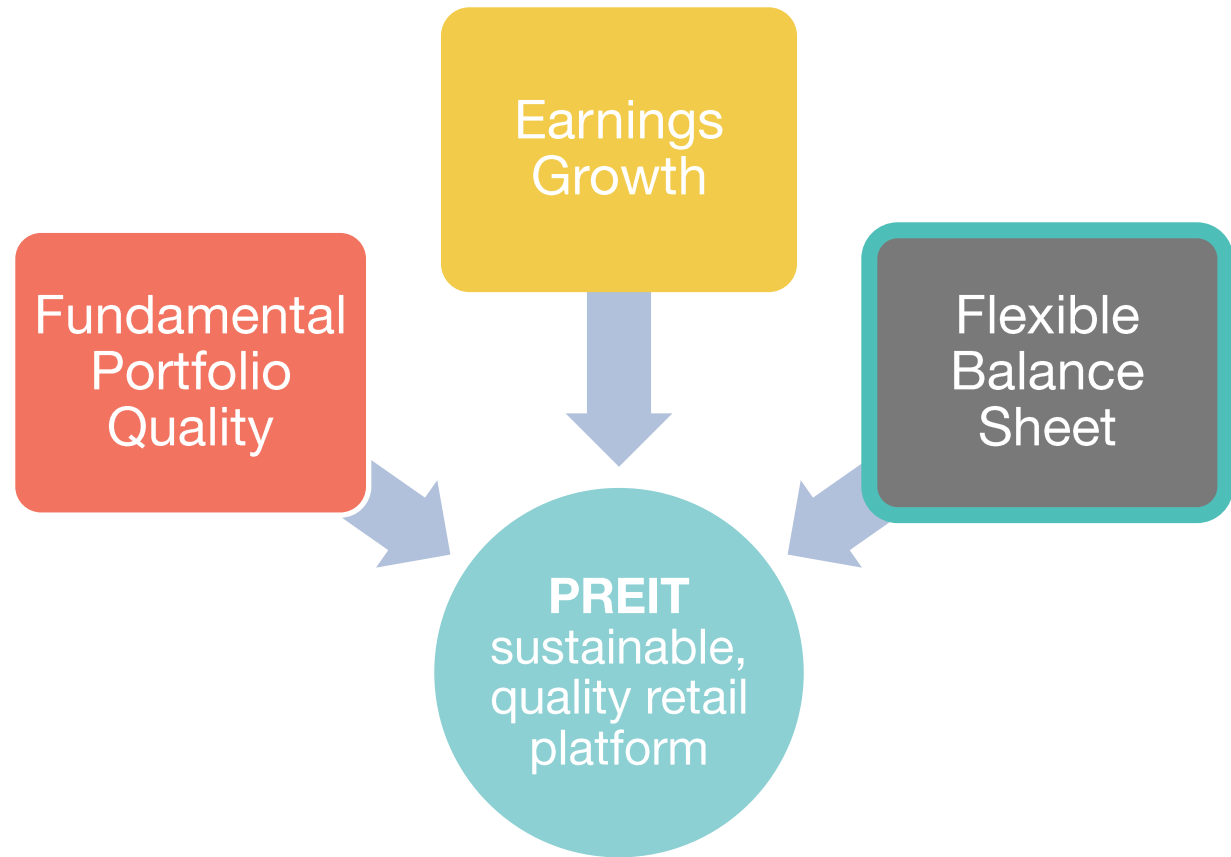
CAPITALIZE on amenity-rich environments to create interconnected, vibrant communities



5 – 7,000 multifamily units in Philly and DC

\$150 - \$300 million value to be harvested through land sales

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SPECTRUM OF OPPORTUNITY IN MULTIFAMILY ADDITION

PREIT'S PORTFOLIO OF PROPERTIES IN DENSELY POPULATED MARKETS
CREATES **POWERFUL OPPORTUNITY TO DIVERSIFY**

Outright
land sale

Bundled sale of
portfolio opportunity
with retained interest

Sale of retail interest
to fund multifamily
investment

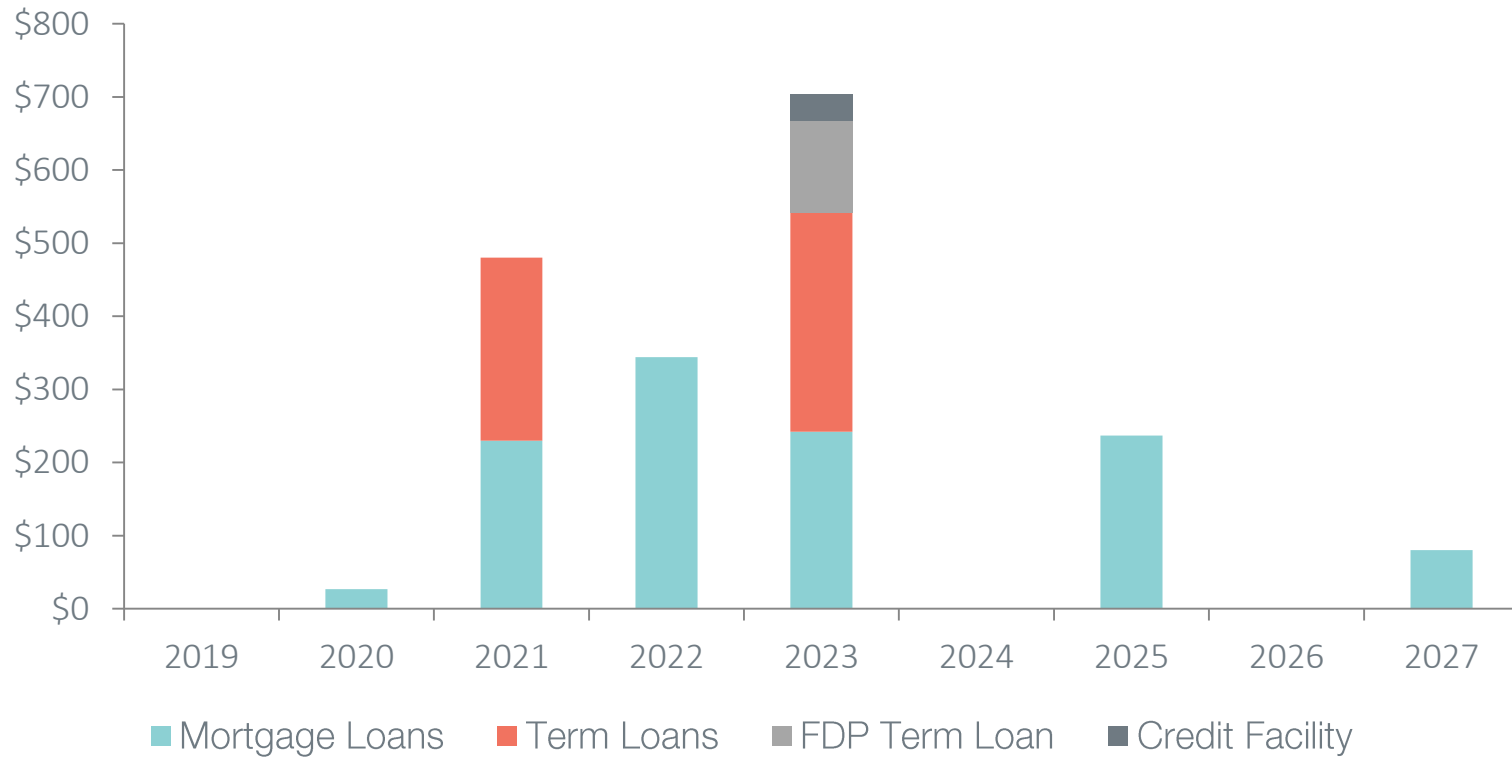


BALANCE SHEET IMPROVEMENT UNDERWAY IMPROVING LIQUIDITY POSITION

Liquidity as of 12/31/18	\$205 million
2019-2020 Spending on Pipeline	\$160 million
Liquidity raised from 1H19 initiatives	\$72 million
Liquidity Initiatives under contract	\$10 million
Monetizing Multifamily land	\$150-300 million

BALANCE SHEET IMPROVEMENT UNDERWAY

NO MATERIAL DEBT MATURITIES UNTIL 2021



- Maturities shown reflect available extension options.
- Maturities adjusted to reflect refinancing transactions already completed during 2018.

AN EVOLVED STRATEGY

2012: New Management Team

2013: Beginning of asset disposition program, aimed at improving overall portfolio quality

2014: Formed joint-venture with Macerich to redevelop the Gallery at Market East into the Fashion District Philadelphia

2015: Acquired Springfield Town Center in Fairfax County, VA from Vornado Realty Trust; Philadelphia City Council approves legislation leading to the redevelopment of The Gallery into Fashion District

2016: Began proactive Anchor Improvement Program, aimed at diversifying retail offerings and mitigating department store closure risk

2017: Asset disposition program has generated over \$825 million in gross proceeds used for redevelopments, anchor replacements and debt reduction.

2018 & Beyond: Implemented and completed anchor repositioning program. Beginning of densification effort

	BEFORE	AFTER
# of Malls	38	21
Sales PSF	\$379	\$525
Multifamily opportunity	--	5,000-7,000 units
# of Sears stores	27	4

A PROSPEROUS LIFE AFTER SEARS

BEFORE:



AFTER:



Magnolia
Mall



Exton
Square



Viewmont
Mall

Forward Looking Statement

This presentation, together with other statements and information publicly disseminated by us, contain certain “forward-looking statements” within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans, strategies, anticipated events, trends and other matters that are not historical facts. When used, the words “anticipate,” “believe,” “estimate,” “target,” “goal,” “expect,” “intend,” “may,” “plan,” “project,” “result,” “should,” “will,” and similar expressions, which do not relate solely to historical matters, are intended to identify forward looking statements. We caution investors that any forward looking statements presented in this presentation and the documents that we may incorporate by reference into this document are based on management’s beliefs and assumptions made by, and currently available to management. 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 uncertainties affecting real estate businesses generally as well as the following, among other factors:

Changes in the retail and real estate industries, including consolidation and store closings, particularly among anchor tenants; our ability to maintain and increase property occupancy, sales and rental rates, in light of the relatively high number of leases that have expired or are expiring in the next two years; increases in operating costs that cannot be passed on to tenants; current economic conditions and the state of employment growth and consumer confidence and spending, and the corresponding effects on tenant business performance, prospects, solvency and leasing decisions and on our cash flows, and the value and potential impairment of our properties; the effects of online shopping and other uses of technology on our retail tenants; risks related to our development and redevelopment activities; acts of violence at malls, including our properties, or at other similar spaces, and the potential effect on traffic and sales; our ability to identify and execute on suitable acquisition opportunities and to integrate acquired properties into our portfolio; our partnerships and joint ventures with third parties to acquire or develop properties concentration of our properties in the Mid-Atlantic region; changes in local market conditions, such as the supply of or demand for retail space, or other competitive factors; changes to our corporate management team and any resulting modifications to our business strategies; our ability to sell properties that we seek to dispose of or our ability to obtain prices we seek; potential losses on impairment of certain long-lived assets, such as real estate, or of intangible assets, such as goodwill, including such losses that we might be required to record in connection with any dispositions of assets; our substantial debt and liquidation preference of our preferred shares and our high leverage ratio; constraining leverage, unencumbered debt yield, interest and tangible net worth covenants under our principal credit agreements; our ability to refinance our existing indebtedness when it matures, on favorable terms or at all; our ability to raise capital, including through joint ventures or other partnerships, through sales of properties or interests in properties, through the issuance of equity or equity-related securities if market conditions are favorable, or through other actions; our short- and long-term liquidity position; potential dilution from any capital raising transactions or other equity issuances; and general economic, financial and political conditions, including credit and capital market conditions, changes in interest rates or unemployment.

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, 2018 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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