

WASHINGTON PRIME GROUP™

Washington Prime Group Announces Sale Leaseback of Approximately \$98.9M for Fee Interest in Land at Four Assets

July 24, 2019

Transaction demonstrates monetization at a compelling capitalization rate and marks another milestone in WPG's ongoing efforts to generate strategic capital

COLUMBUS, Ohio, July 24, 2019 (GLOBE NEWSWIRE) -- Washington Prime Group Inc. (NYSE: WPG) today announced that it has signed a definitive agreement for the sale and leaseback of four assets (collectively, the "Properties"). Under the agreement, an affiliate of Perennial Investments & Advisors, LLC ("Perennial"), an institutional fee investor, will acquire a fee interest in the land at the Properties for a price of approximately \$98.9 million.

Concurrently, Washington Prime Group (the "Company") will enter into a new 99-year master ground lease for a leasehold interest in the land at the Properties. The Company will, however, continue to own a fee interest in the improvements through the term of the aforementioned master ground lease and continue to manage, lease and develop the Properties, offering the same exceptional guest experience. It will be business as usual to guests and Property employees with the Company continuing to maintain full control over the leasehold interest in the land and fee interest in the improvements at the respective Properties.

The master ground lease includes fixed annual payments to the ground lessor and contains annual rent escalators over the term. The agreement includes an option for the Company to repurchase the fee interest in the land at a fixed price in year 30 of the master ground lease. If the Company does not exercise this option, then the fee interest in both the land and improvements will transfer to the ground lessor at the end of the 99-year ground lease term.

Lou Conforti, CEO and Director stated: "We continue to prove our ability to access attractive capital to satisfy our redevelopment program whether via traditional or more creative means. This serves as a testament to our commitment to become the leading landlord of dominant town centers situated within secondary catchments."

Conforti added, "This transaction with Perennial illustrates our ability to arbitrage the unproductive land component of an asset by securing long term (30 year) capital at an attractive interest rate while still maintaining operational and financial control. When combined with the two previously announced outparcel transactions with Four Corners Property Trust, WPG has sourced approximately \$206M in new strategic capital which satisfies approximately 40% of our previously announced department store repositioning plan."

The Properties, which represent an aggregate 3.9M square feet of productive retail space, are: Edison Mall, located in Fort Myers, Florida; Great Lakes Mall, located in Mentor, Ohio; Irving Mall, located in Irving, Texas; and Jefferson Valley Mall, located in Yorktown Heights, New York.

The Company expects to complete the sale leaseback transaction in the second half of 2019, subject to due diligence and customary closing conditions.

About Washington Prime Group

Washington Prime Group Inc. is a retail REIT and a recognized leader in the ownership, management, acquisition and development of retail properties. The Company combines a national real estate portfolio with its expertise across the entire shopping center sector to increase cash flow through rigorous management of assets and provide new opportunities to retailers looking for growth throughout the U.S. Washington Prime Group® is a registered trademark of the Company. Learn more at www.washingtonprime.com.

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Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 which represent the current expectations and beliefs of management of Washington Prime Inc. ("WPG") concerning the proposed transactions, the anticipated consequences and benefits of the transactions and the targeted close date for the transactions, and other future events and their potential effects on WPG, including, but not limited to, statements relating to anticipated financial and operating results, the company's plans, objectives, expectations and intentions, cost savings and other statements, including words such as "anticipate," "believe," "plan," "estimate," "expect," "intend," "will," "should," "may," and other similar expressions. Such statements are based upon the current beliefs and expectations of WPG's management, and involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of WPG to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, without limitation: changes in asset quality and credit risk; ability to sustain revenue and earnings growth; changes in political, economic or market conditions generally and the real estate and capital markets specifically; the impact of increased competition; the availability of capital and financing; tenant or

joint venture partner(s) bankruptcies; the failure to increase mall store occupancy and same-mall operating income; risks associated with the acquisition, (re)development, expansion, leasing and management of properties; changes in market rental rates; trends in the retail industry; relationships with anchor tenants; risks relating to joint venture properties; costs of common area maintenance; competitive market forces; the level and volatility of interest rates; the rate of revenue increases as compared to expense increases; the financial stability of tenants within the retail industry; the restrictions in current financing arrangements or the failure to comply with such arrangements; the liquidity of real estate investments; the impact of changes to tax legislation and WPG's tax positions; failure to qualify as a real estate investment trust; the failure to refinance debt at favorable terms and conditions; loss of key personnel; material changes in the dividend rates on securities or the ability to pay dividends on common shares or other securities; possible restrictions on the ability to operate or dispose of any partially-owned properties; the failure to achieve earnings/funds from operations targets or estimates; the failure to achieve projected returns or yields on (re)development and investment properties (including joint ventures); expected gains on debt extinguishment; changes in generally accepted accounting principles or interpretations thereof; terrorist activities and international hostilities; the unfavorable resolution of legal proceedings; the impact of future acquisitions and divestitures; assets that may be subject to impairment charges; significant costs related to environmental issues; and other risks and uncertainties, including those detailed from time to time in WPG's statements and periodic reports filed with the Securities and Exchange Commission, including those described under "Risk Factors". The forward-looking statements in this communication are qualified by these risk factors. Each statement speaks only as of the date of this press release and WPG undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances. Actual results may differ materially from current projections, expectations, and plans, if any. Investors, potential investors and others should give careful consideration to these risks and uncertainties.

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Source: Washington Prime Group