



D'leterenGroup

Annual Report 2020

D'leteren Group

Integrated Report 2020



About the Integrated Report 2020

Purpose

The purpose of this report is to provide the reader with a comprehensive overview of how D'Ieteren Group and its activities view the creation of human, societal and financial value. It outlines the principles that the Group intends to implement to promote responsible investment practices including active ownership.

Evolution

This Integrated Report follows the same structure as last year but has been enhanced with new sections. In particular, an insight on stakeholder dialogue was added, introduced by a presentation of D'Ieteren Group's purpose and values which underpin its value creation. A new section also highlights how D'Ieteren Group manages its risks, seizes opportunities and builds resilience in its evolving environment. The Group has also progressed towards its goal of providing more non-financial metrics in this report. These efforts will be pursued as activities implement their new sustainability strategy.

As D'Ieteren Group is a family of businesses, it is important that each activity keeps its own 'window of expression'. Therefore, we have kept a dedicated chapter for each activity. Nevertheless, we have aligned the rationale towards value creation in each of our businesses with that of our group.

Methodology

The methodology that inspired this report is based on the reference framework published by the International Integrated Reporting Council (IIRC). In accordance with these guidelines, this report aims to be as concise as possible and focus on the elements that underpin the strategy for creating financial and non-financial value for the Group and its activities. Detailed reporting for 2020 is included in the second section of the annual report, the Financial and Directors' Report. It should be noted that non-financial reporting is, for the second year in a row, aligned with the GRI (Global Reporting Initiative) reporting standard (core option), an index of which is to be found on p. 192 of the Financial and Directors' report.

Organisation

The Integrated Report has been coordinated by D'Ieteren Group's Corporate Communication team and produced thanks to the involvement of their colleagues in the Investment Management, Legal, Consolidation and Investor Relations teams, as well as their counterparts in the various activities. The project was closely supervised by the members of the Group's Executive Committee.



Key indicators

Consolidated results (EUR million)	2011	2012	2013	2014	2015	2016¹	2017	2018	2019^{12, 13}	2020¹²
Revenues (IFRS) ³	5,977.3	5,514.5	5,470.5	5,453.1	6,035.4	6,471.7	3,455.1 ²	3,578.1 ²	3,798.8 ²	3,318.0 ²
Combined revenues ^{3,5}	5,977.3	5,514.5	5,470.5	5,453.1	6,035.4	6,471.7	6,941.3	7,417.8	8,026.9	7,216.8
Adjusted operating result ^{4,5}	377.2	252.6	220.2	198.6	248.5	281.1	300.9	357.9	539.1	661.5
Adjusted result, group's share:										
- before tax ^{4,6}	305.8	203.0	177.6	157.2	212.1	241.6	247.9	226.1	295.2	332.7
- after tax ⁴	312.0	159.4	136.1	144.0	186.5	215.3	194.8	182.2	211.6	231.9
Group's share in the net result for the period ⁷	312.6	190.1	114.0	-11.1	130.7	49.9	112.6	1,048.0	66.1	141.9
Financial structure (EUR million)										
Equity of which:	1,532.1	1,679.2	1,725.2	1,644.8	1,735.1	1,683.5	1,760.5	2,655.4	2,646.9	2,742.9
- Capital and reserves attributable to equity holders	1,530.5	1,677.4	1,723.6	1,644.2	1,733.3	1,683.0	1,764.3	2,655.1	2,646.3	2,739.4
- Minority interest	1.6	1.8	1.6	0.6	1.8	0.5	-3.8	0.3	0.6	3.5
Net debt group's share ¹¹	793.6	453.1	467.6	559.9	534.5	952.7	946.3	87.3	477.7	310.4
Data per share⁸ (EUR)										
Group's share in the net adjusted result for the period ^{4,7,9}	5.65	2.89	2.47	2.29	3.32	3.92	3.55	3.32	3.88	4.28
Group's share in the net result for the period ^{7,9}	5.66	3.45	2.07	-0.20	2.38	0.91	2.05	19.12	1.21	2.62
Gross dividend per ordinary share	0.800	0.800	0.800	0.800	0.900	0.950	3.800 ¹⁰	1.000	1.000	1.350
Capital and reserves attributable to equity holders	27.67	30.33	31.17	29.73	31.34	30.43	31.90	48.01	47.85	50.39
Share Information^{8,9} (EUR)										
Highest share price	49.85	40.64	37.36	37.68	37.59	45.16	45.88	40.08	63.10	68.60
Lowest share price	32.73	28.95	29.21	27.66	27.36	26.08	35.84	32.36	32.46	36.10
Share price as at 31/12	34.07	30.44	36.20	29.30	34.42	42.00	37.54	32.92	62.60	67.80
Average share price	43.22	34.98	34.39	31.95	32.74	37.84	40.90	36.11	43.28	52.36
Average daily volume (in number of shares)	79,230	55,659	46,024	40,302	43,418	47,723	39,457	42,142	54,800	48,005
Market capitalisation as at 31/12 (EUR million)	1,884.2	1,683.4	2,002.0	1,620.1	1,903.2	2,322.7	2,035.4	1,782.2	3,461.9	3,686.1
Total number of shares issued	55,302,620	55,302,620	55,302,620	55,302,620	55,302,620	55,302,620	55,302,620	55,302,620	55,302,620	54,367,928
Average workforce⁵ (average full time equivalents)										
	26,884	25,787	27,246	26,810	27,970	28,348	31,222	32,951	31,691	28,455
CO₂ emissions scope 1 & 2 (tCO₂e)										
									182,653	145,028

1. Includes Moleskine as from 1 October 2016.

2. Belron is classified under discontinued operations between 1 January 2017 and February 2018. Equity accounting from 7 February 2018 onwards.

3. Includes 100% of Avis Europe until 2010.

4. Excluding adjusting items.

5. Including Belron at 100%.

6. Following the creation of Volkswagen D'leteren Finance, whose results are accounted for using the equity method (and therefore excluded from revenue and from operating result), and in order to reflect all the group's activities, the adjusted result before tax, group's share, includes from 2012 onwards the group's share in the adjusted result before tax of the entities accounted for using the equity method.

7. Result attributable to equity holders of D'leteren Group, as defined by IAS 1.

8. Restated following the 10-to-1 share split in 2010.

9. Calculated in accordance with IAS 33.

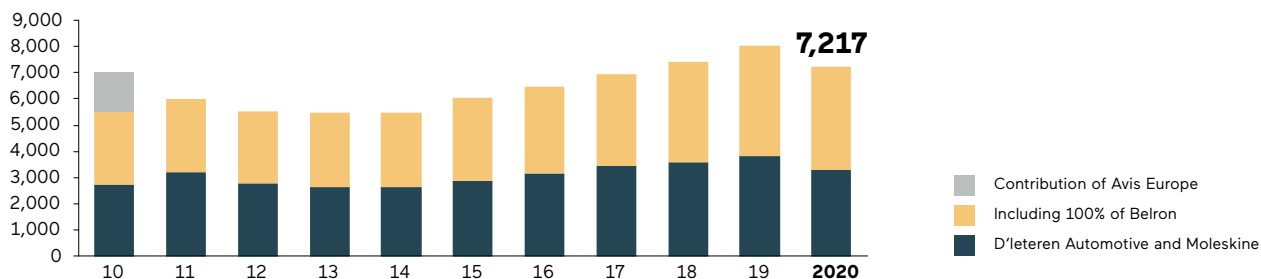
10. Includes an extraordinary dividend of EUR 2.85.

11. APM - see glossary page 84.

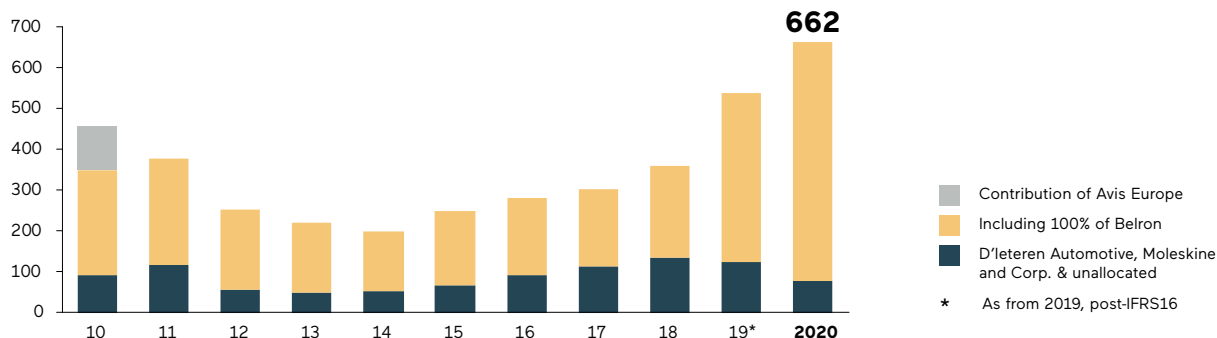
12. Post - IFRS 16.

13. As restated to reflect the fair value adjustment of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R.

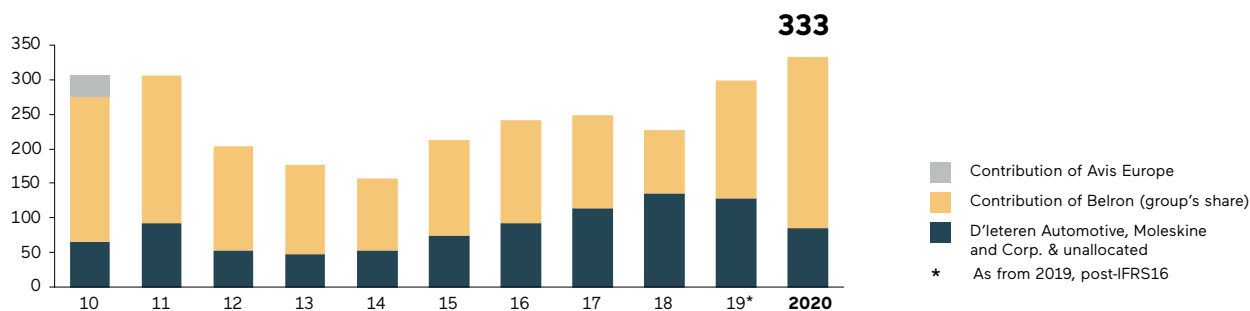
COMBINED REVENUES (EUR million)



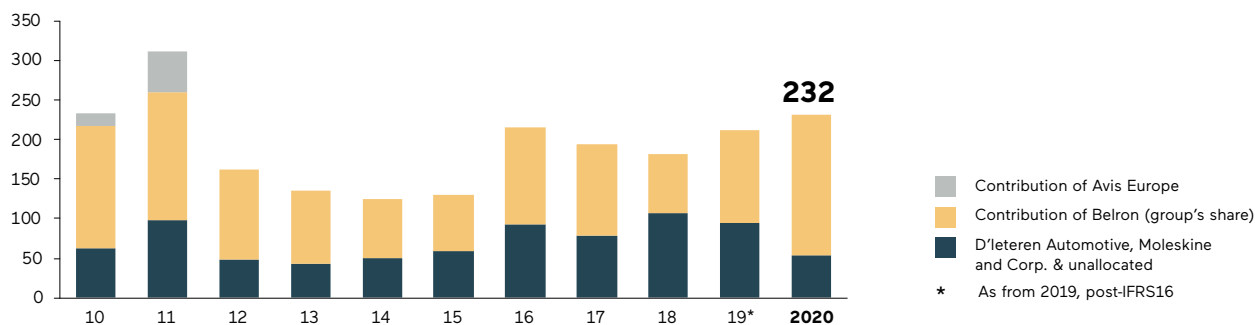
COMBINED ADJUSTED OPERATING RESULT (EUR million)



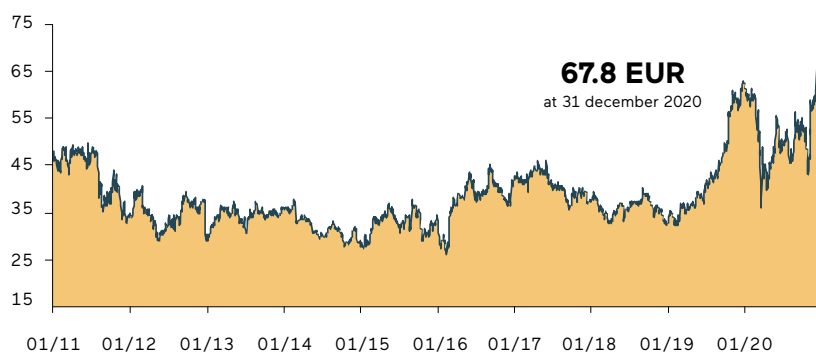
ADJUSTED RESULT BEFORE TAX, GROUP'S SHARE, (EUR million)



GROUP'S SHARE IN THE ADJUSTED NET RESULT FOR THE PERIOD (EUR million)



D'IETEREN'S SHARE PRICE SINCE 2011 (EUR)

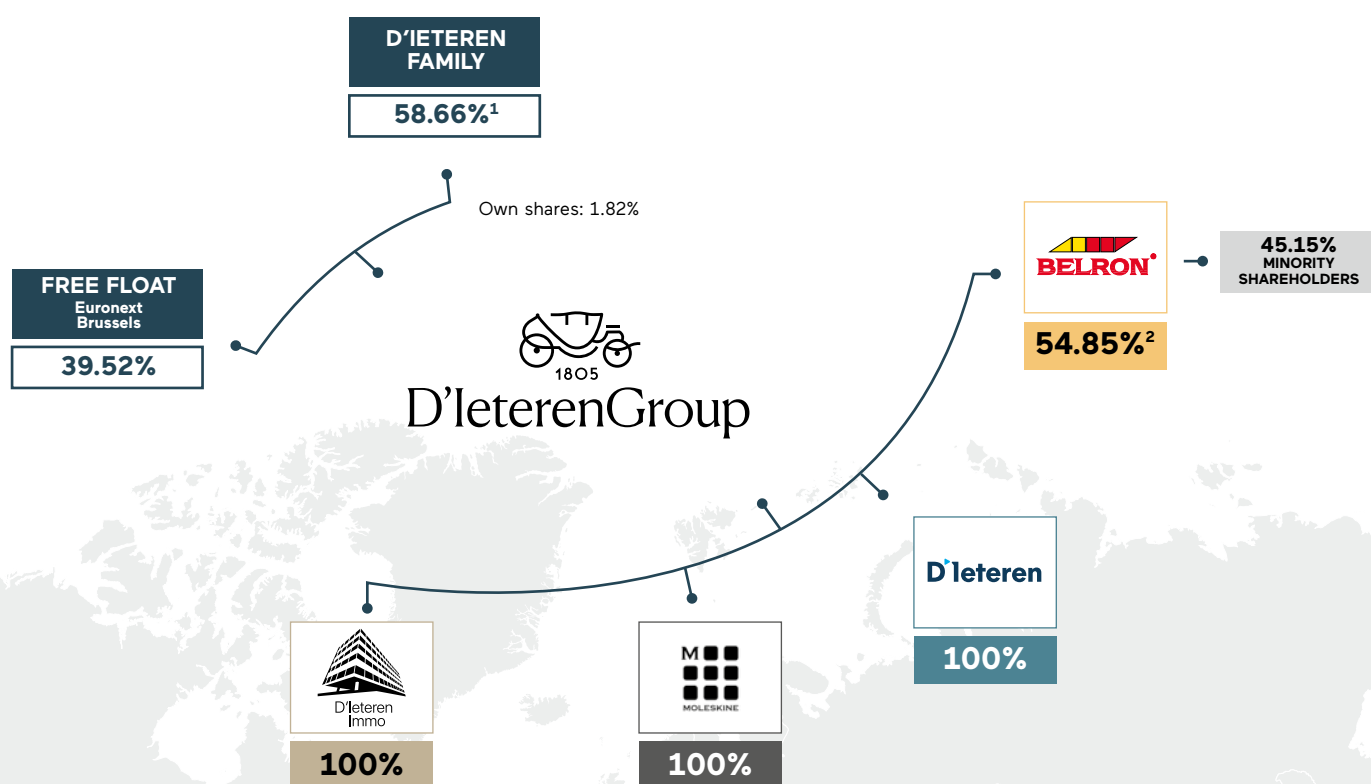


Content

D'Ieteren Group at a glance	2
Message from the Chairman	5
Message from the CEO	6
History	10
Our values	12
Our value creation	13
Overview of 2020	16
- Key figures per activity	18
- Key events	20
- Business environment	22
Operating Model	24
- Our active ownership approach	26
- Supporting our businesses in times of crisis	28
- Supporting our activities' sustainability journey	30
- Our investment approach	31
- Pursuing our targeted search	32
- Formalising our responsible investment approach	34
Our success story	36
Governance	38
Business reviews	42
- D'Ieteren Automotive	44
- Belron	54
- Moleskine	64
- D'Ieteren Immo	74
APMs	84

D'Ieteren Group at a glance

A family-controlled, listed investment company



1 Economic rights as at 31st December 2020

2 In voting rights

with an international portfolio

Since its foundation in 1805 in Brussels, D'leteren has been the name of a family of entrepreneurs, that has grown into what is today called D'leteren Group. It is the mission of our Group to build a family of businesses that reinvent industries in search of excellence and meaningful impact.

The Group currently owns four activities articulated around strong brands.

Belron

Belron is the worldwide leader in Vehicle Glass Repair, Replacement and Recalibration. In 2020 Belron served 14.9 million consumers in 40 countries with a focus on service quality generating the highest level of customer satisfaction. Belron is trading under more than ten major brands including Carglass®, Safelite® and Autoglass®. In addition, it manages vehicle glass and other insurance claims on behalf of insurance customers. Belron's purpose is to make a difference by solving people's problems with real care.

Financials

2020 sales: EUR 3.9 billion

2020 *adjusted* operating result: EUR 583 million

Workforce (average FTEs)

25,784

Moleskine

Moleskine is an iconic, inspirational brand born from the heritage of a legendary notebook. Its purpose is to unleash the human genius through hands on paper to empower creativity and knowledge in each individual and the entire world. Moleskine is based in Italy, Milano, and has offices in Köln, New York, Hong Kong, Shanghai and Tokyo. The company sells its products globally through a multichannel strategy (Wholesale, Retail, E-commerce and Strategic Partnership – former B2B). The product portfolio goes beyond the original notebooks to encompass planners, writing instruments, bags, reading accessories as well as a Smart Writing System and mobile apps.

Financials

2020 sales: EUR 102 million

2020 *adjusted* operating result: EUR -1.5 million

Workforce (average FTEs)

402.4

D'leteren Automotive

D'leteren Automotive is the exclusive distributor of Volkswagen brands in Belgium. The company distributes Volkswagen, Audi, SEAT, ŠKODA, Cupra, Bentley, Lamborghini, Bugatti and Porsche alongside spare parts and accessories. There are around 1.2 million VW-branded vehicles on the road in Belgium, and D'leteren Automotive enjoys a leading market share of more than 23%. D'leteren Automotive manages a strong network of independent dealers across the country and operates dealerships on the Brussels-Mechelen-Antwerp axis. To complete its offering, the company sells used vehicles (My Way and Audi Approved+) and provides maintenance, financing and leasing services through VDFin, a joint venture with Volkswagen Financial Services. The company's purpose is to build seamless and sustainable mobility for everyone.

Financials

2020 sales: EUR 3.2 billion

2020 *adjusted* operating result: EUR 99 million

Workforce (average FTEs)

2,187

D'leteren Immo

D'leteren Immo is responsible for the management of the real estate assets that are owned by the D'leteren Group in Belgium, most of which are rented by D'leteren Automotive. The assets include offices, workshops, concessions, logistics centres, residential units, parking lots and landbanks. Part of the activities includes the reconversion and redevelopment of sites that are no longer used by D'leteren Automotive. In addition to managing its own property assets, the company offers real estate advice and a range of services to the tenants of the properties in the portfolio.

Financials

2020 Net Rental Income: EUR 20 million

2020 Portfolio Book Value: EUR 195 million

Workforce (average FTEs)

41.5

In Memoriam



Message from the Chairman

Ladies and gentlemen,
Dear shareholders,

In many respects, 2020 was a year of upheaval.

And so it was too for the D'leteren Group which, with great sadness, suffered the loss of its leading figure of the past 50 years. I am speaking about my father, Roland D'leteren. I would like to pay a heartfelt tribute to a man who, for so many years, personified the culture and values of our group. Right up until his last breath, he devoted his life to the development of D'leteren S.A.

For more than two centuries, the transference of knowledge and values has been fundamental to our group's longevity. My father embodied — and passed on to the generations that followed him — many inspiring personality traits: a passion for a job well done, the entrepreneurial audacity to leave the well-trodden path, but also to remain attentive to others in a spirit of trust, support and respect. Today, it is with the same ardour that we will carry on his work, always bearing in mind this precious heritage that will continue to define us every day.

On behalf of all of us, in this beautiful Maison that was your whole life, and from the bottom of our hearts, we simply want to say thank you.

As I look back on this exceptional year, I would like to pay tribute to the courage and determination shown by each and every one of our employees in our activities, in an environment of unprecedented complexity. Faced with the announcement of the first containment measures, our teams responded boldly and creatively mobilised their resources to protect the health of our employees and customers.

Through agility and resilience, our teams were also able to accelerate their transformation strategy in a context that was not conducive to fundamental change. Belron has taken advantage of the opportunities in the growing market for recalibration of driver assistance systems to become the world leader, and this in both customer service and technician training. D'leteren Automotive continued to evolve and was able to respond to the needs of its customers in a market shaken by a slowdown in mobility needs, as

a result of the confinement measures. Moleskine took advantage of the crisis to launch an ambitious reorganisation programme, benefiting from the experience of its new CEO, who joined us in April 2020.

The results for 2020 are today a reflection of the energy deployed by our teams. On behalf of the Board of Directors, I would like to warmly congratulate them.

The year 2021 will remain an important moment in the history of D'leteren S.A., that of the carve-out of our automotive activity. The group and its historical activity, formerly united within a single legal entity, will now be two separate companies. This important change will allow both entities to focus their energy in a more targeted manner and thus achieve their respective objectives more efficiently. D'leteren S.A. will henceforth be known as D'leteren Group. And its automotive branch, D'leteren Automotive. To mark the occasion, each has been given a new visual identity.

Besides monitoring our existing activities, we continue to explore opportunities in established companies and remain open to promising projects from those with strong growth potential. Our research efforts remain focused on sectors where we believe we can add value. We remain flexible, however, as it is above all innovative ideas and entrepreneurial energy that appeal to us.

2021 is now well underway and there are encouraging signs of economic recovery. However, the operational, commercial and societal environments in which our activities operate have changed significantly. Conscious of this new set of circumstances, our teams are more than ever attentive to the evolution of new sectorial trends and to the exciting opportunities they offer, both from the point of view of our customers and our suppliers.

Ladies and gentlemen, shareholders, I hope that the forthcoming recovery brings us all many favourable opportunities and I thank you for your confidence.

Nicolas D'leteren
Chairman of the Board



Message from the CEO

2020 has been a very unusual year, not only for society at large, but also for us at D'Ieteren Group. When reflecting upon it now, I am convinced that we are coming out of this challenging period stronger, and more focused and determined than ever. And this thanks to the unwavering support and commitment of all our stakeholders, in particular our personnel, our leaders and their families, our customers and suppliers, and our shareholders. A big and warm-hearted "Thank you!"

An unusual year in many respects

First and foremost, and truly unexpectedly, on December 10, 2020, we lost our Honorary President, Roland D'Ieteren. He had been active in the company since his early years, and as CEO from 1975 to 2005 and Chairman until June 2017. He dedicated his entire life to the family business that carries his name and of which he was the sixth generation. Most notably he transformed D'Ieteren into a thriving international group with deeply entrenched humanity and strong values. He continues to be a source of inspiration to all of us, and will always be.

Throughout 2020, just like everyone else around the world, we have learned to live with the Covid-19 pandemic and its many implications. At D'Ieteren Group, D'Ieteren Automotive, Belron, Moleskine and D'Ieteren Immo, we have used a set of principles to deal with the crisis as it unfolded:

- Led by our values, we prioritised the safety and well-being of our people and customers above all, following governments' guidelines and rules in the respective geographies where the Group is active. In the case of car sales and after-sales activities in Belgium, we even designed and piloted Covid-safe operations that became the standard in the country after the first lockdown.
- The respective management teams stepped up in communication and leadership, instilling confidence and clarity towards the different organisations, both internationally and locally, and leveraging the technologies at their disposal, setting up daily video calls, weekly webinars, virtual town hall meetings, and extraordinary Board updates.
- We acted quickly and decisively in each of our businesses, to maintain our financial strength, and in reaching out proactively to all major customers and suppliers, with a strong focus on cash management. Also, a truly remarkable agility and flexibility has been demonstrated by our management teams and our people as the different phases of the pandemic unfolded, from lockdown to ramp up, from first to second waves, and this with uncertain timing and changing intensity in the different geographies throughout the year.
- Each of our activities also looked at concrete ways in which they could contribute to the vulnerable in the communities around them. Many volunteers came forward, and contributed both financially and with their energy and time.
As D'Ieteren Group, we redirected our initially planned dividend increase to a Solidarity Fund for our personnel and their families.

Lastly, at the end of the year 2020, we have also formally become D'Ieteren Group. The Belgian car distribution arm and all related activities, that had been part of the D'Ieteren s.a. legal entity structure so far, have been carved out into a separate subsidiary under the name D'Ieteren Automotive s.a. The management team that was already in place under the leadership of Denis Gorteman continues to be in charge of this important activity. A separate Board of Directors has also been appointed to oversee D'Ieteren Automotive. The new setup ensures a more dedicated structure, including appropriate financing, and gives more strategic flexibility going forward, in order to optimally anticipate future trends in the industry, and continue to be the natural choice for mobility in Belgium by building seamless and sustainable mobility for all.

Stronger, both in performance and resilience

We have delivered more than solid results in 2020, and the momentum at the end of the year is very promising for the future:

- Not surprisingly our top line remained below the record levels of 2019. Volumes were clearly affected by the different forms of lockdowns in both the spring and in autumn. At Belron, volumes decreased by 13% and we were able to limit sales decline to 7.8%. At D'leteren Automotive, the overall market was 22% down in number of new vehicles sold. We did manage to increase our market share, and completed the year with overall sales level that were 11.5% below 2019. At Moleskine, where many of the book retail chains and others were closed, activity was down, resulting in 38% less revenues.
- Our bottom line however surpassed the level of 2019 with 11.2% in our core "*Adjusted Profit Before Tax group share*" KPI, which is really a strong performance given the circumstances. It proves that cost containment has been central to our efforts this past year. Even when excluding the different government support schemes that existed in several countries, our absolute profit was up. It proves that the work we embarked on several years ago on continuous improvement is really working. In 2020 this was in particular driven by Belron, where operating margins increased by an impressive 511bps in one year.
- Even more spectacular has been the free cash flow generation over the year. The *adjusted* free cash-flow, is up € 335 million, or 599% versus 2019. It is a reflection of the cash preservation measures all teams around the world have been focusing on.

We have continued and even accelerated our investments in the *longer term resilience* of our activities, leveraging and confirming our multi-dimensional active investment model. Particular areas of focus during 2020 have included:

- At Belron, we have welcomed a new CFO on board, and the IT leadership team has been strengthened. From the summer onwards, we brought the "Fit For Growth" transformation program to a global level, in order to align and finalise the design of the future operating model of Belron in several key functional areas, like Customer Experience, Supply Chain, Finance, and Human Resources. This will allow us in 2021 and beyond to implement several important digitalisation programmes to the benefit of our customers and our personnel.
- At D'leteren Automotive, the leadership team was also strengthened with the arrival of a new CFO, and extended to include the Strategy & Transformation as well as Innovation functions. The Covid-19 crisis has triggered an acceleration of the transformation in light of a new Belgian automotive market reality. As a result of this, by the end of December 2020, a reorganisation involving 185 positions has been negotiated with our social partners, and was implemented.
- At Moleskine, upon the arrival of the new CEO in April 2020, the team has been reorganised, and a 'fewer, better, bigger' strategy has been defined. 2020 has clearly still been a transition year for the company. We are confident that the renewed focus will help Moleskine reconnect with its profitable growth strategy, once the pandemic is over.



These are just a number of examples of the topics we worked on together with the management teams of our activities. For about two years, we have structured our continuous dialogue with them around purpose and ambition, aligning ourselves on strategy, innovation and execution, as well as on the most appropriate organisational model and key people at the top. Not surprisingly, 2020 has been particularly focused on accelerating transformation.

Finally, we have pursued the implementation of our sustainability roadmap launched in 2019, focusing both on further deepening our responsible investment approach and on supporting our activities in implementing their own sustainability strategy. In terms of Responsible Investment, a highlight was the signing of the United Nations Principles for Responsible Investment (UN PRI) in October 2020. This commitment not only formalises our commitment towards contributing to a more sustainable future, but it will also ensure that our ESG approach, policies and reporting continue evolving in line with our stakeholders' expectations, leaving no best practice behind. As for our activities' own roadmaps, I'm particularly proud that all our activities managed to complete, and to start implementing their new sustainability strategy as part of their transformation journey. In doing so, they all address the non-financial aspects that are key for the Group – namely customer experience, people engagement and CO₂ emissions – in addition to tackling their own priority areas with new ambitions and action plans.

Pursuing our focused investment approach

We are particularly happy to have kept a strong cash position during 2020. In times like these we see it as a strength, one which gives us a solid base during prolonged periods of uncertainty. At the same time, it allows us the flexibility to act rapidly when opportunities arise.

With a systematic approach and with discipline, we have continued our investment strategy during 2020, in search of a limited number of additional growth platforms. Our focus areas consistently remain centred on Business Services, Mobility Solutions, Industry & Industrial enablers, and Lifestyle goods & services. Our investment criteria, which you will find listed in this report, remain constant as well.

* * *

It is with feelings of extreme gratitude that I conclude this letter. 2020 has been a year full of unforeseen events and deep emotions. Nevertheless it has been a successful and meaningful year for D'Ieteren Group. We could not have done it without our people, at Belron, D'Ieteren Automotive, D'Ieteren Immo, Moleskine and at the Group level.

Francis Deprez
CEO D'Ieteren Group

History

1929

D'leteren IPO

1805

Coachbuilding and wheelwrighting

Jean-Joseph D'leteren begins working as a coachbuilder.

1897

Vehicle bodywork

The D'letereans are among the first to produce bodywork for motorised vehicles in their new workshop.

1931

Automobile distribution

D'leteren becomes the distributor for US brands Studebaker, Pierce-Arrow, and Auburn.

1857

Horsecar bodywork

Alexandre D'leteren adds vehicle painting and garniture to his trade of coachbuilding and wheelwrighting.

1948

Volkswagen contract

Pierre D'leteren signs a contract to import vehicles manufactured by the Volkswagen group.

D'leteren Automotive carve-out

D'leteren carves out its vehicle distribution and retail business into a new fully-owned subsidiary. The two businesses, until then part of D'leteren SA/NV, become two separate entities: D'leteren Group and D'leteren Automotive, each of them receiving a new graphic identity and logo.



2016

Diversification with the acquisition of Moleskine

2021

1989

2011



Acquisition of Avis Europe

D'leteren enlarges its global footprint by acquiring Avis Europe, a leader in short-term vehicle rental. D'leteren remains shareholder of the company for 22 years and withdraws from short-term vehicle rental by selling its 59.6% stake to Avis Budget Group in 2011.



D'leterenGroup

1999

2018



Takeover of Belron

D'leteren takes over Belron, the world leader in vehicle glass repair and replacement.

Sale of a minority stake of Belron

D'leteren strengthens its investment capacity by selling a minority 40% stake in Belron to CD&R, an international investment company.

Acquisition of Moleskine

D'leteren acquires Moleskine, the world-renowned aspirational lifestyle brand.



Creation of D'leteren Immo

The real-estate assets of D'leteren are grouped into a new entity, D'leteren Immo.



Our purpose is to build a family of businesses that reinvent industries in search of excellence and meaningful impact.

Our values

As a Group, we aspire to uphold 5 key values that are the essence of our businesses. We live by these values and embrace them in everything we do.

Entrepreneurship

As a family business and a family of businesses, an entrepreneurial mindset is integral to our DNA. This innovative spirit is carried through all our activities, as we look for new opportunities and strive towards achieving excellence. We create value for our businesses by challenging and helping them strengthen and develop. We aim to drive change, progress and sustainable development into our businesses. For this reason, we welcome people who are driven by challenges, and we support them in developing the skills they need to thrive and sustain our businesses' market leadership positions.

Curiosity

A strong desire to learn is embedded in our history and it inspires our continued exploration of customers' needs and emerging sectors. This spirit of inquiry keeps us constantly alert to investment opportunities in meaningful businesses and to ways in which we can support their long-term value creation. This is why we encourage and foster our people's curiosity. Not only does it enrich their personal development, but also allows them to achieve their full potential.

Courage

Our long history has taught us that real transformation and growth usually require time and effort. To us, courage is about always doing our best, about persevering and about taking risks without the guarantee of success. In our journey to achieve excellence and meaningful impact, we do not fear stretching the boundaries or challenging ideas, but stand alongside our management teams when they act with reasoned boldness.

Care

As a family of businesses, we look after each other, support and enrich each other. We care about our people by ensuring their work environment is safe and career paths contribute to their well-being. We are also mindful that the welfare of our clients is both core to, and the ultimate goal of, our activities. Since we are aware of our responsibilities towards future generation, we are taking actions to reduce our environmental footprint and seek to create positive societal impact. This caring approach runs through our investment process which considers the impact of our activities on all our stakeholders.

Respect

Our investment philosophy is based on respect and integrity. The continuous and open dialogue that we have with our external and internal stakeholders is held in a respectful and open-minded way. And the close and long-term relationship with our management teams, that characterizes our shareholdership approach, is based on a permanent, open and respectful dialogue.

Our value creation

Investing in purposeful businesses and supporting them in creating value is at the core of what we do. At D'leteren Group, we are passionate about our businesses and together we embark on a journey towards long-term value creation for all our stakeholders.

In particular, we measure the value we create for our shareholders, people, customers and society as a whole.

For our shareholders

As a listed investment company, our core activity is to support our businesses to create long-term value and ultimately future financial returns for shareholders. We ensure a regular, open and honest dialogue with investors and take their long-term expectations into consideration. This dialogue creates mutual trust and contributes to a solid relationship.

For our customers

Our ultimate goal is to have a significant and positive impact on the lives of those who purchase our businesses' products and services. We aim to improve their quality of life through problem-solving and offering them services and products that will both support them and anticipate their future needs.

For our employees

We offer a safe and fulfilling environment for all our employees, conscious that they are core to our businesses' success. We realise that our employees are driven by meaningful and purposeful work where they feel appreciated and valued. Therefore, we are committed to offering opportunities for development and a good work-life balance that will contribute to a successful private and professional life.

For society

As a long-term investor, we contribute to a sustainable future by monitoring our environmental and societal impact. Our journey towards reducing our environmental impact contributes to the global effort to combat climate change and to offer the best quality of life possible for the next generations. Conscious of our wider environment, we also reach out to the communities in which our businesses operate with a view to improving their quality of life.

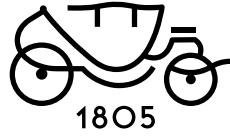
A constant dialogue held with our stakeholders

As we aim to create value for all our stakeholders, we make sure to hold an honest and open dialogue with them so as to learn about, and remain conscious of, their evolving expectations and needs.

First of all, as a majority shareholder of large companies, we make sure that our activities hold a dialogue with their main stakeholders, and we are ready to support formal processes in this respect (materiality assessments, employee surveys, customer surveys, etc.)

Second, as a family-controlled listed company, in addition to engaging with our employees, our shareholders and investors and liaising with our businesses, which are part of our day-to-day business, we hold a regular dialogue with representatives of authorities and civil society. This comprehensive dialogue approach, which includes interviews' preparation and analysis, is aimed at ensuring that the expectations of our stakeholders is not taken for granted, and that any new or emerging concerns are escalated to the executive team.

The 2020 stakeholder dialogue approach enabled both the group and its activities to highlight the UN Sustainable Development Goals to which they can bring a significant contribution. Further details are provided in the Non-Financial Disclosure of the Financial and Directors' Report.



D'leterenGroup

Our resources

FINANCIAL CAPITAL

Shareholding structure
- D'leteren Family 58.66%
- Free Float 39.52%
- Own shares 1.82%
Net cash position € 1.5 bn

HUMAN & INTELLECTUAL CAPITAL

A team of 18 people with diverse expertise: Investment, Governance, Legal, Strategy, Finance, Audit, Sustainability, Tax, Digital.

SOCIAL & RELATIONSHIP CAPITAL

- An international investment network (incl. investors, advisors and partners).
- A dialogue with authorities, civil society and communities founded on a strong anchor in Belgium.

Our operating model

› Driving the long-term performance of our businesses by supporting managers with patient capital, strategic insight and an operational sounding board. (p. 26)



› Extending towards a handful of businesses by investing in a selected number of platforms which are leaders in their markets and benefit from concrete opportunities to generate value over long periods of time. (p.31)

Our ecosystem

- 2020 economic and financial environment (p. 22)
- Dialogue with our stakeholders (p. 13)

Our value creation

› Through our activities

FOR OUR PEOPLE

Engagement, motivation and well-being of our people is key and we strive to create meaningful and purposeful environments in which they can operate

Employee satisfaction

- Belron: 86.0%
- D'Ieteren Automotive: 63.3%
- D'Ieteren Immo: 73.8%
- Moleskine: 67.4%



€ 1,615m
Employee Benefits¹



€ 8.5m
Allocated to the Covid-19
Solidarity Fund²

FOR OUR CUSTOMERS

Customer satisfaction is the core objective of our businesses.

Customer satisfaction

- Belron NPS: 84.9%

All the other activities launched a new customer satisfaction survey in 2021.



€ 15.8m
Research and Development

FOR OUR SHAREHOLDERS

Satisfied customers and engaged people create superior value, including superior financial returns for shareholders.

Adjusted Free cash-flow

- Belron: € 429m
- D'Ieteren Automotive: € 172m
- Moleskine: € 1m
- D'Ieteren Immo: € 2m



€ 53.9m
Shareholder Dividend³



€ 268.4m
Total Investments

FOR SOCIETY

We are conscious of our impact and we take care of our environment.

2020 carbon footprint (Scope 1 & 2 emissions)

- Belron: 136,480 tCO₂
- D'Ieteren Automotive: 7,764 tCO₂
- Moleskine: 474 tCO₂
- D'Ieteren Immo: 160 tCO₂

All activities launched their new sustainability strategy in which they committed to have an emissions reduction plan in line with SBTs by 2022.



€ 29.9m
Corporate Income tax⁴

€ 605.8m
Total VAT⁴

Community engagement

All activities have their own philanthropic initiative

- Belron: Afrika Tikkun + local donations
- D'Ieteren Automotive: Give & Gain
- Moleskine: Moleskine Foundation



€ 150,000
D'Ieteren Group's Donations

¹ Including social contribution, post-employment benefits, and other advantages.

² This programme is aimed to help employees of D'Ieteren Group suffering hardship as a consequence of the Covid-19 crisis.

³ Paid in 2020.

⁴ Paid in Belgium.

Overview of 2020



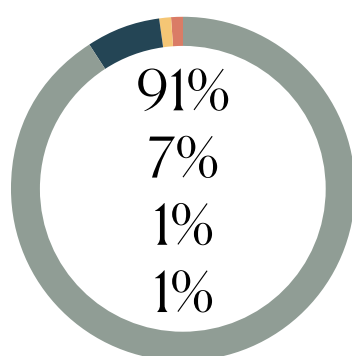


Key figures per activity

Average Workforce

28,445

average full time equivalents in 2020

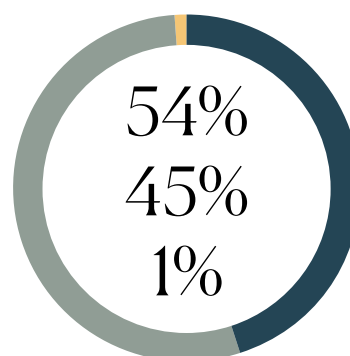


- 91% - Belron
- 7% - D'leteren Automotive
- 1% - Moleskine
- 1% - Other

Combined Revenues³

7,216.8

EUR million in 2020



- 54% - Belron
- 45% - D'leteren Automotive
- 1% - Moleskine

(average full time equivalents)	2019	2020	Change
D'leteren Automotive	2,011	2,187	+8.8%
Belron	29,121	25,784	-11.5%
Moleskine	559	402	-28.0%
Other	59	71	+20.8%
Total	31,750	28,445	-10.4%

(EUR million)	2019	2020	Change
D'leteren Automotive	3,634.9	3,215.7	-11.5%
Belron	4,228.1	3,898.8	-7.8%
Moleskine	163.9	102.3	-37.6%
Total	8,026.9	7,216.8	-10.1%

Combined *Adjusted* Operating Result^{1,3}

661.5

EUR million in 2020

Adjusted Result before tax^{1,2}, Group's share (Group KPI)

332.7

EUR million in 2020

(EUR million)	2019	2020	Change
D'leteren Automotive	119.1	98.9	-17.0%
Belron	416.4	583.1	+40.0%
Moleskine	18.9	-1.5	N/A
Other	-15.3	-19.0	N/A
Total	539.1	661.5	+22.7%

(EUR million)	2019	2019	Change
D'leteren Automotive	128.4	102.8	-19.9%
Belron	171.7	248.2	+44.6%
Moleskine	9.5	-13.5	N/A
Other	-10.3	-4.8	N/A
Total	299.3	332.7	+11.2%

1 Excluding adjusting items (APMs - see glossary on page 84).

2 53.75% stake in Belron in 2020 and 2019 (restated).

3 Including 100% of Belron.

Direct CO₂ emissions (tons)

2019

2020

MOLESKINE

Scope 1	184	73
Scope 2 (market-based)	394	415
	578	488

BELRON

Scope 1	149,000	117,001
Scope 2 (market-based)	23,000	19,479
	172,000	136,480

D'IETEREN AUTOMOTIVE

Scope 1	8,578	6,760
Scope 2 (market-based)	1,1003	1,004
	9,681	7,764

D'IETEREN IMMO

Scope 1	148	143
Scope 2 (market-based)	16	17
	164	160

Key events

MARCH

Appointment of Humphrey Singer as CFO of Belron

Belron welcomed Humphrey Singer, its new Chief Financial Officer. Humphrey brings a wealth of financial experience, most recently at Marks and Spencer Group plc, where he was Chief Financial Officer. Prior to this, he held the role of Group Finance Director at Dixons Carphone plc, having spent over ten years in various global roles at the business.



APRIL

Introduction of the D'leteren Group Solidarity Programme

D'leteren SA launched a solidarity programme to help employees of D'leteren Group suffering hardship as a consequence of the Covid-19 crisis. To that effect, the Board of Directors proposed to the General Meeting a stable gross dividend per share compared to the previous year in order to allocate the initially planned dividend increase to the programme. The latter was also open to personal contributions from Board members, managers and employees of the Group, which brought the total amount to approximately € 8.8m



Appointment of Daniela Riccardi as CEO of Moleskine

Daniela Riccardi joined Moleskine as new Chief Executive Officer. Prior to this, she was the CEO of Baccarat for seven years. The arrival of Daniela Riccardi brought with it a rediscovery of the brand's origins, which has inspired the new mission and roadmap of Moleskine.

JULY

Appointment of Réginald Gillet as CFO of D'leteren Automotive

Réginald Gillet was appointed as the new Chief Financial Officer of D'leteren Automotive. Réginald brings years of finance experience thanks to a diversity of leading roles, notably within Carrefour (one of the largest food retailers in the world.)



SEPTEMBER

'Spirit of Belron' Challenge around the world

The 2020 'Spirit of Belron' challenge was transformed into a global virtual event with the aim to raise money for Afrika Tikkun, the charity supported globally by Belron. This virtual version raised a total of €1.7m thanks to the participation of 7,300 people who ran and swam 166,729km. The funds raised have been used to provide food and to meet the basic needs of 20,000 young people in South Africa.



H2O project on the Erps-Kwerps site in Kortenberg

D'leteren Immo launched the H2O project to make a better use of the green energy produced thanks to the photovoltaic panels on the Erps-Kwerps site. H2O is the implementation of an intelligent system for storing the surplus self-generated energy in a highly secure battery container, what allows a better use of this electricity, according to the site's needs.



OCTOBER

D'leteren Group signs the UN Principles for Responsible Investment

In October 2020, D'leteren Group became a signatory of the United Nations-supported Principles for Responsible Investment (PRI), reflecting its commitment to including environmental, social and governance (ESG) factors in its investment decision-making and active ownership policies. The UN PRI is the world-leading network of investors working together to put principles of responsible investing into practice. The Group will perform its first reporting on a voluntary basis in 2021.

Signatory of:

**Reinvention of a site of D'leteren Immo via the project Circularium**

D'leteren Immo innovated with the project Circularium in Anderlecht, Brussels. The project consists of the transformation of a 20,000m² industrial area previously used as a car showroom into a centre dedicated to circularity and cultural life. It creates a vibrant neighbourhood that is a place to work, live and meet for more than 20 tenants, all of whom are entrepreneurs active in the Circular Economy.



NOVEMBER

One-millionth recalibration at Belron

During the month of November, Belron completed its one-millionth recalibration, reaching a record number of 1.1 million recalibrations in 2020.



DECEMBER

Increase in Moleskine's online sales

Online sales reached one third of total sales, showing an increase in online sales volume compared to 2019. The two most important platforms were Amazon and Moleskine's own website. An important digital transformation plan was launched, including amongst others a state of the art CRM, e-commerce and digital media platforms.

**D'leteren Automotive – Launch of the ID3, the first fully electric vehicle on the new VW platform**

The launch of the new ID3 marked the beginning of a new era in mobility at Volkswagen. The various electric vehicle models of the VW Group (including the Audi e-tron, Porsche Taycan, e-Golf, e-up, ŠKODA Citigo and SEAT Mii), enabled D'leteren Automotive to lead sales of electric models in Belgium with a market share of 24.4% in 2020.





Business environment

Global recession induced by the Covid-19 pandemic; timing of the complete recovery still uncertain

With the global economy estimated to have contracted by 4.3%, 2020 was undoubtedly a year of economic hardship. This was underpinned by unprecedented social distancing and lockdown measures, which caused a sudden shock in both demand and supply during the first half of the year, before global output picked up in the third quarter as containment measures were eased, businesses restarted and spending resumed. Economic activity was hit most severely in Europe (real GDP contraction of 7.4%) where a resurgence of Covid-19 infections in the fourth quarter is delaying an already fragile recovery.

The Covid-19 pandemic and related economic policy response have triggered a surge in global debt levels to historic highs and further exacerbated existing debt-related risks. Unprecedented widespread monetary and fiscal policy accommodation have fuelled financial markets, lowered borrowing costs and supported credit extension. Policy makers now face considerable challenges to nurture the

still fragile economic recovery and lay the foundations for longer-term sustainable growth.

While 2020 did shed more light on some international trade and geopolitical issues (e.g. Brexit deal, US presidential elections and easing US-China trade tensions), the economic outlook remains uncertain and will depend on various factors such as the duration and magnitude of new Covid-19 outbreaks, the degree to which these can be contained, the time it takes for widespread effective vaccination and the extent to which fiscal and monetary measures will continue to support demand.

V-Shaped recovery in the Mergers & Acquisitions (M&A) market

Global M&A activity was robust in 2020 with the total value of deals reaching \$3.6 trillion, down only c.6% from 2019 and still slightly above the 10-year average of \$3.5 trillion. Notably, a significant increase in deal value and number of megadeals helped offset the decline in deal volume, especially in Europe where the M&A market value was almost steady compared to 2019. The year was very much a tale



of two halves, with a strong bounce in takeover activity occurring from July. This marked a dramatic recovery from the first semester when the outbreak of the Covid-19 crisis brought dealmaking to a standstill. Debt and Equity capital markets reached record high activity, owing to companies' liquidity needs and generally supportive financial markets sustained by aggressive actions from major central banks.

Despite Covid-19, ever-increasing valuations and more aggressive dealmaking processes

Global shocks to the economy have historically led to lower valuations and the same was typically expected to occur with Covid-19. Instead, both public and private valuations have been soaring, mainly driven by the rebound in investors' sentiment and their willingness to pay for growth, the abundance of capital stemming from loose financial conditions and cash-rich companies following stringent liquidity measures and significant support from governments and central banks, as well as heightened competition for premium assets. The resulting price inflation was very much the case in private equity deals, where deal valuations have

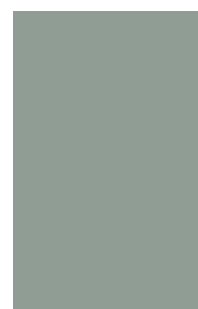
reached a 10-year high (2020 average EV/EBITDA deal multiple of 12.5x in Europe).

While higher valuations usually imply higher risk and call for prudence and discipline, the fierce demand for quality businesses across sectors (especially in digital and technology) from a large number of increasingly varied and professional investors led to more aggressive dealmaking processes.

However, heightened valuation multiples do not necessarily mean overpaying but it certainly requires Boards and Investment Teams to be more prepared than ever, with well-defined value creation plans articulated around both financial and non-financial dimensions. 2020 has clearly acted as a catalyst for topics such as digital transformation or decarbonisation and other ESG considerations, which are now increasingly influencing investment decisions and value creation. The traditional value creation levers of growth, leverage and cost reduction therefore need to be addressed in combination with these new dimensions in order to create sustainable value over the long term.

Operating Model





Our active ownership approach

Supporting our businesses is at the core of what we do. We strive to work in genuine partnership with our strong management teams.

Our responsibilities in these partnerships are threefold:

Support and create value over the long-term

We are committed to the development of our companies over the long term. We are therefore prepared to take measured risks and to reinvest in these companies to help them grow and reinvent their business models. Typical levers to achieve value creation include: revenue growth, operational excellence, digitalisation and technology, financial structure optimisation, and sustainability.

Contribute

We are actively involved in our businesses. Our added value lies in our ability to challenge and help them strengthen, develop and innovate, while respecting management's autonomy. We offer support through strategic and leadership insights, as well as operational and financial sounding boards. Typically, this support is articulated around seven dimensions, with sustainability as a cross-dimensional factor:



We are willing to invest our own human resources in specific ad hoc projects if we believe there is significant value creation potential. More importantly, we focus on building capabilities within our businesses to ensure effective and sustained execution.

Engage

The partnerships with our management teams rely on a permanent, open and transparent dialogue. In terms of governance, we set up efficient and effective governance bodies, ensuring a swift decision-making process and providing the necessary checks & balances. We like to engage with everyone across an organisation, from senior management to shop floor operators. We listen and take the time to understand their culture, vision and ways of working.

We are prepared to take measured risks and to reinvest in our activities to help them grow and reinvent their business models.



> Supporting our businesses in times of crisis



*Interview of
Arnaud Laviolette
D'leteren Group CFO*

The year 2020 was marked by the arrival of Covid-19. What were the main challenges facing the different businesses and what was the approach of the D'leteren Group to support them through this?

The group, and its different businesses, very rapidly gauged the crisis that was forming and proceeded to ensure that examples of good practice put in place in one of our businesses could also be useful to the others.

We had several priorities:

- **Firstly, protecting our employees and our clients.** Measures were put in place to ensure our employees were able to operate in the best and safest working conditions, and remote working was immediately encouraged where possible. To name a few concrete examples, Belron offered solutions that sanitised car interiors with vaporising sanitary products. And at Belron and Moleskine, measures were put in place to secure supplies, notably originating from China. At D'leteren Automotive, the showrooms were fitted

to guarantee social distancing. At the Group level, the shareholders agreed on a wide-ranging solidarity programme that would help the co-workers and their families who were most affected by the consequences of the sanitary crisis.

- **From the start of the pandemic, helping society and our fellow citizens** who were facing unprecedented challenges. As a family business and shareholders in four substantial businesses, we took steps in different ways. D'leteren Automotive was able to maintain automotive services for the medical and first response teams in Belgium. Belron distributed masks and gloves to medical personnel. D'leteren Immo distributed masks and protective suits to healthcare professionals and fire-fighting units.
- **Preserving our financial stability.** As we did not know how long the crisis would last, we were particularly careful to maintain high treasury levels by taking voluntary actions on our working capital; for example by increasing the RCF line from €280m to €400m

at Belron; by speeding up receivables recovery at D'leteren Automotive and Moleskine and by reducing the capital expenditure to what was strictly necessary.

- **Maintaining sufficient margins by managing strictly our costs**, as volumes were under pressure in each of our businesses. We also worked on job flexibility, took advantage of technical or temporary unemployment measures where possible, tried to make our costs more variable, renegotiated certain contracts, established agreements to suspend rent payment when offices and sites were closed, and redirected marketing budgets towards digital.
- **Accelerated transformation plans that were in preparation**. Each of our businesses had been working on transformation plans before the crisis, the implementation of which was due to be spread out over time. Faced with the crisis, however, these plans were considerably sped up. For D'leteren Automotive, who anticipated a faster evolution in the habits and demands for mobility, a large-scale social plan had to be put in place leading to around 200 collaborators leaving the group at the end of the year 2020.
- **Coming out of the crisis stronger, bouncing back and seizing growth opportunities** when the recovery started at the end of spring and in the summer. Belron quickly put their teams back to work, guaranteeing an unequalled satisfaction level. Our automotive business, meanwhile, was able to deliver a record number of cars during the summer period thanks to the engagement of our personnel.

What has been the capital allocation strategy in 2020 at the Group level, and at the business level?

At the Group level, the capital allocation strategy has not fundamentally changed. We maintained a prudent policy in terms of cash levels and dividend distribution by allocating a portion of the dividends to the solidarity fund set up for the colleagues and their families who were facing difficulties. Considering the uncertainty, our share repurchase programme was suspended until further notice.

Our businesses managed to generate important cash flows during the past financial year, and we continued to support them through these difficult times. This was the case with each of our businesses, but particularly for Moleskine, which saw most of its

distribution channels suffer in 2020 and who finalised a refinancing plan to which the Group provided important support.

And lastly, in a systematic and disciplined manner, we looked at several growth prospects for our businesses, as well as different investment opportunities for the group in one or more new pillars. Unfortunately, the conditions were not met to materialise these and we will continue our origination efforts in 2021.

What were the lessons from the COVID-19 crisis for the D'leteren Group? What are the sustainable changes it will have engendered in the strategy of the group and its businesses?

It is often in times of crisis that the biggest difference can be made. Our businesses have shown great resilience and have ended the year in stronger competitive positions. This crisis will have proven their capacity to quickly perceive a change in the external environment and to show great reactivity with considerable efforts and an exceptional ability to focus their energies.

Furthermore, digital technology has clearly accelerated the arrival of new practices of remote working, virtual interactions and online commerce, which are likely to have a long-lasting impact. Our businesses, as leaders in their field, will need to seize the opportunities of this evolution if they want to avoid being challenged by new players. That is why we have decided to accelerate the digitalisation of our processes and our client interaction for each of our activities.

All our businesses have also evolved and are now paying a much higher level of attention to ESG. We are witnessing an increasingly acute awareness for all related ESG aspects from our clients, our suppliers, authorities, and stakeholders. This is why we decided to maintain our ambition to help each of our businesses develop a strategy of sustainable development centred on critical societal impacts. We were also able to instil in each of our businesses a process to measure all the non-financial key indicators of the group (direct CO₂ emissions, personnel engagement, and client satisfaction), which should allow us to fine-tune our ambitions in 2021 with regards to these indicators.

Lastly, it is our almost 29,000 colleagues who make the biggest difference every day. We will continue to invest in their development, their leadership, and their capacity to be at the service of our clients.

> Supporting our activities' sustainability journey

After leading materiality and maturity analyses in 2019-2020, all activities have defined a sustainability road-map focused on their most material aspects. A deep reflection about their sustainability strategic areas have led some of our activities to develop dedicated action plans and measurement processes, or to challenge their existing ones. In particular, D'Ieteren Automotive has decided to go through a new programme, including the launch of a widespread customer survey, to specify its ambitions related to its strategic goal of building seamless and sustainable mobility for everyone.

Regarding the D'Ieteren Group KPIs, all activities have improved the measurement of their performance regarding their direct CO₂ emissions, client satisfaction and employee engagement. Some of them have renewed their measurement process (for example, Belron and Moleskine for Employee Satisfaction, as well as D'Ieteren Automotive for Customer Satisfaction).

Supporting value creation for people, customer and society

<u>AMBITION</u>	<u>ACHIEVEMENT 2020</u>	<u>GOAL 2021</u>	<u>TOWARDS 2025</u>
All activities reach a level of excellence regarding the 3 Group non-financial KPIs: People engagement, Customer Satisfaction, CO ₂ emissions	<p>Goal: All activities set up or challenge their measurement process regarding the 3 KPIs.</p> <p>Status : Achieved</p>	<p>All activities set up their own ambitions and strategies concerning the three KPIs.</p> <p>All activities initiate a plan to reduce their carbon emissions in line with the SBT initiative.</p>	Progress measurement

Support performance on business specific material aspects

<u>AMBITION</u>	<u>ACHIEVEMENT 2020</u>	<u>GOAL 2021</u>	<u>TOWARDS 2025</u>
All activities have a strong sustainability strategy including quantitative targets and proper progress measurement process	<p>Goal: All activities state their ambitions regarding their most material non-financial aspects, and define related roadmaps.</p> <p>Status: Achieved All activities have defined strategic areas and related roadmap based on the results of their materiality analysis. For some of these aspects, they have defined a target with a time horizon, and set up a measurement process.</p>	All activities have defined quantitative targets with a time horizon concerning their strategic axes.	Progress measurement

Our investment approach

D'leteren Group has the ambition to invest in a selected number of platform companies which are, or have the potential to become, leaders in their markets and benefit from multiple opportunities to generate value over the long-term for employees, customers, society and shareholders. We have a responsible and sustainable approach to investment and ownership and are a committed signatory of the United Nations Principles for Responsible Investment.

Convinced that intimate industry knowledge is needed to generate meaningful value, our origination efforts focus on four investment areas:

- Business Services
- Industrials
- Mobility Data And Services
- Lifestyle Goods And Services

D'leteren Group is continuously building expertise in these sectors through dedicated teams. We look for companies with sustainable competitive advantages operating in attractive markets, and which are well-positioned to capitalise on positive macro trends such as sustainable development, professional service outsourcing, new mobility, industry 4.0 automation, as well as digitalisation.

The Group's investment efforts are articulated around clearly identified criteria across 4 dimensions:

MARKET

- Large market underpinned by long-term sustainable growth trends
- Preference for fragmented market with consolidation opportunities

BUSINESS MODEL

- Proven and scalable business model with global reach potential
- Sustainable competitive advantages
- Ability to generate superior returns for employee, customers, society and shareholders

MANAGEMENT TEAM

- Proven and scalable business model with global reach potential
- Sustainable competitive advantages
- Ability to generate superior returns for employee, customers, society and shareholders

DEAL STRUCTURE

- Proven and scalable business model with global reach potential
- Sustainable competitive advantages
- Ability to generate superior returns for employee, customers, society and shareholders



*Interview of
Nicolas Saille
Head of M&A*

> Pursuing our targeted search

Generally speaking, what has been the impact of the crisis on your search for new investments?

Let's first remember that in March 2020 we experienced a "perfect storm" scenario with the combination of the health crisis and the resulting economic consequences of containment, and a major oil crisis. These two phenomena caused temporarily a major correction in the stock markets and a sharp decline in debt available to finance acquisitions.

Uncertainty and increased risk aversion led many potential sellers to suspend or cancel asset sale processes. M&A transactions naturally become much rarer, except in a few sectors such as technology or life sciences (pharma, biotech, MedTech).

The difficulty of being able to establish face-to-face contacts and travel restrictions also played an important role in our search for new investments. We experienced a fall in activity for a few months, during which time we focused on our existing activities as well as on a limited number of new opportunities identified previously, and on which we deepened our knowledge.

However, once the virus had been better understood and put into a more global context, particularly with the work on vaccines, general market sentiment improved significantly and the debt market reopened. Many investors chose to look beyond the economic downturn of 2020 and turned their attention to the expected rebound in 2021 and 2022. In the fourth quarter of 2020, we have seen and participated in a series of more lively discussions, reflecting a revival of M&A activity in Europe across a wide range of sectors.

In the significant number of investment opportunities you studied in 2020, what were the main characteristics of the companies considered?

We reviewed more than a hundred cases in 2020, which is less than we did in 2019, for the reasons mentioned above. On the other hand, we worked in detail on some of them, which we still have on our radar today, while some others did not materialise for us.

These potential acquisitions are mainly European Business Services companies or companies active in the Industrials space, which have a global reach and which we see as platforms for growth (organic and inorganic) benefiting from significant know-how and good profitability.

Your cash reserve has increased in 2020. Has this affected your investment approach?

Our cash reserve has indeed increased to more than €1.4 billion, due to the good performance of our activities. This has not changed the way we approach investment research except that we have increased the size of our investment team, which now consists of seven people.

What has the Investment team learnt from the crisis? Has the crisis prompted you to consider new sectors or investment themes?

This year's lessons have come from the health and economic crisis as well as the current context of low interest rates and abundant liquidity in the markets which make the investment business very competitive, with many different sources of capital (private equity funds, sovereign wealth funds, long-term funds, family funds, etc.) available for quality assets.

After reflection and considering the experience gained in 2019 and early 2020, we have decided to adapt our sectors of interest by modifying one of them and deprioritising another. Our "Mobility, Transport & Logistics" practice has been transformed into "Mobility, Data & Services" which focuses less on traditional mobility related businesses and more on breakthrough or innovative models benefiting from long-term positive market trends. We have also decided to temporarily deprioritise our research in the Lifestyle Goods & Services segment. Finally, we have decided to open up the possibility of also considering smaller investments, in order to expand opportunity consideration.

Among the other lessons of the year, we can mention the possibility of carrying out transactions in a virtual way, thanks to the numerous communication and exchange tools and platforms. We have adapted to these, even though we prefer to build relationships with the various stakeholders in person.

The importance of digitalisation has in many ways been further emphasised during this health crisis. This transversal theme remains at the heart of our concerns, as an investment criterion, a competitive advantage or an area for improvement in our search for new activities.

Finally, we have also decided to place ESG considerations more at the centre of our investment research. We have therefore incorporated an ESG angle into our origination approach upstream of the more in-depth analysis phases, in the development of our investment proposal and during our due diligence exercises.



> Formalising our responsible investment approach

In terms of ESG reporting, the activities have now adapted the structure of their disclosure in line with their respective sustainability roadmap and strategic axes. All activities, including D'leteren Immo for the first time, are aligning their reporting to the topic specific GRI standards - option Core. The next steps will be to further support our activities in applying the recommendations of the TCFD (Task Force on Climate-related Financial Disclosure).

D'leteren Group also provided for the first time an ESG statement, which includes more generic non-financial data covering for example employee-related or environment data (see page 185 on the Financial and Directors' Report).

D'leteren Group initiated in 2020 a process of independent limited assurance on a selection of non-financial KPIs. Our ambition is to continue expanding the scope of our independent limited assurance to cover all ESG data, starting with strategic and group KPIs.

Providing investors with detailed and reliable non-financial reporting

<u>AMBITION</u>	<u>ACHIEVEMENT 2020</u>	<u>GOAL 2021</u>	<u>TOWARDS 2025</u>
D'leteren Group publishes a non-financial reporting aligned with the most recognised standards and recommendations.	<p>Goal: D'leteren Group publishes a non-financial reporting in line with GRI and SASB standards.</p> <p>Status: Achieved All activities, including for the first time D'leteren Immo, have issued a non-financial reporting in line with the topic specific GRI standards. The structure of the reporting was based on SASB standards, among other sources. The Group also published its first ESG statement.</p>	All activities start implementing the TCFD recommendations.	Continuous improvement, including with regard to the implementation of the EU Taxonomy.
D'leteren Group's non-financial reporting gets independent limited assurance.	<p>Goal: Reporting 2020 gets independent limited assurance on a first selection of KPIs for Belron, D'leteren Automotive and Moleskine.</p> <p>Status: Achieved First independent limited assurance obtained for a selection of KPIs regarding the three activities.</p>	Independent limited assurance scope is expanded to a second selection of KPIs, including for D'leteren Immo.	All Group KPIs and material KPIs receive independent limited assurance. The scope of the assurance is extended to cover the whole ESG statement.

Embedding sustainability in the investment process

<u>AMBITION</u>	<u>ACHIEVEMENT 2020</u>	<u>GOAL 2021</u>	<u>TOWARDS 2025</u>
ESG is embedded in all stages of the investment process.	<p>Goal: 100% of investment cases in final phase include a sustainability analysis.</p> <p>Status: Achieved All investment cases have included a sustainability analysis in a final phase of the investment cycle (investment thesis).</p> <p>D'leteren Group became a signatory of the UN PRI.</p>	<p>100% of investment cases include a sustainability analysis throughout the investment cycle.</p> <p>D'leteren Group publishes its Responsible Investment Charter.</p> <p>First PRI reporting (on a voluntary basis).</p>	Continuous improvement and alignment on national and EU regulations.

Our success story:

Building resilience by balancing risks and opportunities

The success of D'leteren Group's family of businesses depends on its ability to mitigate risks and to turn them into opportunities. Comprehensive risk management and internal control systems are implemented to identify, assess and mitigate all possible risks. These mitigating actions ensure sustainable success, the protection of our reputation and the achievement of strategic objectives, both financial and non-financial. For more details regarding the mapping of our risks, their potential impacts and our mitigating actions, please refer to our financial report on p. 104.

With regards to financial risks, the process includes the review of internal and external Audit plans (including IT Audit missions and fraud risks), strategic plans, annual budgets and monthly financial results as well as key performance indicators. The adoption of accounting procedures ensures the consistency, integrity and accuracy of the company's financial records. The financial statements are prepared by the activities' accounting department in accordance with the International Financial Reporting Standards (IFRS). The consolidation is performed on a centralized accounting IT system to ensure consistency and adequacy of accounting policies with those of D'leteren Group, and the application of IFRS is discussed with the Statutory Auditor and in the Audit Committee. The financial information processes are covered by specific procedures, follow-up checks and rules of validation. More generally, financial risk is managed through a prudent approach towards financial leverage and liquidity at all levels.

As for ESG aspects, given the rising impact climate change can have on businesses, D'leteren Group is working to commit to the Task Force on Climate-related Disclosures (TCFD) and to bring its reporting in line with their recommendations. The long-term nature of climate change also implies a longer-term horizon with regards to risk identification and mitigation, both regarding transition and physical risk.

For each activity, a materiality analysis has been conducted. This latter provides in-depth and personalized analysis based on market studies, dialogues with the main stakeholder groups and discussions with their management. At the end of this materiality analysis, topics that significantly influence the organisation have been highlighted and brought to light as material risks or opportunities.

D'leteren Group sees its environment as a whole and through a comprehensive risk management system transforms its main risks (both financial and non-financial) as engines to reach excellence. In 2020 we have highlighted three main risks out of our risk mapping in order to give an overview as to how concretely ongoing risks are assessed and how they can, if well managed, bring lessons learned and opportunities and trigger innovations.

- Today more than ever our activities rely on digital technology and data to offer the best services and products that suit today' and tomorrow's customer needs. Hence, cyber security and data privacy have come at the forefront of our attention.
- The Global Health crisis, by its unexpected character, has shown D'leteren Group's and its activities' capacity to be proactive, flexible and resilient in face of uncertainty.
- D'leteren Group sees environmental challenges as an opportunity to foster the Group's sustainable growth while contributing to preserve the environment for the generations to come.

TAKE ADVANTAGE OF THE DIGITAL WORLD

As part of their operations, each activity collects, processes, and analyses data to understand its customers better and use IT systems to operate efficiently.

While this also embeds several risks, applying rigorous controls and regulatory compliance protocols and directing these technologies with agility also offer great opportunities, be it on the operations efficiency or on the customer experience.

TAKE APPROPRIATE MEASURES

- Ensure GDPR compliance through well-defined processes
- Cyber-security & Data privacy dedicated personnel and investments
- Software and physical control
- Personnel training

PROTECT EMPLOYEES, CLIENTS HEALTH & SAFETY AND BUILD RESILIENCE

D'leteren Group and its activities have built and shown resilience to the ongoing global health crisis by adopting a proactive and dynamic behaviour to overcome adversity.

Aligned with our values, priority was given to protecting employees and customers by following strictly and facilitating governmental recommendations everywhere we operate.

This crisis and the way the activities and the Group responded to it has also triggered an acceleration of the transformation of our activities, which are now well prepared to face their rapidly evolving ecosystem.

TAKE APPROPRIATE MEASURES

- Adopt governmental recommendations
- Encourage and facilitate homework
- Ensuring the best customer service possible while assuring safety
- Accelerate transformation
- Contain costs
- Preserve financing and liquidity

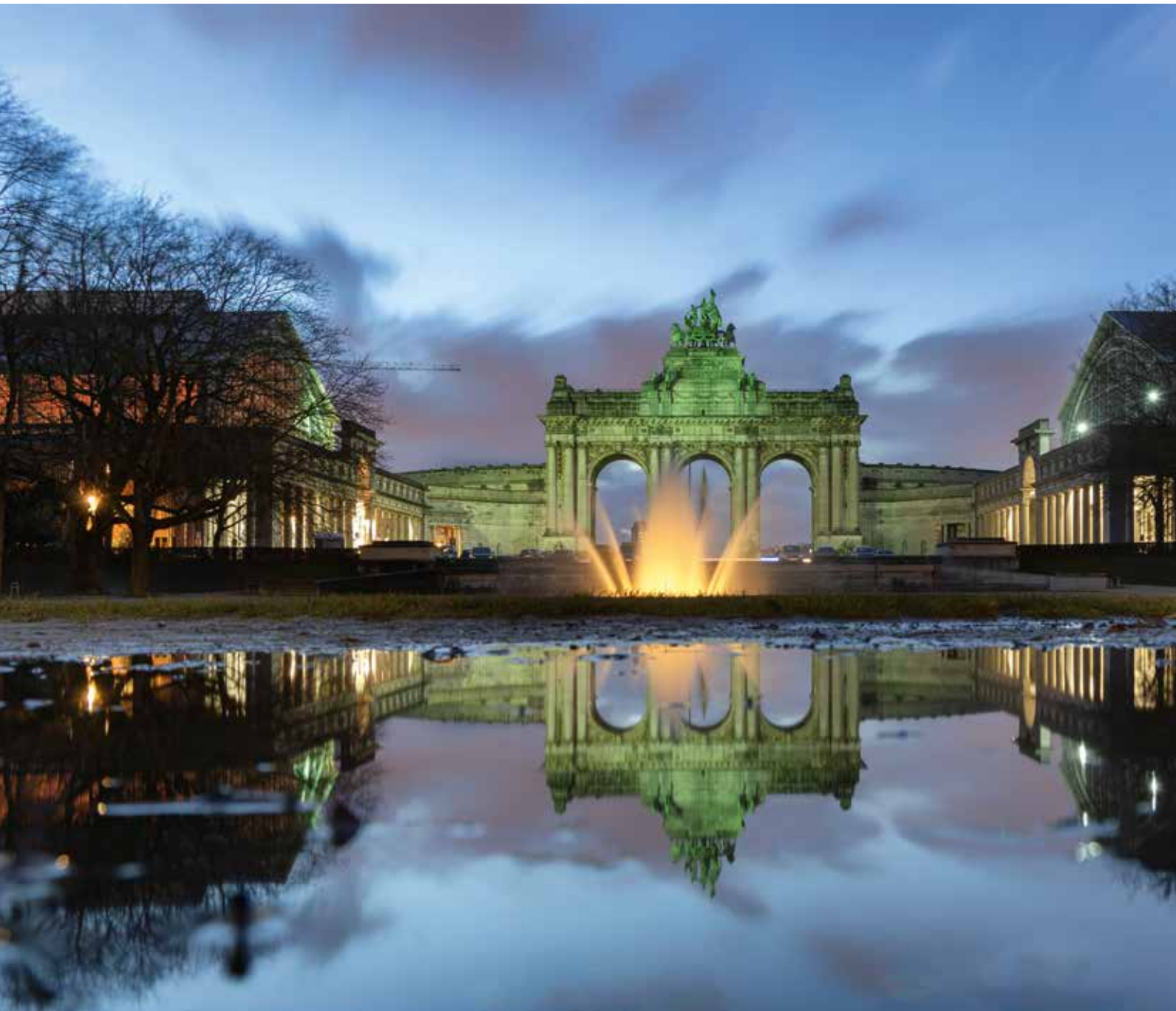
CONTRIBUTE TO PROTECT OUR ENVIRONMENT FOR THE NEXT GENERATIONS

D'leteren Group is aware of the impact its activities can have on the environment and, the other way around, the impact the environment can have on its operations. A good understanding of this two-way impact is key to success.

We are building resilience to any environmental challenges by trying and anticipating the trends, more particularly, the regulatory environment which is changing fast in the face of the climate urgency.

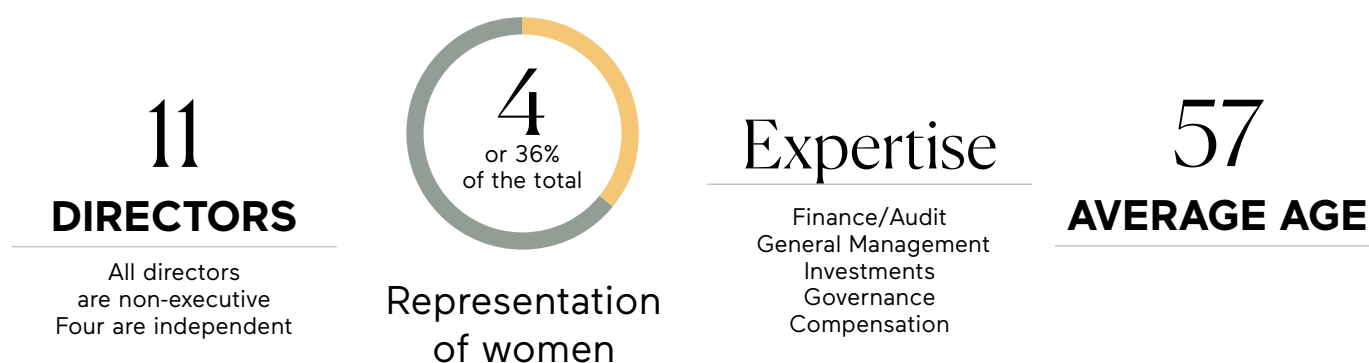
TAKE APPROPRIATE MEASURES

- Foster environmentally friendly innovation inside our businesses and look for opportunities in our potential future investments
- Promote environmentally friendly behavior: responsible use of natural resources, production and consumption of renewable energy when possible and sustainable waste management
- Raise employee awareness
- Set up an action plan to monitor and to reduce CO₂ emissions
- Ensure strict environmental law compliance
- Environmental reporting including climate change risks following the TCFD recommendations



Governance

Board of Directors



Board Committees

AUDIT COMMITTEE

NOMINATION AND REMUNERATION COMMITTEE

STRATEGIC COMMITTEE

> Role

Control of financial information and oversight of risk management and internal control mechanisms of the Company and the main entities of the group.

Preparation of decisions relating to the appointment and remuneration of directors and senior managers of the Group, and regular review of the succession planning, appointment and remuneration systems and policies across the Group.

Reflections on the Group's strategy and long-term objectives, analysis of investment and divestment projects, monitoring of business activities, and preparation of strategic points for the Board of Directors.

> Number of members

4

5

4

> Number of meetings during 2020

4

4

17

In 2019, the Board conducted a Board assessment exercise with the help of external professionals. Board assessments are carried out every 3 years.

Group Executive Committee

> Role

The Executive Committee is mainly in charge of the monitoring and development of the Group's activities, as well as investment and divestment projects.

> Two members

Francis Deprez: CEO
Arnaud Laviolette: CFO

The members of the Executive Committee act in a collegial way. The Committee is supported by a Corporate Team composed of investment experts (working on new investments, sourcing, deal execution & portfolio management), as well as by a series of other experts (Legal, Finance, Tax, Investor Relations, Communication and ESG).

Governance at activity level

The Group's businesses each have their own governance, namely a board of directors and executive management. The Corporate Team interacts regularly with the activities' management (depending on the topic, on a weekly, monthly, quarterly or ad hoc basis).

> D'Ieteren Automotive

D'Ieteren Automotive, which has become a fully owned subsidiary of D'Ieteren SA since the 1st of January 2021, is managed by the CEO of D'Ieteren Automotive, who acts under the authority of the Group CEO. The CEO of D'Ieteren Automotive chairs the Management Committee of D'Ieteren Automotive, which includes 8 other members, responsible for Finance and Operations, IT, Marketing, Brands & Network, Retail, New Mobility, Human Resources and Strategy & Transformation.

> Belron

Belron, of which D'Ieteren Group holds 54.85% of the voting rights on December 31, 2020, is managed by a Board of Directors which includes 6 members, three of whom are appointed by D'Ieteren Group, two by CD&R and the CEO of Belron.

> Moleskine

Moleskine, a wholly owned subsidiary of D'Ieteren Group, is managed by a Board of Directors made up of 7 members, five of whom are appointed by D'Ieteren Group, and Moleskine's CEO and CFO.

> D'Ieteren Immo

D'Ieteren Immo, a wholly owned subsidiary of D'Ieteren Group, is managed by a Board of Directors made up of 4 members, three of whom are appointed by D'Ieteren Group and the CEO of D'Ieteren Immo.

Internal control and risk management system

The organisation dealing with risk management in the Group aims to identify, assess and limit risks in order to protect the reputation, the lasting success and the achievement of the Group's objectives.

> Three lines of defence

BOARD OF DIRECTORS WITH THE SUPPORT OF THE AUDIT COMMITTEE			EXTERNAL AUDITORS
FIRST LINE OF DEFENCE	SECOND LINE OF DEFENCE	THIRD LINE OF DEFENCE	
Operative controls	Controlling	Internal audits	
Direct control and monitoring by the management	Risk management		
	Compliance		
RISK OWNERSHIP	RISK CONTROL	RISK ASSURANCE	

> Organisation

There are 5 levels of risk management within the group:

- The operational level of each activity;
- The management of each activity;
- The internal audit team;
- The Audit Committee* and the Board of Directors for each activity**;
- The Group's Audit Committee and Board of Directors;

* The Audit Committee of D'Ileteren Immo and D'Ileteren Automotive is the same as that of the Group. Since the 1st of January 2021, D'Ileteren Automotive has its own Audit Committee.

** The Board of Directors of D'Ileteren Automotive is the same as that of the Group. Since the 1st of January 2021, D'Ileteren Automotive has its own Board of Directors.

Remuneration policy for members of the Group Executive Committee

The Group pursues a remuneration policy designed to attract and retain managers with the appropriate profiles, and to motivate them with adequate incentives, in accordance with the level of risk accepted by the Group and allowing it to generate long term value.

The remuneration of the individuals in the Group's Executive Committee is set by the Board of Directors, upon proposal of the Nomination and Remuneration Committee.

It is made up of:

- A fixed annual compensation;
- Variable compensation, comprising:
 - o A variable annual compensation based on collective performance criteria (financial and non-financial), of which the target is around 65-70% of the fixed compensation;
 - o A long term cash incentive based on financial and non financial criteria measured over a period of 3 years; and
 - o A long-term incentive plan in the form of stock options.

Business reviews







Building seamless and sustainable
mobility for everyone



WHAT WE DO

D'leteren distributes, markets and provides after-sales services in Belgium for Volkswagen, Audi, SEAT, CUPRA, ŠKODA, Bentley, Lamborghini, Bugatti and Porsche vehicles. The company operates through a network of independent dealerships throughout Belgium, as well as around 30 company-owned dealerships located mainly on the Brussels-Mechelen-Antwerp axis. D'leteren has a market share in the new car market of more than 23% and a fleet of 1.2 million vehicles on the road.

The company is also active on the second-hand vehicle market via, among others, MyWay and Audi Approved Plus authorised centres and distributors. In addition, D'leteren offers long-term leasing and a full range of financing services through a subsidiary, which is common to D'leteren and Volkswagen Financial Services. D'leteren also invests in mobility services through its Lab Box subsidiary and now offers a range of solutions, from shared cars to the provision of autonomous vehicles, including the marketing of electric charging stations, mobility advice and the development of a multimodal application.

D'leteren has also created the Wonder Car franchise, which offers an innovative vehicle repair concept combining smart repair and classic bodywork that reduces the ecological footprint of this activity and lowers the average costs of vehicle repair and immobilisation.

NB: For the comfort of reading, the commercial name of D'leteren Automotive, "D'leteren" will be used throughout the chapter.





Message from Denis Gorteman, *CEO of D'leteren Automotive*

The way we move around is a major topic in this challenging time of climate change. For this reason, D'leteren is committed to building fluid and sustainable mobility for all. It is a responsibility, which we, as a market leader, undertake to deliver in an exemplary manner.

For several years now, we have been working on transforming our businesses to seize all the opportunities linked to digitalisation, electrification, vehicle automation and new mobility. This approach enables us to fulfil our mission for the benefit of our customers, partners, employees and society in general.

The global pandemic has made it necessary to accelerate certain aspects of this transformation, to offset the sharp decline in the market, to meet our customers' new expectations and to secure our ability to invest for the future and fulfil our mission.

To enable each of our employees to take decisions in the most autonomous way possible, we have defined 4 strategic axes:

- Customer experience: improve the life of our customers by aiming for excellence in the services we offer.
- Product & Service portfolio: create and adapt a portfolio of products and services in line with customer needs, determined on the basis of data analysis.
- Mobility ecosystem: build a coherent ecosystem of sustainable mobility solutions and distribute it through our own channels, network and partners.
- People: offer our employees "a great place to work" by bringing our values to life.

We will carry out our strategic developments while also ensuring that we achieve environmental, social and governance objectives, including carbon neutrality by 2021, reducing our CO₂ emissions by 50% by 2025 and promoting diversity in our teams.

The holistic and responsible approach we put into practise in our operations, enriched by the agility of our new subsidiary organisational structure, allows D'leteren to be resolutely forward-looking.

To symbolise this and the commitments we are making, we have adopted a new brand identity. One which links the past to the future, and integrates the name D'leteren, associated with a precious heritage of adapting to changes in mobility for more than two hundred years, with the arrow-shaped "Forward" that underscores our desire to anticipate and adapt to market changes. For D'leteren and its employees, this new brand identity is a strong symbol that unites us in the service of a common ambition: make mobility a lever for sustainable development, for generations to come.

We are starting 2021 with the lessons learned from 2020. Many measures are already in place to counter the impacts of the health crisis and also to take advantage of new mobility norms. Our ambitions are high, as is the commitment of our teams to achieve them. I would like to pay tribute to the quality of their work and the efforts they make on a daily basis, under exceptional circumstances, to ensure the satisfaction of our customers and our dealer partners.

> 2020 in brief

Business environment

The coronavirus pandemic has not spared the automobile sector, disrupting both dealership sales activities and vehicle deliveries, in a context of great economic uncertainty. 431,491 new cars were registered in Belgium during the year 2020, a severe decline of 21.5%. A significantly lower decline was observed in the light commercial vehicle market, with a decrease of 12.2% to 71,800 registrations. Given the size of the population, however, the ratio of new vehicles per inhabitant still places Belgium among the top European countries.

An analysis of new car registrations in 2020 shows:

- a stabilisation in the proportion of registrations made by private customers (45% in 2020 versus 44% in 2019) and by companies;
- a strong increase in the electrification of vehicles, rising from 1.6% in 2019 to 3.5% one year later, and a sharp rise in hybrid models to 10.9% market share versus 4.7% in 2019; companies are key players in the electrification of the Belgian car fleet in 2020, whereby one out of every five registered company cars was equipped with an electric or hybrid engine;
- the continued success of SUVs with 41% cars registered in 2020. Within that segment, mid-size SUVs have a strong appeal, ahead of the category small station wagons and small SUVs.

The after-sales sector has, like sales, suffered as a result of the Covid crisis; government measures (obligation to telework, extension of the cessation of certain activities, curfews, etc.) has led to a reduction in the number of kilometres travelled. In fact, the average kilometres travelled per year has fallen from 13,764 in 2019 to 11,757 in 2020, a drop of 14.5% which has led to a drop in activities of 18% for mechanics and 19.5% for bodywork.

Commercial results confirming our brands' appeal

- 23.6% net market share in Belgium for all brands distributed: a level never before achieved;
- market share records for Audi and ŠKODA; Volkswagen remains the best-selling brand; SEAT stabilises its market share; VW Commercial Vehicles perform well despite end-of-cycle products; Porsche, Bentley and Lamborghini also set registration records;
- in terms of leasing and financing solutions, Volkswagen D'leteren Finance also has a very high penetration rate of 36% (35% in 2019) in the sales of our brands.

Invoicing volumes are certainly significantly lower than in 2019, which was itself an excellent year. These volumes equate to 104,710, -19.2% less than in 2019.

Covid-crisis management

From the start of the health crisis, D'leteren has implemented a number of initiatives to mitigate the effects of the crisis while protecting its employees, partners and customers as much as possible. In this context, teleworking was widely implemented, showrooms were closed and, initially, after-sales activities were limited to emergency operations, mainly for healthcare staff.

In order to offset the impact of the cessation of activities, rigorous cash management, notably through reduced working capital, combined with a drastic reduction in marketing costs, recourse to external companies, transport and logistics, were rapidly implemented. D'leteren also took care to deploy the necessary organisational and financial measures to support its distribution network during this extraordinary crisis.

In addition to managing the Covid crisis in the short term, D'leteren has challenged its strategic choices in the face of the sudden drop in markets and the expected changes in its customers' behaviour, particularly in terms of digitalisation and teleworking. This led to the implementation of a plan to accelerate its transformation, which began in 2019.

This plan includes a significant investment programme by 2025 aimed at guaranteeing the company's leadership in its markets, as well as a review of its internal operating methods and its portfolio of operating activities in order to secure its margin levels, in a context of altered growth. Activities that no longer meet the needs of dealers or customers have thus been halted. These include: the discontinuation of the Contact Centre activities in Kortenberg, as test drives are now mainly organised by dealers at the request of customers; and the withdrawal from the import activities for Yamaha products in Belgium and the Grand Duchy of Luxembourg, carried out by D'leteren Sport. All of these internal measures resulted in the loss of 211 jobs in 2020.

> On the road to tomorrow's mobility

“With the Virtual Motor Show, we are more committed than ever to digitising our customer approach.”

José Fernandez, Chief Customer Experience & Digital Officer



The cancellation due to the health crisis of the 2021 Brussels Motor Show was a major challenge because the stakes are high. Every year, the Brussels Motor show welcomes more than half a million visitors and enables us to achieve - on average - 30% of our annual sales during the first quarter. Therefore, to overcome this situation, we have invested in the creation of authentic virtual stands, presenting all the models in detail, both inside and out, with high-quality 360° images. A call centre with some 130 specialists was available to customers in January, 7 days a week. Visitors were able to get advice via chat or book a test drive directly. This initiative, which was welcomed by customers, generated numerous contacts for the benefit of dealers in a context of economic crisis and compared to an exceptional 2019 Motor Show. This virtual show is a real source of learning with respect to the analysis of customer behaviour in the digital age. It accelerates the global process of digitising the customer experience, including online sales, an area in which we are investing and engaging our teams with the aim of achieving 15% of our sales via this channel by 2025. It also encourages us to make better use of our data, in accordance with the legal standards in force, in order to personalise our offers and respond as precisely as possible to customer expectations.

Already a well-established leader in the electric vehicle segment



The Volkswagen group's electric offensive has enabled D'leteren to capture almost 25% of this segment, with ranges that continue to develop, notably at Volkswagen with the ID.3 and ID.4, at ŠKODA with its latest Enyaq model, at Audi with the Q4 and the e-Tron GT, the CUPRA el-Born, and at Porsche with the Taycan.

In order to promote the adoption of these vehicles, D'leteren markets, through its subsidiary EDI (Electric by D'leteren), a complete range of intelligent solutions for recharging and the production of green energy for private and professional users. In 2020, EDI took advantage of the trend towards the electrification of vehicles by increasing from 435 in 2019 to 1,805 charging points in 2020. EDI expects continuing growth in 2021 and plans to install nearly 100 charging stations per week to reach 5,600 charging points at home and at work locations by 2021.

“This new mobility, which is already well established today, is not only made up of shared vehicles, public transport, bicycles or walking. None of these modes of transport alone provides “the” solution, but together they form a mobility model that is certainly more complex, but above all more efficient, especially for travel in the city. This is why D’leteren deploys a diverse range of mobility solutions. Some of them (such as Poppy, EDI or Husk) are already multi-million euros businesses and have short-term profitability targets ; others are still in earlier development phase, such as Skipr, MyMove or mBrella”

Michaël Grandfils, Managing Director Lab Box



A new mobility is taking shape

Examples of initiatives developed to make mobility more fluid and sustainable:

- **POPPY:** Car-sharing activities have experienced contrasting developments, linked to lockdown, but have recovered to the levels reached before the health crisis. Poppy has renewed its entire fleet in 2020 with 500 clean vehicles in circulation in Brussels, Antwerp and now in the Charleroi Airport area, with some 1,200 daily journeys. Poppy aims to increase these journeys to 1,900 by 2021, and by 2025 wants to further increase its vehicle fleet - with a target of 10 vehicles per km² - in order to be able to exploit the full potential of this mode of transport.
- **SKIPR:** It is a mobile application, a one stop shop for planning and paying for everyday business trips, with a wide range of alternative mobility options such as NMBS, STIB, De Lijn, TEC, Bird, Uber, Poppy, Billy, Dott and many others at your fingertips. 2020 was a key year for Skipr, which raised € 7 million from Belfius to validate its leading position on the Belgian market and to develop internationally, particularly in France.
- **BIKE-MOBY:** is a bicycle leasing formula developed by Volkswagen D’leteren Finance, which comes with a level of service and assistance comparable to that of company cars.





The second-hand vehicle market: a new growth area for D'leteren and its dealerships

2020 has demonstrated the resilience of the second-hand market, benefiting in particular from greater appeal in times of economic crisis, which was down by only 5%, far from the contraction of the new vehicle market. MyWay and Audi Approved Plus also experienced a sharp increase in the number of vehicles sold. These developments attest the potential that D'leteren intends to capture through its new offer, Wonder. In 2020, this subsidiary will develop a new digital MyWay Pro platform for the purchase and resale of second-hand vehicles on an international level.

“Our objective is to supply the network with second-hand vehicles to enable it to take a larger share of this buoyant and value-added market, particularly through the repairs and maintenance it generates. MyWay Pro aims to market some 12,000 vehicles in 2021. This will be achieved, for example, by diversifying its sources of supply, by buying from private customers or via new remarketing contracts.”

Claude Willaert, Managing Director of Wonder Group

The dealership of the future

D'leteren Center Brussels is a new type of concession. Opened in May 2020, its small showroom nevertheless houses 3 brands - Volkswagen, SEAT and ŠKODA - without any separation between them. Digital communication tools are widely used to present the entire ranges. Demonstration vehicles are available to customers if they wish to carry out a test drive. In addition, deliveries of vehicles ordered for customers now take place in two new delivery centres, entirely dedicated to this purpose. They are well located — to the north and south of Brussels — to serve all customers of D'leteren's own dealerships in this region of the country.

“The customer no longer wants a cathedral-like concession. The solutions proposed to present our products, combined with road tests, fully satisfy them. Their reactions are very positive. We take their feedback into account because this dealership serves as a kind of laboratory. It's where we test digital experiences with the customer, and then reproduce them, if they're convincing, in our new dealership of the future Mobilis, opening in 2023. In addition, the reduced real estate footprint of the dealership has a positive impact on our operational costs and efficiency.”

Didier Fenix, Director of D'leteren Centers



Key initiatives to achieve operational excellence

- **CLIPS:** replacement of the new ERP for parts and accessories warehouse logistics; a project that will further increase the level of service to dealers and optimise inventory management.
- **Automation of internal processes,** particularly in terms of monitoring and data intelligence.
- **Modernisation of the entire network and corporate IT infrastructure** for ever greater system security and operational efficiency.
- **Development of new management and interface systems** for maintenance contracts and vehicle orders in order to increase flexibility and enable the development of new services.

A subsidiaries' organisational structure for agility gains

In order to have a more flexible organisation that is closer to its specific clientele, D'leteren has set up subsidiaries of its D'leteren Centers located in the Brussels region and the Porsche Centres located in Brussels and Antwerp. These subsidiaries are 100% owned by D'leteren Automotive, which retains the support and automobile import activities. D'leteren Automotive is a new subsidiary wholly owned by D'leteren Group. This new structure, effective from 1st January 2021, allows each business line to focus on its own activity and thus optimise its development path.



> Sustainability approach

By the nature of its mission, which aims to build fluid and sustainable mobility for all, sustainable development is an integral part of the company's strategy. The initiatives taken in response to customer expectations and the needs of society at large are in line with this.

At the same time, D'leteren is making two key commitments related to its activities and its desire to be an attractive employer.

- **Contribute to the protection of the environment** by reducing the carbon footprint of our activities by 50% by 2025.
In addition to the sustainable management of its buildings and consumables, reducing the company's carbon footprint will also involve a greener mobility policy. The first step in achieving this objective is the adaptation of D'leteren's car policy. Another important aspect is that, from 2021, the CO₂ emissions of our activities will be offset by reforestation and environmental conservation programmes. This compensatory programme will be adapted as required, according to the scale of measures taken to reduce CO₂ emissions.
- **Promote inclusive growth,** by supporting equal opportunities and diversity within the company.
Diversity in all its forms, whether in terms of gender, origin or age, is a source of creativity because it multiplies points of view and contributes to innovation. Several initiatives will be taken progressively in favour of diversity: from recruitment to career development, as well as awareness-raising actions.

Moreover, in an extraordinary working environment within the context of profound change, D'Ieteren is more than ever mindful of conducting its activities in an ethical and responsible manner, in line with its corporate values. Internal governance systems are adapted to structural changes. In the face of the health crisis, priority is given to the safety of employees, partners and customers. Support for local communities, and particularly for healthcare personnel in 2020, continues.

> Strategy 2021 and beyond

The global health crisis and the increasing urgency of climate change has intensified and accelerated D'Ieteren's commitment to leading the market in achieving mobility in a sustainable and equitable manner.

While capitalising on opportunities in digitalisation, electrification, vehicle automation and new mobility, D'Ieteren will focus on transformative initiatives in its businesses in 4 strategic areas: customer service excellence, a targeted product and service portfolio, sustainable mobility solutions, and employee diversity and well-being.

In the future, a new subsidiaries' organisational structure will enable businesses to become more autonomous and to respond with agility to the market needs. Furthermore, D'Ieteren's new brand identity marks its dedication to forward-thinking environmental, social and governance objectives, including its goal to reach net-zero emissions by 2040, while halving its CO₂ emissions by 2025.

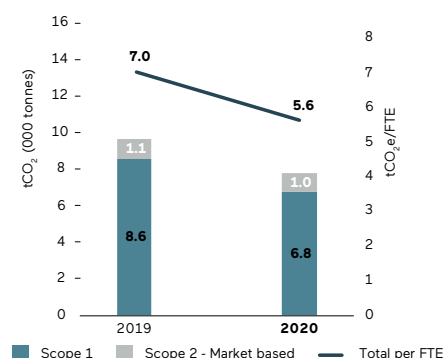


D'Ieteren Automotive²

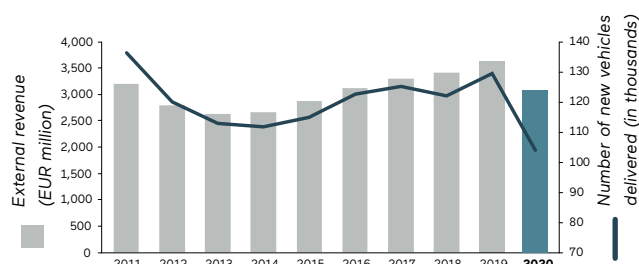
Key Figures

(EUR million)	2019	2020
New vehicles delivered (in units)	129,575	104,710
External revenue	3,634.9	3,215.7
Adjusted operating result ¹	119.1	98.9
Adjusted operating margin	3.3%	3.1%
Adjusted result, group's share		
before tax ^{1,3}	128.4	102.8
after tax ¹	86.2	73.6
Average workforce (average full time equivalents)	2,087	2,187

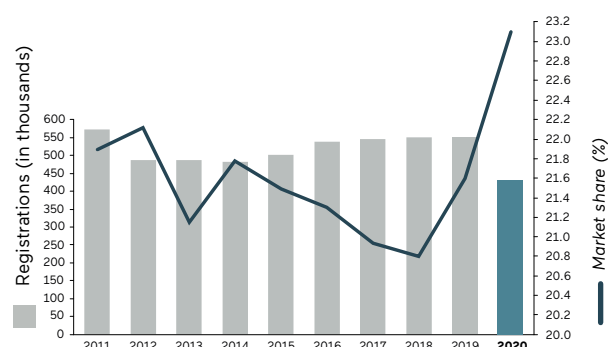
CO₂ EMISSIONS*



REVENUE AND NUMBER OF VEHICLES DELIVERED



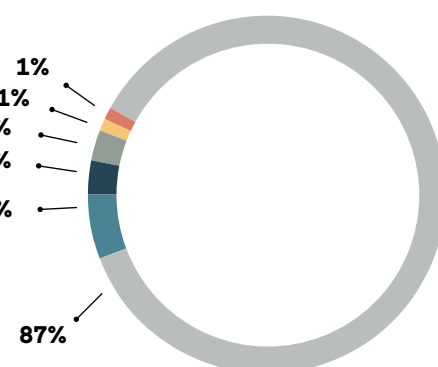
NEW CAR REGISTRATIONS IN BELGIUM AND MARKET SHARE OF D'IETEREN AUTO



REVENUE EVOLUTION BY ACTIVITY

(EUR million)	2019	2020	Change
● New vehicles	3,193.5	2,792.0	-12.6%
● Spare parts and accessories	215.7	182.3	-15.5%
● After sales activities	97.9	83.6	-14.6%
● Used vehicles	76.1	95.5	+25.5%
● D'Ieteren Sport	31.4	32.2	+2.5%
● Other	20.3	30.1	+48.3%
D'IETEREN AUTOMOTIVE	3,634.9	3,215.7	-11.5%

REVENUE BREAKDOWN BY ACTIVITY



* CO₂ emissions are calculated by the external party CO₂Logic. The data 2019 have been restated as to align to the scope of CO₂ emissions 2020, which excludes Sopadis, WonderCar, LabBox, D'Ieteren Sport and VDFin. The branches will be included as from 2021 in the scope of the emission reduction plan. The further details of the methodology can be found in the ESG statement (p. 185 of the Financial and Directors' Report).

1. Excluding adjusting items. (APMs - see glossary on page 84).

2. The D'Ieteren Automotive segment excludes the Group's corporate and real estate activities.

3. The adjusted result before tax, Group's share, includes the Group's share in the adjusted result before tax of the entities accounted for using the equity method.



Making a difference with real care



WHAT WE DO

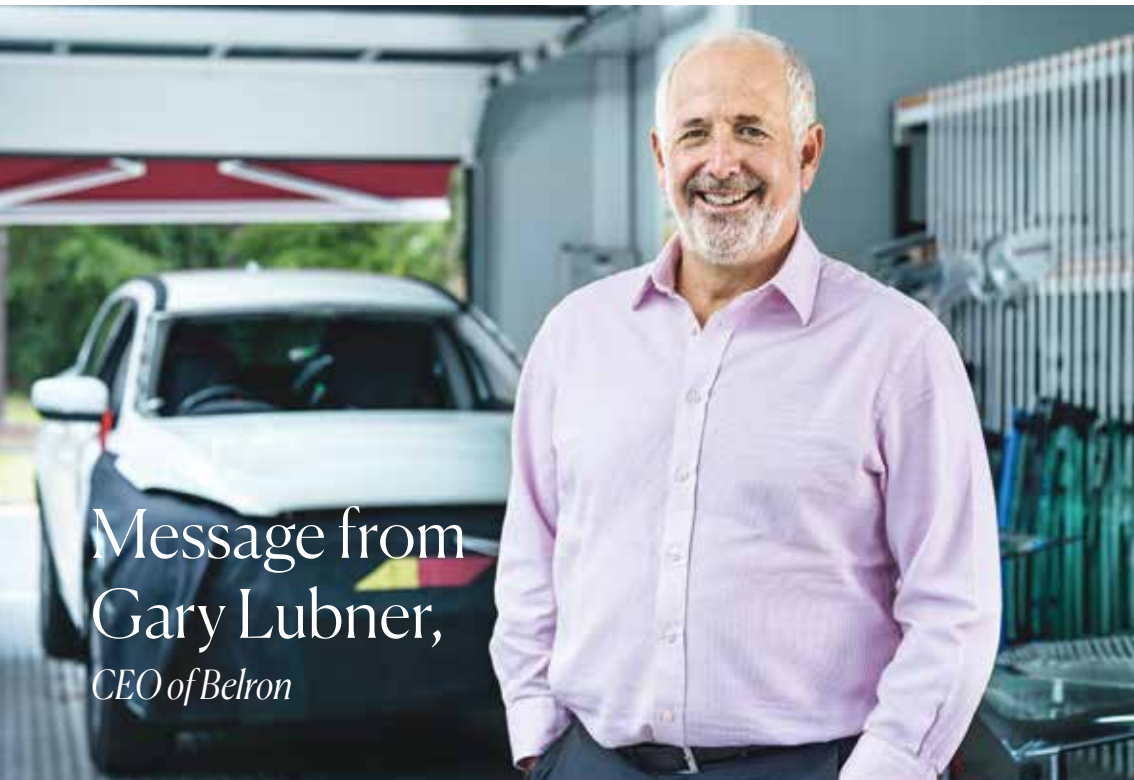
Belron has a clear purpose: 'making a difference with real care'. It is the worldwide leader in vehicle glass repair, replacement and recalibration operating in 40 countries, through wholly owned businesses and franchises, with market leading brands – including Autoglass®, Carglass®, Lebeau Vitres d'autos®, Speedy Glass®, Safelite® AutoGlass, O'Brien® and Smith&Smith®. In addition, Belron manages vehicle glass and other insurance claims on behalf of insurance companies.

	2016	2017	2018	2019	2020
Consumers (in millions) ¹	15.5	16.8	18.2	18.2	14.9
NPS ²	82.6%	83.1%	82.8%	84.2%	84.9%

¹ Including franchisees

² Net Promoter Score





Message from Gary Lubner, CEO of Belron

In a year like no other, I am very proud of the way Belron demonstrated its true spirit and responded to the Covid crisis with courage, compassion and determination to deliver the ambitious goals we had set ourselves. We achieved the most successful year in our history despite fluctuating demand caused by global restrictions and lockdowns. This strong financial performance was achieved while staying true to our purpose of making a difference with real care for our people, our customers and for society.

Much of this success was thanks to the enormous investment we had already made in areas such as recalibration. We had also embarked on a drive for efficiency across the business, with initiatives such as better procurement processes. From the outset of the pandemic we set and stayed true to a set of principles to guide our actions throughout the crisis, which ensured we kept our focus and acted decisively.

Most of all I want to pay tribute to the extraordinary people at Belron who have worked tirelessly through the difficulties. We responded quickly to the crisis to put in place enhanced hygiene and safety measures for our teams

to continue working. We also moved quickly and efficiently to remote working models. Our teams have upheld the purpose of Belron, 'to make a difference with real care' for our customers by achieving a record 84.9% NPS score. They have also had a remarkable impact in looking after the safety of our customers, achieving a landmark one million recalibrations during 2020, despite the extreme challenges of the year.

Our people also raised a record €1.7 million in a virtual Spirit of Belron Challenge for our beloved Africa Tikkun which worked to feed communities throughout the crisis. In addition, the Belron Ronnie Lubner Charitable Foundation donated more than €2 million to charities affected by the Covid pandemic.

While there will be more challenges in 2021, I am looking forward to a year of further growth, where we will continue to accelerate and transform our business for the future, with an even greater focus on our people, technology and sustainability.

Gary Lubner

> Overview of 2020

Business environment

The business environment was on the whole volatile and highly uncertain for most of the year.

The impact of the COVID-19 pandemic crisis caused large reductions in the demand for vehicle glass repair and replacement (VGRR), particularly in March, April and May. This was due to significantly lower miles driven in most markets as well as the mandatory closure of service centres in many countries. The scale of impact differed across countries depending on government measures to reduce the spread of the virus. In many countries homeworking became generalised, greatly reducing commuter miles. The greatest impacts were seen in countries such as Belgium, France, Spain and Italy where strict lockdowns were implemented.

Despite the pandemic the supply chain remained largely unaffected. A second wave of COVID-19 in November and December again had some impact on VGRR demand, although less so than earlier in the year as measures taken by most countries were generally less severe.

Other factors impacting the business environment included continuing rises in the technical complexity of VGRR services, particularly with increases in the penetration of Advanced Driver Assistance Systems (ADAS) requiring enhanced recalibration capability and knowledge. There were no significant changes in the competitive environment in 2020, although there was some increase in competitive intensity in France, and the insurance industry in general showed strong financial performance.

Covid-crisis management

After a strong start to the year with high sales in January, the Covid pandemic significantly impacted all Belron's markets. VGRR (Vehicle Glass Repair and Replacement) volumes were driven down by the mandatory closure of service centres in many countries and the general impact of lower miles driven. Measures differed across countries with the strictest lockdowns and biggest impact in many European countries including France, Spain and Italy where sales fell close to zero for several weeks. The geographic size of the USA meant that the local impact was staggered, with the overall business retaining a significantly reduced but substantial level of sales throughout. Despite the global disruption, our supply chain remained largely undisturbed. Sales recovered well by June and remained strong until a further dip towards the end of the year as the second wave of Covid started to emerge. However, the impact on volumes was smaller due to relatively softer lockdown measures.

The safety of Belron's people and customers was the foremost priority in the face of the pandemic. Large sections of the workforce, including whole contact centres, were quickly and effectively mobilised to work from home. The field workforce was equipped with protective equipment and safety processes and procedures were implemented across branches and mobile services to protect both our customers and technicians. This included sanitisation of all touchpoints in a vehicle both at the start and end of every job, which was quickly integrated as a standard part of the Belron Way of Fitting. A hardship fund to which D'leteren Group also contributed, was made available for any employees across the world in particular need due to the pandemic.

Commercial performance

Like many other businesses, we have seen an acceleration in customers booking online rather than using other traditional booking channels. While in 2019 around 30% of all jobs were booked online, this increased by a third in 2020 to around 40% of all jobs. At the start of the pandemic Safelite® moved all their cash bookings online and will continue to do so, resulting in a significant switch to this booking channel, a trend which is expected to continue in 2021 across our business units.

A strong financial stance was quickly adopted at the start of the crisis. Where necessary, government support programs were utilised and a robust approach was taken to ensure that a strong cash position was maintained. Significant actions were taken around costs and productivity improvements were achieved, some of which will be sustainable in the long term.

Strong commercial performance was delivered across all areas. Despite the challenges of 2020, Belron achieved a record NPS score of 84.9%. This was driven by the continued focus on delivering high quality service.

The renewal of Key Account agreements proved very successful over the course of the year and several markets managed to acquire new Key Accounts, leading to overall growth in both the number and value of Key Account partnerships.

Belron's 'Fit for Growth' program continued to drive strong improvements in financial performance, with significant success across our workstreams designed to 'accelerate' growth:

- A record 1.1 million recalibrations were carried out by Belron in 2020, enhancing customer safety thanks to continued investment in training and technology.

- More than two million customers bought an additional product during their vehicle glass repair and replacement, despite the challenging trading environment. We know that offering additional products also has a positive impact on our customer experience and NPS scores.
- Despite the challenges to productivity caused by significant changes in customer demand in 2020, capacity was kept tight and service levels high. This, together with the fast adoption of other best practices, led to record levels of productivity.
- Significant savings were achieved in procurement through increased standardisation, leveraging scale and a comprehensive review of operating costs.
- Belron businesses applied our expertise in advertising to support the restart and recovery of business after the first wave of Covid restrictions had been relaxed during the summer and autumn. All campaigns were customer-service oriented and highlighted the additional health and safety procedures in place, such as touch point sanitisation, no contact procedures and full interior sanitisation.
- Market tracking and insight enabled improved understanding of VGRR demand. This was particularly valuable in identifying fluctuating mobility trends in near real time, as countries moved in and out of lockdowns and in understanding the potential impacts from Covid in the future, so enabling motorists to be served quickly and efficiently.

The 'Fit for Growth' program will continue to have an impact during 2021, as a number of planned initiatives are expected to deliver improvements for our customers and our people as well as increasing efficiency.

With a strong strategy for maximising the significant opportunities that are held in the VGRR market, extension into other service areas (such as Automotive Damage Repair and Replacement and Home Damage Repair and Replacement) has been deprioritised.

Belron's community spirit came to the fore during 2020. The annual Spirit of Belron Challenge was reimagined and took place as a virtual event, enabling more employees and partners to take part than ever before. More than 7,300 people raised a record €1.7 million for Afrika Tikkun. This money was absolutely vital for the charity that completely pivoted their usual operations in order to address the food crisis that was emerging in their communities. Since the start of the pandemic Afrika Tikkun has distributed 75,000 food packages to families, provided 14,000 hot meals to the homeless and distributed 300,000 face masks.

The Belron Ronnie Lubner Charitable Foundation donated more than €2 million during the year, benefiting over 270 charities. Over half the total amount donated has been in response to the global pandemic since April, to support charities and organisations that are on the front line of the Covid pandemic or are experiencing acute difficulties due to the crisis.



Susan Ormiston, Chief People Officer

At Belron, our people are the heart of our business. Our performance and achievements are the result of our people and our effort to ensure they are highly engaged and committed. During the year, we helped support and navigate our employees through the pandemic and made significant progress on our broader people agenda.

We are committed to attracting, engaging and developing the very best people who are equipped with the capabilities and skills to serve our customers. During 2020, a priority for us has been to ensure we have global talent management and succession frameworks in place to make certain we have the right leadership and teams, not only for today's needs, but also for the future.

We also know our business success relies on how committed and proud all of our employees are to work for Belron. This year we embarked on a world class approach to ensuring we are always listening to our employees with our first global engagement survey in October. What we saw is that our employees are highly engaged and feel extremely proud to work for Belron. The deep insights and feedback we have received allows us to continue to build on this great foundation for the future.

It was also essential to fully support our employees during this unprecedented year, putting their health, safety and well-being first, and also providing hardship support to those most in need. The pandemic has meant some very difficult circumstances for some of our employees and as a result we quickly established a Hardship Fund with the support of D'leteren Group in order to help our employees and their families in particularly difficult circumstances. This is fully aligned with our purpose of truly making a difference with real care.

"Our performance and achievements are the result of our people and our effort to ensure they are highly engaged and committed."

Humphrey Singer, Group Chief Financial Officer

I have held a number of senior finance roles for a variety of large and global companies, the most recent being Chief Finance Officer for the Marks & Spencer Group plc and Group Finance Director at Dixons Carphone plc. I had previously held senior finance roles with both Cadbury Schweppes and Coca-Cola Enterprises.

There were two key factors that inspired me to join Belron. One was the culture, the strong purpose and the values that shine through so strongly. The other compelling factor for me was that Belron clearly has a strong business model, with really ambitious and exciting plans for growth.

When I took up the role in April 2020, I could not have foreseen quite what a year lay ahead! My immediate priority was implementing a robust financial stance for what was clearly going to be an extremely challenging year. Longer term my priorities lie in ensuring we have the optimal strategies, talent and governance in place to support our transformation and growth.

2020 has been an incredible journey in so many ways but the support I have received from everyone in Belron has been immense. What this business has delivered over the last year is simply outstanding and I am very proud to be part of Belron's exciting journey.



“2020 has been an incredible journey in so many ways”

Toccara Rose – BEPA Winner

Our global recognition scheme - the Belron Exceptional People Awards - recognises, thanks and celebrates outstanding people who are making a big difference for our customers or colleagues and who perform exceptionally time and time again. All nominees are considered by a central judging panel that includes Gary Lubner.

This year Toccara Rose was a BEPA winner, the first female Quality Manager in the history of Safelite®, who has transformed retention of new technicians by making people feel supported, appreciated, safe and motivated. Since she was promoted into this role, all new technicians in her teams have been retained through excellent engagement and everyone in the training program has passed their certification.



> Renewed commitment to sustainability

For Belron, being a responsible business has always been a top priority and we are proud of our culture of generosity and community spirit.

We are also actively working to improve our ecological and social footprint. During 2020, the business instigated a review of the impact of all its activities on society and the environment, in order to identify priority areas where Belron could contribute more in support of the global effort through the United Nations Sustainable Development Goals and the UN Global Compact of which Belron is a signatory.

In 2021 we will work towards clearly defined and ambitious goals in 4 priority areas:

- Reducing waste
- Driving down emissions
- Promoting inclusion and wellbeing
- Giving back to society

We will also continue our mission to be world class in responsible procurement and health and safety.

At Belron, we want to take on greater responsibility and play our part in demonstrating that business can be part of the solution to today's important environmental and social challenges.

More detailed information about Belron's sustainability strategy can be found in the non-financial disclosure published on page 151-163 of the Management and Directors' report.





> Strategy 2021 and beyond

Belron's focus for 2021 is to continue to deliver its core strategy, aligning with its purpose of 'making a difference with real care' to its customers, people, society and shareholders.

The business will focus on 3 key areas: continued resilience and recovery from the pandemic, continuation of the 'Fit for Growth' program with even more focus on enabling the business to operate in a more efficient and effective way, and a renewed commitment to sustainability.

Belron will continue to accelerate growth through maintaining its focus on areas including offering additional products and services, productivity, procurement and advertising. This will include maximising opportunities in

the recalibration market where Belron is established as the industry leader, with expert technical knowledge of current and future systems and trends and increasing to almost total coverage of recalibration technical requirements.

The transformation program will improve processes and leverage technology to give Belron's customers and people an even greater experience and deliver further financial growth.

Belron will also continue to identify and explore opportunities for acquisitions to deepen its market coverage or increase its capability in key territories.

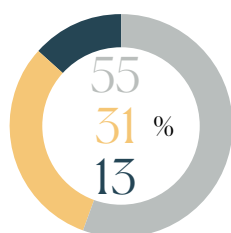


Belron

Key Figures

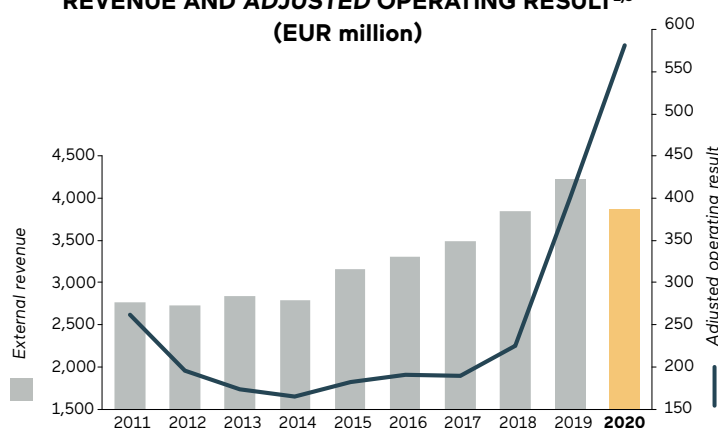
(EUR million)	2011	2012	2013	2014	2015	2016	2017	2018	2019 ³	2020 ³
External revenue	2,769.0	2,727.2	2,843.1	2,792.6	3,161.2	3,305.4	3,486.2	3,839.7	4,228.1	3,898.8
Adjusted operating result ¹	262.3	196.0	173.5	165.1	182.0	190.7	189.8	225.7	416.4	583.1
Adjusted operating margin ¹	9.5%	7.2%	6.1%	5.9%	5.8%	5.8%	5.4%	5.9%	9.8%	15.0%
Adjusted result, group's share										
before tax ^{1,2}	213.1	147.7	130.5	123.4	137.6	148.4	134.5	90.3	167.6	248.2
after tax ^{1,2}	162.3	110.9	93.1	94.3	112.2	122.6	116.0	74.9	116.5	178.0
Average workforce (average full time equivalents)	25,199	24,200	25,645	25,204	26,390	26,340	28,994	30,567	29,121	25,784

REVENUE BREAKDOWN BY REGION

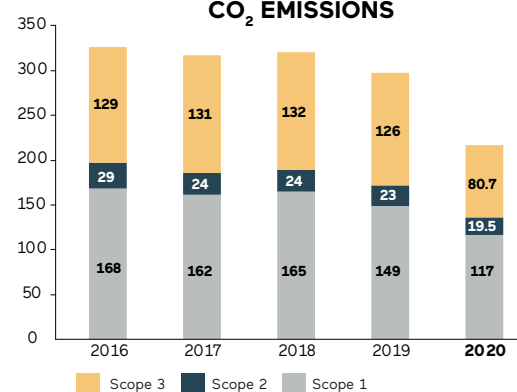


EUR million	2019	2020	Change
North America	2,280.0	2,157.1	-5.5%
Eurozone	1,374.5	1,217.9	-11.4%
Rest of the World	573.6	523.9	-8.7%
Total	4,228.1	3,898.8	-7.8%

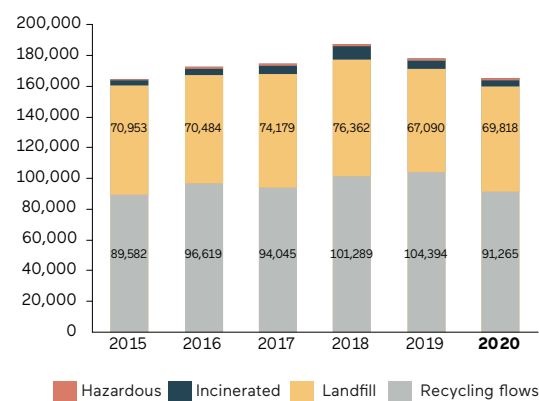
REVENUE AND ADJUSTED OPERATING RESULT^{1,3} (EUR million)



CO₂ EMISSIONS



BELRON WASTE STREAM*



* The data covers the wholly owned businesses. Part of the waste data is based on estimations. This is the case for example for glass waste to landfill which is based on the total volume of windshields and curved tempered units sold and broken.

1 Excluding adjusting items (APMs - see glossary on page 84).

2 Average stake in Belron: 94.85% in 2017, 57.78% in 2018, 52.48% in 2019 and 53.75% in 2020.

3 Post-IFRS 16.



Unleash the human genius through hands on paper to empower creativity and knowledge in each individual and the entire world



WHAT WE DO

Moleskine is an iconic, inspirational brand born from the heritage of a legendary notebook. Its purpose is to unleash the human genius through hands on paper, to empower creativity and knowledge in each individual and the entire world.

Moleskine is based in Italy, Milano, and has offices in Köln, New York, Hong Kong, Shanghai and Tokyo. The company sells its products globally through a multichannel strategy (Wholesale, Retail, E-commerce and strategic partnerships – former B2B).

The product portfolio goes beyond the original notebooks to encompass planners, writing instruments, bags, reading accessories, etc. Moleskine has recently brought the Smart Writing System to the market, a hybrid, digital notetaking device and manages a digital ecosystem of apps, digital platform, and online publications.



Message from Daniela Riccardi, CEO of Moleskine

2020 has been a very productive year for Moleskine, marked by a new energy in our business and organisation despite the challenges of a year dominated by Covid-19, and the disruption caused to people's lives and to the business.

Since my appointment as CEO on April 1st, we have made, together with the different regions and functions, an extensive review of the past years, with particular attention to the powerful DNA of Moleskine and its timeless values. By doing this, we rediscovered the origins of the brand and the roots of its success. The main conclusions were that Moleskine remains an iconic and unique brand and that **handwriting (or the power of pen to paper) has never been more relevant and meaningful to all generations, including Gen Z.**

We also learnt that, overtime, the business model of the company and its organisation have become too complex and that a major simplification effort was needed to improve efficiency, speed to market and most importantly to regain the profitability standards of the past.

These insights inspired our new roadmap as well as our new mission: **"Unleash the human genius through hands on paper to empower creativity and knowledge in each individual and the entire world."**

Moleskine is a brand built to last, it is viewed as a standard of excellence by trade customers and clients and still has significant untapped potential in many strategic growth areas. Therefore, we have spent the past year

organising and preparing for future growth. In particular, the challenging and fast evolving market environment inspired us to empower our business and organisation with a state-of-the-art digital transformation in:

- **product and innovations:** with a renewed Moleskine Smart Writing System and Moleskine Apps, both being a natural extension of our core paper business.
- **go-to-market strategy:** preparing a new e-commerce front-end and fulfilment platform, capable of reaching end customers, as well as trade clients and B2B strategic partners. All powered by a top-notch CRM program.
- **organisations all over the world:** after being forced to work remotely in the past months, we are preparing to implement a "smart working environment" for the longer term and in line with the needs and aspirations of the workforce.
- **supply chain:** we have launched a program to move to systems and platforms capable of managing more accurate forecasting, demand planning, buying, inventory levels and automatic replenishment of best seller/high velocity products.

In terms of our societal approach, we are working on elevating our sustainability roadmap "from compliance to strategy", embedding care for the environment and society, as well as responsible governance, in everything we do.

After many years of experience in different regions of the world and in diverse businesses, I am delighted to be back in my own country and to contribute to the development of one of the most iconic Italian brands.

> Overview of 2020

Business environment

The economic and social environment in 2020 has been influenced by both uncertainties and unrest especially in Hong Kong and in the US because of the presidential elections, and, of course due to the outbreak of Covid-19. While the supply chain has shown resilience and manufacturing in China has resumed quickly, it is a fact that the commercial landscape has been greatly affected by the pandemic, with shoppers switching in large numbers to e-commerce. The strong growth of both direct and indirect online sales has partly countered the decline in the other, offline channels. Lastly, the health crisis led business clients to freeze corporate gifting budgets. This impacted Moleskine Strategic Partnership channel (formerly called B2B), requiring a shift in strategy. Looking ahead, the 4th quarter of 2020 came with encouraging signals from retail, with growth picking up as shoppers returned to stores with solid spending, while e-commerce continued to post double-digit growth.

Covid-crisis management

The Chinese team was the first to be impacted by the pandemic in January 2020. Since then, the company has constantly monitored the situation and encouraged people to follow local health & safety guidelines and remote-work as much as possible.

From the end of February 2020, Moleskine was quick to allow its office staff in Europe to work from home, closing all stores in high-risk areas. A month later the same approach was applied in USA and further extended in Asia (mostly in Japan and in Hong Kong).

Moleskine has put in place several initiatives with 2 main aims: keeping alive the "sense of community" that is threatened by remote working and measuring the pulse of people to maximise organisation effectiveness. The main initiatives include: "Inspiring Mornings" – a series of virtual talks on creativity led by MSK Foundation and external artists; periodic people surveys; and regular CEO talks.

A "Covid Committee" has been set up, to check and monitor the health and safety measures applied in all countries. Moreover, to ensure fair treatment for all, the Covid Committee has also set internal health & safety standards.

To manage Moleskine's economic sustainability, the company has made use of available government-backed labour support instruments in all countries (Cassa Integrazione, Furlough, Short Time Work, etc).

Moleskine has established a Solidarity Committee that reviews all applications to the D'leteren Group Solidarity program.

Commercial performance

During 2020, we kept a particularly cautious approach in the purchasing strategy. To avoid spending cash on unsold inventory, we carefully followed up on sales forecasts and actively moved inventory between storage locations worldwide.

The top line has suffered, undoubtedly, but we have been able to keep costs under control. Rents of both stores and offices have been renegotiated, variable costs postponed or cancelled to the maximum extent possible, and all government support options available to mitigate the cost of personnel have been applied. Overall, we have been able to reduce operating costs (both sales, general expenditures and personnel) by -30% versus -37% reduction in sales.

The same attention we put on costs, we also applied to cash management. We ended the year with € 30m liquidity at banks thanks to an attentive working capital management (trade working capital -8% versus PY) and reduced capital expenditure (-60% versus PY).

> Projects in 2020

The year 2020 has been a busy year with 3 main areas of focus:

1. Maximise sales where possible to sustain consumption and sell-out.
We concentrated efforts on offline retailers that continued to enjoy solid business conditions, online players that posted strong growth due to acceleration of the ecommerce channel, and directly operated e-commerce. In these segments results were better than the rest of the business.
2. Strengthen Brand visibility with 360° activation plans for all market initiatives during the year. This included a thematic deployment of each activity, with a unified look and feel for retail windows, coordinated with ecommerce, social content and digital media.
3. Getting ready for 2021 projects including the following top priorities.

BRANDING & CONSUMERS: we started with an upgraded mission statement and a fully revisited Brand Book. Moreover, we implemented a new digital media platform; a 12-month marketing and communication program in support of equity and innovation. We also put in place a full-fledged global CRM platform to learn more about clients, serve them better and improve direct communication messages.

SIMPLIFICATION: under the motto “Fewer, bigger, better” and across all areas of business we optimised: the number of SKUs (Stock Keeping Units), the number of initiatives marketed every year, the number of direct and indirect trading doors and the number of roles and accounts in the organisation.

COMMERCIAL POLICIES & GO-TO-MARKET: we restructured the existing complex distribution network to serve the top accounts through EDI (Electronic Data Interface) and created a special ecommerce platform to simplify and accelerate trading with all other clients.

For direct retail we finalised, with the support of the consultancy Advancy, the first category management and assortment study to learn how to increase sales and profit per square meter and better serve clients. Pilot tests are today in place before a global expansion in 2021.

Finally, we started to redesign the direct ecommerce website, with a world class front-end and the most advanced platforms and systems, all powered by globally experienced partners.

INNOVATION: we have streamlined the program and refocussed on the core, both paper and its digital extension Moleskine Smart, while scouting for opportunities to upgrade the writing tools category and new strategic licenses.

ORGANISATION: we have strengthened the global teams with the required competence to win in a more demanding market environment, and brand presence in top markets with dedicated Moleskine teams. All this, with a leaner and more agile organisation empowered with bigger roles and responsibilities, better training and rewarded with best-in-class compensation programs.



Moving towards a gifting brand

The Moleskine brand enjoys a very rich and genuine heritage. The Moleskine notebook is the heir of the legendary notebook, that the artistic and literary avant-garde have used over the past two centuries from Van Gogh to Picasso, from Hemingway to Chatwin. The new purpose is to reconnect the brand with its heritage, to make the “petit carnet noir” a loyal companion in which today’s consumers can record their ideas, drawings and thoughts. As the brand and objects are increasingly appreciated, it is also an important strategy to include gifting in the line-up and communication to reflect the large proportion of consumers who gift Moleskine to their relatives, friends or business associates.

Reinforce the direct channels

Reinforcing the direct channels is an essential pillar of the corporate strategy as more and more consumers, especially Gen Z, value brands where they can have direct interactions with them. The action plan is relying on three major activities:

- The complete redesign of the **e-commerce ecosystem** with world class players, for both the consumer front end and the operational back end.
- This comes together with the launch of a **new CRM**, that will allow the Moleskine brand to have direct and tailored communication with consumers.
- As the company evolves towards omni-channel, the redesign of e-commerce goes hand in hand with the implementation of **category management** in retail (assortment, selling ceremony, visual merchandising and in-store navigation) including a complete rethinking of the store formats and store opening strategy.

Products : Fewer Bigger Better

Simplification of the product offering has been necessary as the inflation of categories and variants has diluted the brand image and the effectiveness of the plans. This has required a drastic reduction in the number of SKUs, refocusing the company on Paper, its core category, its raison d’être and its main contributor to sales and profit. In order to maximise top and bottom-line growth, this has been complemented by a Never Out Of Stock program (NOOS) that guarantees to clients the availability of best-selling SKUs. Finally, to drive ROI, the “Fewer Bigger Better” mantra has been applied to the master plan initiatives. The company is now focusing on fewer, but larger, product initiatives, handled by a leaner organisation to drive better return on the money invested.





Maura Gallotti, People & Purpose Director

One of the main achievements of 2020 has definitely been the new organisation set up, which Moleskiners call "Org 2.0". The Org 2.0 is an essential "tool" to enable and boost a durable evolution in Moleskine: a new people mindset and a business transformation. It has been designed to place the brand at the centre, allowing us to come back to Moleskine DNA and to nurture our mission. Internally the Org 2.0 has been perceived as a return to the original values and it also represents a tangible element of the "Moleskine way of working". Almost all new positions of the Org 2.0 have been assigned to internal people, boosting national and international mobility and allowing our talents to blossom.

We are also working hard to let Moleskine become a better place to work. In order to support our managers, we have developed a "People System" that will allow our company to step up in people management.

All in all, this is a journey we are living together with the Executive Team. Many actions have been taken in 2020 and many more will follow.

"We are also working hard to let Moleskine become a better place to work."

Alessandra Piccinino, Chief Finance and Operations Officer

Moleskine has been working, in the past year and half, on putting in place a solid system to ensure that the company always applies operational excellence and financial discipline in taking all business decisions, at all levels.

The Finance & Audit team has reviewed or written more than 15 policies and procedures to be applied worldwide with the aim of providing Moleskine with a global, shared, transparent set of rules in managing risks, operating the company, engaging suppliers, and dealing with customers. All policies are published on an internal portal to be always visible to the entire company and thus more enforceable. An internal delegation of authority grid has been implemented to clearly allocate powers among executive leaders, making sure at the same time that there is always a high level of involvement in decisions with a significant financial or strategic business impact. Reinforcing messages have been sent periodically to raise attention for financial and operational discipline.

The response has been extremely good: the entire company has shown a high sense of responsibility in keeping all costs under control in this difficult year. People demonstrated care for the company and its long-term sustainability. Sales and general expenditures on one side, and cost of labour on the other, generated in 2020 versus prior year savings of € 28.3m, partially compensating for the decrease in sales.

We still have to complete the journey and actions are in place, as we speak, to organise online focus sessions on most relevant policies and to issue more of them. A solid basis though has been established and we will continuously build on it.



"People demonstrated care for the company and its long-term sustainability."



> Sustainability approach

Monica Del Grosso, Head of Global ESG & Audit

Sustainability has always been part of Moleskine's DNA. With a mission statement dedicated to empowering creativity and knowledge in each individual and the entire world, Moleskine creates objects that are platforms for self-expression, and believes that community engagement can create opportunities to involve creative people and bring positive changes to society.

To pursue its sustainability journey, Moleskine decided to elevate its significance across the enterprise, and to move forward from a "compliance" approach to a "strategic" one, embedding sustainability in the organisation's fabric.

Each component of the ESG strategy has a key role among the strategic drivers for growth and in the implementation of the brand mission:

Environment: Reduce Moleskine's footprint, through environmentally friendly solutions, including eliminating waste generated from the commercialisation of products, and giving a second life to unsold products by allocating them to a social impact program, in partnership with the Moleskine Foundation.

*Sustainability has always been
part of Moleskine's DNA.*

Social: Nurture critical thinking and creativity

- through engagement with the forefront of contemporary culture in various quality formats of brand events and initiatives.
- by partnering with the Moleskine Foundation. A long-term program was launched to support creative communities world-wide, in the firm belief and knowledge that creativity and imagination are key drivers for producing positive social change.

Governance: Set a long-term governance approach of integrity, transparency and ethical behaviour throughout the value chain.

For more information on Moleskine's sustainability approach, please refer to the Non-Financial Disclosure (pg 164-173 of the Financial and Directors' report).



> Strategy 2021 and beyond

The overall goal is to implement strategies and insights for a more efficient and streamlined path to profitability by staying true to the core of the brand.

Continued improvement of cost structure

Financial and operational discipline are key factors for Moleskine's long-term success. All employees and leaders must operate in a lean and agile way. Moleskine is engaged in a major change management effort in this respect. We started the journey at the end of 2019, which was given a strong boost in 2020, and we will continue to put a high focus on operational and spending discipline in the years ahead.

A new CRM system

With the new CRM in place, the focus of 2021 will be to fully leverage it in order to know Moleskine's consumers better, engage in a valuable dialogue with them and reach them with targeted messages and adequate product offerings. In 2021, this digital transformation will also be extended to wholesale and corporate clients through the launch of the new digital platform with an improved customer experience.

New e-commerce platform

Launch of the new e-commerce ecosystem offering a better customer experience to the Moleskine buyers. The design is being completed and the impact of collaborating with world class players are already tangible, with a double-digit growth of transactions in the past quarter. The priority now will be to relaunch the newly redesigned website, complete the implementation of the ecosystem and expand the roll out.

New retail model

The launch of the new retail model is a fundamental component of the corporate plan that covers category management, retail format and opening strategy. The category management project aims to implement across the network, a revised assortment supported by new visual merchandising guidelines, a new selling ceremony adjusted to consumer clusters and purchasing habits, and new in-store navigation. The new model also comes with revised corporate guidelines on store format, with size and assortment adjusted to the various purchase occasions. Lastly, the new store opening strategy will combine superior consumer understanding and retail guidelines to optimise the network by country.

Focus on core categories

Paper is the core business of Moleskine and the plan for next year is to regain a strong lead on paper. This will come from a more focused initiative calendar with 360° marketing plans, supported by corporate toolsets that will guarantee a consistent activation across channels and markets. This plan covers the paper of today as we know it, but also the digital paper of tomorrow. The objective will be to make strong in-roads with the relaunch of the Smart Writing System. Patenting it is a top priority as it would give the company a very strong competitive edge, while reinforcing its leadership position on paper.

Focus on high-potential countries

While Italy is the home and one of the largest markets for Moleskine, the growth will come from accelerating development in large markets where the brand is currently under-represented. These top priority markets are USA, China & Japan for Asia, and France & UK for Europe. Each of these markets will have a dedicated multi-functional "turbo" plan to grow both the sales and the brand image with specific marketing plans, retail expansion and an organisational set-up where required.



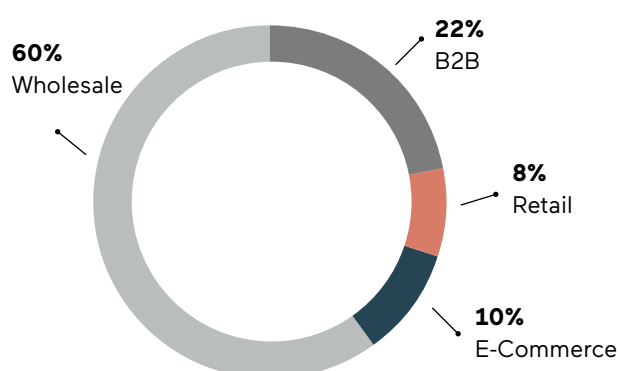
Moleskine

Key Figures

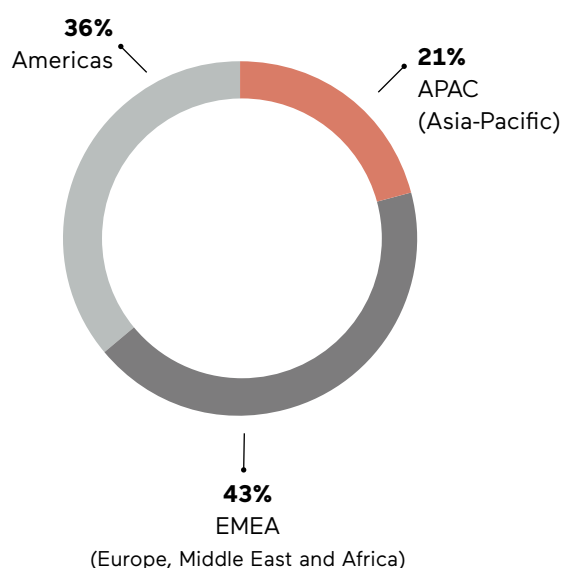
(EUR million)	2014	2015	2016	2017	2018	2019 ¹	2020 ¹
External revenue	98.8	128.2	145.2	155.4	174.1	163.9	102.3
Operating result ²	25.3	34.8	34.0	25.2	28.6	18.9	-1.5
Operating margin ²	25.6%	27.2%	23.4%	16.2%	16.4%	11.5%	-
Result before tax ²	24.1	34.6	32.9	15.2	18.9	9.5	-13.5
Result after tax ²	16.5	27.1	23.3	10.1	22.8	4.7	-14.1
Number of stores	41	58	79	87	80	77	59
Number of employees (year-end)	278	359	401	468	491	551	393

Note: Moleskine's results are fully consolidated in D'leteren's accounts as from 1 October 2016.

REVENUE BREAKDOWN BY CHANNEL



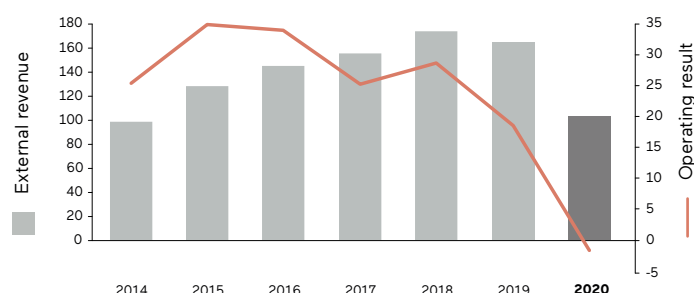
REVENUE BREAKDOWN BY GEOGRAPHY



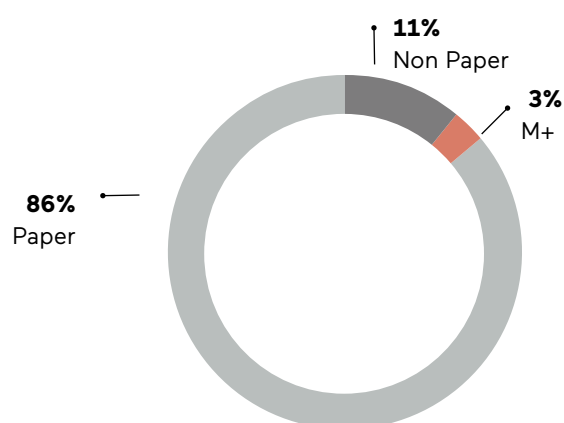
CO₂ EMISSIONS*

Direct CO ₂ emissions (tons)	2019	2020
Scope 1	184	73
Scope 2 (market-based)	394	415
	578	488

REVENUE AND OPERATING RESULT² (EUR million)



REVENUE BREAKDOWN BY PRODUCT



* Part of the CO₂ emissions (concerning 16% of gas consumption and 28% of electricity consumption) is based on extrapolations since the energy consumption of some rented retail stores are not available (shared with the other occupants of the building and landlord). Further details are given in the ESG statement section (p. 185 of the Financial and Directors' report).

1) Post-IFRS16

2) Excluding adjusting items (APMs - see glossary on page 84)



Creating timeless living and
working spaces adapted to the
evolving needs of people and society



WHAT WE DO

D'Ieteren Immo is the real estate arm of the D'Ieteren Group in Belgium. D'Ieteren Immo is responsible for the management of the real estate assets that are owned by D'Ieteren Group in Belgium, most of which are rented by D'Ieteren Automotive. The assets include offices, workshops, commercial assets, logistics centers, residential units and landbanks. Part of the activities includes the reconversion and redevelopment of sites that are no longer used by D'Ieteren Automotive. This part of activities is principally aimed towards the conversion of sites and the search for new development areas in the semi-industrial and service sectors, as well as in the residential market. In addition, D'Ieteren Immo supports the end customers, namely the tenants of the 31 sites held in the portfolio, with real estate advice, as well as an innovative range of services.

With its various activities, D'Ieteren Immo strives to ensure the prosperity of its estate, which, in some cases, has been part of the Group's assets for decades and more.

It aims for excellence in all areas of responsibility, through:

- rigorous governance;
- sustainable management of its property portfolio;
- long-term relationships with its customers, suppliers and authorities;
- a well-trained and proactive team.

D'IETEREN IMMO'S
PORTFOLIO COMPRISES **31 SITES**
WITH A TOTAL SURFACE AREA
OF MORE THAN **760,000 M²**.





Message from Paul Monville, *CEO of D'leteren Immo*

Looking back on this challenging year 2020 gives me the opportunity to identify the fundamental strengths that have enabled our company and our teams, not only to get through the crisis, but also, and above all, to emerge stronger. Even in this difficult environment, we have been able to make the most of our corporate vision: *mind. plan. build.* and this enables us to face current and future challenges with strength and creativity.

AGILITY, ADAPTABILITY AND RESILIENCE

Agility has been at the heart of all our activities in 2020. In the way we work, first of all. Already, as early as mid-March, D'leteren Immo implemented a Scandinavian working model that concentrates meetings during the first part of the day, in order to free up time for reflection and work requiring concentration during the afternoon. The philosophy behind this model is "lagom", which literally means "the right amount". It has enabled all our employees to overcome periods of confinement and teleworking with as little stress as possible. I am also delighted that in our annual survey, employee satisfaction reached 74%, a score not seen since the creation of D'leteren Immo in 2016.

AN AMBITIOUS SUSTAINABILITY ROADMAP

Since it was established, D'leteren Immo has positioned itself as an innovative and sustainable player on the Belgian real estate market, in which the fight against global warming is an absolute priority. In 2020, our vision of sustainability was crystallised in an action plan for the next 10 years. This plan, called 'Roadmap 2030', defines the 4 major ambitions of our sustainability policy. In order to

achieve them, 19 objectives, divided into 6 important themes, as well as Key Performance Indicators (KPIs) have been agreed upon.

STRATEGY 2021

Creating value for all stakeholders is an essential part of D'leteren Immo's long-term strategy. The objective is to ensure the sustainable growth of the company, while respecting the values of the D'leteren Group and its shareholders, namely sustainability, circularity and flexibility.

Several interdisciplinary working groups were set up in 2020, with the mission of responding with creative solutions to the major societal challenges of today, and the needs of tomorrow. By devoting 10% of its total FTE capacity to innovation, D'leteren Immo will be able to implement these creative solutions and best practices in the current and future projects. In 2021, it will continue to develop innovative and sustainable solutions for the long term.

In this respect, one of the emblematic projects for 2020 is H2O, which now allows us to store surplus self-produced electricity at the Erps-Kwerps (Kortenbergh) site, in order to use it according to the site's needs. This intelligent energy management system will serve as a model for the future. A second example is the Circularium project: despite the pandemic, we were able to successfully establish an ecosystem of several organisations focused on the circular economy, creating a new dynamic for the district - and for the city - on a site abandoned by the automobile sector.

To reinforce this sustainable vision, starting from 1st of January 2021, D'Ieteren Immo has decided to convert all its electricity contracts into green contracts where the electricity is produced throughout Belgian solar energy.

NEW TRANSFORMATION PROJECTS IN 2021

With its team of about 50 skilled employees, D'Ieteren Immo is well equipped to continue its development programme in 2021 and beyond. In addition to the acquisition of 6 new sites between Mechelen and Antwerp, we will in 2021 be working on the redevelopment project of the historical headquarters of the D'Ieteren Group, rue du Mail, as well as the Kortenberg, Anderlecht (Mobilis) and Kontich sites, among others.

To conclude, I would like to pay tribute once again to the tremendous adaptability shown by our teams throughout this eventful year, which, thanks to our collective intelligence, enabled us to close the 2020 financial year in line

with forecasts. Finally, I would like to pay tribute to our Honorary Chairman, Roland D'Ieteren, who passed away as a result of a COVID-19 infection in December 2020. He was, for me - and for so many others - a caring and inspiring mentor.

“Our collective intelligence has enabled us to face the upheavals of 2020 and, despite the health crisis, achieve an operating result in line with forecasts.”

> Overview of 2020

Business environment/Covid-crisis management

Overall, the valuation of the properties in D'Ieteren Immo's portfolio has not been affected by the economic crisis. This good performance of the portfolio is mainly due to the long-term diversification strategy implemented by the company. And yet the property market has been severely disrupted by the coronavirus crisis, leading us to adapt and to be agile. The fact that construction sites were halted for many months and that there was a reduction in rental activities, tested - with success - the resilience of our company.

Our first concern has been to meet the expectations of our tenants and customers and provide them with the best possible support, listening to them all the time during this period of uncertainty. In some cases, this included temporary rent reductions to ensure we could sustain the relationship over the long term, in other cases we overworked their projects to meet their changing needs. At the same time, contracts with certain suppliers have been renegotiated in order to reduce energy costs and rental charges for our tenants.

We also took advantage of the slowdown periods in our tenants' activities to modernise certain technical installations and to improve our operational efficiency, in particular in the choice of new management software better adapted to constantly changing needs. Investments will be made in 2021 to implement this new IT infrastructure, and new project management software is also being implemented.

It is clear the COVID-19 crisis has caused a shockwave in the way of working for many large corporations. With working from home now becoming the norm for many, we have seen fundamental shifts in how we work and live. With the rapid adaptation to Home/Remote working, companies have been obliged to rethink their office/real estate needs. D'Ieteren Immo, as an innovator in the real estate sector, is well placed to take a leading role in this trend.

Commercial performance

Highlights from 2020 include:

- Colruyt invested in a new shop format on the D'leteren site on the Leuvensesteenweg in Schaarbeek. The 4,000 m² area provides space for 2 separate shops. In one of them, Colruyt is testing a new shop formula for professional customers from the Brussels Region.
- D'leteren Immo installed 336 solar panels at the Porsche Center in Mechelen. The total installed power has now reached 134.4 kWp. This is connected to the complex's electricity grid via 4 inverters, and goes a long way to meeting the higher demand for power from Porsche's electric vehicles.
- The latest Färm (a new concept sustainable food business) opened its doors on 19 November 2020 in a former garage in the heart of the Vivier d'Oie district of Uccle. This prime location offers local residents organic, local, seasonal and short-circuit food. D'leteren Immo assisted Färm throughout the realisation of this project.
- To make the H2O-project even more efficient, D'leteren Immo installed in Kortenberg additional photovoltaic panels. In total, the panels generate an impressive 1,250 kWp.

Future diversification of the portfolio

In 2020, D'leteren Immo continued to reflect on its future development. The changes in the automotive sector, and the rental vacancies this is generating within the properties operated by D'leteren Immo on behalf of D'leteren Automotive, require a strategic reorientation in the allocation of sites formerly dedicated to the automotive sector. Mobilis, in Anderlecht, is a very good example of this: following a competition carried out with the Master Builder of the Brussels Region, the architectural firm XDGA (Xaveer De Geyter Architects) was commissioned to design a multifunctional, flexible and sustainable building, promoting interconnectivity between current and future modes of urban transport. We are very proud that the Mobilis project is one of the winners of the Brussels regional initiative Be Circular 2020 in the category "circular building sites".

With the same goal of diversification, we have signed several rental contracts with major names in the distribution sector (food, parapharmacy, etc.) for properties located in the Brussels-Capital Region and the surrounding area. Thanks to this strategy, intra-group turnover has gone from 92% to 86% in 2020.

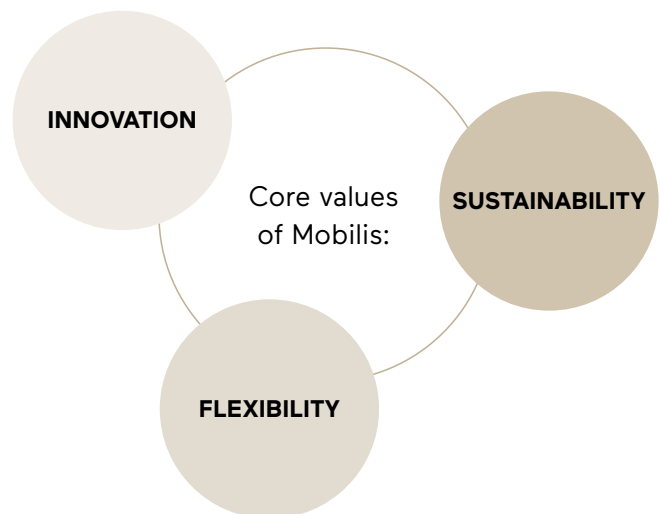


Mobilis: ambitions for the future

The Mobilis project — on the corner of the Industrielaan and the Paepsemelaan in Anderlecht, Brussels — is the cornerstone, both literally and figuratively, of an ambitious vision, one in which commercial and productive activity, future-oriented mobility and well-considered urban district development go hand in hand.

The existing 10,400 m² site will be converted into a climate-proof and bold mixed-urban project with a total developed surface area of 35,000 m² that encourages interactions between its users. Among other things, the site will house the 'garage of the future', a sales and after-sales service area for Volkswagen, ŠKODA and SEAT, covering an area of 14,000 m². The rest of the space, up to and including the roof, is earmarked for urban productivity in the broadest sense.

Approval has been granted to start the build in early 2021.



Stanislas Vankerkhove,
Project Manager D'leteren Immo

"Our primary aim is to construct a multi-purpose, flexible and sustainable building that has the ambition to stand the test of time throughout a basic structure with a lifespan of 100 years. The Mobilis building will house a great variety of activities and functions where fruitful interaction will be promoted."

Reinvention via the project Circularium

Circularium is the transformation of more than 20,000 m² of industrial area in Anderlecht, Brussels into a centre dedicated to circularity, cultural life and neighbourhood life. The showrooms, where cars were still being sold during the summer, are already hosting creative and instructive exhibitions. After a short phase of architectural masterclasses and the selection of the own-site activator Makett, in just a few short months, it has become a space for working, living and meeting for more than 20 different tenants and an occupancy rate of 65%. It is a good example of how D'leteren Immo is finding ways to reinvent itself as a Real Estate entrepreneur.

Gery Olbrechts,
Head of Asset Management D'leteren Immo

“Circularium opened on 10 October 2020. During the opening event, a tour of the site and a number of exhibitions allowed visitors to discover several exciting projects. The initial project has been extended by an additional 10.000 m². At the end of 2020, the occupancy reached 65% of the total area, allowing a numerous entrepreneurs active in Circular Economy to develop their activities and exchange their experience in a unique place dedicated for them.”



H2O: a unique project in Europe

For several years now, the Erps-Kwerps site (Kortenbergh) has been producing its own green energy thanks to photovoltaic panels (1,250 kWp) and a cogeneration plant that supplies both electricity and heat to the site's buildings. D'leteren Immo took another significant step in 2020 via the implementation of an intelligent system for storing the self-generated energy in a highly secure battery container; an investment of €1.4 million. Despite the coronavirus crisis, this ambitious project was completed on time and on budget. The EMS (Energy Management System) has been fully operational since December 2020. D'leteren Immo's objective is to set up similar systems on other sites.

Bernard Alaerts,
Property Manager D'leteren Immo.

“To use energy as efficiently as possible, D'leteren Immo opted for an Energy Management System (EMS) from Aatechnics. This takes into account different variables: the expected sunshine and outdoor temperature, the prices of natural gas and electricity, including day and night tariffs, the consumption profiles of the entire site, the efficiency of the installations and the wear and tear of the batteries. The cherry on the cake is that the system is ‘self-learning’ and adapts to the changing activities on the site.”





Other highlights

CREATION OF A NEW WEBSITE

In August 2020, D'leteren Immo launched its new website. This is part of a more dynamic policy of employer branding. In 2020, the company also developed its presence on social networks, and has already reached a thousand subscribers for its LinkedIn page.

NEW OPERATIONAL EFFICIENCY IMPROVEMENT PROJECTS

The Property, Asset & Architecture teams have redefined the company's operating model for its new structure, and have been implementing new ERP tools including Planon 2.0, Adfinity and Jedox.

ENCOURAGING BIODIVERSITY

The protection of biodiversity is an important part of every real estate development project. To this end, D'leteren Immo has joined forces with the social economy company Pro Natura, whose mission is to improve the ecological quality of living and working places.

- Orchard in Erps Kwerps: reconstruction of a neglected orchard via careful maintenance, planting of new apple trees to replace some old trees, creation of a garden with berry bushes and establishment of a picnic area.
- Drogenbos: extension of ecological maintenance to the entire site and development by planting of the green area in front of the renovated Bentley-Lamborghini showroom. The choice of plants has been specifically adapted to local dry conditions and consists of a selection of plant species that provide good support for biodiversity.

NEW SHOWROOMS FOR LAMBORGHINI

The renovation of the Lamborghini showroom in Drogenbos (on the outskirts of Brussels) was completed despite the constraints linked to the pandemic. This new showroom reflects the latest trends in commercial architecture and meets the high level requirements of this luxury car brand. The Lamborghini garage in Wommelgem (province of Antwerp) also underwent major modernisation work in 2020.



Sustainability approach

A long-term “Invest and hold” strategy is at the heart of D’leteren Immo’s sustainability ambitions. This equates to investing for the very long term, without any objective of rapid increases in value. D’leteren Immo ensures that its heritage thrives through rigorous governance, sustainable management, long-term relationships with all its stakeholders and a well-trained and proactive team.

In 2019, D’leteren Immo started an intensive and bottom-up approach, together with external expert Futureproofed, to develop a coherent and ambitious sustainability strategy. This resulted in the creation of 8 sustainability themes, that included specific goals and aims. In 2020, the company reviewed and refined its strategy based on ongoing internal stakeholder consultations. The revision of the strategy was twofold.

Firstly, 4 overarching ambitions that set out the top-level goals for the coming 5 to 10 years were formulated. These ambitions form the strategic axes of the strategy:

1. D’leteren Immo aims to **improve the operational performance of its portfolio** by enhancing the energy performance, comfort standards and ecological value of its properties as well as carrying out sustainable maintenance and use, whilst building and strengthening long-term relationships with all stakeholders.
2. D’leteren Immo wishes to ensure that new investments and refurbishment projects are **designed and built in a future-proof way**. In doing so, it will provide flexible and attractive living and working environments that respond to current and future needs, while also minimising their environmental impact.
3. D’leteren Immo has a clear ambition to reduce both the company and portfolio-based Greenhouse Gas Emissions and **become CO₂-neutral**, by 2040 at the latest. (progress on the other 3 ambitions are part of this effort to reduce greenhouse gas emissions).
4. D’leteren Immo strives to **be a top employer** by creating meaningful jobs and promoting opportunities for personal and professional growth in a healthy and attractive working environment.

Secondly, the number of sustainability themes was reduced from 8 to 6 compared to the previous year. By integrating the themes “sustainable mobility” into “improved quality of life” and making “futureproof infrastructure” one of the global ambitions, the distinction between different themes is now clearer, and any overlap between the specific goals has been avoided.

The 6 sustainability themes are (1) climate positive buildings, (2) natural environment, (3) smart water management, (4) efficient material management, (5) improved quality of life, and (6) strong relationships and partnerships.

Roadmap 2030

To translate these goals into tangible actions, we created a plan entitled ‘Roadmap 2030’. This Roadmap includes a detailed vision on the actions required to achieve the 4 ambitions of the strategy, both on the short- and long-term. The Roadmap is the result of an intensive, bottom-up approach with 3 working groups, each focusing on a separate priority: corporate management, property management and project management.

KPIs have been formulated to help keep track of the progress made towards achieving these ambitions. In addition, D’leteren Immo has developed internal project guidelines to ensure new projects are designed and built according to the goals and standards set out in the sustainability strategy. These guidelines contain a detailed set of criteria to guide project teams, and this already from the concept and design stage.

In the coming years, internationally acknowledged frameworks, such as BREEAM New Construction and BREEAM In Use will be used to follow up on performance and progress of our new investments and refurbishments. In 2021, D’leteren Immo will appoint a governance structure, consisting of representatives from all departments within D’leteren Immo working in interdisciplinary groups, to follow up on progress and decide on future steps. The first meeting is scheduled for the first quarter of 2021, with other meetings to be held every 4 to 6 months thereafter.

More information can be found in D’leteren Immo’s in the Non-Financial Disclosure p.173-184.

> Strategy 2021 and beyond

Diversification of the portfolio

Over and above Mobilis, where building work is scheduled to start in the spring of 2021, the reallocation of space within the portfolio will continue in 2021 with analysis on the transformation of the Group's main site but also the sites of Knokke, Kortenberg and Kontich will be given a new lease of life over the next years.

The right approach

D'leteren Immo is investing time and money to identify the 'right' approach for its activities, so it can learn and transfer best practice to other projects. Sustainability in everything it does is one key driver, but this systemic approach also involves working more closely with the local authorities, and including them as important stakeholders in the future. In this way, D'leteren Immo will continue to ensure its projects offer value to everyone concerned, including shareholders, authorities, tenants and the general public.

An innovative and sustainable company

Creating value for all its stakeholders is an essential aspect of D'leteren Immo's long-term strategy. The objective is to ensure the sustainable growth of the company, while respecting the values of the D'leteren Group and its shareholders. Interdisciplinary working groups, whose members devote 10% of their working time to innovation, have been set up for this purpose. In 2021, they will continue to develop innovative and sustainable solutions for the long term.

Customer satisfaction survey

With our "real estate as a service" concept, D'leteren Immo's ambition is to offer its end customers an innovative set of services that are included in their rent: services that contribute to the well-being and health of occupants, such as the facilities that encourage people to come to work by bicycle. The customer satisfaction survey, which could not be carried out in 2020 due to the pandemic, will be carried out in 2021. It will give a better understanding of the expectations and needs of all customers.

Experts service

The growing and diversifying portfolio and new customers ask for new competences and skills from our teams. In a transition to a more experts-environment, they constantly invest in learning and training, to keep up with this fast moving world, to inspire and hand at all time the best advice to our historical and new customers.

**Vanessa Hagen,
Lead Project Architect.**

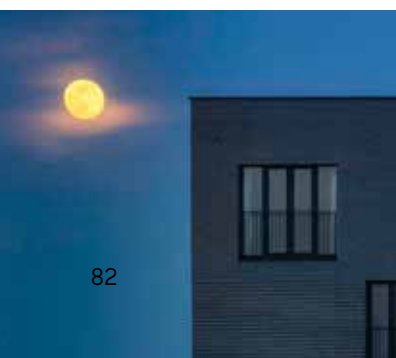
"The automotive sector is in full transition. We help D'leteren Automotive to imagine the car dealerships of the future and to adapt the installations to the fast-changing needs/wishes of their customers."

Very long-term investment strategy

Pursuing the "Invest, enhance, hold when core and divest when non-core" strategy, D'leteren Immo is clearly positioning itself as a responsible real estate company that thinks about and anticipates economic, societal and environmental developments. It also continues to innovate in order to create long-term value for all its stakeholders, including its customers and suppliers, its employees and shareholders, and society as a whole.

A stronger, more capable team

Despite — or perhaps because of — the Covid crisis, the D'leteren Immo team has come together in a big way, and is certainly more tightknit and committed than ever before. The team is, of course, a work in progress, as it always will be, but everyone is now smarter, stronger and more capable than they were just a few years ago, having — on average — followed 5 days/year of outside training. This is a source of huge satisfaction for the management and bodes well for the future.



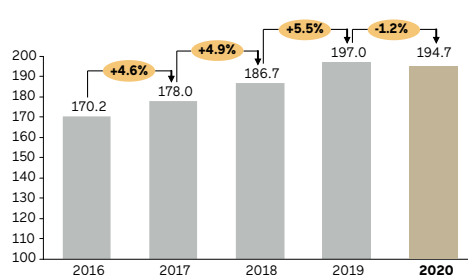
D'Ieteren Immo

Key Figures

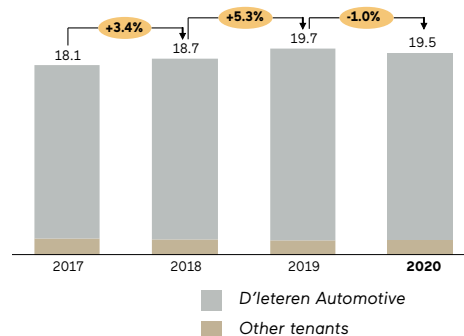
REAL ESTATE PORTFOLIO (m²)

	m ²
Car parks	434,617
Work shops	36,600
Showrooms	41,861
Storage	74,654
Offices	30,736
Technical/utility	22,080
Residential	4,705
Other	163,937
TOTAL	808,990
of which covered	273,021
TOTAL LAND AREA	768,024

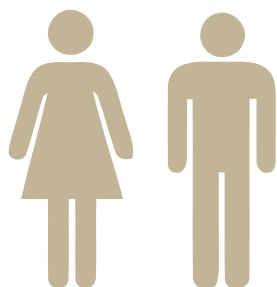
BOOK VALUE OF THE REAL ESTATE PORTFOLIO (EUR million)



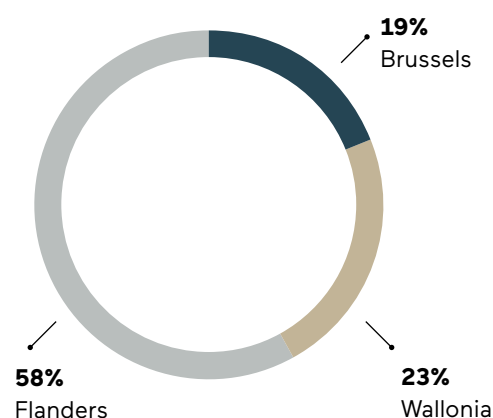
NET RENTAL INCOME (EUR MILLION)



37 TEAM MEMBERS*



31 SITES



1 At identical perimeter
* at year-end 2020

Glossary of alternative performance measures (APMs) used in this integrated report

In order to better reflect its underlying performance and assist investors, securities analysts and other interested parties in gaining a better understanding of its financial performance, the Group uses Alternative Performance Measures (APMs). These alternative performance metrics are used internally for analysing the Group's results as well as its business units. These APMs are non-GAAP measures, i.e. their definition is not addressed by IFRS. The Group does not present APMs as an alternative to financial measures determined in accordance with IFRS and does not give to APMs greater prominence than defined IFRS measures.

Each line of the statement of profit or loss, and each sub-total of the segment statement of profit or loss, is broken down in order to provide information on the *adjusted* result and on the *adjusting* items.

The *adjusting* items are identified by the Group in order to present comparable figures and comprise the following items, but are not limited to:

- (a) Recognised fair value gains and losses on financial instruments (i.e. change in fair value between the opening and the end of the period, excluding the accrued cash flows of the derivatives that occurred during the period), where hedge accounting may not be applied under IAS 39/IFRS 9 (in this case recognised fair value gains and losses being directly accounted for in the Consolidated Statement of Comprehensive Income);
- (b) Exchange gains and losses arising upon the translation of foreign currency loans and borrowings at the closing rate;
- (c) Impairment of goodwill and other non-current assets;
- (d) Amortisation of intangible assets with finite useful lives recognised in the framework of the allocation as defined by IFRS 3 of the cost of a business combination;
- (e) Other material items that derive from events or transactions that fall within the ordinary activities of the Group, and which individually or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence.

Adjusted result consists of the IFRS reported result, excluding *adjusting* items as listed above.

Adjusted result after tax consists of the reported result from continuing operations (or the result for the period when no discontinued operation is reported), excluding *adjusting* items, and excluding their tax impact.

Adjusted result before tax consists of the reported result before tax excluding *adjusting* items as defined above.

Adjusted result after tax, Group's share, and *adjusted* result before tax, Group's share, exclude the share of minority shareholders in *adjusted* result before/after tax.

Net debt is based on loans and borrowings less cash, cash equivalents and non-current and current asset investments. It excludes the fair value of derivative debt instruments.

EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Since the method for calculating the EBITDA is not governed by IFRS, the method applied by the Group may not be the same as that adopted by others and therefore may not be comparable.

Earnings per share are based on the result for the period attributable to equity holders of the Parent, after adjustment for participating shares (each participating share confers one voting right and gives right to a dividend equal to one eighth of the dividend of an ordinary share). *Adjusted* earnings per share, which do not include *adjusting* items, are presented to highlight underlying performance.

FINANCIAL CALENDAR

General Meeting & Trading update	27 May 2021
Dividend ex date	1 June 2021
Dividend payment date	3 June 2021
2021 Half-Year Results	1 September 2021

INVESTOR RELATIONS - D'IETEREN GROUP

Stéphanie Voisin
s.a. D'Ieteren n.v.
rue du Mail, 50
B-1050 Brussels
Belgium
Tel. : + 32 2 536 54 39

PRESS RELATIONS AND SUSTAINABILITY - D'IETEREN GROUP

Anne-Catherine Zoller
s.a. D'Ieteren n.v.
rue du Mail, 50
B-1050 Brussels
Belgium
Tel. : + 32 2 536 55 65

E-mail: financial.communication@dieterengroup.com

Website: www.dieterengroup.com

VAT BE 0403.448.140 – Brussels RPM

Information about the group (press releases, annual reports, financial calendar, share price, financial information, social documents, etc.) is available in three languages (French, Dutch and English), on www.dieterengroup.com or on request.

Ce rapport est également disponible en français. Dit verslag is ook beschikbaar in het Nederlands.

DESIGN, PRODUCTION AND PRINTING

DIGITAL PRINT'IN
D'Ieteren Automotive SA/NV
rue du Mail, 50
B-1050 Brussels
Belgium
Tel. : + 32 2 536 52 48
printin@dieteren.be



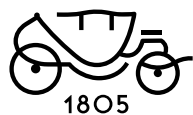
PHOTOGRAPHY

David Plas, Eric Ostermann, D'Ieteren Automotive, Belron and Moleskine photo libraries.

The major trading brands of the Belron group: Belron®, Autoglass®, Carglass®, Lebeau®, Vitres d'autos, Speedy Glass®, Safelite® AutoGlass, O'Brien® and Smith&Smith® are trademarks or registered trademarks of Belron Group S.A. and its affiliated companies.

FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking information that involves risks and uncertainties, including statements about D'Ieteren Group's plans, objectives, expectations and intentions. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of D'Ieteren Group. Should one or more of these risks, uncertainties or contingencies materialize, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected. As a result, D'Ieteren Group does not assume any responsibility for the accuracy of these forward-looking statements.



D'leterenGroup

dieterengroup.com

Linkedin