



Bezannes, 16 April 2020

## FREY ANNOUNCES CREATION OF €15 MILLION FUND TO SUPPORT TENANTS

**IN RESPONSE TO THE COVID-19 HEALTH CRISIS, FREY ANNOUNCES THE CREATION OF A €15 MILLION FUND TO SUPPORT ITS RETAIL TENANTS. THIS STRONG SIGNAL REFLECTS THE GROUP'S INTENTION TO PROTECT THE "RETAIL BIODIVERSITY" OF ITS ASSETS AND, IN A SPIRIT OF SOLIDARITY, HELP BRANDS TO WEATHER THIS UNPRECEDENTED CRISIS.**

The sudden announcement by the French President on 16 March closing all "non-essential" shops plunged most of FREY's tenants into extreme uncertainty and raised strong fears about their operations, both now and in the weeks and months to come.

FREY swiftly put in place the following protective measures:

- **Monthly invoicing** for rent and service charges, rather than quarterly;
- **Suspension of rent collection** during the lockdown period;
- **Reduced service charges in its assets** in order to help tenants cut costs.

At the same time, while awaiting information on the precise duration of these administrative closures and the conditions under which shops were likely to reopen, FREY was working responsibly and in a spirit of solidarity to put in place **a special support plan for its partner brands**.

As the French President has announced the end of lockdown and a gradual reopening of shops from 11 May onwards, FREY announced today **the implementation of this support plan**. The aim of this initiative is clear: **to maintain the "retail biodiversity" of the Group's assets by offsetting the burden of rent for its retail partners during this crisis.**

## **A CRISIS WITH LASTING EFFECTS EVEN AFTER SHOPS REOPEN**

FREY wants to help its tenants throughout the crisis, both during the period of administrative-closure and while business ramps up again. In this context, the support plan is based on a gradual return to business by tenants to pre-crisis levels, estimated as follows:

- sales in the 1st month after reopening equal to 50% of sales N-1 (same period),
- sales in the 2nd month equal to 75% of sales N-1,
- sales in the 3rd month equal to 90% of sales N-1,
- sales after the 3rd month at normal levels.

## **A €15 MILLION SUPPORT FUND TO OFFSET THE BURDEN OF RENT THROUGHOUT THE CRISIS, FOR ALL THE GROUP'S PARTNER BRANDS**

In order to offset the burden of rent for its partner brands during this crisis, FREY is going to create **a fund with a financial capacity of €15 million.**

**The aim of this fund is to offset the burden of rent for retailers in proportion to the impact of the crisis: an estimated 100% loss during the period of closure, 50% during the first month after reopening, 25% during the second month and 10% during the third month. For example, in the case of a retailer authorised to reopen on 11 May, the fund would cover a total sum equal to 2.6 months' rent.**

**In practical terms, the fund will bear half of this cost directly by means of financial contributions paid to FREY's tenants and the other half in the form of interest-free loans, repayable over 24 months from 1 January 2021.**

Depending on the nature of the business and/or geographical location, this mechanism will be tailored to each retailer on the reopening date decided by the State. FREY's teams will therefore be contacting each tenant **to offer them tailored support with regard to the implementation of these exceptional measures.**

Where applicable, this mechanism will of course incorporate any form of aid the State may extend to our sector, which FREY strongly hopes will be the case.

**RESPONSIBLE ACTION IN A SPIRIT OF SOLIDARITY WITH ITS PARTNER BRANDS**

*"The close partnership that FREY has forged with its retailers over many years is based first and foremost on a fair distribution of value creation. With an average rent to turnover ratio of 8.8%, we are the property investment company posting the lowest indicator on the market. In return, the brands renew their trust in us every day, enabling us to post one of the highest occupancy rates on the market, at 97.6%. For FREY, this exceptional support package therefore forms a natural extension of the relationship based on trust and aligned interests that it shares with its partner brands."*

Antoine Frey, Chairman and Chief Executive Officer of FREY

**About property investment company FREY**

As a planner, developer, investor and manager, FREY is a property investment company specialising in major urban renewal operations and the development and operation of outdoor shopping malls. Its Shopping Promenades®, open-air retail spaces, represent a comprehensive offer combining shopping and leisure, to create an "enhanced experience" for all the family. Through its unique expertise, FREY has become a recognised French leader in this resilient asset class, covering the whole market (creation, extension and renovation) and in perfect harmony with the expectations of consumers, retailers and communities. Another key pillar of FREY's know-how is major mixed-use urban projects, which it is developing through its dedicated subsidiary CITIZERS.

Property investment company FREY is listed on compartment B of Euronext Paris. ISIN: FR0010588079 - Mnemo: FREY

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