

PREIT Chapter 11 Tenant FAQ

General

1. What did PREIT announce?

- PREIT has taken the next step to execute a comprehensive reorganization to strengthen its balance sheet.
- To effectuate the restructuring to make way for a recapitalized PREIT, the Company has filed a voluntary Chapter 11 petition in the United States Bankruptcy Court for the District of Delaware to implement its Prepackaged Plan.
- The filing will ensure that PREIT can continue all business operations without interruption while it obtains necessary approvals of its financial restructuring plan. The Company has executed a Restructuring Support Agreement with all of its First and Second Lien Lenders.
- Not only will PREIT pay all vendors, suppliers and employees during the course of the Chapter 11, but pursuant to the terms of the Prepackaged Plan, which will be subject to court approval, the prepetition claims of all vendors, suppliers and employees will be unimpaired.
- We expect to complete the Chapter 11 process by early February 2024 and the Company remains focused on providing a great experience for our shoppers and tenants. We are confident our efforts will result in a stronger, more capitalized company as we continue advancing PREIT's legacy.

2. What is Chapter 11?

- Chapter 11 is a section of the U.S. Bankruptcy Code that allows companies to reorganize their finances while continuing to operate their businesses.
- It is different from court proceedings in many other parts of the world and is not a liquidation.
- PREIT's Chapter 11 filing is unique in certain respects, as the Company is undertaking this process for a single purpose -- to implement a plan already supported by a substantial majority of PREIT's lenders that will provide additional capital to further strengthen the business and enhance our financial flexibility.
- The result of this process will be a strengthened balance sheet, reduced total secured debt by approximately \$880 million and an extended maturity timeline.

3. Why are you taking these actions?

- Strengthening our balance sheet is a key priority of our future as we look to position our portfolio for long-term success.
- For the past few years, we have been taking meaningful actions to enhance the financial and operational health of the business. PREIT has worked tirelessly to enhance its portfolio, dramatically improve occupancy, and diversify its tenancy.
- We are now pursuing a clear and expedited path to strengthen our financial position, address our debt levels, and enable us to be an even better partner for our tenants.
- This filing will ensure that PREIT can continue all business operations without interruption while it obtains necessary approvals of its financial restructuring plan.
- We look forward to being a financially stronger company with the resources and support to continue creating diverse and expansive ecosystems at our properties.
- We expect to complete the Chapter 11 process by early February 2024.

4. Is PREIT going out of business?

- Absolutely not. We are continuing to serve our tenants and communities and operating in the ordinary course with a primary focus on the health and safety of our tenants, partners, customers, and communities.
- PREIT's Chapter 11 filing is unique in certain respects, as we are undertaking this process for a single purpose -- to implement a plan already supported by a substantial majority of PREIT's lenders that will provide additional runway by way of reduced debt and extended maturities in order to further strengthen the business and enhance our financial flexibility.
- We look forward to being a financially stronger company with the resources and support to continue creating diverse and expansive ecosystems at our properties.
- PREIT will no longer be a publicly traded company as a result of the restructuring, with our lenders becoming the owner of the Company.

5. How will the court-supervised process affect day-to-day operations?

- This announcement has no impact on our operations and we are committed to maintaining and continuing to invest in our outstanding assets.
- We look forward to being a stronger, better-capitalized company with the resources and support to continue creating diverse and expansive ecosystems at our properties.
- We expect to complete the Chapter 11 process very quickly while working in the background to solidify details on any changes that are to be made to the company.
- In the meantime, we will focus on creating top-tier experiences for our employees, partners, customers, and communities.

6. Will there be layoffs? Facility closings?

- The Company's operations will remain uninterrupted.
- Our portfolio today benefits from a focused asset sale program over the past decade that has resulted in significantly minimized exposure to lower quality and underperforming mall real estate.
- At the same time, we have proactively diversified our tenant base to provide mass-market offerings appealing to value-focused shoppers.
- As such, we have a high-quality portfolio of assets, which are positioned to combat the issues in the broader retail backdrop.
- As always, we will continue to regularly review our portfolio and make changes as needed based on the needs of the business.

7. Does PREIT have enough liquidity to continue operating?

- The restructuring will be supported financially through a new debtor-in-possession (DIP) facility, totaling up to \$60 million. In addition, our lenders have committed to an exit financing facility up to \$75 million.
- Specifically, this agreement provides us with the liquidity to compete effectively, meet our obligations, and continue providing our tenants, customers and communities with the safe, high-quality shopping experience they expect at our properties.
- Today's announcement is another step PREIT is taking to ensure that it can continue all business operations without interruption while it obtains necessary approvals of its financial restructuring plan.
- We want to assure everyone – our employees, tenants, vendors and the communities we serve – that today's announcement has no impact on our operations and we are committed to maintaining and continuing to invest in our outstanding assets.

- We look forward to quickly emerging from this process as a financially stronger company with the resources and support to continue creating diverse and expansive ecosystems at our properties.

8. When do you expect to complete the Chapter 11 process?

- We expect to complete the court-supervised process by early February 2024.

9. What are the next steps? How long will this process take?

- We will have our first day hearing early this week, at which point we expect the Court will schedule our confirmation hearing.

10. Will management stay in place?

- The management team played a major part in bringing this restructuring to fruition and have developed strong relationships with the lending group and they are very supportive of the management team's plan for the business.
- It is anticipated that management will remain in place.
- The path forward is about setting the strategy and working cooperatively with new ownership to execute on our vision.
- The Company has a strong track record of redeveloping and repositioning assets, with intimate knowledge of the operations, tenant base and ongoing / under contract opportunities.

11. Will there be changes to the Company's Board of Directors?

- Changes to the composition of the Board are planned based on new ownership's nominations.

12. Is there a chance that the Company is going to be sold to a competitor?

- It is anticipated that holders of the Company's Second Lien Term Loan will be the new equity owners in the Company.
- We appreciate the support of our lenders, tenants, and customers, and above all, we are grateful for the continued dedication of our fantastic team of employees.
- We are pleased to take another step forward in positioning PREIT for a more successful future with a strong balance sheet.

13. Who is going to own the Company through the Chapter 11 process?

- When the Company emerges, PREIT will no longer be a publicly traded REIT.
- Following the restructuring, holders of the Second Lien Term Loan will be the primary equity holders and will install a new Board of Directors.
- With the overwhelming support of our lenders, we look forward to quickly emerging as a financially stronger company with the resources and support to continue creating diverse and expansive ecosystems at our properties.
- The support of our financial stakeholders in this process is a reflection of their confidence in our business.

14. Will there be any impact on the Company's shareholders?

There is an equity distribution allocated to Preferred and Common Shareholders and OP Unit Holders. As part of this process, PREIT will cease being publicly traded.

Tenants

1. What does this mean for tenants?

- The Company's primary focus remains creating compelling retail and experiential destinations while prioritizing service to its employees, partners, customers and communities.
- We are maintaining our normal business operations without interruption throughout the planned financial restructuring.
- These efforts will result in a stronger company that is well-capitalized with enhanced financial flexibility, providing the opportunity to invest in our properties in the future.
- The plan is supported by a substantial majority of PREIT's lenders.
- We expect to complete the Chapter 11 process very quickly and it will have no impact on our employees, tenants, suppliers, vendors and other trade creditors, business partners, all of whom are unimpaired.
- Serving our tenants and communities remains our top priority and we do not intend for the planned financial restructuring process to impact those relationships in any way.
- Our commitment to our tenants and communities is unwavering.

2. Why should I continue doing business with PREIT?

- The restructuring will be supported financially through a new debtor-in-possession (DIP) facility, totaling up to \$60 million, and exit financing of up to \$75 million, to maintain operations and continue delivering exceptional experiences. The company will remain committed to long-term success.
- As we move forward, we remain dedicated to elevating the experience for our valued tenants.
- We are confident all efforts will result in a stronger, more capitalized company as we continue advancing PREIT's legacy.
- We are confident that the actions we are taking will make us a stronger Company and we will continue to be a good business partner to you.

3. What will happen to my existing contract? Will you be able to meet the terms of our contract?

- We expect that this process will be seamless for our tenants and will result in no disruption to our operations or the services we provide.
- All contracts are expected to be honored through this process.
- The PREIT team you know will remain in place and is available to ensure a quality experience for you.

4. Given the uncertainties of the situation, what if I want to renegotiate our terms with you?

- With your cooperation, we will continue to be able to meet our commitments to our tenants.

5. Will my PREIT contacts change?

- We expect this process will be seamless for our tenants. Your existing company contacts may change as the restructuring process is expected to bring internal changes. However, we do expect to continue our legacy of being a strong partner with great relationships with our tenants.

6. How do I file a proof of claim?

PREIT®

- Subject to Court approval, our prepackaged financial restructuring plan does not require anyone to file a proof of claim, and everyone will be paid in full, and on time.

7. How can tenants get updates?

- We are committed to keeping tenants and customers informed of any important events as this process moves forward.
- Court documents and additional information about the court-supervised process can be found at a website administered by PREIT's claims agent, Kroll, [here](#).