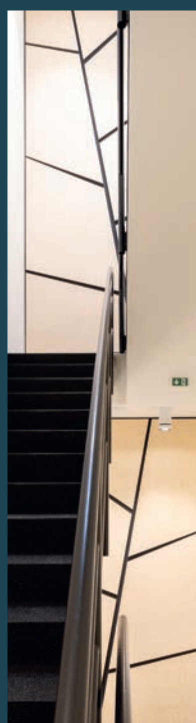
D'Ieteren Group

Integrated report 2019



Key indicators

Consolidated results (EUR million)	2010	2011	2012	2013	2014	2015	2016[1]	2017	2018	2019
Revenues (IFRS)[3]	7,053.6	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]
Combined revenues[3,5]	7,053.6	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
Adjusted operating result[4,5]	456.4	377.2	252.6	220.2	198.6	248.5	281.1	300.9	357.9	522.7[13]
Adjusted result, group's share:										
- before tax[4,6]	305.4	305.8	203.0	177.6	157.2	212.1	241.6	247.9	226.1	300.7[13]
- after tax[4]	234.2	312.0	159.4	136.1	144.0	186.5	215.3	194.8	182.2	211.6[12]
Group's share in the net result for the period[7]	218.8	312.6	190.1	114.0	-11.1	130.7	49.9	112.6	1,048.0	64.5[12]

Financial structure (EUR million)	2010	2011	2012	2013	2014	2015	2016[1]	2017	2018	2019
Equity of which:	1,464.7	1,532.1	1,679.2	1,725.2	1,644.8	1,735.1	1,683.5	1,760.5	2,655.4	2,641.3[12]
- Capital and reserves attributable to equity holders	1,250.6	1,530.5	1,677.4	1,723.6	1,644.2	1,733.3	1,683.0	1,764.3	2,655.1	2,640.7[12]
- Minority interest	214.1	1.6	1.8	1.6	0.6	1.8	0.5	-3.8	0.3	0.6[12]
Net debt group's share[11]	1,554.8	793.6	453.1	467.6	559.9	534.5	952.7	946.3	87.3	477.7[12]

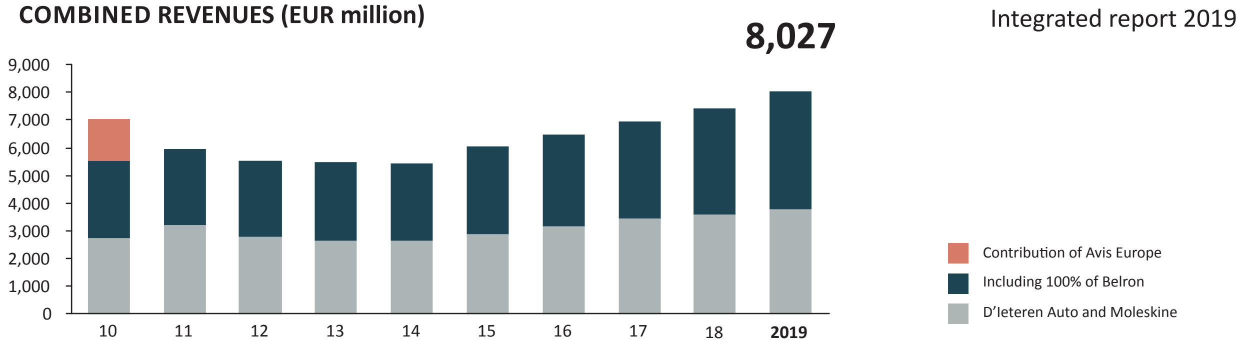
Data per share[8] (EUR)	2010	2011	2012	2013	2014	2015	2016[1]	2017	2018	2019
Group's share in the net *adjusted* result for the period[4,7,9]	4.26	5.65	2.89	2.47	2.29	3.32	3.92	3.55	3.32	3.88[12]
Group's share in the net result for the period[7,9]	3.97	5.66	3.45	2.07	-0.20	2.38	0.91	2.05	19.12	1.18[12]
Gross dividend per ordinary share	0.425	0.800	0.800	0.800	0.800	0.900	0.950	3.800[10]	1.000	1.000
Capital and reserves attributable to equity holders	22.61	27.67	30.33	31.17	29.73	31.34	30.43	31.90	48.01	47.75[12]

Share Information[8,9] (EUR)	2010	2011	2012	2013	2014	2015	2016[1]	2017	2018	2019
Highest share price	47.20	49.85	40.64	37.36	37.68	37.59	45.16	45.88	40.08	63.10
Lowest share price	28.85	32.73	28.95	29.21	27.66	27.36	26.08	35.84	32.36	32.46
Share price as at 31/12	47.20	34.07	30.44	36.20	29.30	34.42	42.00	37.54	32.92	62.60
Average share price	36.99	43.22	34.98	34.39	31.95	32.74	37.84	40.90	36.11	43.28
Average daily volume (in number of shares)	75,896	79,230	55,659	46,024	40,302	43,418	47,723	39,457	42,142	54,800
Market capitalisation as at 31/12 (EUR million)	2,610.3	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
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	55,302.620

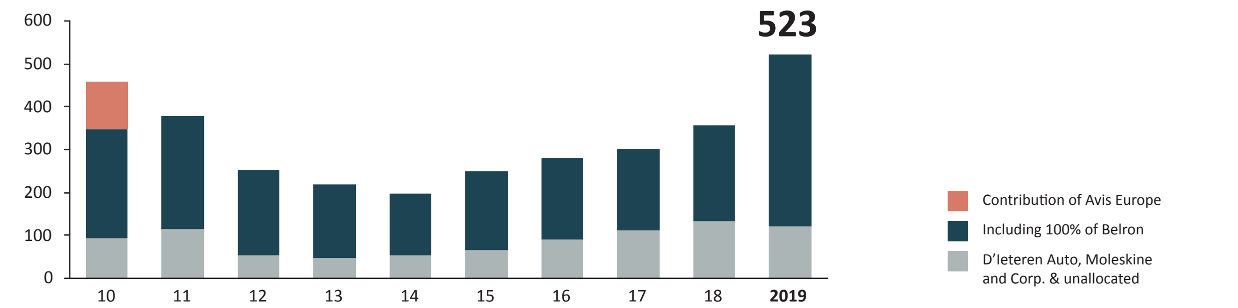
Average workforce[5] (average full time equivalents)	26,374	26,884	25,787	27,246	26,810	27,970	28,348	31,222	32,951	31,691

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'Ieteren 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'Ieteren, 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 68.
12. Post - IFRS 16.
13. Pre - IFRS 16.

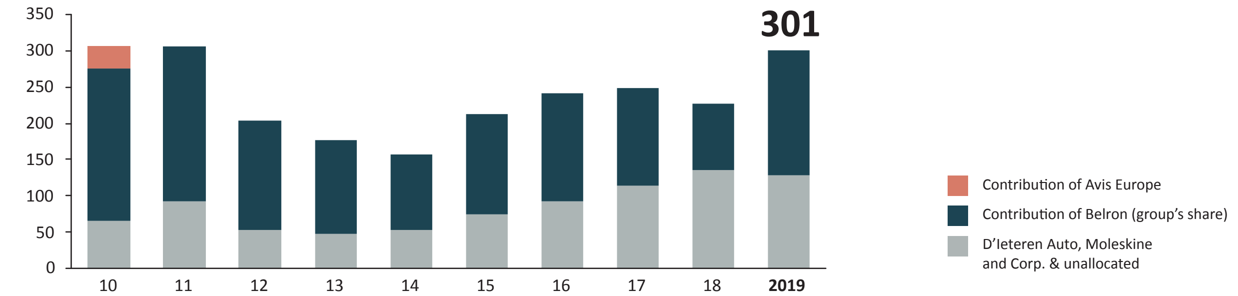
COMBINED REVENUES (EUR million)



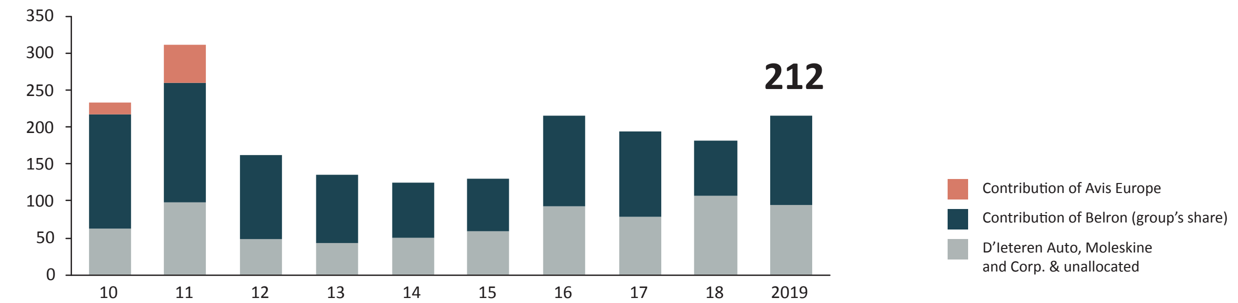
ADJUSTED OPERATING RESULT (EUR million)



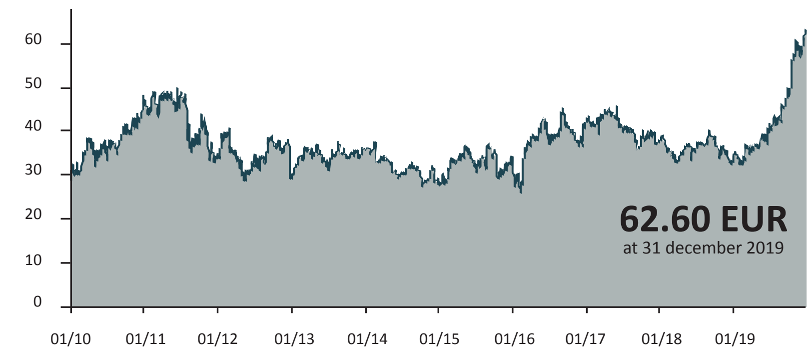
ADJUSTED RESULT BEFORE TAX, GROUP'S SHARE, (EUR million)

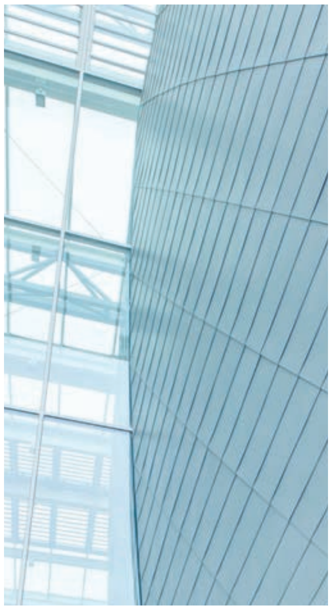


GROUP'S SHARE IN THE *ADJUSTED* NET RESULT FOR THE PERIOD (EUR million)



D'IETEREN'S SHARE PRICE SINCE 2010 (EUR)





About the integrated report

The purpose of this report is to provide the reader with a comprehensive overview of how the D'Ieteren Group and its activities view the creation of human, societal and financial value, and outline the principles they intend to implement to promote responsible stewardship of and for all stakeholders.

Evolution

This report is a continuation of the integration process started in 2018 that aimed to improve the connection between financial and non-financial information. In particular, this publication sheds new light on the mission and strategy of the D'Ieteren Group. This is reflected in a new "Creating value" section in which the operating model of the D'Ieteren Group is outlined.

As the D'Ieteren Group is a family of businesses, it is important that each activity keeps its own window of expression. This is why we kept a dedicated chapter for each of them. Nevertheless, we have aligned the logic towards value creation in each of our business with 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 2019 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 first time aligned with the GRI (Global Reporting Initiative) reporting standard (core option), an index of which is to be found on p. 172 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.

Content

Message from the Chairman

The D'Ieteren Group has had another year of excellent results in 2019 thanks to a remarkable performance in two of our three activities. Each made significant progress in terms of strategy and execution, and generated encouraging perspectives for further improvement in the years to come.

Our Belron subsidiary implemented an ambitious transformation and acceleration plan with "Fit For Growth". This has already registered tangible results. D'Ieteren Auto created a 'Transformation Office' to coordinate the many projects initiated as part of the Magellan plan to ensure D'Ieteren remains the primary Belgian player, both in terms of profitability and mobility, as we look towards 2025.
Regarding Moleskine, following a slowdown in 2019 after major changes to its product distribution and the evolution of its managerial structure, it has refocused on certain product categories and will welcome a new Chief Executive Officer in April, Daniela Riccardi. I am convinced that in 2020 Moleskine will reap the benefits of its transformation and will be back on track for growth.

Overall, I am particularly happy and proud to see the energy and passion our managing teams are putting in to transform and prepare our activities for a future that is increasingly demanding.
This same energy has enabled the D'Ieteren Group, since its inception and over generations, to implement new and innovative solutions to take on the challenges of the time. A human, positive and resilient energy that underpins and conveys the values of our Group. Among others, courage, curiosity and an entrepreneurial spirit have made us a dynamic, agile and high performance group, experienced in taking calculated risks.

These family values, which include respect and care, remind us each and every day of our responsibilities, and drive us to live by them and play a major role for our colleagues, our clients, the communities that surround us, our shareholders and our planet.

I would also like to welcome the arrival of Francis Deprez as the Group's CEO. Following three-years with our executive committee, he has had the opportunity to familiarise himself with our Group, its values, ambitions, challenges, organisation and its family shareholding. The members of the Board of Directors and myself fully trust his ability to lead the D'Ieteren Group and its activities on a trajectory of sustainable growth and success in the future.

More than ever, 2020 will be focussed on supporting current activities and researching new ones. In 2019, we intensified our research and examined many new dossiers, but did not disregard any of our requirements. We remain determined to create a sustainable partnership with promising businesses that are in line with the culture and values of a family business. Within the particularly volatile context of the beginning of this year, one in which opportunities will no doubt multiply, I am convinced that our profile and our proactive stance will make all the difference.

As I write this, we are confronted by a major and unheard-of challenge. Faced with the Coronavirus crisis, we need to come together, and put the well-being of our colleagues and our clients above all else. In these testing times for all, we will continue to count on the values I have mentioned to overcome this crisis while still remaining focussed on our objectives of value creation for all our stakeholders.

Nicolas D'Ieteren
Chairman of the Board

Message from the CEO

The D'Ieteren Group has made a substantial leap forward in 2019. I am proud to say that each of our activities has made an important contribution to the Group. If I have to single out one activity that really stood out in terms of stellar performance improvement, it is Safelite, Belron's vehicle glass repair & replacement activity in the United States, that doubled its profit over the last twelve months. Congratulations to our colleagues in the US!

Since July 1, 2019, after three years of being a member of the Executive Committee, I have had the honour to be appointed the new Chief Executive Officer of D'Ieteren Group. In my first message as CEO, I would like to share with you the Group's mission and our main strategic, operational and impact goals for the future.

Our mission at D'Ieteren Group is to **"build a family of businesses that reinvent industries in search of excellence and meaningful impact"**.

This applies fully to the two main focus areas in our corporate team. Our first focus area is for each of the existing businesses to fully develop themselves. We want each activity to reinvent the industry in which we work, to excel in everything we do, and to make a significant impact on the lives of those who work for us and who purchase our products and services.

Our second priority is to extend our portfolio towards a handful of new activities. We appreciate that less is more, and that the "D'Ieteren family of businesses" thrives on a limited number of sizeable growth platforms. That is why we are most attracted by potential opportunities in large markets, ones that address emerging trends and allow for outstanding customer journeys. Furthermore, we enjoy working with management teams with proven track records. After all, our added value is mainly as a strategic partner, through our long-term focus and consistent support. Each of our activities also aims at having the capacity to self-finance their growth, while generating enough cash flow over time, to allow for dividend payments to the Group. We have set up four origination practices in 2019 to more systematically look at the sectors of interest in our search for new investments. We remain very disciplined in a world where there is more money than opportunities, and are intensifying our contacts and research efforts with potential new partners.

Reinvention is the main strategic goal of all our businesses. At D'Ieteren Auto, for instance, being active in the rapidly changing car distribution and servicing sector, reinvention is already underway. One innovative example has been the launch of EDI in 2019. EDI stands for Electric by D'Ieteren; we have created it to help customers with the purchase and onboarding of their electric car. It is our answer to a real need and one that is not well served in Belgium. After all, a new electric vehicle — perhaps an Audi e-tron, a VW ID3 or a Porsche Taycan — is not only about the driving experience, but also about the ease of recharging, and the ability to properly charge a vehicle at home or on the move. At Belron too we are reinventing our business with our pioneering role in recalibration linked to the Advanced Driver Assistance Systems (ADAS) technology embedded in windscreens. And finally, Moleskine is extending beyond the notebook with the bags category, and is innovating with a digital pen that digitises analogue notes, and lets you share, search and edit them easily.

Excellence is the guiding operational goal of all our businesses. For many years, Belron has taken the lead on this front, and can be rightly proud of a remarkable Net Promoter Score (obtaining a new record again in 2019 with 84%), and the extraordinary engagement of the staff, which is truly exemplary. Nevertheless, at Belron we continue to pursue even more excellence, through the recently launched Fit for Growth programme, that is looking to generate improvements by stimulating growth through value opportunities and offering new services and products, and by becoming more efficient. The financial results achieved by Belron in 2019 show that the transformation and acceleration projects are beginning to bear fruit. We know that excellence is never fully attained, and that it is an on-going process that regularly involves asking the question, "Where can we improve and where should we transform?"

For D'Ieteren Auto, excellence already exists on the commercial front, particularly in the sales of new vehicles and many additional opportunities we have identified in the newly launched Magellan programme. At the same time, putting the customer at the center of everything we do, also in after-sales services for instance, will help improve customer satisfaction and loyalty over time. With our strong brand equity in place, at Moleskine we now need to adapt our structure and skills to be ready for a new phase of development. To this end, we have recruited Daniela Riccardi as the new CEO and her team. She takes up her duties in the month of April, and we really look forward to continue building the exciting Moleskine journey with her. D'Ieteren Immo, as our fourth activity, also continues to grow. In 2019, we added more third party rental revenues and we made our first move into the residential sector on our TenBosch site in Ixelles.

Finally, **creating meaningful impact is the ultimate goal all our businesses aspire to**. Next to pursuing great financial results, we are proud of the positive impact we are having on employees and their families, on our millions of customers, and on society as a whole. At Moleskine we are putting a greater emphasis on the development of a full set of eco-sustainable products and we have our own thriving philanthropic initiative, the Moleskine Foundation, to foster creativity and sharing of knowledge. At D'Ieteren Auto we are transforming our business model in line with D'Ieteren Auto's vision to improve the lives of citizens through fluid, accessible and sustainable mobility. In addition, we are actively reducing our carbon footprint, generating already more than 40% of D'Ieteren Auto's real estate energy needs through renewable sources. Belron's global sustainability approach is further progressing as shown by our outstanding corporate responsibility benchmarking score (Ecovadis). Belron also remains exemplary in terms of mobilizing all people for communities, in South Africa and close to our business units. Above and beyond our usual support, we will continue to help each business in our quest of putting the bar very high on sustainability, be it socially or environmentally.

This year, for the first time, we are publishing an integrated report instead of our traditional activity report. This reflects our strong determination at D'Ieteren Group to embed sustainability in our operating model with a view to create both financial and extra-financial value over time.

This goes along with a modernised visual identity, and soon, with a new website. No revolution in our image but an evolution, as a way to reaffirm where we are coming from, who we are – a family of businesses – and what we believe in: the power of working hand-in-hand with the management teams of our activities to generate long-term value for all our stakeholders.

As I am writing this letter - in March 2020 -, it has already become clear that in 2020 the world has become a different place. The Covid-19 pandemia is fully amidst us, and is affecting everything we do. This is a time where our values matter the most. At D'Ieteren Group, we are first and foremost trying to take care of the health, the safety and wellbeing of our employees and our customers. This has been at the center of our preoccupations and measures from day one, and will continue to do so. As the year unfolds, all stakeholders are being affected, and we will strive to keep the right balance. Fortunately, as we speak, also our cash position is particularly strong, and will help us to weather the potential storms ahead.

I would like to extend my thanks to the corporate team and all our activities, to our leaders and to all our collaborators, for their commitment and hard work, also and especially during these trying times. Together with all of you, I look forward to driving the D'Ieteren Group forward into the future, with the right balance of continuity and change.

I hope you will enjoy reading our first integrated annual report.

Francis Deprez
CEO D'Ieteren Group

Our value creation model at a glance

Our purpose is to build a family of businesses that reinvent industries in search of excellence and meaningful impact
(See page 8)

D'Ieteren Family
57.50%[1,2]
Capital share

Own shares[2]:
2.73%

Free Float
Euronext Brussels
39.78%[2]
Capital share

D'Ieteren is present in more than 105 countries

- **Driving the long-term performance of our businesses by** supporting managers with patient capital, strategic insight and an operational sounding board. (See page 22)
- **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. (See page 26)

Our Role and Input

[1] *In voting rights: 61.02%*
[2] *At 31 december 2019*

Our Businesses

> D'IETEREN AUTO

DESCRIPTION
D'Ieteren Auto (100% owned) distributes Volkswagen, Audi, SEAT, Škoda, Bentley, Lamborghini, Bugatti, Porsche and Yamaha vehicles in Belgium. It has a market share of around 22% and 1.2 million vehicles on the road at the end of 2019. In addition to Belgian vehicle distribution, it provides after-sales services through its Corporate-owned dealerships. D'Ieteren Auto's business model is evolving towards improving the life of citizens with fluid, accessible and sustainable mobility. This includes building a comprehensive electric offer, and developing new mobility solutions, such as shared mobility and intermodality, via the Company's subsidiary Lab Box.

FINANCIALS
2019 sales: EUR 3.6 billion
2019 *adjusted* operating result: EUR 119.0 million

WORKFORCE (AVERAGE FTEs)
2,011

(See page 30)

> BELRON

DESCRIPTION
Belron (54.85% of voting tights) has a clear purpose: "making a difference by solving people's problems with real care". It is the world leader in vehicle glass repair, replacement and recalibration, with more than ten major brands, including Carglass®, Safelite® AutoGlass and Autoglass®. It also manages vehicle glass and other insurance claims on behalf of insurance companies. In 2019, Belron served 18.2 million consumers in 39 countries on six continents.

FINANCIALS
2019 sales: EUR 4.2 billion
2019 *adjusted* operating result: EUR 400.5 million

WORKFORCE (AVERAGE FTEs)
29,121

(See page 40)

All in all, we aim to create value for all our stakeholders, while considering the UN Sustainable Development Agenda (For details on the way we contribute to the UN sustainable Goals please refer to the Non-Financial Disclosure on page 172 of the Financial and Directors Report.)

> On our customers
We believe that customer satisfaction is the core objective of our businesses.

> On our people
We believe that engagement, motivation and well-being of our people is key and we strive to create meaningful and purposeful environments in which they can operate.

> On our shareholders
We believe that satisfied customers and engaged people create superior value, including superior financial returns for shareholders.

> On our planet
We take care of our environment including through responsible use of natural resources, production and consumption of renewable energy and sustainable waste management.

> On our community
We look for opportunities to bring our businesses closer to their communities, through good and ethical conduct, volunteering, donations and long-term commitments.

Our Impact

(See page 25 & 66)

Our ecosystem

(See page 20)

- > Customer satisfaction
- > Employee well-being and development
- > Innovation for society
- > Economic growth and value creation
- > Respect of the environment
- > Community engagement
- > Ethics

Our Focus Areas

> MOLESKINE

DESCRIPTION

Moleskine (100% owned) is a premium aspirational lifestyle brand that develops and sells iconic branded notebooks, bags, writing instruments and reading accessories through a multichannel distribution network in more than 105 countries. Moleskine is innovating along the analogue-digital continuum, in particular with its Smart Writing Ecosystem, which enables users to develop their projects and ideas on paper without abandoning the convenience of digital technology.

FINANCIALS

2019 sales: EUR 163.9 million
2019 *adjusted* operating result: EUR 18.6 million

WORKFORCE (AVERAGE FTEs)

559

(See page 48)

> D'IETEREN IMMO

DESCRIPTION

D'Ieteren Immo (100% owned) groups together the Belgian real estate assets of the D'Ieteren Group. It carries out studies of possible site renovations or reconversions and develop the selected projects. In addition to managing its own property assets, the company offers property consulting services to the tenants of the approximately 30 properties in the portfolio.

FINANCIALS

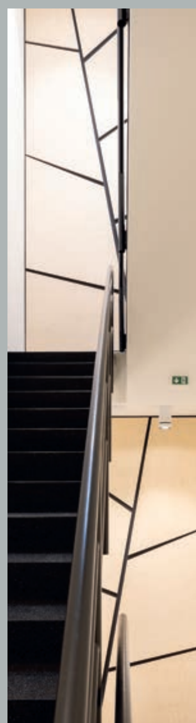
2019 Net Rental Income: EUR 19.7 million
2019 Portfolio Book Value: EUR 197.0 million

WORKFORCE (AVERAGE FTEs):

42

(See page 54)

Highlights 2019



We aim to create value for all our stakeholders

For our shareholders

> FRANCIS DEPREZ BECOMES CEO OF D'IETEREN GROUP
D'Ieteren's Board of Directors appointed Francis Deprez as the Group's Chief Executive Officer. Francis Deprez was already a member of the Executive Committee since 2016. Prior to this, he worked for fifteen years at McKinsey & Company, including eight as a Partner, five years at Deutsche Telekom as Senior VP Strategy and five years at Detecon International as CEO.

> D'IETEREN GROUP TO CARVE-OUT VEHICLE DISTRIBUTION AND RETAIL ACTIVITIES
D'Ieteren Group announced its intention to carve-out, D'Ieteren Auto, its vehicle distribution and retail business into a new fully owned subsidiary from January 2021. This will place D'Ieteren Auto at the same level as Belron, Moleskine and D'Ieteren Immo within the D'Ieteren Group. At a second level, D'Ieteren Auto announced its intention to carve-out part of its own activities into several new subsidiaries. These operations will make D'Ieteren Auto more flexible and bring it closer to its customers in a market where digitisation and new mobility solutions make it strategically vital to have direct contact with different types of customers.

> BELRON ACHIEVES RECORD SALES
2019 was an outstanding year for Belron due, in large part, to the success of its business acceleration and transformation programme, Fit for Growth. By focusing on boosting the financial performance of the business, the programme delivered strong sales and profit growth while ensuring that the company remains committed to its purpose of making a difference to its customers, people and society with real care.

Safelite® AutoGlass

> SAFELITE, BELRON'S SUBSIDIARY IN THE US, ACQUIRES TRUROAD HOLDINGS, INC
Safelite® Group, Belron's subsidiary in the US, reached an agreement to acquire the assets of TruRoad, a vehicle glass repair and replacement (VGRR), recalibration and claims-management player. TruRoad serves customers across 17 US states, including consumers, commercial clients (fleets) and insurance carriers. With this acquisition Safelite has increased its capacity to expand its national footprint, accelerate growth, and better serve its customers.

> D'IETEREN AUTO TAKES THE NECESSARY STEPS TO BECOME THE LEADER IN THE BELGIAN MOBILITY MARKET
Pursuing its 2025 strategy aimed at making its current business more resilient in challenging markets and to develop new revenue sources through innovative solutions, D'Ieteren Auto established a transformation office to define priorities and allocate resources to the multiple projects.

> A YEAR OF DELIVERY FOR D'IETEREN IMMO
D'Ieteren Immo diversified into the residential sector with its TenBosch project, a mixed-use complex comprising 35 apartments and a shop on the ground floor in the Châtelain district of Brussels. In addition, ten new tenants have joined its portfolio of B2B customers. This diversification of clientele has been made possible by reconverting sites that were formerly only used by D'Ieteren Auto.

For our customers

> RECORD LEVEL FOR BELRON CUSTOMER SATISFACTION
Once again, Belron proved that customer satisfaction sits at the heart of its business by achieving an overall Net Promoter Score of 84.2% for the year, the highest score in Belron's history.

> A DEEP DIVE INTO THE MOLESKINE CUSTOMER BASE
Moleskine led an extensive international research study across 7 markets to understand how the brand is perceived and to learn more about its target audience. Amongst other things, the survey showed that one out of three customers see themselves as Brand Ambassadors. Their main drivers are culture and creative thinking, which are perceived as crucial to reinforce the engagement with the brand.

> A MORE CENTRAL PLACE FOR D'IETEREN AUTO'S RETAIL IN BRUSSELS
D'Ieteren Auto launched the "Leading the race" plan in January, thereby raising the ambition of its retail activities in Brussels. These will have, from 2023 onwards, 4 sizeable, state-of-the-art sites, carefully located where customers go.

For our people

> MOLESKINE LAUNCHES ITS PEOPLE & CULTURE PROJECT
Moleskine has encouraged its employees to reflect on the Brand, its purpose and its values: "Excellence, Learning, Care, Resourcefulness, Passion", and to see what personal behaviours and attitudes are required to nurture them on a daily basis. Internal workshops were conducted with small groups of about 15 people, in EMEA and America regions. The roll out of the Project will continue in 2020 in the APAC region. Participation in this project has been extremely high as well as the rating in internal satisfaction surveys.

> BELRON'S TECHNICIANS TRAINING RECOGNIZED BY THE PROFESSION
The Institute of the Motor Industry (IMI), which approves standards of training and accreditation for the automotive industry, has approved Belron International as an IMI Awarding centre for VGRR* and recalibration. This stamp of approval endorses the Belron Way of Fitting (BWoF) as a Quality Assured Programme to an industry standard. Belron is the first global VGRR company to receive such approval independent credibility and a competitive advantage across the automotive industry as well as recognising and benchmarking the skill and development of the technicians.

** Vehicle Glass Repair and Replacement*

> LEADING THE D'IETEREN AUTO WAY
D'Ieteren Auto has pursued its internal collaboration effort to develop an innovative and engaging Corporate culture. In particular, a leadership forum has enabled internal values to be reviewed and brought to life across the entire organisation. This is a true transformation lever on which D'Ieteren Auto wishes to rely to take on the big challenges in its sector and fulfil its 2025 ambitions.

For our planet

> WHAT REINVENTION MEANS FOR D'IETEREN AUTO

Poppy, the incubator sharing platform launched in Brussels and Antwerp by Lab Box, D'Ieteren Auto's startup for new mobility solutions, reached the 500 shared cars milestone. Furthermore, in order to offer its 50,000 users the choice of transport most adapted to their needs, Poppy integrated the car, electric step and electric scooter offering into a single application. At the same time, EDI (Electric D'Ieteren Solutions) extended its offer of charging stations for electric cars and hybrids of all brands by facilitating the installation of solar panels. These are concrete examples of how businesses can reinvent themselves for the benefit of society.

> D'IETEREN IMMO LAUNCHES AN AMBITIOUS SUSTAINABILITY APPROACH

Determined to become an example in the sustainable management of both existing buildings and new projects, D'Ieteren Immo has laid the foundations for an ambitious sustainability policy. In particular, the company has identified eight specific themes for which KPIs will be set. All of them are directed towards the achievement of two major objectives: "Design, build and preserve a sustainable business model" and "Be a first-rate employer and a reliable partner in the evolution towards a fairer and more sustainable society".

> ACHIEVING ENVIRONMENTAL FOOTPRINT REDUCTION AT BELRON

Belron managed to further decrease its carbon intensity (CO_2 per job). Its Repair First strategy – repairing a windscreen rather than replacing it wherever possible – saved over 140,000 tons of CO_2, and over the last five years its overall carbon intensity has been reduced by 17%. As one of the top glass purchasers in the world Belron has a duty to dispose of its glass in an environmentally-friendly way. In 2019, it recycled more glass than it had ever done before, and continued to work hard to increase its glass recycling capacity and to meet its long-term ambition to recycle 100% of all glass.

For our communities

> A RECORD SUM FOR AFRIKA TIKKUN

Belron's annual Spirit of Belron Challenge raised a record 26 million ZAR for Afrika Tikkun, Belron's historic charity partner that provides education, health and social services to young people and their families in South African townships. It was a fitting way to mark the organisation's 25th birthday and to show its continued commitment to changing the lives of young people in South Africa from where its engagement started.

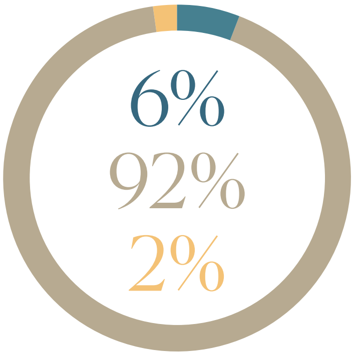
> MOLESKINE FOUNDATION PROMOTES CREATIVITY, CULTURE AND QUALITY EDUCATION

In 2019 the Moleskine Foundation implemented unconventional education programs and events in six different countries to empower youths people from underserved communities. From New York to Libreville, from Venice to Maputo. Hundreds of youth had the unique chance to develop an increased capacity to process knowledge critically, a greater awareness of the tools at their disposal to think and act creatively.

> D'IETEREN AUTO MOVES FOR OTHERS

In 2019, more than 300 co-workers walked, ran or cycled for charity projects linked to sustainable mobility. The amount of covered kilometres was converted to euros thanks to a dedicated app, which made it possible to support more than a dozen projects such as the purchase of sports bikes and wheelchairs, the development of better access to buildings and the adaptation of vehicles for the transportation of people with disabilities.

Key figures per activity

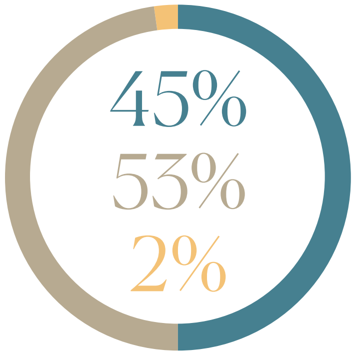


31,750

average full time equivalents in 2019

AVERAGE WORKFORCE

(average full time equivalents)	2018	**2019**	**Change**
D'Ieteren Auto	1,848	**2,011**	+8.8%
Belron	30,567	**29,121**	-4.7%
Moleskine	479	**559**	+16.7%
Other	57	**59**	+3.5%
Total	32,951	**31,750**	**-3.6%**



8,026.9

EUR million in 2019

COMBINED REVENUES[3]

(EUR million)	2018	**2019**	**Change**
D'Ieteren Auto	3,404.0	**3,634.9**	+6.7%
Belron	3,839.7	**4,228.1**	+10.1%
Moleskine	174.1	**163.9**	-5.9%
Total	7,417.8	**8,026.9**	+8.2%

522.7

EUR million in 2019

ADJUSTED OPERATING RESULT[1,3]

(EUR million)	2018	2019	Change
D'Ieteren Auto	113.0	**119.0**	+5.3%
Belron	225.7	**400.5**	+77.4%
Moleskine	28.6	**18.6**	-35.0%
Other	-9.4	**-15.4**	+63.8%
Total	357.9	**522.7**	**+46.1%**

300.7

EUR million in 2019

ADJUSTED RESULT BEFORE TAX[1,2], GROUP'S SHARE (KPI)

(EUR million)	2018	2019	Change
D'Ieteren Auto	121.0	**128.4**	+6.1%
Belron	82.1	**172.8**	+110.5%
Moleskine	18.9	**9.8**	+48.1%
Other	-6.9	**-10.3**	+49.3%
Total	215.1	**300.7**	**+38.8%**

1 *Excluding adjusting items (APMs - see glossary on page 68) Pre-IFRS 16.*
2 *52,48% stake in Belron in 2019 and 2018 (restated).*
3 *Including 100% of Belron.*

Creating value

Economic and Financial Environment in 2019

Challenging macroeconomic environment

Globally, 2019 recorded the lowest economic growth since the global financial crisis more than a decade ago, reflecting continued weakness in international trade, confidence and investment amid rising trade tensions (United States' & China's prolonged disputes) and geopolitical uncertainty (e.g. Brexit). This slowdown was widespread, affecting both advanced economies as well as emerging markets and developing economies. These growth concerns triggered monetary policy easing by the US Federal Reserve and other major central banks which subsequently led to a reduction in borrowing costs.

These accommodative policies were the main driver for the very strong performance of financial markets, as global equity markets posted their best year since 2009 despite the sluggish macroeconomic context. The alleviation of trade tensions following bilateral discussions between the United States and China since mid-October (and subsequent Phase 1 agreement) and the probable resolution of Britain's Brexit imbroglio have also helped boosting investors sentiment in late 2019.

Going forward, while rising hopes of a US-China trade deal, US presidential elections, continued monetary policy easing from major central banks and lower expected uncertainty in Europe following the Brexit deal were expected to be key themes driving 2020, these are since early February 2020 overshadowed by the COVID-19 crisis which threatens to fragilize an already anemic growth.

Slowdown in European Mergers & Acquisitions (M&A) activity

Coming off a strong 2018, the European M&A activity dropped 22% in value in 2019 and accounted for just 23% of global M&A value. This was largely driven by a strong decline in M&A activity in the UK amid Brexit deadlock, a decrease in the number of megadeal transactions (only 5 deals larger than $10 billion, the lowest level since 2009) and a drop-off in cross-border transactions reflecting global economic slowdown and geopolitical uncertainty.

Heightened competition amid abundance of equity and debt capital leading to elevated valuations

The rapid development of alternative investment with the proliferation of asset managers injecting capital in private equity (‘PE’) funds have led to ever-increasing PE fundraisings (e.g. USD 86 billion in Europe and USD 407 billion globally in 2019 versus USD 49 billion and USD 242 billion respectively in 2015) and record high PE liquidity (or ‘dry powder’) of around USD 460 billion in Europe and USD 2 trillion globally. This, coupled with ample cash available on corporates’ balance sheets, is driving heightened market competition to deploy capital. The competition intensity also stems from a growing number of investors that are increasingly varied and professional, from global platforms investing across products and geographies to highly specialized investment companies.

Financial debt markets also remained very supportive with interest rates at historical lows driven by the accommodative monetary policy of major central banks. This provides a very ‘cheap’ financing source for buyers, which further boosts their already high firing power.

This abundant liquidity of an ever increasing number of investors has naturally increased competition for assets and eventually led to heightened deal valuations (e.g. 2019 median EV/EBITDA deal multiple of 11x in Europe vs 9x in 2009).

Corporates called to contribute to global sustainable goals

In parallel, the awareness of sustainability-related issues has stepped up a gear and the pressure on companies to pay attention to environmental, social and governance (ESG) issues and to disclose on these topics has grown. 2020 and the new decade are expected to see more integration of sustainability related issues in business practices.

Operating Model

> Driving the long-term performance of our businesses

Supporting our activities is at the core of what we do. We strive to work in real partnership with management teams and support them in good and bad times. We see our activities as human organisations with a strong purpose. In particular, we believe that engaged people providing great experiences to customers with a responsible attitude towards society generate superior results.

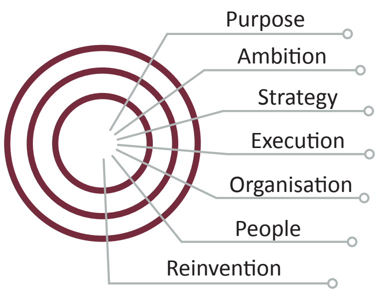
Our responsibilities in the partnerships are threefold:

Support over the long term

We are committed to the development of our activities over the long-term. There are many possible avenues for long-term growth and value creation, such as geographic expansion, new product or service introduction, industry consolidation, market share gains, etc. We are prepared to take risks and to reinvest in the companies to help them grow and scale up. We also work side-by-side with management teams when they need to reinvent their business models. Based on our history, we know that real transformation and expansion may require significant investments and take time and effort.

Contribute

We are actively involved in our activities. Our added value lies in our ability to help them strengthen and develop, while respecting management's autonomy. We offer insight, support as well as challenging and constructive feedback on seven dimensions:



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 the activities to ensure effective and sustained execution.

Engage

The partnership relies on a permanent, open and transparent dialogue. In terms of governance, we put in place efficient and effective governance bodies, ensuring a swift decision-making process and providing the necessary oversight, checks and balances. We always strive for clarity and alignment with management teams and believe that collaboration is the best way to create engagement. Accordingly, whilst we have no specific exit horizon, we are keen to share value creation in function of specific milestones. We like to engage with management teams and employees. We listen as much as we can and take the time to understand their culture, vision and operating models.

We apply multiple expertise and competences in supporting our activities ranging from corporate finance and strategy to tax, legal and sustainability. Our team comprises about six investment professionals backed by seasoned support teams who work seamlessly to accompany our activities.

"We focus on building capabilities within the activities to ensure effective and sustained execution"


e-tron

Interview of Arnaud Laviolette, Chief Financial Officer

What are the key performance indicators that underpin value creation at D'Ieteren Group?
We measure our performance through various lenses. Financially we look at sales evolution, EBIT and EBITDA growth, free cash flow and returns on capital employed. Operationally we look at our relative market positions, consolidation opportunities, customer satisfaction and employee engagement. We attach a lot of importance to the long term impact our activities are having on society at large, and are starting to measure it now. Finally, we look carefully at the specific risks that our businesses are facing and try to mitigate them in order to have a sustainable performance.

What have been the main positives and challenges in 2019? Where do you see scope for improvement?
Globally we have had a very strong year on each aspect of the performance indicators.
At Belron, the management has been very proactive in seizing market opportunities and increasing our market shares, consolidating in key strategic markets, adapting our workforce to the various market conditions, developing our recalibration practice and increasing our efficiency. Our Fit for Growth strategic initiatives are already contributing to the improved results. The sizeable free cash flow generated

"We want to keep maximum financial flexibility at the Corporate level in order to support our activities in their strategy"

by this activity has allowed the company to distribute an important dividend after having raised additional debt at attractive conditions and to make a very significant acquisition in the US (TruRoad). The challenges remain the volatility of the volumes in some regions and the conversion of recalibration opportunities via adequate tooling as well as the right training of our technicians. There is still room for improvement in the efficiency of the organisation, through reviewed end-to-end processes with the necessary IT investments.

Concerning D'Ieteren Auto, all our brands (with the exception of Porsche) have increased their market shares in a stable market, with the notable strong performance of Audi. This performance of our import activities has led to an improved profit, despite the weaker performance of our retail activities in Brussels and at Porsche. The free cash flow generation has progressed but remains negatively impacted by higher inventories. The management has worked on a new strategic plan, Magellan, and on operational efficiencies which should prepare the company for the challenges of the coming years. Finally, Moleskine's performance has been very weak on the backdrop of US duties, pressure from online retailers on traditional retailers, B2B segment not repeating its strong performance of 2018, persistent issues with our direct channels and digital products and bags not delivering on their promises. We have hence decided to bring some managerial changes and hope to see the benefit of this in the second half of 2020.

Which financing model do you pursue at the Corporate level and at the level of the businesses?
We want to keep maximum financial flexibility at the Corporate level in order to support our activities in their strategy and we would only consider debt financing at the Corporate level if we were sure it would be temporary. We decide, together with the management of the activities, the suitable level of financial debt for each of our activities, which should be able to generate the necessary free cash flows in order to reimburse their debt on schedule and pay a dividend.

Which asset allocation strategy does D'Ieteren Group pursue?
We are looking to deploy our financial resources on a limited number of sizeable opportunities, fully aligned with our purpose and our M&A priorities.

Our dividend policy aims at distributing at least the same dividend as the one distributed the year before and increase it when we judge it is sustainable.

We have also decided in 2019 to initiate a share buy back program as we judged that our shares represented a very attractive investment for our excess cash position.

New impetus for our sustainability approach

What is in practice the D'Ieteren Group's approach to sustainability?
The Group aims for an integrated approach, in which sustainability is embedded in our two main operating missions : the support we bring to our existing activities and the search for new ones.

What were the key moments in this sustainability approach during 2019?
The support we offered to our activities at the non-financial level was revisited in 2019. We wanted to start from a blank page and develop a long-term approach with the right objectives. After two years of reporting on the non-financial aspects identified by each activity in partnership with experts and taking into account international standards such as SASB, we decided to support our activities with a new materiality assessment. These new, in-depth and personalised analyses are based on market studies, dialogues with the main stakeholder groups of our activities and discussions with their management. They are designed to help activities take action where needed, and where it is relevant to their own business, taking their own ecosystem into account.

At a Group level, we have also formalised our global approach and encouraged activities that did not yet do so to measure their performance linked to certain key non-financial dimensions, namely customer satisfaction, employee engagement and environmental impact.
In a family of businesses, members can support and enrich each other. This is why, in 2019, for the second year running, a seminar on integrated thinking was organised with members of each activity, in the presence of external experts. The participants were able, among other things, to exchange their experiences in terms of controlling their supply chain, measuring their environmental footprint (not limited to CO_2 emissions) and setting quantified objectives, and to learn about processes aimed to increase the relevance and preciseness of their non-financial data.

What are the next steps?
The next big step will be to take full advantage of the lessons learned from the materiality studies and non-financial reporting from the past exercise to support our activities in defining a business-specific sustainability strategy.

At the same time, D'Ieteren Group will further engage with its own stakeholders, including shareholders, investors, analysts, regulators and civil society, on the topic of sustainability. The aim will be to better understand the scope of our impact in an environment where corporates and investors are called upon to support the transition to a more sustainable economy.

Interview
Nicolas Saillez,
Head of M&A

> A focused search for new investments

How would you describe the investor profile of the D'Ieteren Group?
As a family-controlled investment company, D'Ieteren Group has the strength and stability to take a long-term view on its investments.

This makes us different from many other sources of capital and means that we must examine the fundamental trends of markets we look at, as well as build a form of sector specialisation in our teams. This specialisation allows us to be more efficient in the selection and analysis of investment opportunities and underpins our contribution to the value creation in these activities.

We look for inspired and ambitious management teams who are capable of developing their activities through external and internal growth, over long periods; for example by consolidating a previously fragmented market, as was the case with Belron. An alignment of interests is also an important part of this equation.

We are also focused on the human factor in business, and position ourselves as a partner of united management teams, ready to collaborate with us.

You study more than a hundred investment opportunities per year; how do you manage this flow on a daily basis?
We have a multi-disciplinary investment team made up of 6 people, on top of our CEO and CFO. They divide their time between looking at investments and supporting existing activities. They also work closely with our legal and tax experts.

Our sector specialisation, together with a certain discipline and a series of objective criteria in terms of size, growth and profitability that depend on the individual situations, lead us to our "funnel" of investment opportunities. These are then reviewed by our investment committee, and shared for further analysis, where appropriate, with our other governance bodies.

My challenge today — in this time of abundant liquidity, low interest rates and high valuations — is to allocate time and resources to the right segments and opportunities long before we ever get to a possible shareholder situation. In this way, we can interact with management teams, build knowledge, speak with the appropriate experts and build a conviction on possible investments well in advance.

How do interesting opportunities arrive on your desk?
Our effort to find new investments works via two complementary approaches: the first is based on our own capacities and creativity, our proprietary market analyses, and the identification of interesting opportunities; while the second is based on our contacts with management teams, investment bankers, consultants who share with us possible opportunities in the sectors and geographies sought. We also have regular dialogues with other investment firms and families who are aligned with our values and vision and could partner with us to perpetuate them together.

D'Ieteren has long been considered an automotive group. Is this sector still one of your priorities?
It all started with mobility and it went from strength to strength after a few reinventions along the road. Today, one of our expertises is mobility, which regroups a number of segments, some of which relate to the automobile.

Investors are becoming more and more interested in the ESG aspects of companies. What importance does D'Ieteren attach to these as an investor?
They are of crucial importance. We have integrated an ESG analysis into our due diligence work. When we analyse an investment opportunity, we include a chapter on what the company does in terms of sustainability, how it does it and what improvements are possible.

We are convinced there is a positive correlation between the strength of a company's purpose and ability to contribute positively to all stakeholders, including the environment, and its financial performance.

"We are particularly concerned with the human factor in business, and position ourselves as a partner of united management teams, ready to collaborate with us."

D'Ieteren Group's investment strategy

D'Ieteren Group aims to invest 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. The Group looks for investments enabling a form of control (control, co-control, path to control). It is targeting some specific industries in which it is developing a deep expertise through supporting its activities' development on the long term.

Sectorial Focus

- Business Services
- Industrials
- Mobility, Transport & Logistics
- Lifestyle Goods & Services

Geography

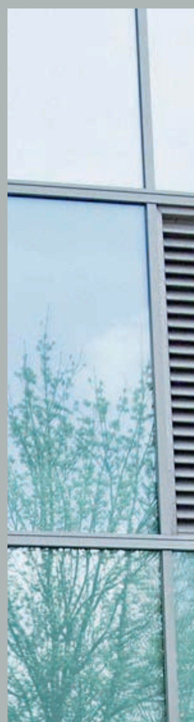
- Cultural proximity
- Management team based in Europe

Investment themes

- Demographics & ageing population
- Urbanisation/mobility
- Sustainability
- Industry 4.0
- Automation/digitalisation

Size

- Ambition to invest EUR 300 million to EUR 1 billion or more in a selected number of growth platforms



Business reviews

D'Ieteren Auto

Improving the lives of citizens with fluid, accessible and sustainable mobility

1805
D'Ieteren Auto

What we do

D'Ieteren Auto distributes Volkswagen, Audi, SEAT, Škoda, Bentley, Lamborghini, Bugatti and Porsche vehicles, along with spare parts and accessories in Belgium. It has a market share of around 22% and 1.2 million vehicles on the road. D'Ieteren Auto also distributes the products of Yamaha in Belgium and the Grand Duchy of Luxembourg through D'Ieteren Sport.

D'Ieteren Auto manages a strong network of independent dealers across the country and corporately owns about 20 locations, mainly on the Brussels-Mechelen-Antwerp axis. Besides distributing vehicles in Belgium, D'Ieteren Auto provides after sales services through its Corporate-owned operations. These include bodywork, maintenance and repairs. It also sells used vehicles through My Way centres and My Way Authorized Distributors.

In addition, D'Ieteren Auto provides car financing and long-term car rental services through a joint venture between D'Ieteren and Volkswagen Financial Services.

D'Ieteren Auto's business is evolving towards improving the lives of citizens with fluid, accessible and sustainable mobility. The company is bringing great focus on supporting responsible mobility, mainly through the initiatives of its subsidiary, Lab Box.

Commercial Vehicles

SEAT ŠKODA

EDI
Electric D'Ieteren Solutions

BENTLEY LAMBORGHINI BUGATTI PORSCHE YAMAHA Revs Your Heart

LAB
A O
BOX

Interview of Denis Gorteman, CEO of D'Ieteren Auto

With our 2025 vision for the future at D'Ieteren Auto firmly established, notably to "Improve the lives of citizens through fluid, accessible and sustainable mobility," our goal is to transform our current business model and become the leader in the mobility market by 2025.

We realised that we had to work out how we could best meet the expectations of our different sorts of customers, including our partners, our dealers, our professional clients, our fleet managers and also our private clients. It is a challenging and evolving work that is being further complicated by four major and interconnected trends disrupting the automotive sector today: electrification, connectivity, new mobility and vehicle automation. These forthcoming changes are generating new consumer behaviours when it comes to cars specifically, but also when it comes to mobility, in general.

We understand it is the user experience and quality of service on offer that influences the expectations of the clients. The demand for a personalised offering is very strong. Clients want mobility solutions that are adapted to their lives. At the same time, cities are transforming, limiting the role and use of cars.

Our 2025 strategy was defined with these behavioural and contextual changes in mind. It aims to deliver excellence and innovation and make our current business more resilient and to also acquire new revenue sources through future solutions. The projects launched are numerous and impact all of the services offered. A Transformation Office maximises our chances of success in these projects by allocating resources and clearly defining priorities taking our end goals in mind. The internal structure was also reviewed to give our different businesses the autonomy and agility needed to meet the demands of their specific clientele and to optimise their development paths.

"Our goal is to transform our current business model and become the leader in the mobility market by 2025."

"Clients want mobility solutions that are adapted to their lives."

Our strategy goes beyond the implementation of projects. Across the entire organisation, we are doing important reflective and collaborative work, based on the company values, to evolve our internal culture, and make it more accountable and favourable to innovation. We are convinced that the success of our transformation will only happen if the whole team is engaged. It is therefore logical to favour the development of competencies necessary to reaching our ambitious goals.

This way of working is bearing fruit and has already made it possible to put certain multidisciplinary projects in place. Furthermore, it has contributed to excellent commercial and operational performances during 2019 by leveraging development opportunities in our markets.

2020 is shaping up to be more challenging considering the expected downturn of the new car and commercial vehicle markets. But our teams are ready to put in place new initiatives designed to compensate for this shortfall. Most notably, via the used car market, which has real development potential, or through the "greenification" of the car fleet by offering global solutions for the greatest comfort of clients involved.

Taking the quality and engagement of the teams into account, I am confident the future of D'Ieteren Auto is bright, and I thank them for that. In a world where performance is a sign of success, we will relentlessly continue to be a citizen's organisation looking for the best balance between the wellbeing of our staff and the satisfaction of our clientele, the development of our partners and the respect for the environment in which we operate.

> Overview of 2019

Business environment

With 550,003 new car registrations in 2019, an increase of 0.1% compared to 2018, the vehicle market has gone beyond our predictions and reached a very high level. In the commercial vehicle market, 81,820 registrations were recorded, 4% above 2018. An analysis per type of client shows an increase in the renewal of company vehicle fleets on the one hand — a sign the national economy is robust — and a reduction of the private market on the other, stemming from uncertainties relating to fiscal policies. Registrations per motor type confirm a decrease in the number of diesels (31% of the market) for the benefit of petrol (61%), and the progressive rise of alternative energy vehicles (7%), thanks to the increasingly improving offer.

The year 2019 was marked by different contextual changes that undoubtedly impacted car sales. The city centres continue to evolve by reducing the space allocated to cars, increasingly limiting the speed limit to 30km/h and prohibiting access to low emission zones for aging cars. A greater reliance on alternative means of transport like bikes and electric scooters has become more widespread. Decisions made in 2019 relating to the fiscal status of a company car, which bases the tax deduction level on the level of CO_2 emissions per vehicle, has also influenced sales.

As such, in 2020, the new car market is expected to see a decrease of 7% to 510,000 registrations. The light commercial vehicle market is also expected to go down by 8% to 75,000 registrations. The transition to electrical vehicles should accelerate thanks to the arrival of many compact vehicles at more affordable prices. For used vehicles, the market should maintain its 600,000 registrations. After-sales activities will continue to feel the pressure because of the quality of vehicles and the latest driving assistance systems.

Solid commercial performances

In 2019, D'Ieteren Auto was able to profit from the growth in the new vehicle market, raising its net market share (excluding registrations of less than 90 days) to 22% for new cars and 11% for light utility vehicles. This evolution is explained by the appeal of new models — some of which are electric powered — and SUVs of all distributed brands. Looking at after-sales, enduring client loyalty to shops, combined with a growing client base compensated for the decrease of activities linked to the ever increasing reliability of vehicles, as well as the built-in driving assistance systems which reduce the number of accidents on the road and therefore the need for bodywork intervention. Sales of parts and accessories, on the other hand, evolved favourably.

Poppy reaches the 500 shared cars milestone

A mere two years after launching, Poppy has multiplied its actions to accelerate its development in Brussels, Antwerp and around the Brussels Airport. Its fleet of 550 shared cars include the models Seat e-Mii, Ibiza CNG and Skoda Citigo-e.

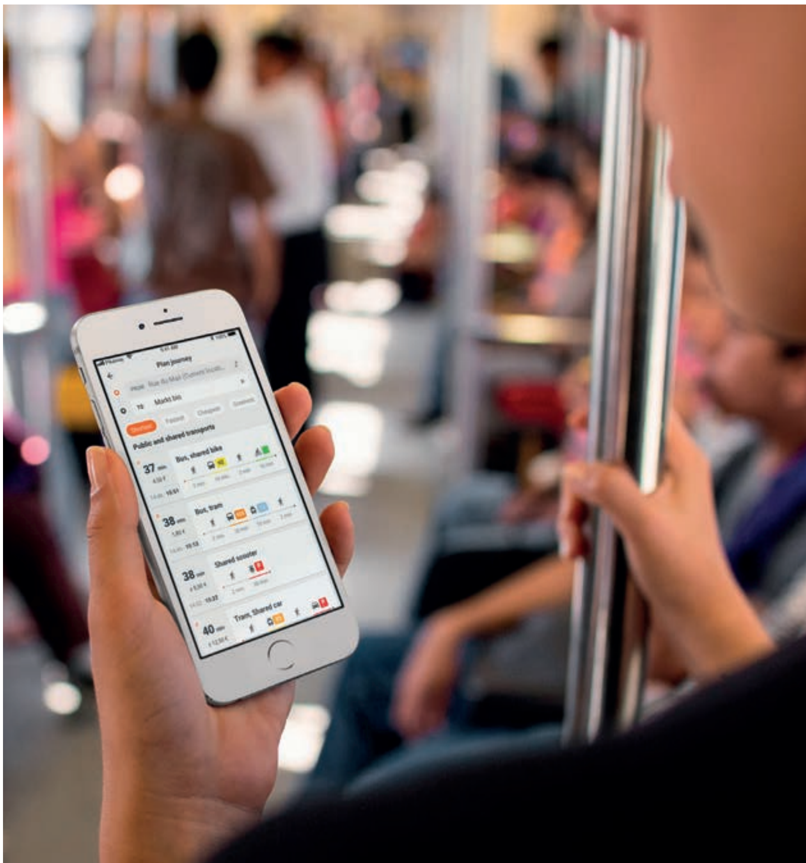
In order to offer its 50,000 users the choice of transport most adapted to their needs depending on the distance they need to cover and the time at which they need it, Poppy has integrated the car, electric step and electric scooter offering into a single application. Another added value from Poppy beyond multimodality is that it targets the intercity commute by allowing its users to travel across the three zones in which Poppy is active.

Electric by D'Ieteren

To promote the use of electrical vehicles and provide an answer to the challenges of a mobility that is increasingly conscious of the environment, D'Ieteren Auto commercialised, through its EDI (Electric by D'Ieteren) subsidiary, a total offer of smart solutions for charging and green energy production for private and professional users. To adapt to all the models available on the market and to all electrical installations, EDI offers different types of charging stations in mono-phase and tri-phase as well as a card, which enables vehicles to be recharged at one of 10,000 public charging stations across 25 countries in the European Union. For its professional clients, EDI also offers split billing, also known as fractioned invoicing, which records the cost linked to recharging a vehicle at a residence and sends the invoice to the employer. Some two years after its launch, EDI's ambition is to multiply its sales fivefold in 2020 compared to 2019.

Key achievements

- Finalisation of the Market Area strategy that gives D'Ieteren Auto a restructured network in 20 geographical zones.
- Launch of the "Leading the race" which raises the ambition of retail activities in Brussels, with from 2023 onwards, 4 sizeable state-of-the-art sites.
- Development of the CLIPS (Customer Logistics in Parts & Services) project which aims to optimise the distribution process of parts and accessories and achieve ever-higher satisfaction levels with dealers.
- Launch of online sales for in-stock vehicles is helping D'Ieteren Auto to gain expertise and to position itself as the precursor of this new commercial approach.
- New initiatives for Lab Box which, on top if its car-sharing activities and its multimodal application, has enlarged its service to include HUSK, a private chauffeur service platform, HUSH an autonomous mobility service and Lizy, which has been successful leasing recently used or stock cars online.
- Encouraging results for EDI, Electric by D'Ieteren, that has extended its offer of charging stations by facilitating the installation of solar panels.



> Strategy for 2020 and beyond

D'Ieteren Auto has established its 2025 strategy, in line with its vision to "Improve the lives of citizens through fluid, accessible and sustainable mobility." Its ambition is to guarantee leadership on the mobility market in 2025 by focusing our actions on 3 tenets:

- Become best in class in the existing businesses and improve their performance in markets that are expected to decrease.
- Extend activities where it is most competent, to generate more value and become more resilient in a sector that is mutating.
- Prepare for the future by innovating its mobility services to capture new sources of revenue and claim a lending position in this market of the future.

To guarantee the efficient deployment of the 2025 strategy, a Transformation Office has been established to coordinate, plan, allocate necessary resources and evaluate projects. This is the interface between businesses and management; it facilitates the arrangements needed, in line with the established strategy.

An organisation in support of our strategic ambitions

In terms of organisation, the legal procedures were launched to carve out, from the 1st of January 2021, D'Ieteren Auto and its key activities. This is to allow each business to focus on its own activity and optimise its development. D'Ieteren Auto, historically at the heart of D'Ieteren s.a., will become a 100% subsidiary. Its retail activities in Brussels — the D'Ieteren Car Centres, and the Porsche Centres in Brussels and Antwerp will become three new subsidiaries; they will sit alongside existing subsidiaries Lab Box, Sopadis, EDI, Wondercar, D'Ieteren Sport, as well as the joint-venture Volkswagen D'Ieteren Finance..

"Leading the D'Ieteren Auto Way"

A substantial internal collaboration effort has been ongoing since 2018 to develop an innovative and engaging company culture. It is a true transformation lever on which D'Ieteren Auto wishes to rely to take on the big challenges in its sector and fulfil its 2025 ambition. A leadership forum has enabled internal values to be reviewed and brought to life across the entire organisation. Honourability, Curious boldness, Enthusiasm, Supportiveness, Perseverance are now the pillars on which D'Ieteren Auto stands for its decision-making process and its daily activities

Customer first

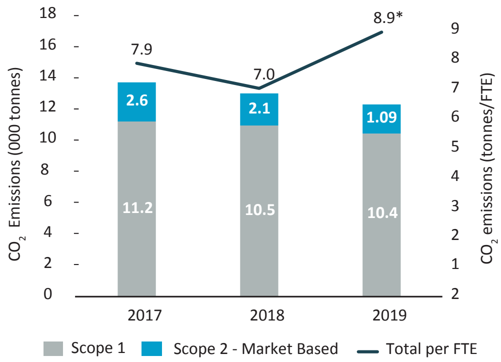
The success of the 2025 strategy will certainly be linked to building high-quality client relationships. This is a key sustainability factor for D'Ieteren Auto, requiring to put the client at the heart of all reflections, decisions and actions. These are not empty words but a real philosophy that it wishes to see come alive at all levels of the company. This will be a key transformation lever which, in 2025, should place D'Ieteren Auto at the top of the mobility market in Belgium.

"An engaging company culture is a true transformation lever"

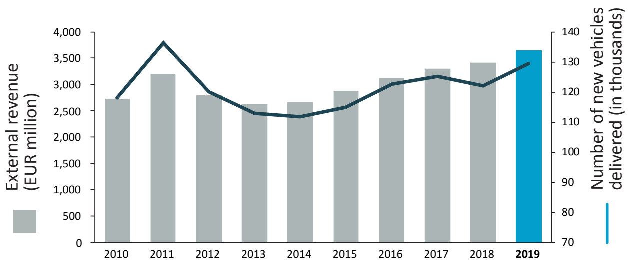
D'Ieteren Auto[2] Key Figures

(EUR million)	**2018**	**2019**
New vehicles delivered (in units)	122,164	**129,575**
External revenue	3,406.9	**3,634.9**
Adjusted operating result[1]	113.0	**119.0**
Adjusted operating margin	3.3%	**3.3%**
***Adjusted* result, group's share**		
before tax[1,3]	121.0	**128.4**
after tax[1]	76.8	**86.2**
Average workforce *(average full time equivalents)*	1,848	**2,011**

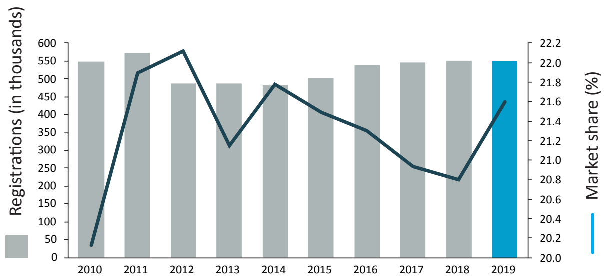
CO_2 EMISSIONS FROM D'IETEREN AUTO ACTIVITIES IN 2019 (CO_2LOGIC)



REVENUE AND NUMBER OF VEHICLES DELIVERED



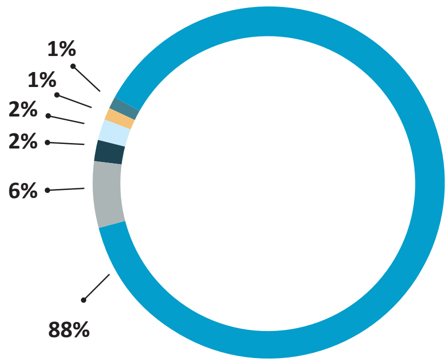
NEW CAR REGISTRATIONS IN BELGIUM AND MARKET SHARE OF D'IETEREN AUTO



REVENUE EVOLUTION BY ACTIVITY

(EUR million)	2018	**2019**	**Change**
New vehicles	2,991.1	**3,188.3**	+6.6%
Spare parts and accessories	206.2	**215.7**	+4.6%
After sales activities	90.9	**94.5**	+4.0%
Used vehicles	67.6	**76.1**	+12.6%
D'Ieteren Sport	29.6	**36.5**	+23.3%
Other	21.5	**23.8**	+10.7%
D'IETEREN AUTO	3,406.8	**3,634.9**	**+6.7%**

REVENUE BREAKDOWN BY ACTIVITY



* The 2019 relative KPI (tCO_2e/FTE) increases significantly due to a correction in the boundary for calculating the number of FTEs. The Sopadis FTEs have been excluded as Sopadis is also excluded from the carbon footprint. In next year's report we will adjust the historical figures to provide a thorough basis for monitoring our climate performance.
Scope 1 emissions are direct emissions from owned or controlled sources.
Scope 2 emissions are indirect emissions from the generation of purchased energy.
Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. (Source: GhG Protocol)

1. Excluding *adjusting* items. *(APMs - see glossary on page 68).*
2. The D'Ieteren Auto 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.

Belron

Making a difference by solving people's problems with real care.

What we do

Belron has a clear purpose: “making a difference by solving people’s problems with real care”. It is the worldwide leader in vehicle glass repair, replacement recalibration and operates in 39 countries, through wholly owned businesses and franchises, with market leading brands – including Carglass®, Safelite® and Autoglass®. In addition, Belron manages vehicle glass and other insurance claims on behalf of insurance companies.

	2016	2017	2018	2019
Consumers (in millions)[1]	15.5	16.8	18.2	**18.2**
NPS[2]	82.6%	83.1%	82.8%	**84.2%**

1 Including franchisees
2 Net Promoter Score

Message from Gary Lubner, CEO of Belron

"We focused on making the business more profitable – notably through better procurement, productivity and job optimisation."

2019 has been an outstanding year for Belron due, in large part, to the success of our business transformation programme, Fit for Growth. By focusing on boosting the financial performance of the business, the programme delivered strong growth and profit while ensuring we remain committed to our purpose of making a difference to our customers, people and society.

Fit for Growth focused on accelerating performance in a number of critical areas in our vehicle glass repair and replacement business. An adaptation to when and how we advertised saw us further develop our digital marketing while continuing to deliver tailored TV and radio advertising. We made significant progress in our recalibration work through our increased investment in recalibration capability and coverage, and are proud to be the technical experts in this field, performing 875,000 calibrations in 2019. We also increased our value added products and services – predominantly wipers – with 19% of our vehicle glass repair and replacement customers buying additional products. These successes, combined with a continued focus on building our brands and strengthening our partnerships with insurance, fleet and lease companies saw us delivering record sales and serving a record number of customers. Our number one priority remains our customers and we were proud to have achieved an overall NPS score of 84.2% for the year.

In addition, we focused on making the business more profitable – notably through better procurement, productivity and job optimisation. On the procurement front, we leveraged our scale more effectively, especially in the buying of vehicle glass and polyurethane. We enhanced our technician productivity by using a new metric, Our People's Time Index, which enabled us to identify and correct operational inefficiencies. Similarly, we established new ways of working for technicians through a job optimisation plan. The business continued to focus on maintaining an efficient

"Our number one priority remains our customers"

supply chain leveraging the regional structure we established in 2018. Forming three regions (North America, Eurozone and Rest of World) has given us the platform to leverage our scale more effectively.

We also enhanced our ways of working by bringing in new reporting and introducing monthly reviews for every country and region with a balanced focus on performance, projects and people. We recruited new leaders for our HR and IT functions adding expertise to both of these key areas and launched a new talent management and succession planning programme to develop our talent and build a platform for the future. Major technology projects kicked off in all three regions built on business process reengineering and leveraging cloud-based technology. I am excited about the future potential in both of these functional areas.

During this period of transformation, it was essential to engage our people in our change journey. I'm pleased that we were able to maintain high engagement levels throughout the year and award 77 people across the business with a Belron Exceptional People Award for 'outstanding achievement'. I am forever grateful to the wonderful people here at Belron.

Belron takes its societal responsibilities extremely seriously and we continue to work hard to improve our recycling rates and sustainability metrics across the company. However, we know there is still more to do.

We had an impressive year of fundraising for charitable causes including raising a record amount at the Spirit of Belron Challenge, where we were privileged to celebrate 25 years of Afrika Tikkun. Our fundraising efforts rounded off a truly incredible year for Belron, and one in which I am extremely proud and thankful to all those people who made it possible.

> Overview of 2019

Business environment

Severe winter weather in North America, comparable to 2018, led to a strong demand for vehicle glass repair and replacement (VGRR) services there, whereas a milder winter in Europe saw demand significantly decline during the first half of the year.

The technical complexity of VGRR services continues to rise, as the penetration of Advanced Driver Assistance Systems (ADAS) increases. This requires enhanced recalibration capability and knowledge. It is estimated that circa 16% of the vehicle park in North America and Europe had a windscreen-mounted ADAS installed, compared to 10% at the end of 2018.

The demands from motorists, insurers and fleet and lease customers remained consistent with a focus on convenience and value. This requires an on-going investment in driving-repair awareness, and an expanding operational footprint, as effective recalibration specifically requires a level platform and good lighting. The increasing complexity of vehicle glass requires investment by glass manufacturers, leading to cost and price increases down the line. There were no significant changes in the competitive environment in 2019.

For 2020, we forecast relatively stable demand for VGRR services in the geographies in which Belron operates, albeit slightly lower in North America assuming average winter weather versus the severe weather of 2019. We expect the technical complexity of the services to increase, especially as it relates to the recalibration of ADAS. Customer demands are expected to continue with no significant changes expected in the competitive environment.

Key achievements

- Belron has been able to maintain the record high level of 18.2 million consumers achieved in 2018.
- Customer service remains at the heart of Belron, and this was shown with an NPS of 84.2%, the highest score in Belron's history.
- Belron performed 875,000 calibrations — an increase of 112% on 2018 — ensuring more drivers stay safe on the road.
- In 2019, the annual 'Spirit of Belron' Challenge raised a record 26 million ZAR, a fitting way to celebrate Afrika Tikkun's 25th birthday (https://afrikatikkun.org/).
- Belron achieved record sales of EUR 4.2 billion — this figure includes the expansion of our operations in the US following the acquisition of TruRoad Holdings Inc. (TruRoad).
- Belron made 'more of a difference' to our customers through our value added products and services offering.
- Belron's commitment to the environment continued as it recycled 68% of glass – more than it had ever recycled before.

Johan Mortier - Head of Belron Technical Responding to a rapidly growing ADAS market

2019 saw the penetration of ADAS (Advanced Driver-Assistance Systems) increase exponentially, as safety systems on vehicles become more common.
Belron responded to this market growth with a focused global investment in its recalibration knowledge, capability and coverage. Through our Fit for Growth transformation programme, the business was able to follow a comprehensive action plan to accelerate growth and profit whilst also enhancing customer safety.

Better recalibration tool coverage was key. In addition to using tools from two of the leading recalibration suppliers worldwide, we expanded our reach still further via a global partnership with an over-the-air provider who uses original vehicle manufacturer tools to ensure reliable recalibration. By working closely with our three recalibration partners, we can ensure we have industry-leading recalibration capabilities at all times.
Training our technicians and educating our Key Accounts in the importance of calibrating correctly – and the impact of a bad calibration – was also a continued focus, and we were proud that our calibration work was approved to an industry standard by the Institute of Motor Industry (IMI) – a first for a global VGRR company.

Through our global focus and continued investment, we have now become the world's largest recalibration company.

Hugo Vinerier - VAPS Manager Offering more convenience and value to our customers

A focus on VAPS (Value Added Products and Services) in our Fit for Growth transformation programme has given us the opportunity to extend our partnership with our Business Units and offer more value to our vehicle glass repair and replacement customers, while also delivering a boost in financial performance for our shareholders.

By focusing on a core range of products at a competitive price, and offering it consistently to customers, by driving more operational discipline across all contact channels, we were able to grow our Attachment Rate (percentage of customers who buy at least one additional product or service) to 19% and increase our sales by more than 35% vs 2018. Better still, by providing this convenient service, we saw our NPS increase too, confirming that we are indeed making a positive difference to our customers.

VAPS remains a big opportunity in 2020 and we are committed to offering our additional products and services to even more customers. By using our winning contact channel formula, we know we can enhance customer service and deliver further growth for Belron.

Making a difference to Society

We know that our business has a big impact on the world we live in and we take this responsibility extremely seriously. In 2019, we saw good progress in managing and reducing our environmental impact, but we know there is still more to do and we are focused on continuously improving for the future

Our environmental impact

We are pleased that the company's carbon intensity (CO_2 per job) continues to decrease. Our Repair First strategy – repairing a windscreen rather than replacing it wherever possible – saved over 140,000 tCO_2, and over the last five years our carbon intensity overall has been reduced by 17%. As one of the top vehicle glass purchasers in the world Belron has a duty to dispose of its glass in an environmentally-friendly way. This year we recycled more glass than we have ever done before, and we continue to work hard to increase our glass recycling capacity and to meet our ambition to recycle 100% of all glass.

These successes, along with many other initiatives and activities, are reflected in the results of the corporate responsibility benchmarking programme (Ecovadis) which saw Belron in the top 10% of businesses in the same industry sector.

Transforming communities

We believe in changing lives – making a difference to the communities in which we operate – is part of who we are. In 2019, Belron was proud to raise a record amount of money to benefit over 300 charities around the world.
Alongside this, our annual triathlon event raised a record 26 million ZAR (circa EUR 1.5 million) for our global charity partner Afrika Tikkun, showing our continued commitment to changing the lives of young people in South Africa from where our business started.

> Strategy for 2020 and beyond

Belron's strategic priorities for 2020 are aligned with its purpose of 'making a difference with real care' to its customers, people, society and shareholders.

Building on the successes of 2019 in both growth and profitability, Belron will continue on its business transformation journey. This will require further improvements in its marketing, and to its value added products and services offering. Belron will also look to enhance its operational footprint to ensure that it can meet the increased demand for recalibration services.

In addition, the company will progress how it procures goods and services across the business, both directly and indirectly, and continue to grow technician productivity.

Focusing on its ways of working, it will improve the efficiency of support functions through enhanced processes and digital technology, and future proof the business with a new talent programme and succession planning processes.

New services – namely Automotive Damage Repair and Replacement (ADRR) and Home Damage Repair and Replacement (HDRR) – have been de-prioritised given the significant opportunities and priorities in VGRR, although care will be taken with the existing non-VGRR operations.

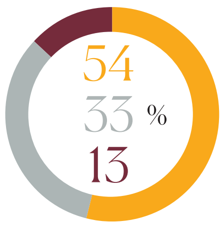
Finally, Belron will continue to pursue its commitments to both society and the environment by enhancing its corporate responsibility strategy.

"Belron's strategic priorities for 2020 are aligned with its purpose of 'making a difference with real care' to its customers, people, society and shareholders."

Belron Key Figures

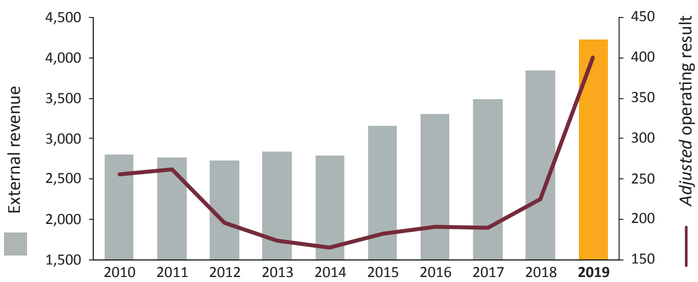
(EUR million)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[3]
External revenue	2,800.9	2,769.0	2,727.2	2,843.1	2,792.6	3,161.2	3,305.4	3,486.2	3,839.7	**4,228.1**
Adjusted operating result[1]	255.6	262.3	196.0	173.5	165.1	182.0	190.7	189.8	225.7	**400.5**
Adjusted operating margin[1]	9.1%	9.5%	7.2%	6.1%	5.9%	5.8%	5.8%	5.4%	5.9%	**9.5%**
Adjusted result, group's share										
before tax[1,2]	211.3	213.1	147.7	130.5	123.4	137.6	148.4	134.5	90.3	**172.8**
after tax[1,2]	155.5	162.3	110.9	93.1	94.3	112.2	122.6	116.0	74.9	**120.4**
Average workforce *(average full time equivalents)*	24,790	25,199	24,200	25,645	25,204	26,390	26,340	28,994	30,567	**29,121**

REVENUE BREAKDOWN BY REGION

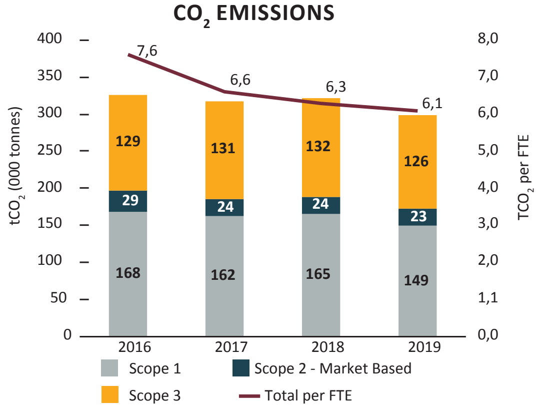


EUR million	2018	2019	Change
North America	1,896.5	**2,280.0**	+20.2%
Eurozone	1,365.2	**1,374.5**	+0.7%
Rest of the World	578.0	**573.6**	-0.8%
Total	**3,839.7**	**4,228.1**	**+10.1%**

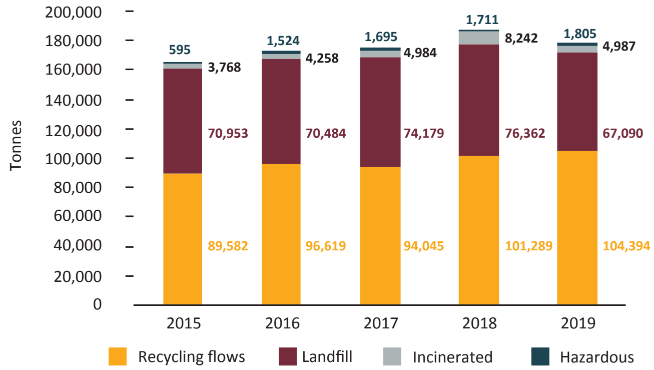
REVENUE AND *ADJUSTED* OPERATING RESULT[1,3] (EUR million)



CO_2 EMISSIONS



BELRON WASTE STREAM



1 Excluding *adjusting* items (APMs - see glossary on page 68).
2 Average stake in Belron: 94.85% in 2017, 57.78% in 2018 and 52.48% in 2019.
3 Pre-IFRS 16.

Moleskine

Contributing to the development and sharing of human knowledge and culture

What we do

Moleskine is an aspirational global brand, synonymous with the lifestyle-of-the-creative-class, with core values rooted in culture, travel, memory, creativity and personal identity. A symbol of contemporary nomadism, Moleskine connects with contemporary creativity and is present across a network of websites, blogs, online groups and virtual archives, not least within the brand's own online community, myMoleskine, which has circa 300,000 members.

With headquarters in Milan and offices in Cologne, New York, Hong Kong, Shanghai and Tokyo, the company sells its products through a multichannel distribution platform (Wholesale, Retail, E-commerce and B2B) in more than 100 countries and more than 29,000 outlets.

The portfolio goes beyond the iconic paper-based product categories (notebooks, diaries and journals) to encompass bags, writing instruments, reading accessories, digital apps and hybrid products such as the Smart Writing System, designed to simplify the creative and productive process, allowing an idea to evolve naturally on paper before being edited and shared digitally. In this context, the Moleskine Flow App won the 2019 Apple Design Award for Excellence in Design and Innovation.

"Moleskine is a global brand characterized by a distinctive cultural positioning."

In 2019 Moleskine has faced several challenges. First and foremost, Lorenzo Viglione resigned from his position as CEO of Moleskine following a common agreement between him and our shareholder D'Ieteren Group regarding the future development of Moleskine. Daniela Riccardi has been appointed as Moleskine's new CEO. Ms Riccardi, who is Italian of birth, has built an extensive international career during which she successfully led and turned around businesses and brands around the world.

The historical trend of growth at Moleskine has seen a setback in 2019. Our sales decreased versus prior year by 6% and closed at EUR 164 million with an EBITDA margin of 16%. All this led the entire Leadership Team to work out and agree on the list of priorities in order to make sure that the right profitability level is restored. With the continuous support of our shareholder, we identified the critical areas to be quickly addressed.

Moleskine is a global brand characterized by a distinctive cultural positioning. Over the years, we have continued to innovate our core product portfolio and extended the brand into adjacent categories, such as bags. At the same time, we have changed the organization to empower regional teams to achieve better and faster results. In addition, we have strengthened certain group functions, namely marketing, to ensure we have a consistent brand proposition across the globe. While this has brought us closer to customers and increased our ability to deliver the brand proposition locally, it has also created some inefficiencies and increased our cost structure that have not been offset by adequate growth in the top line.

In the period prior to the arrival of the new CEO, the Leadership Team focused on the basics while simplifying where possible, prioritizing a limited number of important projects, setting and enforcing policies and procedures while improving and measuring processes in all regions and functions. In other words, putting in place a lean and efficient organization.

Wholesale revenues were flat in 2019 versus prior year following a number of strategic decisions affecting our distribution strategy and local partners in certain countries.

Message from the leadership team

B2B sales, which are strongly influenced by large orders and their timing, decreased as a result of the non-renewal of certain EMEA deals. B2B is strategically important for Moleskine and we are working to build a global pipeline of strong relationships to funnel the growth in this channel.

Retail has suffered both in terms of sales and margins. Although we recognize the importance of the direct channel to maintain visibility of our brand, we continue the rationalization of the retail network worldwide by focusing on the most profitable locations with higher quality traffic.

Sales of Digital Apps more than doubled in 2019 as a result of a dedicated strategy and team. The latest one, Flow, was awarded with the prestigious Apple Award for Design and Innovation as well as with the Apple Best App for iPad. We are very proud of this achievement that represents a tangible result of the efforts and investment in this business.

The entire Leadership Team believes that our product proposition must continue to evolve through the development of an integrated ecosystem between digital and analog products. We see the need to accompany our offer of products with new ways of storing, organizing and sharing ideas digitally.

From an organizational standpoint, we strongly believe that our people should feel more connected to our purpose and values. For this reason, the Leadership Team has embraced and actively participated in the roll out of the Moleskine People and Culture Project which aims to reconnect all employees to the company’s core purpose, while bringing greater meaning and pride to our professional lives.

> Overview of 2019

In general, 2019 has seen the retail environment slow down, as consumers shifted their purchasing habits towards E-Commerce; an area that continues to gain importance and relevance.

In the direct Retail channel, the company closed a number of under-performing stores and focused efforts and resources on the ones delivering the best Moleskine brand experience and awareness.

In the direct E-Commerce business, the company looked to take full control of all strategic levers. As such, Moleskine took over a number of activities including customer service, logistic partners and web marketing in order to guarantee a superior customer experience.

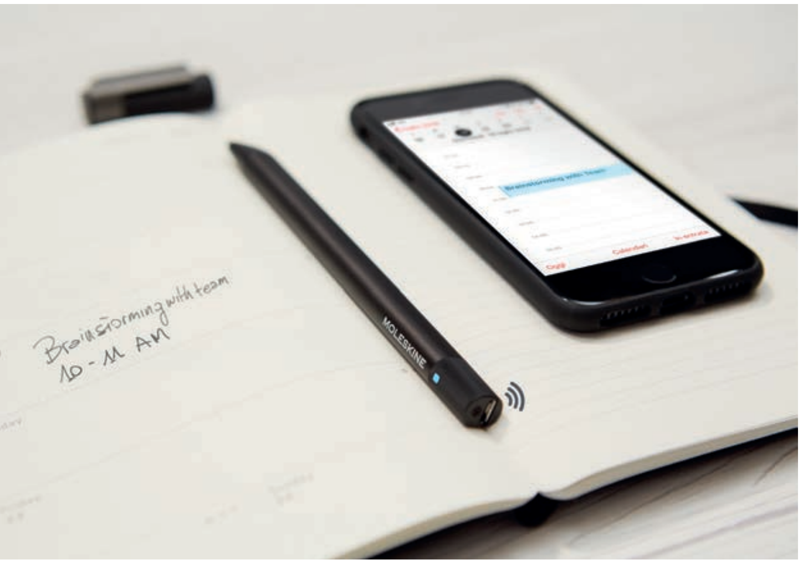
For Wholesale, 2019 represented a transition year. The company continued to develop direct relationships with key retailers in order to establish dedicated spaces able to deliver its brand messages.

The decrease in B2B sales reflects very large orders in 2018 that were not repeated in 2019. The company distribution capabilities in the channel are still strong, as it represents the company's second most important channel in terms of sales and is expected to make a significant contribution to future growth.

In the US, the US-China trade war impacted the business quite significantly, as most of Moleskine products are sourced in China.

Highlights:

- In 2019, Moleskine acquired 55.13% of EDO.IO, an App services development company.
- APP business & Flow Awards: "Flow" was awarded the 2019 Apple Award for Design and Innovation as well as winning Apple's Best App for iPad.
- Moleskine launched a successful project of inventory reduction which led to a 28% reduction of inventories compared to the end of 2018.
- Through the People & Culture Project, Moleskine reconnected the organization to the company's core purpose summarized in five key pillars: Excellence, Learning, Care, Resourcefulness, Passion.
- An extensive international research study was led across 7 markets to understand how Moleskine is perceived as a brand and learn more about our target audience, the Movers.



The acceleration of our digital ecosystem strategy
Peter Jensen – Digital Innovation Director, Moleskine

What are the main innovations Moleskine launched within Digital in 2019?

In 2019 we expanded the Moleskine+ collection with a range of objects compatible with Pen +, the smart pen that tracks and digitizes your writing. This is in-line with our strategy to support an expanding product range to be used in combination with the Pen+ range.

An important novelty was the launch of Adobe Creative Cloud connected Paper Tablet that allows the user to digitize freehand drawings and sketches in real time. In addition to the creative audience the introduction of Journals was also important to address the requirements of a student audience.

Moleskine's partnership with Dropbox, led to the launch of the Dropbox Smart Notebook. The Dropbox project is a further evolution of Moleskine's existing smart notebooks concept, adding Dropbox to Adobe Creative Cloud as your digital work repository.

Moleskine is expanding its offerings within apps. What are the main achievements?

Flow, our third app was launched in 2019. This completes our ambition to support creative people in three fundamental activities: planning their time in 'Timepage', managing tasks in 'Actions' and now creating in 'Flow' by Moleskine. Flow is a digital notebook that removes all the clutter and long list of choices, enabling the individual to stay in their creative flow.

Consumer research study around the world

We conducted an extensive international research into the lives of 10,200 customers across 7 markets (Italy, United Kingdom, Germany, United States, China, Japan and South Korea.)

We found there is an ever-evolving definition of what defines creative minds; indeed this generation's idea of creativity is expanding beyond the most obvious definitions. Essentially, they see creativity as deeply linked to the imagination and emotional connections. Furthermore they are also socially responsible, always looking for creative solutions to social problems. We call them the 'Mover' Generation, as they have a strong sense of community and actively seek opportunities to improve themselves and to achieve their potential in life.

We further explored the role Moleskine plays with different audience segments to identify the strategic direction in terms of offer evolution, brand positioning and communication. Our brand is recognized as the perfect space for movers to express emotions and to allow ideas to grow. It is promising to see that Moleskine's brand awareness shows consistent growth: moving from 45% in 2010 to 65% in 2019, across all geographies; and is particularly strong with our core target. Even better, one out of three of our customers see themselves as Brand Ambassadors, whose main drivers are culture and creative thinking, crucial to reinforce the engagement with the brand.

"We are committed to providing youth with educational tools and experiences that help foster critical thinking, creative doing, and life-long learning so that they can become agents of change in their communities."

Adama Saneh - Co-Founder and CEO of the Moleskine Foundation.
For more information about Moleskine's community engagement, please go to the Non-financial Disclosure, page 157 of the Financial and Directors' Report

> Strategy for 2020 and beyond

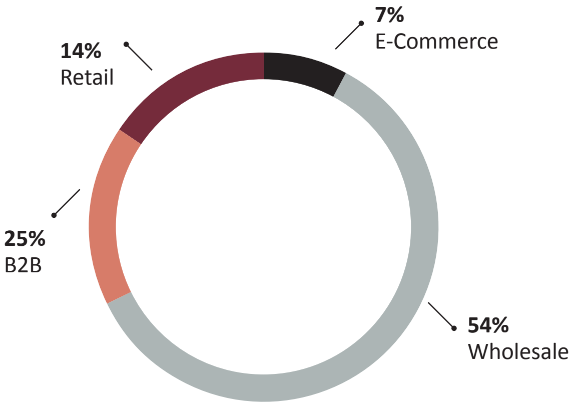
- **Responsible consumption and production**
  Moleskine will put greater emphasis on and dedicate specific resources to the development of a full set of eco-sustainable products. The company embraces the UN's Sustainable Development Goals and will embed them in its strategic plan going forward.
- **Streamlining the organization, the product proposition, and the end-to-end processes.**
  The company has already started changing the organization and making it leaner and more collaborative will reduce inefficiencies and avoid redundancies. This lean organization will support a more focused and coherent product offering in line with the brand values and innovation ambitions. The same lean organization and product rationalization will also facilitate the automation and simplification of internal processes.
- **Paper innovation**
  Moleskine will continue innovation in its core category: Paper. Innovation will include the Studio collection: a platform for the talent and vision of artists and a new way of seeing the Brand's iconic notebook, providing a window into the world's most passionate thinkers.
- **Accelerate development of digital products**
  The Moleskine Digital Apps ecosystem is designed to support people who organize their days with different media content (image, text, link, videos, …) to achieve their personal and professional goals. With more than 2 million downloads to date, the Digital Apps business represents a valuable touch point with consumers, and adds value to the consumers brand experience. The App business will continue to expand its portfolio and will launch a new application each year.
- **Relaunching E-Commerce activities and CRM**
  As digital is a natural destination for the Movers Generation both to find information and to buy, Moleskine is focusing on delivering a brand new digital experience that promises to improve customer satisfaction, engagement and business performance. Starting from 2020 Moleskine will improve customer data collection to feed its CRM with an omnichannel approach, thereby improving customer relations.

Moleskine Key Figures

(EUR million)	2014	2015	2016	2017	2018	**2019[1]**
External revenue	98.8	128.2	145.2	155.4	174.1	**163.9**
Operating result[2]	25.3	34.8	34.0	25.2	28.6	**18.6**
Operating margin[2]	25.6%	27.2%	23.4%	16.2%	16.4%	**11.3%**
Result before tax	24.1	34.6	32.9	15.2	18.9	**9.8**
Result after tax	16.5	27.1	23.3	10.1	22.8	**5.0**
Number of stores	41	58	79	87	80	**77**
Number of employees *(year-end)*	278	359	401	468	491	**551**

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

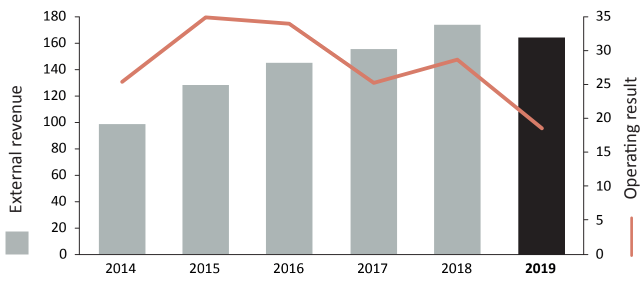
REVENUE BREAKDOWN BY CHANNEL



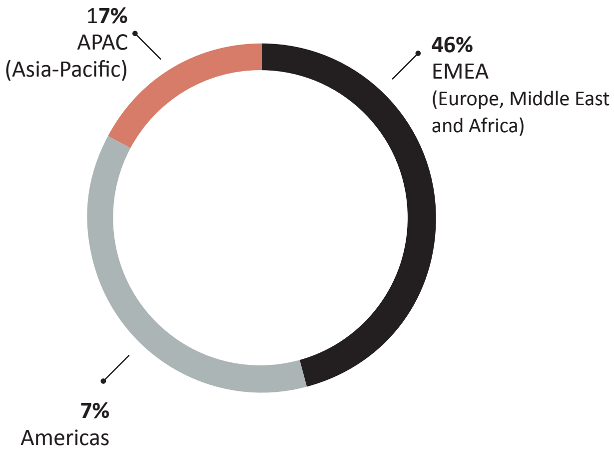
CO_2 EMISSIONS (FIRST MEASUREMENT PERFORMED IN 2019)

Direct CO_2 emissions	tCO_2 e	
Scope 1	183,82	32%
Scope 2 (market based)	394,02	68%
	577,84	

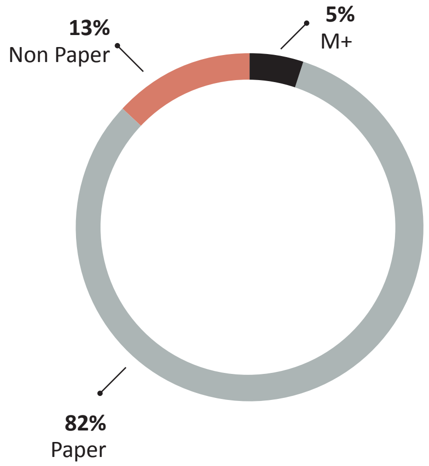
REVENUE AND OPERATING RESULT[2] (EUR million)



REVENUE BREAKDOWN BY GEOGRAPHY



REVENUE BREAKDOWN BY GEOGRAPHY



1 Pre - IFRS 16
2 Before goodwill impairment in 2019

D'Ieteren Immo

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

1805
D'Ieteren Immo

What we do

As the real estate arm of the D'Ieteren Group in Belgium, D'Ieteren Immo manages the real estate assets that are used by the Group's activities, including offices, workshops, concessions, logistics centres, residential units and/or parking lots.

Activities are 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, it supports our end customers, namely the tenants of the 31 sites held in the portfolio, with real estate advice and 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 its different 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.

Message from Paul Monville, CEO of D'Ieteren Immo

Each and every day, we need to reinvent our profession because our main challenge today is to design and develop environments capable of withstanding time.

In 2019 we reflected on our identity and our image. Three words, each full of meaning and promise, now make up the baseline of our company vision: Mind. Plan. Build. The first reminds us that before laying the first brick, we must be aware of the impact of our actions, in particular on the environmental level. The second underlines the importance of planning: in the face of current societal challenges, it is essential to strive for a sparing use of resources and the extension of the life cycle of buildings. The third refers to the very essence of our profession: building. Build the infrastructure of tomorrow, but also build our common future.

What does this mean in concrete terms? We need to fundamentally reinvent the core of our profession by favouring long-term value creation. It is this collective commitment that has united us since the creation of D'Ieteren Immo in 2016 and which constitutes the heart of our "Invest, enhance, hold when core and divest when non-core" strategy: a strategy that aims to ensure the sustainable growth of society, while respecting the values of the D'Ieteren Group and its family shareholders. I firmly believe that this approach is "the" relevant response to the great challenges that our sector and our company face today.

Over the past year, with the support of sustainability experts at FutureProofed, we have laid the foundations of our strategic vision in the area of sustainability. KPIs and an ambitious action plan will follow in 2020. The thinking process was carried out in conjunction with our internal and external stakeholders because we believe it is fundamental that we act together in this domain. By favouring a proactive approach, we are able to offer the company and each of us involved a remarkable purpose, namely the co-creation of the infrastructures and cities of the future, while playing an active role in the transition to a more sustainable society and economy.

There is no doubt that D'Ieteren Immo is positioning itself as being capable of producing or transforming a real estate asset that both meets the requirements of its end customers while taking into account the sustainability of its choices. This approach is true both in the numerous development projects carried out on behalf of D'Ieteren Auto and in the diversification of our real estate operations. The residential project 'TenBosch Housing' in the Brussels Region, whose properties were let in 2019, is an example of this approach. Through the concept of "real estate as a service", our ambition is to offer our 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 being able to cycle to work. We still have a lot to learn and improve and so will continue to listen to our customers and

"We need to fundamentally reinvent the core of our profession by favouring long-term value creation."

tenants: this will be one of the key topics in our 2020 agenda. 2019 was, for D'Ieteren Immo, a year of delivery. In addition to the TenBosch Housing project, ten new tenants have joined our portfolio of B2B customers. This diversification of clientele has been made possible by reconverting sites that were formerly only used by the group.

This dynamic will be amplified from 2020 onwards with the Mobilis and Circularium projects. The Circularium project in Anderlecht is the transformation of more than 10,000 m^2 of industrial area into a large centre for local innovation and circular production. The Mobilis project in the Brussels canal zone forms the cornerstone of an ambitious vision, in which commercial and productive activity, future-oriented mobility and well-considered urban district development go hand in hand. D'Ieteren Immo wants to redevelop the site into a multifunctional building that will also house the dealership of the future.

During the fiscal year 2019, D'Ieteren Immo invested EUR 25 million and generated operating income of EUR 4.8 million (excluding resales), in line with the objectives of the budget and ten-year strategic plan. It was also able to recruit and welcome three new persons in our team with valuable skills; this brings its total workforce to 44 people at the end of 2019. The level of training remained very high, with an average of 5 days per employee. D'Ieteren Immo ended the year with a 71% employee satisfaction rate, once again slightly up over the previous year.

I would like to conclude by thanking the entire team for their unwavering commitment to making our mission a reality.

> Overview of 2019

Actions towards a sustainability policy

D'Ieteren Immo intends to be proactive in achieving the 17 Sustainable Development Goals (SDGs) of the United Nations. The real estate sector and its stakeholders need to be committed against global warming, given the sector's significant contribution to greenhouse gas emissions. To meet this societal challenge, D'Ieteren Immo laid the foundations for an ambitious sustainability policy in 2019. It is supported in this initiative by experts from the Belgian consultancy firm, Futureproofed.

Numerous interviews with the internal and external stakeholders of the company identified the major trends and important themes for the organisation. This exercise resulted in the development of a materiality matrix. Favouring a bottom-up approach, D'Ieteren Immo also set up a working group, representative of the diversity in the team. During an interactive session, the members of the group defined the global vision and strategic axes of the new company policy in terms of sustainability, based on the key questions previously identified in the materiality matrix.

At the end of the process, eight themes were selected. All of them are directed towards the achievement of two major objectives: "Design, build and preserve a sustainable business model" and "Be a first-rate employer and a reliable partner in the evolution towards a fairer and more sustainable society".

TenBosch Housing residential project in Ixelles

A mixed-use complex comprising 35 apartments and a shop on the ground floor has been erected on the site of a former car park, in the Châtelain district of Brussels. For D'Ieteren Immo, this is a first successful diversification into the residential sector: the project was delivered on budget and the properties were put up for rent three months earlier than scheduled.

The TenBosch Housing project illustrates an emerging trend in real estate, which consists of considering real estate as a service ; in other words, it is about offering clients (tenants) something more than just a "physical" property, and including a set of services in the rent. For example, through a partnership with Proximus, D'Ieteren Immo has made fibre-optic networks available to its tenants. It has also signed a contract in order to manage the gardening of the areas for its tenants with a company for adapted work (a company giving work to people with a mental disability). It plans to integrate this concept into other real estate projects in the future.

Kronos Porsche Centre in Louvain-la-Neuve

Begun in spring 2018, the construction of the new Kronos Porsche Centre in Louvain-la-Neuve at the Axisparc of Mont-Saint-Guibert, was completed in early 2019. This building has been designed to accommodate Porsche's new generation of electric vehicles and support the development of the E-Hybrid range. It is equipped with around ten charging stations, including two ultra-fast charging terminals, accessible to customers.

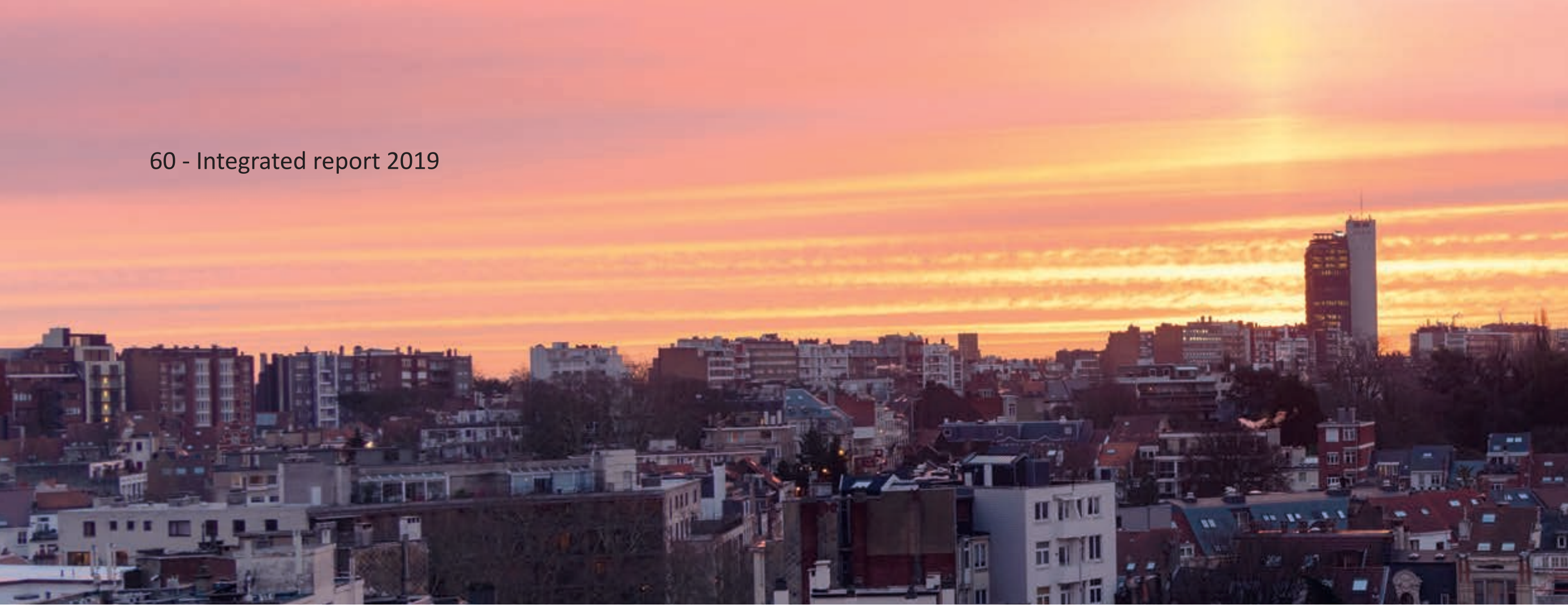
D'Ieteren Immo wanted to reduce the building's ecological footprint as much as possible and make it virtually independent in terms of energy consumption. This was achieved thanks to the combination of photovoltaic solar panels and a heat pump.

Eveline Khazen,
Lead project architect at D'Ieteren Immo

"We are increasingly thinking about the end-of-life story of a building by wondering for example how to re-use a specific site if the garage activity disappears"

Steve van Nieuwenhuyse,
Property Foreman at D'Ieteren Immo

"The installation of solar panels together with battery storage has been a key challenge for D'Ieteren Immo, particularly as we have been the first company in Belgium to use this approach."



> Strategy for 2020 and beyond

Pursuing the "Invest, enhance, hold when core and divest when non-core" strategy

D'Ieteren 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.

Closely aligned with the values embodied by the family shareholding of the D'Ieteren Group, the "Invest, enhance, hold when core and divest when non-core" strategy endorsed by D'Ieteren Immo constitutes the heart of its sustainable approach. This strategy consists in investing for the (very) long term.

For example, two existing assets located in Brussels will be deeply analyzed in 2020.

- the Mobilis Project in Anderlecht: a project of neutral energy multifunctional, flexible and innovative building currently led with Xaveer de Geyter Architects.
- A project aimed at rethinking the site of our Ixelles headquarters in Brussels reflecting the next stage of the Group's evolution.

Sustainability strategy

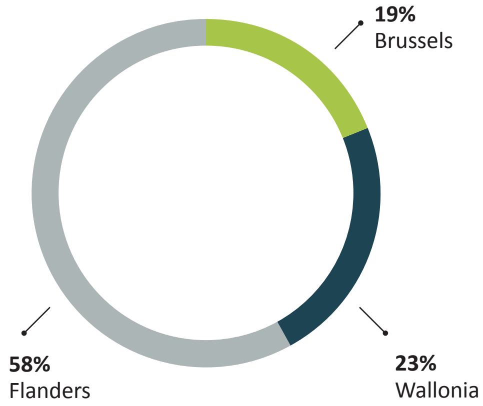
D'Ieteren Immo is convinced that sustainability is not merely an option but a necessity. This is why it wants to become an example in the sustainable management of both existing buildings and new projects. As part of this ambition, the company has identified 8 themes for which it has formulated specific objectives. Taken together, these will form the building blocks of D'Ieteren Immo's sustainability strategy, alongside the double objective of "being a top employer and a partner for change" and "Designing, building and maintaining for the future."

On the basis of this overall strategy, an action plan and key performance indicators (KPIs) for the next ten years will be defined in 2020. These will be regularly reviewed as part of an on-going improvement process.

"D'Ieteren Immo 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."

D'Ieteren Immo Key Figures

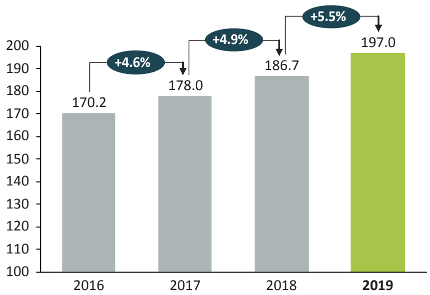
31 SITES



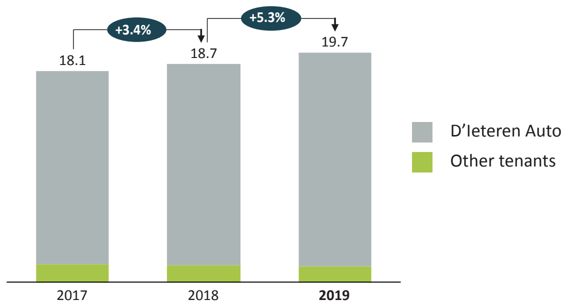
REAL ESTATE PORTFOLIO (m²)

	m²
Car parks	434,617
Work shops	37,100
Showrooms	41,061
Storage	47,654
Offices	30,736
Technical/utility	22,080
Residential	4,505
Other	163,537
TOTAL	**808,290**
of which covered	*272,821*
TOTAL LAND AREA	**767,465**

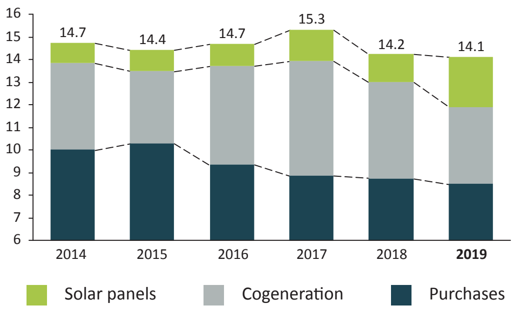
BOOK VALUE OF THE REAL ESTATE PORTFOLIO (EUR million)



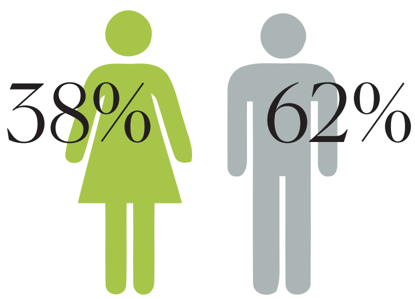
NET RENTAL INCOME (EUR million)



CONSUMPTION AND SOURCE OF ELECTRICITY[1] (millions of kWh)



52 TEAM MEMBERS[2]



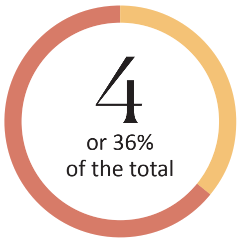
1 At identical perimeter
2 Including freelancers

Governance

Board of Directors

11
Directors

All directors
are non-executive
Four are independent



Representation
of women

Expertise

Finance/Audit
General Management
Investments
Governance
Compensation

56
Average age

Governance activities

	Audit Committee	Nomination and Remuneration Committee	Strategic Committee
> Role	Control of financial information and oversight of the 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 sucession planning, appointment and remuneration systems and policies across the Group.	Reflect on the Group's strategy and long-term objectives, examine the progress of strategic projects, analyse investment and divestment projects, monitor the progress of business, and prepare strategic points for the Board of Directors.
> Number of members	4	5	4
> Number of meetings during 2019	5	5	10

In 2019, the Board conducted a Board assessment exercise with the help of external professionals.

Executive Committee

> Role

The Executive Committee is principally responsible for the monitoring and development of the Group's activities, as well as the investment and divestment functions in the group.

> Two members

Francis Deprez: CEO (since July 1, 2019)

Arnaud Laviolette: CFO

The members of the Executive Committee act in a collective manner.
The committee is supported by a team responsible for investments and monitoring Group activities and by a series of experts (Legal, Finance, Taxes, Investor Relations, Communication and Sustainability).

Governance

The Group's operational activities 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 Auto

D'Ieteren Auto, an operational department of D'Ieteren S.A. without separate legal status, is managed by the CEO of D'Ieteren Auto, who acts under the authority of the Group CEO. The CEO of D'Ieteren Auto chairs the Management Committee of D'Ieteren Auto, which includes six other members, responsible for Finance and Operations, IT, Research, Marketing & Training, Brands & Network Management, New Mobility and Human Resources.

> Belron

Belron, of which D'Ieteren detains 54.85% of the voting rights on December 31, 2019, is managed by a Board of Directors which includes 6 members, three of whom are appointed by D'Ieteren, two by CD&R and the CEO of Belron.

> Moleskine

Moleskine, a wholly owned subsidiary of D'Ieteren, is managed by a Board of Directors made up of 6 members, four of whom are appointed by D'Ieteren, and Moleskine's CEO and CFO.

> D'Ieteren Immo

D'Ieteren Immo, a wholly owned subsidiary of D'Ieteren, is managed by a Board of Directors made up of 4 members, three of whom are appointed by D'Ieteren 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			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 five levels for 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'Ieteren Immo and D'Ieteren Auto is the same as that of the Group*
*** The Board of Directors of D'Ieteren Auto is the same as that of the Group*

Remuneration policy for members of the Executive Committee

The Group pursues a remuneration policy designed to attract and retain managers with the appropriate profile in its various functions, and of motivating them with adequate incentives, in accordance with the level of risk accepted by the Group, and making it possible to generate lasting value.

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

It is made up of:

- Basic fixed annual compensation;
- Variable compensation, comprising:
  - o Variable annual compensation based on collective and individual performance criteria, the objective of which is around 60% of fixed compensation;
  - o A long-term incentive plan in the form of stock options.

Our ambitions regarding sustainability

2019 has seen a new impetus in our non-financial approach reflecting our determination to integrate sustainability at the different levels of our operating model. By doing so, we also aim to create value for our different stakeholders.

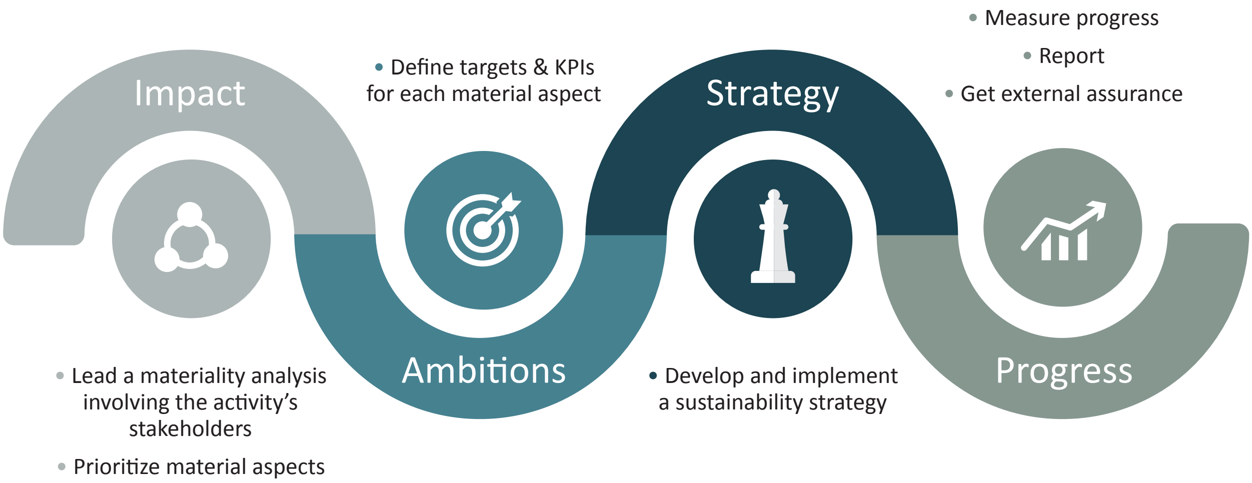
For investors, shareholders and the financial community as a whole, we want to provide a clear and reliable non-financial disclosure. We have aligned our reporting to the Global Reporting Initiative (option Core), the most widely recognized standard in terms of sustainability reporting, and we are aiming for an external assurance of this reporting for next year. We are also embedding sustainability in the different stages of our investment process.

We know that for other stakeholders - our clients, employees, civil society and the environment in which we operate - our impact mainly occurs as a result of the long-term strategy we pursue with our activities. Therefore, we have decided to increase the support we bring to our four activities by helping them build a sustainability strategy which is adapted to their own challenges. This is the reason why the years 2019 and early 2020 have been focused on materiality assessments and sustainability-related sector studies. As from mid-2020, building on the outcomes of these studies, we will support our activities in defining priority areas and in developing a roadmap for each of them.

2020-2025 strategy

2020-2025 strategy	Ambition
Responsible Investment	**Providing investors and shareholders with detailed and reliable non-financial reporting** > Each activity issues a non-financial report > An external assurance of the non-financial reporting is provided by a recognized authority **Embedding sustainability in the investment process** > 100% of the investment cases in final phase include a sustainability assessment
Creating sustainable value	**Supporting value creation for people, customer and society** > All the activities have reached a level of excellence regarding D'Ieteren Group's three non-financial KPIs: People engagement, Customer Satisfaction and CO_2 emissions **Sustaining performance on business-specific aspects** > All the activities have defined their own sustainability strategy

Strategic process in support of our activities' sustainable development



Achievements 2019	Targets 2020 - 2025
First reporting in accordance with GRI (option Core)	Maintain
External assurance readiness assessment	2020: First limited external assurance on a selection of KPIs 2021 – 2025: Extending scope of assurance
50% of investment cases in final phase have included a sustainability analysis	100% of investment cases include a sustainability analysis
All activities measure their performance regarding the three KPIs	2020: All activities define their own targets regarding the three KPIs 2021 – 2025: Progress measurement
All the activities have launched a materiality analysis to identify their most relevant non-financial aspects.	2020: All activities state their ambitions regarding their most material non-financial aspects, and define related roadmaps. 2021-2025: Progress measurement

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 subtotal 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 .... 28 May 2020
Dividend ex date .... 3 June 2020
Dividend payment date .... 5 June 2020
2020 Half-Year Results .... 27 August 2020

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

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

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PHOTOGRAPHY
David Plas and Volkswagen, Audi, Škoda, SEAT, Bentley, Lamborghini, Porsche, Yamaha, Belron and Moleskine photo libraries.

FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking information that involves risks and uncertainties, including statements about D'Ieteren'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. 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 does not assume any responsibility for the accuracy of these forward-looking statements.

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D'Ieteren

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D'Ieteren Group

Financial and Directors' Report 2019

Financial and Directors’ Report 2019

Contents

Contents of the Consolidated Directors’ Report *

** The topics of Article 119 of the company code, defining the content of the management report, that are not applicable for D’Ieteren, have not been included in this summary.*

Declaration by Responsible Persons

Statement on the true and fair view of the consolidated financial statements and the fair overview of the management report. Nicolas D'Ieteren, Chairman of the Board, and Olivier Périer, Vice-Président du Conseil d'administration, certify, on behalf and for the account of s.a. D'Ieteren n.v., that, to the best of their knowledge, the consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the equity, financial position and financial performance of s.a. D'Ieteren n.v. and the entities included in the consolidation as a whole, and the management report includes a fair overview of the development and performance of the business and the position of s.a. D'Ieteren n.v., and the entities included in the consolidation, together with a description of the principal risks and uncertainties which they are exposed to.

2019 Full-Year Results

D'Ieteren adopted IFRS 16 "Leases" from 1 January 2019 onwards using the retrospective approach. Leases that were previously accounted for as operating leases are now included on the balance sheet. Depreciation on the right-of-use assets and interest on the lease payments are now charged in the income statement. The FY 2019 results are shown both on a "Post-IFRS 16" and "Pre-IFRS 16" basis. The latter facilitates the comparison with the FY 2018 results. Comments in this chapter refer to the figures on a "Pre-IFRS 16" basis unless otherwise stated.

D'Ieteren Group's results improved significantly in 2019 driven by Belron's excellent performance and by another year of improvement at D'Ieteren Auto. The Group's key performance indicator (KPI) – the *adjusted* consolidated result before tax, Group's share[1] – rose by 39.8% (guidance: "about 35% higher") to EUR 300.7 million on a comparable basis (52.48% stake in Belron in 2018 and 2019).

- **D'Ieteren Auto's** share[2] improved by 130bps in the Belgian new car market[2] (excluding registrations of less than 30 days) which was down 2.5%. The rise in sales (+6.7%) and the *adjusted* result before tax, Group's share[1] (+6.1%) mainly reflects higher import volumes, partly offset by a lower contribution from the Retail activities.
- **Belron** delivered solid organic[5] sales growth (+7.5%). Its *adjusted* result before tax, Group's share[1] improved by 110.5% reflecting volume growth, a positive mix effect and good progress on the Fit for Growth programme.
- **Moleskine's** performance was disappointing in 2019 with sales and the *adjusted* result before tax, Group's share[1] decreasing by respectively 5.9% and 48.2%. A new CEO will be joining the company in April 2020.
- **Corporate & Unallocated** (including corporate and real estate activities) reported an *adjusted* result before tax, Group's share[1] of EUR -10.3 million in 2019 compared to EUR -6.9 million in 2018.
- The Board of Directors proposes **a gross ordinary dividend of EUR 1.00 per share** **(stable versus 2019)**.

1. Group Summary

A. SALES

Consolidated sales under IFRS amounted to **EUR 3,798.8 million (+6.1%)**. This figure excludes Belron.
Combined sales (including 100% of Belron) amounted to **EUR 8,026.9 million (+8.2%)**.

B. RESULTS

The consolidated result before tax under IFRS reached EUR 93.2 million (EUR 64.7 million in 2018). Our key performance indicator, the ***adjusted* consolidated result before tax, Group's share[1]**, amounted to EUR 300.7 million, up 39.8% on a comparable basis (52.48% stake in Belron).

The **Group's share in the net result** equalled EUR 64.5 million (EUR 1,048.0 million in 2018). The 2018 figure included the consolidation gain associated with the sale of a 40% stake in Belron to CD&R. **The *adjusted* net profit, Group's share[1]**, reached EUR 211.6 million (52.48% stake in Belron) compared to EUR 182.2 million (57.78% stake in Belron) in 2018.

C. DIVIDEND

The Board of Directors proposes a **gross ordinary dividend of EUR 1.00** per share. If this dividend is approved by the General Meeting of Shareholders on 28 May 2020, it will be paid on 5 June 2020 (ex-date 3 June and record date 4 June).

D. FINANCING OF THE ACTIVITIES

The net cash position of "Corporate & Unallocated", which includes Corporate, amounted to **EUR 1,521.0 million** at the end of 2019 compared to EUR 1,142.2 million at the end of 2018.

2. D'Ieteren Auto

- **Sales rose by 6.7% to EUR 3,634.9 million;**
- **The operating result reached EUR 116.5 million (EUR 106.8 million in 2018);**
  - **The *adjusted* operating result[1] increased by 5.3% to EUR 119.0 million. The solid performance mainly reflects higher new vehicle volumes and a positive price and model effect;**
  - **The *adjusting* items[1] (EUR -2.5 million) relate to the implementation of the Market Area strategy;**
- **The result before tax rose by 6.8% to EUR 122.5 million;**
- **The *adjusted* result before tax, Group's share[1], reached EUR 128.4 million (EUR 121.0 million in 2018), up 6.1%;**

2.1. ACTIVITIES AND RESULTS

Market and deliveries

The Belgian new car market proved to be more resilient than expected. Excluding registrations of less than 30 days[2], the number of Belgian new car registrations decreased by 2.5% to 515,051 units. Including registration of less than 30 days, the number reached 550,003 (+0.1%), the second highest level since the historical peak in 2011 (572,211). The 5% rise in demand in the business segment (56% of total new car registrations) was offset by a 6% decline in the private segment. The share of SUV's increased from 38% in 2018 to 40% in 2019. D'Ieteren Auto's brands saw a 33% rise in the number of SUV registrations which made up 36% of the mix.

D'Ieteren Auto's market share reached 22.75% in 2019 (+130bps) if one excludes registrations of less than 30 days. All the brands gained market share with the exception of Porsche.

Registrations of new light commercial vehicles (0 to 6 tonnes) rose by 4.3% to 81,820 units and D'Ieteren Auto's market share rose by 23bps to 10.79%.

The total number of new vehicles, including commercial vehicles, delivered by D'Ieteren Auto in 2019 reached 129,575 units (+6.1%).

Sales

D'Ieteren Auto's sales increased by 6.7% (+5.8% on a comparable basis) to EUR 3,634.9 million in 2019 mainly reflecting volume growth which was underpinned by the success of the SUV models. New vehicles sales rose by 6.6% to EUR 3,188.3 million.

Results

The operating result reached EUR 116.5 million (+9.1%) and the *adjusted* operating result[1] (EUR 119.0 million) increased by 5.3% or by 7.9% excluding the impact of the reversal of provisions (EUR 4.5 million in 2018 and EUR 1.9 million in 2019). The solid improvement mainly reflects higher new vehicle volumes and higher gross margins of the Import activity. These positive factors were partly offset by a lower contribution of the Retail activity and higher IT and project related expenses.

The result before tax reached EUR 122.5 million (+6.8%) or EUR 125.0 million (+6.6%) excluding *adjusting* items[1].

The *adjusted* result before tax, Group's share[1], rose by 6.1% to EUR 128.4 million. The contribution of the equity accounted entities amounted to EUR 12.0 million (EUR 10.6 million in 2018).

Income tax expenses reached EUR 36.7 million (EUR 38.4 million in 2018). *Adjusted* tax expenses[1] equalled EUR 38.8 million (compared to EUR 40.5 million in 2018). The decline reflects the recognition of deferred tax assets.

The result after tax, Group's share, amounted to EUR 85.8 million (EUR 76.3 million in 2018). The *adjusted* result after tax, Group's share[1], rose by EUR 9.4 million to EUR 86.2 million.

2.2. Net debt and free cash flow

D'Ieteren Auto's net debt[3] increased by EUR 59.4 million to EUR 120.2 million at the end 2019.

The *adjusted* free cash flow[1] (after tax) equalled EUR -18.7 million in 2019 (EUR -54.3 million in 2018). The change mainly reflects:

- The rise in *adjusted* EBITDA[1,5] (EUR 128.9 million in 2019 versus EUR 120.7 million in 2018);
- The impact from "other non cash items" (EUR 9.2 million in 2019 versus EUR -6.1 million in 2018);
- The rise in tax payments (EUR -38.1 million in 2019 versus EUR -24.6 million in 2018);
- Changes in working capital (EUR -86.2 million in 2019 versus EUR -120.1 million in 2018). The EUR 48.7 million y/y increase in inventories (balance sheet) reflects a spike in (early) deliveries by the factories at year end and the extension of Retail network. Receivables increased by EUR 62.6 million to EUR 414.2 million (balance sheet) due to a timing effect related to invoicing;
- The rise in net capex (EUR -27.2 million versus EUR -18.3 million) mainly reflects IT investments (e.g. dealer management system and software for the management of spare parts) and the outfitting of a new Porsche dealership.

2.3. Key developments

2019 was a pivotal year marked by transformation projects including:

- The **Magellan project** which defined the strategy for the next 5 years which is based on three pillars:
  - o "Adapt" to become the best in class in each activity (e.g. review of the organisational structure and support services)
  - o "Expand" through the development of adjacent activities (e.g. establishment of a trading desk for used vehicles)
  - o "Innovate" to get ready for the future. It involves for example, investments in electric mobility through EDI (Electric by D'Ieteren) and the launch of new forms of mobility through Lab Box.
- A **Transformation Office** has been put in place to coordinate D'Ieteren Auto's transformation. About 20 Magellan initiatives were initiated last year.
- The **"Leading the D'Ieteren Auto Way"** program, which aims to reinforce the values within the organisation, has been rolled out across all the management committees.

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3. Belron

At Belron's level (at 100%):

- **External sales (EUR 4,228.1 million) increased by 10.1%, comprising a 7.5% organic[5] increase, 1.3% growth from acquisitions and a positive currency translation effect of 2.5%, partially offset by disposals (-1.2% impact).**
- **The operating result totalled EUR 333.0 million (EUR 103.6 million in 2018):**
  - o **The 77.4% improvement in *adjusted* operating result[1] (EUR 400.5 million) reflects the benefit of volume growth, value growth, notably from product mix, and tight control of costs;**
  - o ***Adjusting* items[1] amounted to EUR -67.5 million (see details on pages 17-18).**

At the level of the reporting segment of Belron in D'Ieteren's consolidated accounts:

- **The result before tax totalled EUR 256.9 million (EUR 1,010.9 million in 2018). The 2018 figure includes the consolidated gain on the disposal of the 40% stake in Belron;**
- **The *adjusted* result before tax, Group's share[1], rose by 110.5% from EUR 82.1 million in 2018 to EUR 172.8 million in 2019. The 2018 figure was restated to reflect the same average stake of 52.48% as in 2019. The strong improvement reflects the uplift in the underlying operating performance partially offset by higher financial charges following the refinancing in Q4 2018 and Q4 2019.**

3.1. SALES AND RESULTS

Sales

Belron's total sales rose by 10.1% to EUR 4,228.1m in 2019. The 11.3% sales growth from continuing operations is comprised of:
- organic[5] growth of 7.5%;
- a positive currency translation effect of 2.5% which is primarily due to the stronger US dollar;
- acquisition growth of 1.3%.

North America (54% of total) sales increased by 20.2%. Organic[5] growth of 13.1% reflects increases in both volume and value, including product mix and higher revenues from ADAS recalibration and VAPS (valued added products & services). Regional acquisitions, the largest of which was TruRoad in August 2019, contributed 2.1% of growth. There was an additional 5.0% from favourable currency translation.

Eurozone (33% of total) sales from continuing operations increased by 2.7% comprising 2.4% organic5 growth, 0.2% growth from minor acquisitions and a 0.1% positive contribution from currency translation. The organic growth reflects improvements in sales value, including product mix and higher revenues from ADAS recalibrations and VAPS, offset by lower volumes attributable to milder weather in the first half of the year.

Rest of World (13% of total) sales from continuing operations increased by 1.9%, of which 1.1% was organic[5] growth and 1.0% from acquisitions. There was 0.2% decrease from currency translation. The organic growth reflects improvements in sales value, including product mix and higher revenues from ADAS recalibration and VAPS offset by lower volumes in the UK due to milder weather in the first half of the year. The acquired growth primarily relates to the Home Damage Repair and Replacement (HDRR) business in Australasia which was acquired in March 2018.

The total number of consumers (including franchisees) served reached 18.2 million (-0.2%) of which 17.6 million (-0.6%) in Vehicle Glass Repair and Replacement (VGRR) and Claims Management. The outstanding overall NPS score of 84.2% reflects Belron's vision: "making a difference by solving people's problems with real care".

Results

The operating result rose by 221.4% to EUR 333.0 million and the *adjusted* operating result[1] improved by 77.4% to EUR 400.5 million. These positive results are largely due to the success of the acceleration dimension of the Fit for Growth program which focuses the performance in a number of critical areas (e.g.investments in recalibration capability, VAPS) while making the business more profitable – notably in the fields of procurement, productivity and job optimisation.

Charges related to the legacy long-term management incentive programme (3-year rolling LTIP plan launched in 2017) equalled EUR 59.8 million (2018: EUR 34.1 million). It reflects the improved performance of Belron. The plan has now been replaced by a share-based Management Reward Plan, so these charges will cease after the end of 2019.

Adjusting items[1] at the level of the operating result totalling EUR 67.5 million (see pages 18-19 for further details).

The net financial result reached EUR -76.2 million in 2019 compared to EUR 907.3 million in 2018. The latter included the consolidated gain (EUR 987.7 million booked in H1 2018) on the disposal of the 40% stake in Belron. The *adjusted* net financial expenses[1] rose from EUR 59.1 million in 2018 to EUR 71.4 million in 2019 as a result of the issue of Term Loans B in Q4 2018 and Q4 2019. The proceeds were paid out to the shareholders.

The result before tax reached EUR 256.9 million in 2019 (EUR 1,010.9 million in 2018). The *adjusted* result before tax, Group's share[1] increased by 110.5% to EUR 172.8 million on a comparable basis (assuming 52.48% stake in 2018 and 2019). *Adjusted* income tax expenses[1] equalled EUR 99.9 million (EUR 39.1 million in 2018).

The result after tax, Group's share, reached EUR 88.5 million (EUR 991.6 million in 2018). The *adjusted* result after tax[1], Group's share, rose by 60.7% to EUR 120.4 million.

3.2. NET DEBT AND FREE CASH FLOW

Belron's net financial debt[3] reached EUR 2,324.4 million (100%) at the end of 2019 compared to EUR 1,638.6 million at the end of 2018. Belron issued in Q4 2019 a new 7-year term loan B of USD 830 million and a EUR 100 million add-on to the existing EUR term loan which matures in 2024. The proceeds of about EUR 850 million equivalent were paid out to the shareholders. Belron's net financial debt[3]/EBITDA4 multiple (Senior Secured Net Leverage Ratio) reached 3.67x at the end of 2019.

The *adjusted* free cash flow[1] (after tax) amounted to EUR 432.5 million (EUR 164.5 million in 2018) or EUR 413.5 million (EUR 145.6 million in 2018) after the cash-outflow related to the legacy long-term management incentive programme. The sharp increase is mainly due to:

- A higher *adjusted* EBITDA[1,4], (EUR 184.4 million improvement)
- A positive cash flow impact from changes in working capital (EUR 41.9 million compared to EUR -8.6 million in 2018)
- Lower capex (EUR -86.9 million compared to EUR -111.6 million in 2018) partly offset by higher income tax and interest payments.

The free cash flow after the impact from restructurings (*adjusting* items[1]) reached EUR 375.8 million in 2019 (EUR 98.4 million in 2018).

4. Moleskine

- **Revenues decreased by 5.9% to EUR 163.9 million in 2019;**
- **The operating loss totalling EUR 83.7 million (EUR 28.6 million profit in 2018) is composed of:**
  - **An *adjusted* operating result[1] of EUR 18.6 million (-35.0%);**
  - **An impairment charge (*adjusting* item[1]) of EUR 102.3 million.**
- **The result before tax equalled EUR -92.5 million (versus a profit of EUR 18.9 million in 2018);**
- **The *adjusted* result before tax[1] totalled EUR 9.8 million (-48.1%);**
- **The free cash flow rose by 75% to EUR 21.0 million thanks to a significant reduction in inventories;**
- **A new CEO will join the company in April 2020.**

4.1. SALES

Sales fell by EUR 10.2 million to EUR 163.9 million. B2B in EMEA and Wholesale in the Americas represented respectively 71% and 14% of the sales decline.

Sales evolution by channel:

- **Wholesale** (54% of total): -3%. The decline was most pronounced in the US due to retailer specific issues (e.g. Barnes & Noble change of ownership) and lower traffic experienced by some brick and mortar retailers. Sales to Amazon and Office Depot (new account) were up however. Wholesale revenues were up in Canada. In Japan, the Moleskine's subsidiary that was established in 2018 has been delivering positive results;
- **B2B** (25% of total): -14%. The drop was most pronounced in EMEA as very large orders booked in 2018 where not repeated in 2019;
- **Retail** (14% of total): -5%. All the regions reported lower sales with the exception of EMEA. The pruning of the store network impacted sales as the number of stores declined from 80 at the end of 2018 to 77 at the end of 2019. Twelve stores were closed and 9 were opened during the year;
- **E-Commerce** (5% of total): -2%;
- **Other** (1% of total): +30% on the back of the success of digital apps.

Sales evolution by region:

- EMEA (46% of total): -9%. The decline was almost entirely due to lower B2B sales. E-Commerce and Retail sales improved slightly;
- Americas (37% of total): -2%. Higher B2B sales were offset by lower sales in the other channels;
- APAC (17% of total): -6%. All the channel reported lower sales with the strongest decline in the Retail channel.

4.2. RESULTS

The *adjusted* operating result[1] reached EUR 18.6 million in 2019 compared to EUR 28.6 million in 2018. The decline is mainly due to weaker sales, US import duties and direct cost inefficiencies.

Note: the 2019 operating result included a EUR 4.1 million reversal of provisions related to the long-term incentive program of 2016-2021. The 2018 result was impacted by a EUR 1.7 million charge related to this program.

A EUR 102.3 million impairment charge ("*adjusting* item[1]") was booked on goodwill. The impairment test was based on the business plan for 2020-2023 and a WACC of 7.94%. The residual value of goodwill equals EUR 69.8 million after the impairment. After deduction of the impairment charge, Moleskine realized an operating loss of EUR 83.7 million in 2019 compared to a profit of EUR 28.6 million in 2018.

Net financial charges equalled EUR 8.8 million (EUR 9.7 million in 2018). The result before tax amounted to EUR -92.5 million and the *adjusted* result before tax[1] amounted to EUR 9.8 million (EUR 18.9 million in 2018). Income tax expenses equalled EUR 4.8 million. In 2018, the EUR 3.9 million income tax revenue included the Patent Box benefit.

4.3. NET DEBT AND FREE CASH FLOW

Moleskine's net debt reached EUR 267.5 million - of which EUR 190.8 million intra-Group borrowing - at the end of 2019 compared to EUR 282.2 million at the end of 2018.

The *adjusted* free cash flow[1] (after tax) amounted to EUR 21.0 million in 2019 compared to EUR 12.0 million in 2018. The improvement reflects a positive inflow (EUR 9.9 million) from changes in working capital and lower net interest paid. Effective inventory management led to a EUR 11.6 million reduction in inventories (balance sheet).

4.4. APPOINTMENT OF A NEW CEO

Lorenzo Viglione resigned from his position as CEO, based on a common agreement with D'Ieteren regarding the future development of Moleskine. A new CEO will be joining the company in April 2020.

5. Corporate and Unallocated

5.1. RESULTS

The reportable operating segment "Corporate and Unallocated" mainly includes the Corporate and Real Estate activities (D'Ieteren Immo S.A.). The *adjusted* operating result1 reached EUR -15.4 million in 2019 compared to EUR -12.2 million in 2018 due to a temporary rise in Corporate costs and certain administrative taxes.

The EUR 6.5 million *adjusting* item[1] in the operating result relates to a gain on the disposal of a property. The *adjusting* item[1] in the financial result includes a loss on the fair value of a contingent liability relating to the disposal of the 40% stake in Belron to CD&R.

Adjusted result before tax, group's share[1] reached EUR -10.3 million (EUR -6.9 million in 2018).

5.2. NET CASH

The significant increase in the net cash position (from EUR 1,142.2 million at the end of 2018 to EUR 1,521.0 million at the end of 2019) is primarily the result of D'Ieteren's share (EUR 460.7 million) in Belron's latest dividend recap (Q4 2019), partially offset by the payment in June 2019 of dividends (EUR 54.8 million) to the shareholders of D'Ieteren.

6. Research and Development

Research and development costs incurred by the group totalled EUR 12 million in 2019:

- Through its Lab Box subsidiary, D'Ieteren Auto explores, analyses and develops flexible and innovative mobility services including intermodality and MaaS (Mobility as a Service). For example, Pikaway was developed to enable routing, booking and payment for intermodal mobility solutions. Investments in Lab Box reached EUR 9.5 million in 2019 compared to EUR 6.5 million in 2018.
- Belron has its own dedicated research and development division, Belron Technical. It develops technical standards and innovations that break new ground in vehicle glass repair and replacement. Belron's R&D budget amounted to EUR 1.8 million in 2019 versus EUR 2.7 million in 2018.
- The Digital Development and R&D department of Moleskine worked on solutions to bridge the analogue-digital continuum, creating a connection between digital and paper products. The Digital Innovation cell spent circa EUR 700,000 on R&D versus EUR 500,000 in 2018.

1 In order to better reflect its underlying performance and assist investors in gaining a better understanding of its financial performance, D'Ieteren uses Alternative Performance Measures ("APMs"). These APMs are non-GAAP measures, i.e. their definitions are not addressed by IFRS. D'Ieteren 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. See page 34 for the definition of these performance indicators.

2 In order to provide an accurate picture of the car market, Febiac publishes market figures excluding registrations that have been cancelled within 30 days. Most of them relate to vehicles that are unlikely to have been put into circulation in Belgium by the end customer.

3 The net financial debt is not an IFRS indicator. D'Ieteren uses this Alternative Performance Measure to reflect its indebtedness. This non-GAAP indicator is defined as the sum of the borrowings minus cash, cash equivalents and investments in non-current and current financial assets. See page 41.

4 EBITDA is not an IFRS indicator. This APM (non-GAAP indicator) 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.

5 "Organic growth" is an Alternative Performance Measure used by the Group to measure the evolution of revenue between two consecutive periods, at constant currency and excluding the impact of change in perimeter of consolidation or business acquisitions.

Alternative Performance Measurement (APM)

Framework and definitions

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. They are derived from the audited IFRS accounts. The APMs may not be comparable to similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group's performance or liquidity under 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 (see below), and each subtotal of the segment statement of profit or loss (see below), 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, giving to the investors a better view on the way the Group is measuring and managing its financial performance. They 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.

The Group uses as key performance indicator the *adjusted* consolidated result before tax, Group's share (*Adjusted* PBT, Group's share). This APM consists of the segment reported result before tax (PBT), taking into account the result before tax of the discontinued operations, and excluding *adjusting* items and the share of minority shareholders.

Presentation of APMs in the consolidated statement of profit or loss for the year ended 31 December

EUR million	2019			2018 (1)		
	Total	*Of which* *Adjusted result*	*Adjusting items*	**Total**	*Of which* *Adjusted result*	*Adjusting items*
Revenue	**3,798.8**	*3,798.8*	-	**3,581.0**	*3,581.0*	-
Cost of sales	-3,303.3	*-3,303.3*	-	-3,094.0	*-3,094.0*	-
Gross margin	**495.5**	*495.5*	-	**487.0**	*487.0*	-
Commercial and administrative expenses	-382.2	*-379.7*	*-2.5*	-376.0	*-358.5*	*-17.5*
Other operating income	21.8	*15.3*	*6.5*	10.1	*10.1*	-
Other operating expenses	-110.7	*-8.4*	*-102.3*	-9.2	*-9.2*	-
Operating result	**24.4**	*122.7*	*-98.3*	**111.9**	*129.4*	*-17.5*
Net finance costs	-24.4	*-7.1*	*-17.3*	-47.3	*-7.0*	*-40.3*
Finance income	1.4	*1.4*	-	1.8	*1.3*	*0.5*
Finance costs	-25.8	*-8.5*	*-17.3*	-49.1	*-8.3*	*-40.8*
Share of result of equity-accounted investees, net of income tax	93.2	*125.1*	*-31.9*	0.1	*68.1*	*-68.0*
Result before tax	**93.2**	*240.7*	*-147.5*	**64.7**	*190.5*	*-125.8*
Income tax expense	-28.7	*-29.1*	*0.4*	-18.1	*-22.0*	*3.9*
Result from continuing operations	**64.5**	*211.6*	*-147.1*	**46.6**	*168.5*	*-121.9*
Discontinued operations	-	-	-	1,002.1	*14.4*	*987.7*
RESULT FOR THE PERIOD	**64.5**	*211.6*	*-147.1*	**1,048.7**	*182.9*	*865.8*
Result attributable to:						
Equity holders of the Company	**64.5**	*211.6*	*-147.1*	**1,048.0**	*182.2*	*865.8*
Non-controlling interests	-	-	-	0.7	*0.7*	-
Earnings per share						
Basic (EUR)	1.18	*3.88*	*-2.70*	19.12	*3.32*	*15.80*
Diluted (EUR)	1.18	*3.86*	*-2.68*	19.08	*3.32*	*15.76*
Earnings per share -Continuing operations						
Basic (EUR)	1.18	*3.88*	*-2.70*	0.85	*3.08*	*-2.23*
Diluted (EUR)	1.18	*3.86*	*-2.68*	0.85	*3.07*	*-2.22*

(1) As restated to reflect reallocation of costs in the framework of continuous improvement of the financial reporting information – Refer to note 1 of the 2019 consolidated financial statements for further information on the restatement of comparative information.

The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. Refer to note 3 of the 2019 consolidated financial statements.

Presentation of APMs in the segment statement of profit or loss for the year ended 31 December

The Group's reportable operating segments are D'Ieteren Auto (automobile distribution activities), Belron, Moleskine and Corporate & Unallocated (corporate and real estate activities). These operating segments are consistent with the Group's organisational and internal reporting structure, and with the requirements of IFRS 8 "Operating Segments".

Despite its classification as an equity-accounted investee, Belron remains a reportable operating segment, reflecting the Group's internal reporting structure.

The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated. The Group presents the results of its operating segments on a pre-IFRS 16 basis, reflecting the Group's internal reporting structure and facilitating the comparison with the prior period results.

EUR million				**2019**				
		D'Ieteren Auto	**Belron**	**Mole-skine**	**Corporate & unallocated**	**IFRS 16 impacts**	**Elimi-nations**	**Group**
External revenue		3,634.9	4,228.1	163.9	-	-	-4,228.1	3,798.8
Inter-segment revenue		-	-	-	-	-	-	-
Segment revenue		**3,634.9**	**4,228.1**	**163.9**	**-**	**-**	**-4,228.1**	**3,798.8**
Operating result (being segment result)		**116.5**	**333.0**	**-83.7**	**-8.9**	**16.4**	**-348.9**	**24.4**
Of which	*Adjusted result*	*119.0*	*400.5*	*18.6*	*-15.4*	*16.4*	*-416.4*	*122.7*
	Adjusting items	*-2.5*	*-67.5*	*-102.3*	*6.5*	*-*	*67.5*	*-98.3*
Net finance costs		-2.6	-76.2	-8.8	-12.2	-26.5	101.9	-24.4
Finance income		0.2	19.1	0.8	0.4	-	-19.1	1.4
Finance costs		-2.8	-95.3	-4.7	-17.5	-26.5	121.0	-25.8
Inter-segment financing interest		-	-	-4.9	4.9	-	-	-
Share of result of equity-accounted investees, net of income tax		8.6	0.1	-	-	-	84.5	93.2
Result before tax		**122.5**	**256.9**	**-92.5**	**-21.1**	**-10.1**	**-162.5**	**93.2**
Of which	*Adjusted result*	*125.0*	*329.2*	*9.8*	*-10.3*	*-10.1*	*-202.9*	*240.7*
	Adjusting items	*-2.5*	*-72.3*	*-102.3*	*-10.8*	*-*	*40.4*	*-147.5*
Income tax expense		-36.7	-88.4	-4.8	12.8	2.5	85.9	-28.7
Result from continuing operations		**85.8**	**168.5**	**-97.3**	**-8.3**	**-7.6**	**-76.6**	**64.5**
Of which	*Adjusted result*	*86.2*	*229.3*	*5.0*	*4.2*	*-7.6*	*-105.5*	*211.6*
	Adjusting items	*-0.4*	*-60.8*	*-102.3*	*-12.5*	*-*	*28.9*	*-147.1*
Discontinued operations		-	-	-	-	-	-	-
RESULT FOR THE PERIOD		**85.8**	**168.5**	**-97.3**	**-8.3**	**-7.6**	**-76.6**	**64.5**

Attributable to:		**D'Ieteren Auto**	**Belron**	**Mole-skine**	**Corporate & unallocated**	**IFRS 16 impacts**	**Group**
Equity holders of the Company		**85.8**	**88.5**	**-97.3**	**-8.3**	**-4.2**	**64.5**
Of which	*Adjusted result*	*86.2*	*120.4*	*5.0*	*4.2*	*-4.2*	*211.6*
	Adjusting items	*-0.4*	*-31.9*	*-102.3*	*-12.5*	*-*	*-147.1*
Non-controlling interests		-	-	-	-	-	-
RESULT FOR THE PERIOD		**85.8**	**88.5**	**-97.3**	**-8.3**	**-4.2**	**64.5**

In the period, the column "IFRS 16 impacts" reconciles the segment statement of profit or loss, with the 12-month results presented, as previously reported, under IAS 17, to the IFRS Group consolidated statement of profit or loss under IFRS 16. Refer to "General information" of the financial highlights section for more details.

In the period, the column "Eliminations" reconciles the segment statement of profit or loss (with the 12-month result of Belron presented on all lines under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron presented in the line "share of result of equity-accounted investees, net of income tax", representing the share of the Group in the 12-month net result of Belron).

EUR million		2018 (1)					
		D'Ieteren Auto	Belron	Mole-skine	Corporate & unallocated	Elimi-nations	Group
External revenue		3,406.9	3,839.7	174.1	-	-3,839.7	3,581.0
Inter-segment revenue		-	-	-	-	-	-
Segment revenue		**3,406.9**	**3,839.7**	**174.1**	**-**	**-3,839.7**	**3,581.0**
Operating result (being segment result)		**106.8**	**103.6**	**28.6**	**-23.5**	**-103.6**	**111.9**
Of which	*Adjusted result*	*113.0*	*225.7*	*28.6*	*-12.2*	*-225.7*	*129.4*
	Adjusting items	*-6.2*	*-122.1*	*-*	*-11.3*	*122.1*	*-17.5*
Net finance costs		-2.0	907.3	-9.7	-35.6	-907.3	-47.3
Finance income		0.9	1,000.6	0.7	0.2	-1,000.6	1.8
Finance costs		-2.9	-93.3	-5.8	-40.4	93.3	-49.1
Inter-segment financing interest		-	-	-4.6	4.6	-	-
Share of result of equity-accounted investees, net of income tax		9.9	-	-	-	-9.8	0.1
Result before tax		**114.7**	**1,010.9**	**18.9**	**-59.1**	**-1,020.7**	**64.7**
Of which	*Adjusted result*	*117.3*	*166.6*	*18.9*	*-6.9*	*-105.4*	*190.5*
	Adjusting items	*-2.6*	*844.3*	*-*	*-52.2*	*-915.3*	*-125.8*
Income tax expense		-38.4	-26.8	3.9	16.4	26.8	-18.1
Result from continuing operations		**76.3**	**984.1**	**22.8**	**-42.7**	**-993.9**	**46.6**
Of which	*Adjusted result*	*76.8*	*127.5*	*22.8*	*7.7*	*-66.3*	*168.5*
	Adjusting items	*-0.5*	*856.6*	*-*	*-50.4*	*-927.6*	*-121.9*
Discontinued operations		-	-	-	-	1,002.1	1,002.1
RESULT FOR THE PERIOD		**76.3**	**984.1**	**22.8**	**-42.7**	**8.2**	**1,048.7**

Attributable to:		D'Ieteren Auto	Belron	Mole-skine	Corporate & unallocated	Group
Equity holders of the Company		**76.3**	**991.6**	**22.8**	**-42.7**	**1,048.0**
Of which	*Adjusted result*	*76.8*	*74.9*	*22.8*	*7.7*	*182.2*
	Adjusting items	*-0.5*	*916.7*	*-*	*-50.4*	*865.8*
Non-controlling interests		-	0.7	-	-	0.7
RESULT FOR THE PERIOD		**76.3**	**992.3**	**22.8**	**-42.7**	**1,048.7**

(1) As restated to reflect reallocation of costs in the framework of continuous improvement of the financial reporting information – Refer to note 1 of the 2019 consolidated financial statements for further information on the restatement of comparative information.

The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. Refer to note 3 of the 2019 consolidated financial statements.

In the prior period, the column "Eliminations" reconciled the segment statement of profit or loss (with the 12-month result of Belron presented on all lines as a continuing operation under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron presented as a discontinued operation from the beginning of the period until the closing of the transaction with CD&R and in the line "share of result of equity-accounted investees, net of income tax" for the remaining of the period). See note 1 of the 2018 consolidated financial statements for more information.

Explanations and details of the figures presented as *adjusting* items

In 2019 and 2018, the Group identified the following items as *adjusting* items throughout the four operating segments:

EUR million	2019								
	D'Ieteren Auto		Belron		Moleskine		Corporate & unallocated		Total (segment)*
***Adjusting* items**									
Included in operating result	**-2.5**		**-67.5**		**-102.3**		**6.5**		**-165.8**
Re-measurements of financial instruments	-		4.9	(d)	-		-		4.9
Amortisation of customer contracts	-		-12.2	(e)	-		-		-12.2
Amortisation of brands with finite useful life	-		-1.4	(f)	-		-		-1.4
Impairment of goodwill and of non-current assets	-		-21.3	(g)	-102.3	(j)	-		-123.6
Other adjusting items	-2.5	(a)	-37.5	(h)	-		6.5	(k)	-33.5
Included in net finance costs	**-**		**-4.8**		**-**		**-17.3**		**-22.1**
Re-measurements of financial instruments	-		-		-		-17.3	(l)	-17.3
Other adjusting items	-		-4.8	(i)	-		-		-4.8
Included in equity accounted result	**-**		**-**		**-**		**-**		**-**
Included in segment result before taxes (PBT)	**-2.5**		**-72.3**		**-102.3**		**-10.8**		**-187.9**

* Total of the *adjusting* items at the level of each segment. The *adjusting* items presented in the Belron segment should be deducted from this total to reconcile with the Group figures reported in the segment statement of profit or loss.

EUR million	2018								
	D'Ieteren Auto		Belron		Moleskine		Corporate & unallocated		Total (segment)*
***Adjusting* items**									
Included in operating result	**-6.2**		**-122.1**		**-**		**-11.3**		**-139.6**
Re-measurements of financial instruments	-		-6.9	(d)	-		-		-6.9
Amortisation of customer contracts	-		-5.5	(e)	-		-		-5.5
Amortisation of brands with finite useful life	-		-0.5	(f)	-		-		-0.5
Impairment of goodwill and of non-current assets	-		-50.3	(g)	-		-		-50.3
Other adjusting items	-6.2	(a)	-58.9	(h)	-		-11.3	(k)	-76.4
Included in net finance costs	**0.6**		**966.4**		**-**		**-40.9**		**926.1**
Re-measurements of financial instruments	-		-		-		-20.2	(l)	-20.2
Other adjusting items	0.6	(b)	966.4	(i)	-		-20.7	(m)	946.3
Included in equity accounted result	**3.0**	(c)	**-**		**-**		**-**		**3.0**
Included in segment result before taxes (PBT)	**-2.6**		**844.3**		**-**		**-52.2**		**789.5**

* Total of the *adjusting* items at the level of each segment. The *adjusting* items presented in the Belron segment should be deducted from this total to reconcile with the Group figures reported in the segment statement of profit or loss.

D'Ieteren Auto

(a) Other *adjusting* items in operating result include a charge of EUR 2.5 million (EUR 6.2 million in the prior period) in the framework of the "Market Area" project (optimization of the independent dealer network).

(b) In the prior period, other *adjusting* items in net finance costs included the consolidated gain on disposal of a dealership.

(c) In the prior period, the share of the Group in the *adjusting* items of entities accounted for using the equity method amounted to EUR 3.0 million and was related to the additional revenue recognised following a change in accounting estimates.

Belron

(d) Fair value of fuel hedge instruments amounts to EUR 4.9 million (EUR -6.9 million in the prior period) and arises from changes in the "clean" fair value of derivatives. Change in "clean" fair value of derivatives corresponds to the change of "dirty" fair value (i.e. the change of value between the opening and the end of the period) excluding the accrued cash flows of the derivatives that occurred during the period.

(e) In the framework of the recent acquisitions (especially in the United States, in France and in Belgium), certain customer contracts were recognised as intangible assets with a finite useful life. The amortisation amounts to EUR 12.2 million (EUR 5.5 million in the prior period).

(f) The amortisation of brands with finite useful lives (certain brands are no longer considered to be intangibles with indefinite useful lives since there is now a limit to the period over which these assets are expected to generate cash inflows) amounts to EUR 1.4 million (EUR 0.5 million in the prior period).

(g) In the period, a total impairment charge of EUR 21.3 million is recognized and comprises:

- An impairment charge of EUR 21.0 million in Italy, allocated to the goodwill (EUR 20.6 million), brands (EUR 0.3 million) and other intangible assets (EUR 0.1 million), as a result of lower expectations;
- An impairment charge of EUR 0.3 million in the Netherlands, allocated to other intangible assets (following the EUR 40.0 million impairment charge recognised in 2018 in the Netherlands, there was no goodwill or significant other intangibles remaining).

These impairment charges were recognized during the first half of 2019 following the impairment calculation performed.

In the prior period, impairment charges of EUR 50.3 million were recognized in the Netherlands (EUR 40 million on goodwill, brands and other intangible assets), in New Zealand (EUR 6.0 million on goodwill) and EUR 4.3 million in Hungary and Greece.

(h) In the period, other *adjusting* items of EUR -37.5 million include EUR -30.7 million in relation to restructurings and integrations (the majority of which was spent on the integration of the US TruRoad acquisition with some costs on Eurozone projects and restructurings), EUR -3.7 million for acquisition costs and EUR -3.0 million due to disposal costs.

In the prior period, other *adjusting* items of EUR -58.9 million mainly comprised a transaction bonus (EUR -33.1 million) related to the disposal of a 40% stake of Belron to CD&R (see notes 1 and 16 of the 2018 consolidated financial statements), professional fees related to the above-mentioned transaction and to the set-up of a new management reward plan (EUR -2.8 million), provision and restructuring costs related to Canada (EUR -5.5 million), and United States (EUR -4.5 million), provision costs for US legal disputes (EUR -4.1 million), and provision costs relating to the disposal and franchising of Greece and Hungary.

(i) In the period, other *adjusting* items in net finance costs are costs incurred in relation to the additional financing undertaken in Q4 2019 (new 7-year Term Loan B of USD 830 million maturing in 2026 and "add-on-loan" to existing EUR Term Loan B of EUR 100 million maturing in 2024. Proceeds were used to pay a dividend to shareholders).

In the prior period, other *adjusting* items in net finance costs included the consolidated gain (EUR 987.7 million) on the disposal of the 40% stake in Belron to CD&R (refer to notes 1 and 16 of the 2018 consolidated financial statements for more information and detail on the calculation), the loss (EUR -20.2 million) relating to the disposal of operations (Russia, Turkey and a business in the United Kingdom) and costs (EUR -1.1 million) incurred in relation to additional financing undertaken in November 2018

Moleskine

(j) In the period, an impairment charge of EUR -102.3 million is recognized on the Moleskine cash-generating unit (fully allocated to goodwill) following the formal impairment calculation performed at year-end. See specific information in the financial highlights

Corporate & Unallocated

(k) In the period, the EUR 6.5 million *adjusting* item in operating result relates to the consolidated gain on the disposal of a property. In the prior period, other *adjusting* items in operating result (EUR -11.3 million) related to the remaining professional fees in the framework of the finalisation of the disposal of the 40% stake of Belron to CD&R.

(l) In both periods, the re-measurement of financial instruments represents the loss on the fair value of a contingent liability relating to the disposal of the 40% stake of Belron to CD&R. This contingent liability will be settled in the course of 2020.

(m) In the prior period, other *adjusting* items in net finance costs include other financial expenses in the framework of the finalisation of the disposal of the 40% stake of Belron to CD&R.

Adjusted result before tax, Group's share (_adjusted_ PBT, Group's share)

The 2019 figures are shown on a pre-IFRS 16 basis in accordance with the presentation of the Group's segment results and to facilitate the comparison with the prior period figures.

EUR million	2019					2018 (1)				
	D'Ieteren Auto	Belron (52.48%)	Mole-skine	Corp. & unallocated	Total (segment)	D'Ieteren Auto	Belron (57.78%)	Mole-skine	Corp. & unallocated	Total (segment)
Segment reported PBT (pre-IFRS 16)	**122.5**	**256.9**	**-92.5**	**-21.1**	**265.8**	**114.7**	**1,010.9**	**18.9**	**-59.1**	**1,085.4**
Less: *Adjusting* items in PBT	2.5	72.3	102.3	10.8	187.9	2.6	-844.3	-	52.2	-789.5
Segment *adjusted* PBT (pre-IFRS 16)	**125.0**	**329.2**	**9.8**	**-10.3**	**453.7**	**117.3**	**166.6**	**18.9**	**-6.9**	**295.9**
Less: Share of the group in tax on *adjusted* results of equity-accounted investees	3.4	-	-	-	3.4	3.7	-	-	-	3.7
Share of non-controlling interests in *adjusted* PBT	-	-156.4	-	-	-156.4	-	-70.3	-	-	-70.3
Segment *adjusted* PBT, Group's share (pre-IFRS 16)	**128.4**	**172.8**	**9.8**	**-10.3**	**300.7**	**121.0**	**96.3**	**18.9**	**-6.9**	**229.3**

(1) As restated to reflect reallocation of costs in the framework of continuous improvement of the financial reporting information – Refer to note 1 of the 2019 consolidated financial statements for further information on the restatement of comparative information.

In the period, the weighted average percentage used for computing the segment adjusted PBT, Group's share of Belron amounts to 52.48% (57.78% in the prior period).

Key Performance Indicator (based on _adjusted_ PBT, Group's share)

EUR million	2019					2018 (1)				
	D'Ieteren Auto	Belron (52.48%)	Mole-skine	Corp. & unallocated	Total (segment)	D'Ieteren Auto	Belron (52.48%)	Mole-skine	Corp. & unallocated	Total (segment)
Segment *adjusted* PBT, Group's share (pre-IFRS 16)	**128.4**	**172.8**	**9.8**	**-10.3**	**300.7**	**121.0**	**96.3**	**18.9**	**-6.9**	**229.3**
Excluding:										
Depreciation of non-currents assets (Group's Share)	-	-	-		-	-	-6.0	-		-6.0
Reduction of the share of the Group (comparable basis with 2019)	-	-	-		-	-	-8.2	-		-8.2
***Adjusted* PBT, Group's share (key performance indicator - pre-IFRS 16)**	**128.4**	**172.8**	**9.8**	**-10.3**	**300.7**	**121.0**	**82.1**	**18.9**	**-6.9**	**215.1**

(1) As restated to reflect reallocation of costs in the framework of continuous improvement of the financial reporting information – Refer to note 1 of the 2019 consolidated financial statements for further information on the restatement of comparative information.

Under IFRS 16, the *adjusted* PBT, Group's share of the segments equals EUR 295.2 million (D'Ieteren Auto: EUR 128.4 million; Belron: EUR 167.6 million; Moleskine: EUR 9.5 million; Corporate & unallocated: EUR -10.3 million).

In the prior period, in accordance with the requirements of IFRS 5, the Group did not depreciate the Belron's non-current assets as from the date of its classification as held for sale until the date of effective disposal (7 February 2018). The impact in the consolidated income statement of the prior period was EUR 10.3 million (EUR 6.0 million for the share of the Group, using the 57.78% average stake of ownership in 2018) and was excluded when calculating the FY2018 Key Performance Indicator.

Net debt

In order to better reflect its indebtedness, the Group uses the concept of net debt. This non-GAAP measure, i.e. its definition is not addressed by IFRS, is an Alternative Performance Measure ("APM") and is not presented as an alternative to financial measures determined in accordance with IFRS.

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. The hedged loans and borrowings (i.e. those that are accounted for in accordance with the hedge accounting rules of IAS 39) are translated at the contractual foreign exchange rates of the related cross currency swaps. The other loans and borrowings are translated at closing foreign exchange rates.

EUR million	**31 December 2019**				**31 December 2018 (1)**			
	D'Ieteren Auto	**Belron (100%)**	**Mole-skine**	**Corp. & unallocated**	**D'Ieteren Auto**	**Belron (100%)**	**Mole-skine**	**Corp. & unallocated**
Non-current loans and borrowings	0.5	2,551.7	98.3	0.7	0.7	1,709.8	114.8	0.8
Current loans and borrowings	0.1	57.0	33.6	0.1	2.2	47.6	37.1	0.1
Inter-segment financing	-	-	190.8	-190.8	-	-	155.9	-155.9
Adjustment for hedged borrowings	-	-1.7	-	-	-	6.2	-	-
Gross debt (pre-IFRS 16)	**0.6**	**2,607.0**	**322.7**	**-190.0**	**2.9**	**1,763.6**	**307.8**	**-155.0**
Less: Cash and cash equivalents	119.6	-282.6	-55.2	-786.3	57.9	-124.2	-23.8	-967.1
Less: Cash included in assets held for sale	-	-	-	-	-	-0.8	-	-
Less: Current financial assets	-	-	-	-543.4	-	-	-1.8	-
Less: Other non-current receivables	-	-	-	-1.3	-	-	-	-20.1
Net debt (pre-IFRS 16)	**120.2**	**2,324.4**	**267.5**	**-1,521.0**	**60.8**	**1,638.6**	**282.2**	**-1,142.2**
Non-current lease liabilities arising from IFRS 16 adoption	7.9	504.1	22.8	4.2	-	-	-	-
Current lease liabilities arising from IFRS 16 adoption	5.6	150.6	6.7	0.4	-	-	-	-
Total net debt (post-IFRS 16)	**133.7**	**2,979.1**	**297.0**	**-1,516.4**	**60.8**	**1,638.6**	**282.2**	**-1,142.2**

(1) The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. Refer to note 3 of the 2019 consolidated financial statements.

In both periods, the inter-segment loans comprise amounts lent by the Corporate department to the Moleskine segment (non-recourse loan in the framework of the acquisition), at arm's length conditions.

On a pre-IFRS16 basis, Belron's net financial debt reached EUR 2,324.4 million (100% stake) at the end of December 2019. This compares with EUR 1,638.6 million at the end of December 2018. The increase of EUR 685.8 million on the year-end net debt is the result of the issuance of a new seven-year Term Loan B of USD 830 million (which matures in October 2026) and a EUR 100 million add-on-loan to the existing EUR Term Loan B (which matures in November 2024), partially offset by the result of strong cash generation (particularly from the United States). Proceeds from the new refinancing were used to pay dividends and capital reduction (EUR 850 million) to its shareholders. Under IFRS 16, an additional EUR 654.7 million of lease liabilities are recognised on the balance sheet which increases net debt to EUR 2,979.1 million.

The increase in the net cash position of the segment "Corporate & Unallocated" (from EUR 1,142.2 million at 31 December 2018 to EUR 1,521.0 million – pre-IFRS 16 – at the end of December 2019) is primarily the result of the dividend (EUR 460.7 million) received from Belron in Q4 2019 (following the issue of a new term loan – see above), partially offset by the payment in June 2019 of the dividend (EUR 54.8 million) to the shareholders of D'Ieteren.

s.a. D'Ieteren n.v. Consolidated Financial Statements 2019

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Consolidated Statement of Profit or Loss

Year ended 31 December

EUR million	Notes	2019	2018 (1)
Revenue	5	**3,798.8**	**3,581.0**
Cost of sales	6	-3,303.3	-3,094.0
Gross margin		**495.5**	**487.0**
Commercial and administrative expenses	6	-382.2	-376.0
Other operating income	6	21.8	10.1
Other operating expenses	6	-110.7	-9.2
Operating result	6	**24.4**	**111.9**
Net finance costs	7	-24.4	-47.3
Finance income		1.4	1.8
Finance costs		-25.8	-49.1
Share of result of equity-accounted investees, net of income tax	17	93.2	0.1
Result before tax		**93.2**	**64.7**
Income tax expense	11	-28.7	-18.1
Result from continuing operations		**64.5**	**46.6**
Discontinued operations	4	-	1,002.1
RESULT FOR THE PERIOD		**64.5**	**1,048.7**
Result attributable to:			
Equity holders of the Company		**64.5**	**1,048.0**
Non-controlling interests ("NCI")		-	0.7
Earnings per share			
Basic (EUR)	8	1.18	19.12
Diluted (EUR)	8	1.18	19.08
Earnings per share – Continuing operations			
Basic (EUR)	8	1.18	0.85
Diluted (EUR)	8	1.18	0.85

(1) The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 3.

As restated – refer to note 1 for further information on the restatement of comparative information.

The notes on pages 26 to 82 are an integral part of these consolidated financial statements.
The Group uses Alternative Performance Measures (non-GAAP measures) to reflect its financial performance – See consolidated management report and press release.

Consolidated Statement of Comprehensive Income

Year ended 31 December

EUR million	Notes	2019	2018 (1)
Result for the period		64.5	1,048.7
Other comprehensive income			
Items that will never be reclassified to profit or loss (net of tax):		-4.0	19.9
Re-measurements of defined benefit liabilities/assets	*10*	*-5.0*	*0.8*
Equity-accounted investees - share of OCI	*17*	*1.0*	*19.1*
Items that may be reclassified subsequently to profit or loss (net of tax)		-0.4	32.5
Translation differences		*1.2*	*10.7*
Reclassification of foreign currency difference on loss of exclusive control		-	*32.0*
Cash flow hedges: fair value gains (losses) in equity		-	*-0.6*
Reclassification of cash flow hedges on loss of exclusive control		-	*-0.4*
Equity-accounted investees - share of OCI	*17*	*-1.6*	*-9.2*
of which items from discontinued operations		-	*43.5*
Other comprehensive income, net of tax		-4.4	52.4
Total comprehensive income for the period		**60.1**	**1,101.1**
being: attributable to equity holders of the Company		***60.1***	***1,100.4***
of which continuing operations		*60.1*	*55.5*
of which discontinued operations		-	*1,044.9*
attributable to non-controlling interests ("NCI")		**-**	***0.7***

(1) The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 3.

The notes on pages 26 to 82 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 31 December

EUR million	Notes	2019	2018 [1]
Goodwill	12	97.1	190.7
Intangible assets	13	444.8	432.7
Property, plant & equipment	14	268.7	222.0
Investment property	15	28.9	13.9
Equity-accounted investees	17	349.3	721.4
Deferred tax assets	11	41.3	26.3
Other receivables	20	4.6	24.7
Non-current assets		**1,234.7**	**1,631.7**
Inventories	16	492.8	455.7
Investments	4/18	543.4	-
Derivative financial instruments		0.1	-
Current tax assets	11	10.5	10.0
Trade and other receivables	20	454.8	394.3
Cash & cash equivalents	19	721.9	933.0
Assets classified as held for sale		-	0.9
Current assets		**2,223.5**	**1,793.9**
TOTAL ASSETS		**3,458.2**	**3,425.6**
Capital & reserves attributable to equity holders		2,640.7	2,655.1
Non-controlling interests (“NCI”)		0.6	0.3
Equity		**2,641.3**	**2,655.4**
Employee benefits	10	31.6	23.9
Provisions	22	14.7	14.9
Loans & borrowings	23	134.4	116.3
Other financial liabilities	18	-	20.2
Put options granted to non-controlling interests		-	0.3
Other payables	24	-	1.6
Deferred tax liabilities	11	132.8	131.4
Non-current liabilities		**313.5**	**308.6**
Provisions	22	2.5	2.2
Loans & borrowings	23	46.5	39.4
Derivative financial instruments	18	0.4	0.4
Other financial liabilities	18	37.5	-
Current tax liabilities	11	5.0	5.8
Trade & other payables	24	411.5	413.8
Current liabilities		**503.4**	**461.6**
TOTAL EQUITY AND LIABILITIES		**3,458.2**	**3,425.6**

(1) The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 3.

The notes on pages 26 to 82 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

At 31 December

EUR million	Capital and reserves attributable to equity holders						Total	Non-	Equity
	Share capital	Share premium	Treasury shares	Hedging reserve	Retained earnings	Cumu-lative translation differences	Group's share	controlling interests	
At 1 January 2018	**160.0**	**24.4**	**-34.6**	**0.4**	**1,658.0**	**-43.9**	**1,764.3**	**-3.8**	**1,760.5**
Adjustment on initial application of IFRS 9 (net of tax)	-	-	-	-	-1.1	-	-1.1	-	-1.1
At 1 January 2018 (adjusted)	**160.0**	**24.4**	**-34.6**	**0.4**	**1,656.9**	**-43.9**	**1,763.2**	**-3.8**	**1,759.4**
Profit for the period	-	-	-	-	1,048.0	-	1,048.0	0.7	1,048.7
Other comprehensive income	-	-	-	2.2	21.1	29.1	52.4	-	52.4
Total comprehensive income for the period	**-**	**-**	**-**	**2.2**	**1,069.1**	**29.1**	**1,100.4**	**0.7**	**1,101.1**
Treasury shares	-	-	-3.7	-	-	-	-3.7	-	-3.7
Dividends	-	-	-	-	-208.4	-	-208.4	-	-208.4
Other movements	-	-	-	-	3.6	-	3.6	-0.4	3.2
Total contribution and distribution	**-**	**-**	**-3.7**	**-**	**-204.8**	**-**	**-208.5**	**-0.4**	**-208.9**
Disposal of subsidiary with change in control	-	-	-	-	-	-	-	3.8	3.8
Total change in ownership interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3.8**	**3.8**
At 31 December 2018	**160.0**	**24.4**	**-38.3**	**2.6**	**2,521.2**	**-14.8**	**2,655.1**	**0.3**	**2,655.4**
At 1 January 2019	**160.0**	**24.4**	**-38.3**	**2.6**	**2,521.2**	**-14.8**	**2,655.1**	**0.3**	**2,655.4**
Adjustment on initial application of IFRS 16 (net of tax) (1)	-	-	-	-	-6.7	-	-6.7	-	-6.7
At 1 January 2019 (adjusted)	**160.0**	**24.4**	**-38.3**	**2.6**	**2,514.5**	**-14.8**	**2,648.4**	**0.3**	**2,648.7**
Profit for the period	-	-	-	-	64.5	-	64.5	-	64.5
Other comprehensive income	-	-	-	-10.3	-4.4	10.3	-4.4	-	-4.4
Total comprehensive income for the period	**-**	**-**	**-**	**-10.3**	**60.1**	**10.3**	**60.1**	**-**	**60.1**
Treasury shares (see note 21)	-	-	-18.7	-	-	-	-18.7	-	-18.7
Dividends (see note 21)	-	-	-	-	-54.8	-	-54.8	-	-54.8
Other movements	-	-	-	-	5.7	-	5.7	0.3	6.0
Total contribution and distribution	**-**	**-**	**-18.7**	**-**	**-49.1**	**-**	**-67.8**	**0.3**	**-67.5**
Total change in ownership interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2019	**160.0**	**24.4**	**-57.0**	**-7.7**	**2,525.5**	**-4.5**	**2,640.7**	**0.6**	**2,641.3**

(1) The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 3.

The notes on pages 26 to 82 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December

EUR million	Notes	2019	2018 (1)
Cash flows from operating activities - Continuing			
Result for the period		64.5	46.6
Income tax expense	11	28.7	18.1
Share of result of equity-accounted investees, net of income tax	17	-93.2	-0.1
Net finance costs	7	24.4	47.3
Operating result from continuing operations		**24.4**	**111.9**
Depreciation	6/14/15	34.8	18.8
Amortisation of intangible assets	6/13	7.1	4.7
Impairment losses on goodwill and other non-current assets	12	102.3	-
Other non-cash items		1.8	-1.7
Employee benefits		-4.2	-4.0
Other cash items		-0.1	-
Change in net working capital		-74.9	-130.9
Cash generated from operations		**91.2**	**-1.2**
Income tax paid		-42.0	-26.2
Net cash from operating activities		**49.2**	**-27.4**
Cash flows from investing activities - Continuing			
Purchase of property, plant and equipment and intangible assets		-50.4	-45.0
Sale of property, plant and equipment and intangible assets		8.2	6.5
Net capital expenditure		**-42.2**	**-38.5**
Acquisition of subsidiaries (net of cash acquired)	25	-13.8	-15.0
Disposal of subsidiaries (net of cash disposed of)		-	4.9
Contribution of cash from / (to) joint ventures		-20.7	22.4
Proceeds from the sale of / (investments in) financial assets	4	-543.4	107.1
Interest received		1.6	0.3
Dividends and proceeds from capital reduction received from equity-accounted investees	4/17	460.7	217.4
Proceeds from / (investment in) other financial assets		19.1	-0.3
Net cash from investing activities		**-138.7**	**298.3**
Cash flows from financing activities - Continuing			
Acquisition (-)/Disposal (+) of non-controlling interests		0.1	0.3
Net disposal/(acquisition) of treasury shares		-18.7	-3.7
Repayment of lease liabilities (2018: repayment of finance lease liabilities)	23	-14.9	-0.1
Net change in other loans and borrowings	23	-27.1	-25.6
Interest paid		-6.5	-7.0
Dividends paid by Company	21	-54.8	-208.4
Net cash from financing activities		**-121.9**	**-244.5**
Cash flows from continuing operations		**-211.4**	**26.4**
Cash flows from discontinued operations		**-**	**532.3**
TOTAL CASH FLOW FOR THE PERIOD		**-211.4**	**558.7**
Reconciliation with statement of financial position			
Cash at beginning of period	19	673.4	295.7
Cash included in non-current assets classified as held for sale		-	76.4
Cash equivalents at beginning of period		259.6	1.6
Cash and cash equivalents at beginning of period		**933.0**	**373.7**
Total cash flow for the period		-211.4	558.7
Translation differences		0.3	0.6
Cash and cash equivalents at end of period		**721.9**	**933.0**
Included within "Cash and cash equivalents"	*19*	*721.9*	*933.0*

(1) The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 3.

As restated – refer to note 1 for further information on the restatement of comparative information.

The notes on pages 26 to 82 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

NOTE 1: GENERAL INFORMATION

s.a. D'Ieteren n.v. (the Company) is a public company incorporated and domiciled in Belgium, whose controlling shareholders are listed in note 21 of these consolidated financial statements. The address of the Company's registered office is: Rue du Mail 50, B-1050 Brussels.

In existence since 1805, and across family generations, the Company seeks growth and value creation by pursuing a strategy on the long term for its businesses and actively encouraging and supporting them to develop their position in their industry or in their geographies. The Company, its subsidiaries and its interests in associates and joint ventures (together the Group) form an international group, currently active in four activities articulated around strong brands:

- D'Ieteren Auto distributes Volkswagen, Audi, SEAT, Škoda, Bentley, Lamborghini, Bugatti, Porsche and Yamaha vehicles in Belgium. It has a market share of around 22% and 1.2 million vehicles on the road. Its business model is evolving towards providing citizens with responsible and innovative mobility;
- Belron has a clear purpose: "making a difference by solving people's problems with real care". It is the worldwide leader in vehicle glass repair and replacement and operates in 39 countries, through wholly owned businesses and franchises, with market leading brands – including Carglass®, Safelite® AutoGlass and Autoglass®. In addition, it manages vehicle glass and other insurance claims on behalf of insurance customers;
- Moleskine is a premium aspirational lifestyle brand which develops and sells iconic branded notebooks and writing, travel and reading accessories through a multichannel distribution strategy across more than 100 countries;
- D'Ieteren Immo groups together the Belgian real estate interests of the Group. It owns and manages approximately 30 properties. It also pursues investment projects and carries out studies into possible site renovations.

The Company is listed on Euronext Brussels.

These consolidated financial statements have been authorized for issue by the Board of Directors on 24 April 2020.

Restatement of comparative information

In the framework of continuous improvement of the financial reporting presentation, the consolidated statement of profit or loss for the year ended 31 December 2018 has been restated to reflect in the D'Ieteren Auto segment a reallocation of costs (EUR 2.9 million) from revenue to cost of sales/commercial and administrative expenses/other operating expenses, without net impact on the operating result. In addition, operating result decreased by EUR 2.8 million following the reclassification of an EUR 2.8 million charge from income tax expense to other operating expenses in the "Corporate & unallocated" segment.

The consolidated statement of financial position as at 31 December 2018 has also been restated in the D'Ieteren Auto segment to reflect a reclassification of EUR 0.4 million between goodwill and intangible assets.

Finally, the segment statement of profit or loss for the year ended 31 December 2018 has been restated to reflect a reallocation of finance costs (EUR 0.7 million) between the D'Ieteren Auto segment and the "Corporate & unallocated" segment.

Alternative Performance Measurement – Non-GAAP measurement

In order to better reflect its underlying performance and assist investors in gaining a better understanding of its financial performance, the Group uses Alternative Performance Measures ("APMs") in the press release and the consolidated management report. 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.

NOTE 2: BASIS OF PREPARATION

These 2019 consolidated financial statements are for the 12 months ended 31 December 2019. They are presented in euro, which is the Group's functional currency. All amounts have been rounded to the nearest million, unless otherwise indicated. They have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and the related International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued which have been adopted by the European Union ("EU") as at 31 December 2019 and are effective for the period ending 31 December 2019.

These consolidated financial statements have been prepared under the historical cost convention, except for money market assets (short-term securities of monetary instruments) classified within cash and cash equivalents, employee benefits, non-current assets and liabilities held for sale, business combination and financial assets and financial liabilities (including derivative instruments) that have been measured at fair value. On 31 December 2019, financial assets measured at fair value are limited to the portfolio of marketable securities held in the Corporate & unallocated segment (see note 19) and to derivative financial instruments (see note 18). Financial liabilities measured at fair value is limited to the liability in relation to the disposal of the 40% stake in Belron to CD&R in 2018 (see note 18).

NOTE 2: BASIS OF PREPARATION (continued)

These consolidated financial statements are prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future.

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of income, expenses, assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change or prospectively. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are listed below. They are also disclosed in the relevant notes.

- Measurement of defined benefit obligations (key actuarial assumptions used). See note 10.
- Recognition of deferred tax assets (availability of future taxable profit against which deductible temporary differences and carried forward tax losses can be used). See note 11.
- Goodwill and brands with indefinite useful lives. See note 12.
- Impairment tests (key assumptions underlying recoverable amounts). See note 12.
- Recognition and measurement of provisions and contingencies (key assumptions about the likelihood and magnitude of an outflow of resources). See note 22.
- Measurement of expected credit loss (ECL) allowance for doubtful trade receivables (key assumptions in determining the weighted average loss rate). See note 20.
- Provision for inventory obsolescence. See note 16.
- Acquisition of subsidiary (fair value of the consideration transferred and of the assets acquired and liabilities assumed). See note 25.
- Lease term (whether the Group is reasonably certain to exercise extension or termination options). See note 3.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Further information is included in the relevant notes. The main areas are money market assets (short-term securities of monetary instruments) classified within cash and cash equivalents (see notes 18 and 19), employee benefits (see note 10), share-based payments (see note 9), investment properties (see note 15), financial instruments (see note 18) and business combinations (see note 25). When measuring the fair value of an asset or a liability, the Group used observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

NOTE 3: CHANGE IN SIGNIFICANT ACCOUNTING POLICIES

The Group has initially adopted IFRS 16 "Leases" from 1 January 2019. The other new standards effective from 1 January 2019 (as listed in note 33) do not have a material impact on the Group's consolidated financial statements.

The Group has adopted IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 January 2019. Accordingly, the comparative information for 2018 has not been restated and is presented, as previously reported, under IAS 17 and related interpretations. The disclosure requirements in IFRS 16 have not been applied to comparative information.

The Group previously determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 "Determining whether an Arrangement contains a Lease". The Group now assesses whether a contract is or contains a lease based on the definition of a lease as included in IFRS 16 (as described in note 33).

As a lessee, subject to the application of the practical expedients detailed below, the Group recognizes right-of-use assets and lease liabilities for leases, whereas previous accounting policies classified leases as operating leases (off balance-sheet) or finance leases (on balance sheet) depending on whether the lease transferred substantially all of the risks and rewards of ownership. Lessor accounting remain substantially unchanged compared to previous guidance.

Right-of-use assets are presented in "property, plant and equipment" in the statement of financial position, under the same line item than the assets of the same nature that it owns. Lease liabilities are presented in "loans and borrowings" in the statement of financial position.

NOTE 3: CHANGE IN SIGNIFICANT ACCOUNTING POLICIES (continued)

At transition, lease liabilities for leases that were previously classified as operating leases were measured at the present value of the remaining lease payments, discounted using either the implicit rate in the lease contract, if easily determinable, or the Group's incremental borrowing rate that would have been made available for the financing of similar items at 1 January 2019. The weighted average rate applied in discounting lease payments (including Belron despite its classification as an equity-accounted investee) range from 1.42% to 3.57%. The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which affects the amount of lease liabilities and right-of-use assets recognized.

Right-of-use assets are measured at either their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application (for large property leases in the Belron segment) or an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments (for all other leases).

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. IFRS 16 has been applied only to contracts that were previously identified as leases under IAS 17. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. In addition, the Group applied the practical expedient whereby short-term leases (less than or equal to 12 months) and leases of low value (usually less than EUR 5,000) are not reassessed and are accounted for on a linear basis.

For the leases previously classified as finance leases under IAS 17, the carrying amount of the right-of-use assets and the lease liability at 1 January 2019 were determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

In rare situations in which the Group acts as an intermediate lessor, the sub-leases are classified with reference to the right-of-use asset arising from the head lease, and not with reference to the underlying asset. Under IAS 17, the head lease and sub-lease contracts were classified as operating leases.

The Group has tested its right-of-use assets for impairment on the date of transition and concluded that there was no impairment indicator.

In cases where the Group leases out its investment properties, the Group has classified these leases as operating leases. The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor.

On transition to IFRS 16, the Group (including Belron despite its classification as an equity accounted investee) recognized EUR 727.9 million right-of-use assets (of which EUR 670.7 million in the Belron segment) and EUR 757.8 million lease liabilities (of which EUR 699.5 million in the Belron segment), with a corresponding impact (net of tax) of EUR -6.7 million on retained earnings, Group's share.

The table below reconciles the operating lease commitments as at 31 December 2018 to the lease liabilities recognized at 1 January 2019.

EUR million	**1 January 2019 (incl. Belron at 100%)**	**1 January 2019 (excluding Belron)**
Operating lease commitments at 31 December 2018 (1)	**661.1**	**61.9**
Effect of discounting future lease commitments	-109.5	-2.5
Finance lease liabilities recognised at 31 Dec. 2018	58.1	0.7
Recognition exemption for leases of low-value assets	-1.0	-
Recognition exemption for leases with less than 12 months of lease term at transition	-10.4	-1.1
Extension options reasonably certain to be exercised	217.6	-
Lease liabilities recognised at 1 January 2019	**815.9**	**59.0**

(1) Restated following the analysis carried out in the context of the implementation of IFRS 16.

NOTE 4: SEGMENT INFORMATION

Note 4.1: Basis of Segmentation

The Group's reportable operating segments are D'Ieteren Auto, Belron, Moleskine and "Corporate & unallocated". These operating segments are consistent with the Group's organisational and internal reporting structure, and with the requirements of IFRS 8 "Operating Segments".

D'Ieteren Auto comprises the automobile distribution activities of the Group. Belron comprises Belron Group s.a. and its subsidiaries. Despite its classification as an equity-accounted investee as from the closing of the Transaction whereby CD&R acquired a stake in Belron (the "Transaction"; see notes 1 and 16 of the 2018 annual consolidated financial statements), Belron remains a reportable operating segment, reflecting the Group's internal reporting structure.

NOTE 4: SEGMENT INFORMATION (continued)

Moleskine includes Moleskine S.p.a. and its subsidiaries. The segment "Corporate & unallocated" comprises the corporate and the real estate activities of the Group.

The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach (see note 3). Under this approach, comparative information has not been restated.

The Group presents the statement of profit or loss (12-month results ended 31 December 2019) and the statement of financial position (at 31 December 2019) of its operating segments on a pre-IFRS 16 basis, reflecting the Group's internal reporting structure and facilitating the comparison with the comparative period.

Note 4.2: Segment Statement of Profit or Loss - Operating Segments (Year ended 31 December)

EUR million	Notes	2019						
		D'Ieteren Auto	Belron	Mole-skine	Corporate & unallocated	IFRS 16 impacts	Elimi-nations	Group
External revenue	5	3,634.9	4,228.1	163.9	-	-	-4,228.1	3,798.8
Inter-segment revenue		-	-	-	-	-	-	-
Segment revenue		**3,634.9**	**4,228.1**	**163.9**	**-**	**-**	**-4,228.1**	**3,798.8**
Operating result (being segment result)	6	**116.5**	**333.0**	**-83.7**	**-8.9**	**16.4**	**-348.9**	**24.4**
Net finance costs	7	-2.6	-76.2	-8.8	-12.2	-26.5	101.9	-24.4
Finance income		0.2	19.1	0.8	0.4	-	-19.1	1.4
Finance costs		-2.8	-95.3	-4.7	-17.5	-26.5	121.0	-25.8
Inter-segment financing interest		-	-	-4.9	4.9	-	-	-
Share of result of equity-accounted investees, net of income tax	17	8.6	0.1	-	-	-	84.5	93.2
Result before tax		**122.5**	**256.9**	**-92.5**	**-21.1**	**-10.1**	**-162.5**	**93.2**
Income tax expense	11	-36.7	-88.4	-4.8	12.8	2.5	85.9	-28.7
Result from continuing operations		**85.8**	**168.5**	**-97.3**	**-8.3**	**-7.6**	**-76.6**	**64.5**
Discontinued operations		-	-	-	-	-	-	-
RESULT FOR THE PERIOD		**85.8**	**168.5**	**-97.3**	**-8.3**	**-7.6**	**-76.6**	**64.5**
Attributable to:								
Equity holders of the Company		**85.8**	**88.4**	**-97.3**	**-8.3**	**-4.1**		**64.5**
Non-controlling interests		-	-	-	-	-		-
RESULT FOR THE PERIOD		**85.8**	**88.4**	**-97.3**	**-8.3**	**-4.1**		**64.5**

In 2019, in the Corporate & unallocated segment, the line "Operating result" includes, among other amounts, the gain on sale (EUR 6.5 million) on the disposal of a property and the line "Finance costs" mainly includes the loss (EUR -17.3 million) on the fair value of a financial liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R (current other financial liability of EUR 37.5 million as at 31 December 2019 compared with a non-current other financial liability of EUR 20.2 million as at 31 December 2018; see note 18)

In 2019, the column "Eliminations" reconciles the segment statement of profit or loss (with the 12-month result of Belron presented on all lines under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron presented in the line "share of result of equity-accounted investees, net of income tax", representing the share of the Group - 52.48% - in the 12-month net result of Belron).

In 2019, the column "IFRS 16 impacts" reconciles the segment statement of profit or loss (with the 12-month results of the Group's operating segments presented, as previously reported, under IAS 17) to the IFRS Group consolidated statement of profit or loss (under IFRS 16).

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NOTE 4: SEGMENT INFORMATION (continued)

The breakdown of the IFRS 16 impacts across the four Group's operating segments for the year ended 31 December 2019 is presented below:

EUR million	D'Ieteren Auto	Belron	Moleskine	Corporate & unallocated	Total segments
Depreciation on right-of-use assets	-6.2	-149.1	-8.3	-0.4	-164.0
Reversal of operating lease rentals	6.3	165.0	8.6	0.5	180.4
Operating result	**0.1**	**15.9**	**0.3**	**0.1**	**16.4**
Interest expenses on lease liabilities	-0.1	-25.7	-0.6	-0.1	-26.5
Result before tax	**-**	**-9.8**	**-0.3**	**-**	**-10.1**
Tax expense	-	2.5	-	-	2.5
Result for the period	**-**	**-7.3**	**-0.3**	**-**	**-7.6**

Note 4.2: Segment Statement of Profit or Loss – Operating Segments (Year ended 31 December)

EUR million	2018 (1)					
	D'Ieteren Auto	**Belron**	**Mole-skine**	**Corporate & unallocated**	**Elimi-nations**	**Group**
External revenue	3,406.9	3,839.7	174.1	-	-3,839.7	3,581.0
Inter-segment revenue	-	-	-	-	-	-
Segment revenue	**3,406.9**	**3,839.7**	**174.1**	**-**	**-3,839.7**	**3,581.0**
Operating result (being segment result)	**106.8**	**103.6**	**28.6**	**-23.5**	**-103.6**	**111.9**
Net finance costs	-2.0	907.3	-9.7	-35.6	-907.3	-47.3
Finance income	0.9	1,000.6	0.7	0.2	-1,000.6	1.8
Finance costs	-2.9	-93.3	-5.8	-40.4	93.3	-49.1
Inter-segment financing interest	-	-	-4.6	4.6	-	-
Share of result of equity-accounted investees, net of income tax	9.9	-	-	-	-9.8	0.1
Result before tax	**114.7**	**1,010.9**	**18.9**	**-59.1**	**-1,020.7**	**64.7**
Income tax expense	-38.4	-26.8	3.9	16.4	26.8	-18.1
Result from continuing operations	**76.3**	**984.1**	**22.8**	**-42.7**	**-993.9**	**46.6**
Discontinued operations	-	-	-	-	1,002.1	1,002.1
RESULT FOR THE PERIOD	**76.3**	**984.1**	**22.8**	**-42.7**	**8.2**	**1,048.7**
Attributable to:						
Equity holders of the Company	**76.3**	**991.6**	**22.8**	**-42.7**		**1,048.0**
Non-controlling interests	-	0.7	-	-		0.7
RESULT FOR THE PERIOD	**76.3**	**992.3**	**22.8**	**-42.7**		**1,048.7**

(1) The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 3.

As restated – refer to note 1 for further information on the restatement of comparative information.

In 2018, the column "Eliminations" reconciled the segment statement of profit or loss (with the 12-month result of Belron presented on all lines as a continuing operation under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron presented as a discontinued operation from the beginning of the period until the closing of the transaction with CD&R and in the line "share of result of equity-accounted investees, net of income tax" for the remaining of the period). See note 1 of the 2018 consolidated financial statements for more information.

In 2018, the line "discontinued operations" included the consolidated gain associated with the loss of exclusive control on the sale of a 40% stake in Belron to CD&R. Refer to note 16 of the 2018 annual consolidated financial statements for more information.

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NOTE 4: SEGMENT INFORMATION (continued)

Note 4.3: Segment Statement of Financial Position - Operating Segment

EUR million	Notes	31 December 2019						
		D'Ieteren Auto	Belron	Moleskine	Corporate & unallocated	IFRS 16 impacts	Elimi-nations	Group
Goodwill	12	27.3	590.1	69.8	-	-	-590.1	97.1
Intangible assets	13	31.9	594.0	412.7	0.2	-	-594.0	444.8
Property, plant & equipment	14	41.4	329.0	9.3	171.5	655.7	-938.2	268.7
Investment property	15	-	-	-	28.9	-	-	28.9
Equity-accounted investees	17	84.8	-	-	-	-	264.5	349.3
Investments		-	1.9	-	-	-	-1.9	-
Derivative financial instruments		-	0.1	-	-	-	-0.1	-
Employee benefits		-	105.1	-	-	-	-105.1	-
Deferred tax assets	11	11.6	46.8	8.5	21.2	6.3	-53.1	41.3
Other receivables	20	2.1	6.0	1.2	1.3	-	-6.0	4.6
Non-current assets		**199.1**	**1,673.0**	**501.5**	**223.1**	**662.0**	**-2,024.0**	**1,234.7**
Inventories	16	462.7	330.4	30.1	-	-	-330.4	492.8
Investments	4/18	-	-	-	543.4	-	-	543.4
Derivative financial instruments		-	5.0	0.1	-	-	-5.0	0.1
Current tax assets	11	0.9	2.5	9.5	0.1	-	-2.5	10.5
Trade and other receivables	20	414.2	354.1	35.7	4.9	1.7	-355.8	454.8
Cash & cash equivalents	19	-119.6	282.6	55.2	786.3	-	-282.6	721.9
Current assets		**758.2**	**974.6**	**130.6**	**1,334.7**	**1.7**	**-976.3**	**2,223.5**
TOTAL ASSETS		**957.3**	**2,647.6**	**632.1**	**1,557.8**	**663.7**	**-3,000.3**	**3,458.2**
Equity		**-**	**-**	**-**	**2,641.3**	**-**	**-**	**2,641.3**
Employee benefits	10	28.4	7.9	2.1	1.1	-	-7.9	31.6
Provisions	22	14.2	26.8	-	0.5	-	-26.8	14.7
Loans & borrowings	23	0.5	2,551.7	98.3	0.7	539.0	-3,055.8	134.4
Inter-segment loan		-	-	190.8	-190.8	-	-	-
Derivative financial instruments	18	-	6.5	-	-	-	-6.5	-
Other payables	24	-	1.2	-	-	-	-1.2	-
Deferred tax liabilities	11	1.3	97.4	111.1	20.4	-	-97.4	132.8
Non-current liabilities		**44.4**	**2,691.5**	**402.3**	**-168.1**	**539.0**	**-3,195.6**	**313.5**
Provisions	22	-	138.4	2.5	-	-	-138.4	2.5
Loans & borrowings	23	0.1	57.0	33.6	0.1	163.3	-207.6	46.5
Derivative financial instruments	18	-	9.6	0.4	-	-	-9.6	0.4
Other financial liabilities	18	-	-	-	37.5	-	-	37.5
Current tax liabilities	11	4.3	33.7	0.6	0.1	-	-33.7	5.0
Trade & other payables	24	361.7	603.3	38.7	12.2	-18.6	-585.8	411.5
Current liabilities		**366.1**	**842.0**	**75.8**	**49.9**	**144.7**	**-975.1**	**503.4**
TOTAL EQUITY AND LIABILITIES		**410.5**	**3,533.5**	**478.1**	**2,523.1**	**683.7**	**-4,170.7**	**3,458.2**

NOTE 4: SEGMENT INFORMATION (continued)

Note 4.3: Segment Statement of Financial Position – Operating Segments

EUR million	31 December 2018 (1)					
	D'Ieteren Auto	Belron	Moleskine	Corporate & unallocated	Elimi-nations	Group
Goodwill	18.8	544.4	171.9	-	-544.4	190.7
Intangible assets	20.1	447.6	412.5	0.1	-447.6	432.7
Property, plant & equipment	31.1	355.6	10.1	180.8	-355.6	222.0
Investment property	0.1	-	-	13.8	-	13.9
Equity-accounted investees	76.6	-	-	-	644.8	721.4
Investments	-	0.7	-	-	-0.7	-
Derivative financial instruments	-	8.7	-	-	-8.7	-
Employee benefits	-	91.8	-	-	-91.8	-
Deferred tax assets	6.3	18.4	11.2	8.8	-18.4	26.3
Other receivables	2.5	2.2	1.3	20.9	-2.2	24.7
Non-current assets	**155.5**	**1,469.4**	**607.0**	**224.4**	**-824.6**	**1,631.7**
Inventories	414.0	320.1	41.7	-	-320.1	455.7
Derivative financial instruments	-	2.6	-	-	-2.6	-
Current tax assets	1.1	7.7	8.9	-	-7.7	10.0
Trade and other receivables	351.6	315.7	40.4	2.3	-315.7	394.3
Cash & cash equivalents	-57.9	124.2	23.8	967.1	-124.2	933.0
Assets classified as held for sale	-	3.1	-	0.9	-3.1	0.9
Current assets	**708.8**	**773.4**	**114.8**	**970.3**	**-773.4**	**1,793.9**
TOTAL ASSETS	**864.3**	**2,242.8**	**721.8**	**1,194.7**	**-1,598.0**	**3,425.6**
Equity	**-**	**-**	**-**	**2,655.4**	**-**	**2,655.4**
Employee benefits	21.1	6.7	2.0	0.8	-6.7	23.9
Provisions	10.4	54.9	4.1	0.4	-54.9	14.9
Loans & borrowings	0.7	1,709.8	114.8	0.8	-1,709.8	116.3
Inter-segment loan	-	-	155.9	-155.9	-	-
Derivative financial instruments	-	10.6	-	-	-10.6	-
Other financial liabilities	-	-	-	20.2	-	20.2
Put options granted to non-controlling interests	0.3	-	-	-	-	0.3
Other payables	-	3.1	1.6	-	-3.1	1.6
Deferred tax liabilities	1.5	12.3	110.8	19.1	-12.3	131.4
Non-current liabilities	**34.0**	**1,797.4**	**389.2**	**-114.6**	**-1,797.4**	**308.6**
Provisions	-	59.1	2.2	-	-59.1	2.2
Loans & borrowings	2.2	47.6	37.1	0.1	-47.6	39.4
Derivative financial instruments	-	3.3	0.4	-	-3.3	0.4
Current tax liabilities	10.7	13.9	0.5	-5.4	-13.9	5.8
Trade & other payables	367.8	524.0	42.0	4.0	-524.0	413.8
Liabilities directly associated with the assets held for sale	-	8.1	-	-	-8.1	-
Current liabilities	**380.7**	**656.0**	**82.2**	**-1.3**	**-656.0**	**461.6**
TOTAL EQUITY AND LIABILITIES	**414.7**	**2,453.4**	**471.4**	**2,539.5**	**-2,453.4**	**3,425.6**

(1) The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 3.

In 2019, the column "IFRS 16 impacts" reconcile the segment statement of financial position (with the assets and liabilities of the operating segments presented, as previously reported, under IAS 17) to the Group consolidated statement of financial position (under IFRS 16).

The EUR 655.7 million additional right-of-use assets (included in the line "Property, plant and equipment") and the EUR 702.3 million lease liabilities (included in the non-current and current "Loans and borrowings") presented in the segment statement of financial position as at 31 December 2019 following the adoption of IFRS 16 break down as follow:

NOTE 4: SEGMENT INFORMATION (continued)

- In the D'Ieteren Auto segment, EUR 13.5 million right-of-use assets and EUR 13.5 million lease liabilities;
- In the Belron segment, EUR 609.2 million right-of-use assets and EUR 654.7 million lease liabilities;
- In the Moleskine segment, EUR 28.4 million right-of-use assets and EUR 29.5 million lease liabilities;
- In the Corporate & unallocated segment, EUR 4.6 million right-of-use assets and EUR 4.6 million lease liabilities.

In 2019, in the Corporate & unallocated segment, the line "Financial Investments" of EUR 543.4 million comprises investments in a portfolio of marketable securities (corporate bonds in Europe) and the line "Current other financial liabilities" of EUR 37.5 million represents the fair value of the financial liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R (see note 18).

In 2018 and 2019, the column "Eliminations" reconciles the segment statement of financial position (including the assets and liabilities of Belron) to the IFRS consolidated statement of financial position (with Belron presented as an equity-accounted investee).

NOTE 4: SEGMENT INFORMATION (continued)

Note 4.4: Segment Statement of Cash Flows - Operating Segments (Year ended 31 December)

EUR million	Notes	2019						
		D'Ieteren Auto	Belron	Mole-skine	Corp. & unallocated	IFRS 16 impacts	Elimi-nations	Group
Cash flows from operating activities - Continuing								
Result for the period		85.8	168.5	-97.3	-8.3	-7.6	-76.6	64.5
Income tax expense	11	36.7	88.4	4.8	-12.8	-2.5	-85.9	28.7
Share of result of equity-accounted investees, net of income tax	17	-8.6	-0.1	-	-	-	-84.5	-93.2
Net finance costs	7	2.6	76.2	8.8	12.2	26.5	-101.9	24.4
Operating result from continuing operations		**116.5**	**333.0**	**-83.7**	**-8.9**	**16.4**	**-348.9**	**24.4**
Depreciation	6/14	6.2	88.8	4.7	9.0	164.0	-237.9	34.8
Amortisation of intangible assets	6/13	3.7	49.9	3.4	-	-	-49.9	7.1
Impairment losses on goodwill and other non-current assets	12	-	21.3	102.3	-	-	-21.3	102.3
Other non-cash items		9.2	59.6	-3.0	-4.4	-1.7	-57.9	1.8
Employee benefits		-3.6	-	-0.6	-	-	-	-4.2
Other cash items		-	-	-	-0.1	-	-	-0.1
Change in net working capital		-83.7	28.3	9.9	-1.1	-13.8	-14.5	-74.9
Cash generated from operations		**48.3**	**580.9**	**33.0**	**-5.5**	**164.9**	**-730.4**	**91.2**
Income tax paid		-38.1	-41.8	-2.1	-1.8	-	41.8	-42.0
Net cash from operating activities		**10.2**	**539.1**	**30.9**	**-7.3**	**164.9**	**-688.6**	**49.2**
Cash flows from investing activities - Continuing								
Purchase of property, plant and equipment and intangible assets		-28.1	-91.5	-7.5	-14.8	21.1	70.4	-50.4
Sale of property, plant and equipment and intangible assets		0.9	4.6	-	7.3	-	-4.6	8.2
Net capital expenditure		**-27.2**	**-86.9**	**-7.5**	**-7.5**	**21.1**	**65.8**	**-42.2**
Acquisition of subsidiaries (net of cash acquired)	25	-13.6	-199.9	-0.2	-	-	199.9	-13.8
Disposal of subsidiaries (net of cash disposed of)		-	-6.3	-	-	-	6.3	-
Contribution of cash from/(to) joint venture		-20.7	-	-	-	-	-	-20.7
Proceeds from the sale of / (investments in) financial assets	4	-	-	-	-543.4	-	-	-543.4
Interest received		1.1	4.2	0.1	0.4	-	-4.2	1.6
Dividends and proceeds from capital reduction received from /(paid by) equity-accounted investees	4/17	-	-839.9	-	460.7	-	839.9	460.7
Proceeds from / (investment in) other financial assets		-0.9	-	-	20.0	-	-	19.1
Net cash from investing activities		**-61.3**	**-1,128.8**	**-7.6**	**-69.8**	**21.1**	**1,107.7**	**-138.7**
Cash flows from financing activities - Continuing								
Acquisition (-)/Disposal (+) of non-controlling interests		0.1	-	-	-	-	-	0.1
Share capital increase		-	0.6	-	-	-	-0.6	-
Net disposal/(acquisition) of treasury shares		-	-	-	-18.7	-	-	-18.7
Repayment of lease liabilities (2018: repayment of finance lease liabilities)	23	-	-2.9	-	-	-168.4	156.4	-14.9
Net change in other loans and borrowings	23	-7.8	817.9	-19.2	-0.1	8.6	-826.5	-27.1
Inter-segment loans		-	-	30.0	-30.0	-	-	-
Interest paid		-2.9	-73.4	-3.0	-0.1	-26.2	99.1	-6.5
Dividends paid by the Company	21	-	-	-	-54.8	-	-	-54.8
Net cash from financing activities		**-10.6**	**742.2**	**7.8**	**-103.7**	**-186.0**	**-571.6**	**-121.9**
Cash flows from continuing operations		**-61.7**	**152.5**	**31.1**	**-180.8**	**-**	**-152.5**	**-211.4**
Cash flows from discontinued operations		**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL CASH FLOW FOR THE PERIOD		**-61.7**	**152.5**	**31.1**	**-180.8**	**-**	**-152.5**	**-211.4**

NOTE 4: SEGMENT INFORMATION (continued)

Note 4.4: Segment Statement of Cash Flows - Operating Segments (Year ended 31 December)

EUR million		D'Ieteren Auto	Belron	Mole-skine	Corp. & unallocated	IFRS 16 Impact	Elimi-nations	Group
Reconciliation with statement of financial position								
Cash at beginning of period	19	-59.0	124.2	23.8	708.6	-	-124.2	673.4
Cash included in non-current assets held for sale		-	0.8	-	-	-	-0.8	-
Cash equivalents at the beginning of the period	19	1.1	-	-	258.5	-	-	259.6
Cash and cash equivalents at beginning of period		**-57.9**	**125.0**	**23.8**	**967.1**	**-**	**-125.0**	**933.0**
Total cash flow for the period		-61.7	152.5	31.1	-180.8	-	-152.5	-211.4
Translation differences		-	5.1	0.3	-	-	-5.1	0.3
Cash and cash equivalents at end of period		**-119.6**	**282.6**	**55.2**	**786.3**	**-**	**-282.6**	**721.9**
Included within "Cash and cash equivalents	*19*	*-119.6*	*282.6*	*55.2*	*786.3*	-	*-282.6*	*721.9*

The line "impairment losses on goodwill and non-current assets" includes the impairment charges recognized in the Belron segment (EUR 21.3 million – see note 17) and in the Moleskine segment (EUR 102.3 million fully allocated to goodwill – see note 12) following the impairment exercise performed at year-end.

In the Belron segment, the line "Other non-cash items" includes, among other amounts, the provision for long-term management incentive program.

In the Belron segment, the line "acquisition of subsidiaries (net of cash acquired) includes, among other amounts, the US TruRoad acquisition.

The line "Dividends and proceeds from capital reduction received from / (paid by) equity-accounted investees" represent the share of the Group in the distribution of the dividend (EUR 60.5 million) and the share capital reduction (EUR 400.2 million) operated by the Belron segment in December 2019. Refer to note 17 for more information.

The line "Dividends paid by the Company" includes the distribution to shareholders of the ordinary dividend (EUR 1.00 per share).

In the period, the column "Eliminations" reconciles the segment statement of cash flows (with Belron presented on all lines as a continuing operation under global integration method) to the IFRS Group consolidated statement of cash flows (with Belron consolidated uder equity-accounting method).

The column "IFRS 16 impact" reconciles the segment statement of cash flows (presented as previously reported, under IAS 17) to the IFRS Group consolidated statement of cash flows (under IFRS 16).

The inter-segment loans represent additional amount lent by the Corporate department to the Moleskine segment, at arm's length conditions.

NOTE 4: SEGMENT INFORMATION (continued)

Note 4.4: Segment Statement of Cash Flows - Operating Segments (Year ended 31 December)

EUR million	2018 (1)					
	D'Ieteren Auto	**Belron**	**Mole-skine**	**Corp. & unallocated**	**Elimi-nations**	**Group**
Cash flows from operating activities - Continuing						
Result for the period	76.3	984.1	22.8	-42.7	-993.9	46.6
Income tax expense	38.4	26.8	-3.9	-16.4	-26.8	18.1
Share of result of equity-accounted investees, net of income tax	-9.9	-	-	-	9.8	-0.1
Net finance costs	2.0	-907.3	9.7	35.6	907.3	47.3
Operating result from continuing operations	**106.8**	**103.6**	**28.6**	**-23.5**	**-103.6**	**111.9**
Depreciation	5.5	79.0	4.7	8.6	-79.0	18.8
Amortisation of intangible assets	2.2	42.2	2.5	-	-42.2	4.7
Impairment losses on goodwill and other non-current assets	-	50.3	-	-	-50.3	-
Other non-cash items	-6.1	41.0	4.4	-	-41.0	-1.7
Employee benefits	-3.6	-	-0.4	-	-	-4.0
Change in net working capital	-113.9	-12.9	-14.8	-2.2	12.9	-130.9
Cash generated from operations	**-9.1**	**303.2**	**25.0**	**-17.1**	**-303.2**	**-1.2**
Income tax paid	-24.6	-35.2	-1.1	-0.5	35.2	-26.2
Net cash from operating activities	**-33.7**	**268.0**	**23.9**	**-17.6**	**-268.0**	**-27.4**
Cash flows from investing activities - Continuing						
Purchase of property, plant and equipment and intangible assets	-19.0	-95.1	-10.4	-15.6	95.1	-45.0
Sale of property, plant and equipment and intangible assets	0.7	3.6	2.6	3.2	-3.6	6.5
Net capital expenditure	**-18.3**	**-91.5**	**-7.8**	**-12.4**	**91.5**	**-38.5**
Acquisition of subsidiaries (net of cash acquired)	-15.0	-37.5	-	-	37.5	-15.0
Disposal of subsidiaries (net of cash disposed of)	4.9	-4.7	-	-	4.7	4.9
Contribution of cash from/(to) joint venture	22.4	-	-	-	-	22.4
Proceeds from the sale of / (investments in) financial assets	-	-	-	107.1	-	107.1
Interest received	-	0.8	-	0.3	-0.8	0.3
Dividends and proceeds from capital reduction received from /(paid by) equity-accounted investees	-	-400.2	-	217.4	400.2	217.4
Proceeds from / (investment in) other financial assets	-0.3	-	-	-	-	-0.3
Net cash from investing activities	**-6.3**	**-533.1**	**-7.8**	**312.4**	**533.1**	**298.3**
Cash flows from financing activities - Continuing						
Acquisition (-)/Disposal (+) of non-controlling interests	-	-	0.3	-	-	0.3
Share capital increase	-	21.8	-	-	-21.8	-
Net disposal/(acquisition) of treasury shares	-3.7	-	-	-	-	-3.7
Repayment of lease liabilities (2018: repayment of finance lease liabilities)	-0.1	-35.6	-	-	35.6	-0.1
Net change in other loans and borrowings	-11.9	386.7	-13.6	-0.1	-386.7	-25.6
Interest paid	-2.3	-59.2	-4.5	-0.2	59.2	-7.0
Dividends paid by the Company	-	-	-	-208.4	-	-208.4
Net cash from financing activities	**-18.0**	**313.7**	**-17.8**	**-208.7**	**-313.7**	**-244.5**
Cash flows from continuing operations	**-58.0**	**48.6**	**-1.7**	**86.1**	**-48.6**	**26.4**
Cash flows from discontinued operations	**-**	**-**	**-**	**608.7**	**-76.4**	**532.3**
TOTAL CASH FLOW FOR THE PERIOD	**-58.0**	**48.6**	**-1.7**	**694.8**	**-125.0**	**558.7**

(1) The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 3.

As restated – refer to note 1 for further information on the restatement of comparative information.

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NOTE 4: SEGMENT INFORMATION (continued)

Note 4.4: Segment Statement of Cash Flows - Operating Segments (Year ended 31 December)

EUR million	D'Ieteren Auto	Belron	Moleskine	Corp. & unallocated	Eliminations	Group
Reconciliation with statement of financial position						
Cash at beginning of period	-1.5	-	24.9	272.3	-	295.7
Cash included in non-current assets held for sale	-	76.4	-	-	-	76.4
Cash equivalents at the beginning of the period	1.6	-	-	-	-	1.6
Cash and cash equivalents at beginning of period	**0.1**	**76.4**	**24.9**	**272.3**	**-**	**373.7**
Total cash flow for the period	-58.0	48.6	-1.7	694.8	-125.0	558.7
Translation differences	-	-	0.6	-	-	0.6
Cash and cash equivalents at end of period	**-57.9**	**125.0**	**23.8**	**967.1**	**-125.0**	**933.0**
Included within "Cash and cash equivalents	*-57.9*	*124.2*	*23.8*	*967.1*	*-124.2*	*933.0*
Included within "Non-current assets held for sale"	-	*0.8*	-	-	*-0.8*	-

(1) The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 3.

As restated – refer to note 1 for further information on the restatement of comparative information.

In the Belron segment, the line "Other non-cash items" included, among other amounts, the provision for long-term management incentive program.

In the D'Ieteren Auto segment, the line "disposal of subsidiaries (net of cash disposed of)" included the proceeds from the disposal of a dealership.

The line "Dividends and proceeds from capital reduction received from/(paid by) equity-accounted investees" included the share of the Group in the distribution of the dividend (EUR 64.3 million) and the share capital reduction (EUR 153.1 million) operated by the Belron segment in December 2018 (see note 22 of the 2018 consolidated financial statements for more information).

The line "Share capital increase" represented the new shares issued by the Belron segment in the context of the implementation of the management reward program (MRP). Refer to note 15 of the 2018 consolidated financial statements for additional information on the MRP.

The line "Dividends paid by the Company" included the distribution to shareholders of the ordinary (EUR 0.95 per share) and extraordinary (EUR 2.85 per share) dividend (see note 20 of the 2018 consolidated financial statements for more information).

In the prior period, the column "Eliminations" reconciled the segment statement of cash flows (with Belron presented on all lines as a continuing operation) to the IFRS Group consolidated statement of cash flows (with Belron presented as a discontinued operation from the beginning of the period until the closing of the transaction with CD&R).

Note 4.5: Geographical Segment Information (Year ended 31 December)

The Group's operating segments (being D'Ieteren Auto, Moleskine and Corporate & unallocated) operate in three main geographical areas, being Belgium (main market for the D'Ieteren Auto segment), the rest of Europe and the rest of the world. Figures for Belron are not presented in the below table since it is an equity-accounted investee.

EUR million	2019				2018			
	Belgium	Rest of Europe	Rest of the world	Group	Belgium	Rest of Europe	Rest of the world	Group
Segment revenue from external customers (1)	3,616.0	90.2	92.6	3,798.8	3,352.6	132.0	96.4	3,581.0
Non-current assets (2)	304.6	486.8	6.2	797.6	288.2	590.1	5.7	884.0
Capital additions (3)	63.7	5.2	3.2	72.1	46.8	7.8	2.6	57.2

(1) Based on the geographical location of the customers.
(2) Non-current assets (on a pre-IFRS 16 basis), as defined by IFRS 8, consists of goodwill, intangible assets, property, plant and equipment, investment property and non-current other receivables.
(3) Capital additions include both additions and acquisitions through business combinations including goodwill.

NOTE 5: REVENUE

Disaggregation of revenue issued from contracts with customers for the year ended 31 December 2019 and 31 December 2018 is presented in the table below:

EUR million	2019	2018 (1)
D'Ieteren Auto		
New vehicles	3,188.3	2,991.1
Used cars	76.1	67.6
Spare parts and accessories	215.7	206.2
After-sales activities by D'Ieteren Car Centers	94.5	90.9
D'Ieteren Sport	36.5	29.6
Other revenue	23.8	21.5
Subtotal D'Ieteren Auto	**3,634.9**	**3,406.9**
Moleskine		
Europe, Middle-East and Africa (EMEA)	74.9	81.9
America	60.9	62.2
Asia-Pacific (APAC)	28.1	30.0
Subtotal Moleskine	**163.9**	**174.1**
Total Revenue	**3,798.8**	**3,581.0**

(1) As restated – refer to note 1 for further information on the restatement of comparative information.

There was no material revenue recognised in the current reporting period that related to carried-forward contract liabilities (deferred income) or performance obligations satisfied in the previous year. There is no material revenue that is likely to arise in future periods from unsatisfied performance obligations at the Consolidated Statement of Financial Position date.

Contract assets primarily represent trade receivables and accrued income for amounts invoiced or due to be invoiced to customers stated after loss allowances as shown in note 17. There is no material contract income or costs recognised on the Consolidated Statement of Financial Position as contract liabilities or contract assets.

NOTE 6: OPERATING RESULT

Operating result is stated after charging:

EUR million	2019				2018 (1)			
	D'Ieteren Auto	Mole-skine	Corp. & unallocated	Group	D'Ieteren Auto	Mole-skine	Corp. & unallocated	Group
Purchases and changes in inventories	-3,089.0	-37.5	-6.0	-3,132.5	-2,912.5	-35.1	-3.5	-2,951.1
Depreciation on PP&E & investment property	-12.4	-13.0	-9.4	-34.8	-5.5	-4.7	-8.6	-18.8
Amortisation	-3.7	-3.4	-	-7.1	-2.2	-2.5	-	-4.7
Impairment on goodwill & other intangible assets (see note 12)	-	-102.3	-	-102.3	-	-	-	-
Write-down on inventories	-2.8	-0.3	-	-3.1	4.1	-0.3	-	3.8
Write down on receivables	0.7	-0.1	-	0.6	2.4	-0.1	-	2.3
Employee benefit expenses (see note 10)	-185.2	-25.8	-15.7	-226.7	-168.9	-29.1	-14.1	-212.1
Gain on sale of property, plant and equipment	0.6	-	6.6	7.2	0.1	-	-	0.1
Rental income from investment property (2)	-	-	2.8	2.8	-	-	2.3	2.3
Sundry (3)	-226.5	-64.9	12.9	-278.5	-217.6	-73.7	0.4	-290.9
NET OPERATING EXPENSES/INCOME	**-3,518.3**	**-247.3**	**-8.8**	**-3,774.4**	**-3,300.1**	**-145.5**	**-23.5**	**-3,469.1**

(1) As restated – see note 1 for more information on the restatement of comparative information.
(2) The full amount is related to investment property that generated rental income.
(3) Mainly relates to marketing and IT costs, legal and consultancy fees and inter-segment rental income and expenses between the segment "Corporate & unallocated" and D'Ieteren Auto.

In 2019, the line "depreciation on PP&E & investment property" includes the depreciation on right-of-use assets recognized following the adoption of IFRS 16 on 1 January 2019 (see notes 3 and 4).

NOTE 6: OPERATING RESULT (continued)

In the current period, in the consolidated statement of profit or loss, the line “other operating expenses” include, among other amounts, the impairment charge recognised in the Moleskine segment (EUR 102.3 million) and and the line “other operating income” include, among other amounts, the consolidated gain on disposal of a property.

NOTE 7: NET FINANCE COSTS

Net finance costs are broken down as follows:

EUR million	2019				2018			
	D'Ieteren Auto	Mole-skine	Corp. & unallocated	Group	D'Ieteren Auto	Mole-skine	Corp. & unallocated	Group
Finance costs:								
Interest expense	-1.3	-4.2	-0.1	-5.6	-1.1	-4.1	-	-5.2
Interest costs on pension	-0.2	-0.1	-	-	-0.1	-	-	-0.1
Other financial charges	-1.4	-1.0	-0.2	-2.9	-1.7	-1.7	-19.6	-23.0
Subtotal finance costs	-2.9	-5.3	-0.3	-8.5	-2.9	-5.8	-19.6	-28.3
Re-measurements of financial instruments:								
Measured at fair value upon initial recognition	-	-	-17.3	-17.3	-	-	-20.8	-20.8
Finance income	0.2	0.8	0.4	1.4	0.9	0.7	0.2	1.8
Inter-segment financing interest	-	-4.9	4.9	-	-	-4.6	4.6	-
NET FINANCE COSTS	**-2.7**	**-9.4**	**-12.3**	**-24.4**	**-2.0**	**-9.7**	**-35.6**	**-47.3**

The re-measurement of financial instruments in the segment “Corporate & unallocated” include in 2018 (EUR -20.2 million) and in 2019 (EUR -17.3 million) the loss on the fair value of a financial liability relating to the disposal of the 40% stake of Belron to CD&R (see note 18).

In 2019, the line “interest expense” include the interest charge recognized on lease liabilities recognized following the adoption of IFRS 16 on 1 January 2019. See note 3.

NOTE 8: EARNINGS PER SHARE

Earnings per share (“EPS”) and earnings per share from continuing operations (“Continuing EPS”) are shown on the face of the consolidated statement of profit or loss. Basic and diluted EPS are based on the result for the period attributable to equity holders of the Company (based on the result from continuing operations attributable to equity holders of the Company for the continuing EPS), 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). In 2018, continuing EPS is significantly lower than EPS as a result of the classification in discontinued operation of the consolidated gain on disposal of 40% stake in Belron to CD&R (see notes 1 and 16 of the 2018 consolidated financial statements for more information).

The weighted average number of ordinary shares in issue for the period is shown in the table below.

The Group has granted options to employees over ordinary shares of the Company. Such shares constitute the only category of potentially dilutive ordinary shares.

The options over ordinary shares of the Company increased the weighted average number of shares of the Company in 2018 and 2019 as some option exercise prices were below the average market share price.

NOTE 8: EARNINGS PER SHARE (continued)

The computation of basic and diluted EPS is set out below:

		2019	2018
Result for the period attributable to equity holders		64.5	1,048.0
Adjustment for participating shares		-0.7	-11.9
Numerator for EPS (EUR million)	(a)	63.8	1,036.1
Result from continuing operations		64.5	46.6
Share of non-controlling interests in result from continuing operations		-	-
Result from continuing operations attributable to equity holders		64.5	46.6
Adjustment for participating shares		-0.7	-0.5
Numerator for continuing EPS (EUR million)	(b)	63.8	46.1
Weighted average number of ordinary shares outstanding during the period	(c)	53,965,827	54,177,545
Adjustment for stock option plans		289,391	113,915
Weighted average number of ordinary shares taken into account for diluted EPS	(d)	54,255,218	54,291,460
Result for the period attributable to equity holders			
Basic EPS (EUR)	**(a)/(c)**	**1.18**	**19.12**
Diluted EPS (EUR)	**(a)/(d)**	**1.18**	**19.08**
Result from continuing operations attributable to equity holders			
Basic continuing EPS (EUR)	(b)/(c)	1.18	0.85
Diluted continuing EPS (EUR)	(b)/(d)	1.18	0.85

NOTE 9: SHARE-BASED PAYMENTS

There is in the Group an equity-settled share-based payment scheme. Since 1999, share option schemes have been granted to officers and managers of the D'Ieteren Auto and "Corporate & unallocated" segments, in the framework of the Belgian law of 26 March 1999. The underlying share is the ordinary share of s.a. D'Ieteren n.v. Under these schemes, vesting conditions are three years' service from grant date and holders of vested options are entitled to purchase shares at the exercise price of the related scheme during the exercise period.

NOTE 9: SHARE-BASED PAYMENTS (continued)

Options outstanding are as follows:

Date of grant	Number of options (in units)		Exercise price	Exercise period	
	2019	2018	(EUR)	From	To
2019	185,000	-	33.19	1/01/2023	28/02/2029
2018	187,000	187,000.0	33.32	1/01/2022	5/06/2028
2017	173,853	160,000	38.47	1/01/2021	13/03/2027
2016	10,866	10,000	35.05	1/01/2020	13/03/2026
2016	146,689	135,000	29.18	1/01/2020	13/03/2026
2016	81,609	79,000	29.18	1/01/2020	13/03/2026
2016	106,486	98,000	26.62	1/01/2020	21/01/2026
2015	21,732	95,000	29.54	1/01/2019	12/03/2025
2015	20,475	63,352	29.54	1/01/2019	12/03/2025
2014	22,989	39,807	30.44	1/01/2018	10/03/2024
2013	17,152	37,150	32.20	1/01/2017	24/11/2023
2013	15,892	14,626	31.50	1/01/2017	7/03/2023
2012	19,560	38,000	33.35	1/01/2016	14/10/2022
2011	19,988	73,375	32.21	1/01/2015	22/12/2021
2010	8,837	43,630	36.44	1/01/2014	3/10/2020
2009	-	18,250	22.09	1/01/2013	27/10/2019
2007	11,567	14,400	24.30	1/01/2011	2/12/2022
2006	5,216	9,300	24.48	1/01/2010	27/11/2021
2005	4,229	8,350	19.23	1/01/2009	6/11/2020
2004	-	3,150	13.07	1/01/2008	28/11/2019
Total	**1,059,140**	**1,127,390**			

All outstanding options are covered by treasury shares (see note 21).

A reconciliation of the movements in the number of outstanding options during the year is as follows:

	Number (in units)		Weighted average exercise price (EUR)	
	2019	2018	2019	2018
Outstanding options at the beginning of the period	1,127,390	1,058,889	33.8	33.4
Granted during the period	185,000	187,000	33.2	33.3
Exercised during the period	-311,233	-112,164	30.5	30.4
Other movements during the period	57,983	-6,335	32.3	12.9
Outstanding options at the end of the period	**1,059,140**	**1,127,390**	**32.1**	**33.8**
of which: exercisable at the end of the period	*167,637*	*300,038*	*30.5*	*33.6*

In 2019, a large part of the options was exercised during the third quarter of the period. The average share price during the period was EUR 43.28 (2018: EUR 36.11). Other movements during the period mainly relate to adjustments of existing option plans and to options that expired in 2019 and were not exercised. The treasury shares underlying to these expired options are being kept for future plans. In 2019, the former CEO exercised 4,177 options relating to the 2013 plan.

For share options outstanding at the end of the period, the weighted average remaining contractual life is as follows:

	Number of years
31 December 2019	**6.8**
31 December 2018	6.5

NOTE 9: SHARE-BASED PAYMENTS (continued)

IFRS 2 "Share-Based Payments" requires that the fair value of all share options issued after 7 November 2002 is charged to the income statement (EUR 2.3 million during the period). The fair value of the options must be assessed on the date of each issue. A simple Cox valuation model was used at each issue date re-assessing the input assumptions on each occasion. The assumptions for the 2019 and 2018 issues were as follows:

	2019	2018
Number of employees	11	10
Spot share price (EUR)	36.2	35.9
Option exercise price (EUR)	33.2	33.3
Vesting period (in years)	3.0	3.0
Expected life (in years)	6.5	6.5
Expected volatility (in %)	28%	24%
Risk free rate of return (in %)	0.44%	0.78%
Expected dividend (EUR)	0.8	0.5
Probability of ceasing employment before vesting (in %)	0%	0%
Weighted average fair value per option (EUR)	7.8	8.7

Expected volatility and expected dividends were provided by an independent expert. The risk-free rate of return is based upon EUR zero-coupon rates with an equivalent term to the options granted.

NOTE 10: EMPLOYEE BENEFITS

Note 10.1: Employee benefit expense

The employee benefit expense is analysed below:

EUR million	2019				2018 (1)			
	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group
Retirement benefit charges under Belgian defined contribution schemes considered as defined benefit schemes	*-4.6*	*-*	*-0.2*	*-4.8*	*-3.4*	*-*	*-0.2*	*-3.6*
Retirement benefit charges under defined benefit schemes	*-*	*-0.6*	*-*	*-0.6*	*-*	*-0.6*	*-*	*-0.6*
Total retirement benefit charge (see note 10.2)	-4.6	-0.6	-0.2	-5.4	-3.4	-0.6	-0.2	-4.2
Wages, salaries and social security costs	-180.3	-25.2	-13.5	-219.0	-163.4	-28.5	-13.9	-205.8
Share-based payments: equity-settled	-0.3	-	-2.0	-2.3	-2.1	-	-	-2.1
Total employee benefit expense	**-185.2**	**-25.8**	**-15.7**	**-226.7**	**-168.9**	**-29.1**	**-14.1**	**-212.1**

(1) As restated – see note 1 for more information on the restatement of comparative information.

The staff numbers are set out below (average full-time equivalents):

	2019	2018
D'Ieteren Auto	2,011	1,848
Moleskine	559	479
Corporate & unallocated	59	57
Group	**2,630**	**2,384**

Note 10.2: Post-employment and long-term employee benefits

Long-term employee benefits include post-employment employee benefits and other long-term employee benefits. Post-employment employee benefits are analysed below. Other long-term employee benefits are presented among non-current provisions or non-current other payables, and, if material, separately disclosed in the relevant note.

Post-employment benefits are limited to retirement benefit schemes. Certain Group entities operate schemes which provide retirement benefits, including those of the defined benefit type, which are in most cases funded by investments held outside the Group.

NOTE 10: EMPLOYEE BENEFITS (continued)

Note 10.2: Post-employment and long-term employee benefits (continued)

The Group has established pension schemes for its employees in various locations. The major schemes are located in Belgium and in Italy. Since Belron is an equity-accounted investee, the schemes in place in the Belron segment are not separately disclosed. The schemes in Belgium relate to the D'Ieteren Auto and "Corporate & unallocated" segments and are funded and unfunded. The main scheme in Italy relates to the Moleskine segment. Independent actuarial valuations for the plans in these countries are performed as required. The Group is and has always been fully compliant with all local governance and funding requirements.

The overall investment policy and strategy for the Group's defined benefit schemes is guided by the objective of achieving an investment return, which together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risks of the plans. The investment strategies for the plans are managed under local laws and regulations in each jurisdiction. The actual asset allocation is determined by the current and expected economic and market conditions and in consideration of specific asset class risk and risk profile. In addition, consideration is given to the maturity profile of scheme liabilities.

The Group operates one defined benefit scheme in Belgium that was closed to new members in 2005. The retirement capital plan accrues a percentage of annual salary inflated to the point of retirement with an annual average of 2,5% (and a maximum of 4,0%). A full actuarial valuation of the plan was carried out in December 2019 by a qualified independent actuary. Full IAS19 measurements are carried out every three years and roll-forwards are performed in the meantime. The Group also operates defined contribution plans with a minimal interest guarantee borne by the employer under the Belgian Legislation.

The Group recognises all actuarial gains and losses directly in the Consolidated Statement of Comprehensive Income.

The main actuarial assumptions are as follows (the assumptions on life expectancy are provided for the D'Ieteren Auto segment only).

	Funded schemes				Unfunded schemes			
	2019		2018		2019		2018	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Inflation rate	1.2%	2.0%	1.5%	2.0%	n.s.	n.s.	n.s.	n.s.
Discount rate	0.4%	0.8%	1.5%	1.6%	n.s.	n.s.	n.s.	n.s.
Rate of salary increases	2.0%	3.2%	2.8%	3.5%	1.0%	4.0%	2.0%	2.0%
Life expectancy of male pensioner	18.6	18.6	22.5	22.5				
Life expectancy of female pensioner	22.0	22.0	26.3	26.3				
Life expectancy of male non-pensioner	18.6	18.6	22.5	22.5				
Life expectancy of female non-pensioner	22.0	22.0	26.3	26.3				

The weighted average duration of the liabilities across the plans ranges from 10 to 12 years.

The amounts recognised in the statement of financial position are summarised as follows, depending on the net position of each pension scheme:

EUR million	2019	2018
Long-term employee benefit assets	-	-
Long-term employee benefit obligations	-31.6	-23.9
Recognised net deficit (-) / surplus (+) in the schemes	**-31.6**	**-23.9**
of which: amount expected to be settled within 12 months	*-0.2*	*-0.3*
amount expected to be settled in more than 12 months	*-31.4*	*-23.6*

For all schemes, the amounts recognised in the statement of financial position are analysed as follows:

EUR million	2019			2018		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Present value of defined benefit obligations	-100.5	-2.9	-103.4	-91.2	-3.1	-94.3
Fair value of scheme assets	71.8	-	71.8	70.4	-	70.4
Net deficit (-) / surplus (+) in the schemes	**-28.7**	**-2.9**	**-31.6**	**-20.8**	**-3.1**	**-23.9**

NOTE 10: EMPLOYEE BENEFITS (continued)

Note 10.2: Post-employment and long-term employee benefits (continued)

The amounts recognised through the statement of comprehensive income are as follows. They do not include the Belron segment from 2018 onwards, Belron being an equity-accounted investee.

EUR million	2019			2018		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Actual return less interest return on pension assets net of asset management charges	1.8	-	1.8	1.4	-	1.4
Gain (+) / Loss (-) on change of financial assumptions	-8.3	0.1	-8.2	-0.5	0.3	-0.2
Actuarial gains (+) / losses (-)	**-6.5**	**0.1**	**-6.4**	**0.9**	**0.3**	**1.2**

Changes to financial assumptions during 2019, all of which were prepared on a consistent basis to prior period, impacted the total actuarial gains (+) / losses (-) by EUR -8.2 million (2018: EUR -0.2 million). The actuarial loss of the current period is primarily the result of a decrease of the discount rate in 2019 compared to 2018.

The cumulative amount of actuarial gains and losses (group's share) recognised in the consolidated statement of comprehensive income is a loss of EUR 35 million (in 2018 a loss of EUR 29 million).

The fair value of scheme assets includes the following items:

EUR million	2019			2018		
	Quoted in an active market	Other	Total	Quoted in an active market	Other	Total
Scheme assets	71.8	-	71.8	70.4	-	70.4
Fair value of scheme assets	**71.8**	**-**	**71.8**	**70.4**	**-**	**70.4**

The fair value of scheme assets does not comprise any property or other assets used by the Group, nor any financial instruments of the Group. All equity and debt instruments have quoted prices in active markets and are of high investment quality. Other assets are mainly composed of cash.

The movements in the fair value of plan assets are as follows:

EUR million	2019			2018		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Scheme assets at 1 January	**70.4**	**-**	**70.4**	**70.3**	**-**	**70.3**
Employer contribution	3.6	-	3.6	3.6	-	3.6
Interest on pension assets	1.1	-	1.1	1.0	-	1.0
Contributions paid by employees	1.5	-	1.5	1.6	-	1.6
Benefits paid	-6.6	-	-6.6	-7.5	-	-7.5
Actual return less interest return on pension assets	1.8	-	1.8	1.4	-	1.4
Scheme assets at 31 December	**71.8**	**-**	**71.8**	**70.4**	**-**	**70.4**

The actual return on scheme assets is as follows:

EUR million	2019	2018
Interest return on pension assets	1.1	1.0
Actual return less interest return on pension assets	1.8	1.4
Actual net return on pension assets	**2.9**	**2.4**

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NOTE 10: EMPLOYEE BENEFITS (continued)

Note 10.2: Post-employment and long-term employee benefits (continued)

The movements in the present value of defined benefit obligations are as follows:

EUR million	2019			2018		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Defined benefit obligations at 1 January	**-91.2**	**-3.1**	**-94.3**	**-91.4**	**-3.3**	**-94.7**
Current service cost	-5.3	-0.1	-5.4	-4.1	-0.1	-4.2
Interest payable on pension liabilities	-1.4	-	-1.4	-1.0	-0.1	-1.1
Benefits paid	7.2	0.2	7.4	7.4	0.1	7.5
Contribution paid by employees	-1.5	-	-1.5	-1.6	-	-1.6
Gain (+) / Loss (-) arising from changes to financial assumptions	-8.3	0.1	-8.2	-0.5	0.3	-0.2
Defined benefit obligations at 31 December	**-100.5**	**-2.9**	**-103.4**	**-91.2**	**-3.1**	**-94.3**

The amounts recognised in the statement of profit or loss are as follows:

EUR million	2019			2018		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Current service cost	-5.3	-0.1	-5.4	-4.1	-0.1	-4.2
Pension costs within the operating result	**-5.3**	**-0.1**	**-5.4**	**-4.1**	**-0.1**	**-4.2**
Interest payable on pension liabilities	-1.4	-	-1.4	-1.0	-0.1	-1.1
Interest return on pension assets	1.1	-	1.1	1.0	-	1.0
Net pension interest cost	**-0.3**	**-**	**-0.3**	**-**	**-0.1**	**-0.1**
Expense recognised in the statement of profit or loss	**-5.6**	**-0.1**	**-5.7**	**-4.1**	**-0.2**	**-4.3**

The best estimate of normal contributions expected to be paid to the schemes during the 2020 annual period is ca.EUR 2 million.

The obligation of defined benefit schemes is calculated on the basis of a set of actuarial assumptions (including among others: mortality, discount rate of future payments, salary increases, personnel turnover, etc.). Should these assumptions change in the future, the obligation may increase. The defined benefit scheme assets are invested in a diversified portfolio, with a return that is likely to experience volatility in the future. Should the return of these assets be insufficient, the deficit might increase (the surplus might decrease).

In 2019 and 2018, the net deficit (EUR 31.6 million in 2019; EUR 23.9 million in 2018) recognised in the consolidated statement of financial position does not include Belron's net surplus since Belron is an equity-accounted investee.

The following table presents a sensitivity analysis for the discount rate and the inflation rate, showing how the defined benefit obligation at 31 December 2019 would have been affected by changes in the relevant actuarial assumption that were reasonably possible at the balance sheet date. The sensitivity analysis applies to the defined benefit obligation only and not to the net defined benefit pension liability in its entirety, the measurement of which is driven by a number of factors including, in addition to the assumptions below, the fair value of plan assets.

EUR million	(Increase) / decrease in defined benefit obligation at 31 December 2019	(Increase) / decrease in defined benefit obligation at 31 December 2018
Discount rate		
Increase by 50 basis points	8.0	2.0
Decrease by 50 basis points	-8.4	-2.1
Inflation rate		
Increase by 50 basis points	-2.5	-2.1
Decrease by 50 basis points	2.4	2.0

NOTE 10: EMPLOYEE BENEFITS (continued)

Note 10.2: Post-employment and long-term employee benefits (continued)

There is a pension plan in Belgium legally structured as defined contribution plan. Because of the Belgian social legislation applicable, all Belgian defined contribution plans are considered under IFRS as defined benefit plan because the employer must guarantee a minimum return on employee and employer contributions. The Group is therefore exposed to a financial risk (legal obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits).

The plan is insured at an insurance company. The insurance company guarantees a minimum rate of return on the contributions paid. However, the minimum guaranteed rates have dropped significantly the last years and are currently below the social minimum return borne by the employer on the contributions (according to article 24 of the Law of 28 April 2003 on occupational pensions, the Group has to guarantee an average minimum return of 3.75% on employee contributions and of 3.25% on employer contributions paid up to 31 December 2015). The financial risk has therefore increased. The Belgian law of 18 December 2015 entered into effect on 1 January 2016 and amended, inter alia, the calculation of the minimum return guaranteed by law (minimum of 1.75% and maximum of 3.75%).

The IFRS valuation and accounting of this kind of plan with contribution-based promises are not envisaged by IAS 19. Taking into account the change in the pension law and the current consensus on this specific matter, and after analysis of the pension plan, the Group now considers that a method based on the IAS 19 methodology ("Projected unit credit" method used for defined benefit plan) is appropriate to measure the liability in the Belgian context as from 2016 onwards. The present value of the defined benefit obligation amounts to EUR 91.4 million (2018: EUR 82.4 million). The calculation is based on the "Projected unit credit" method with projection of the future contributions and services pro-rate for the employer contract and without projection of the future contributions for the employee contract. The fair value of the scheme assets amounts to EUR 68.0 million (2018: EUR 66.4 million) and is set equal to the contractual assets held by the insurance company (no application of paragraph 115 of IAS 19). The net deficit amounts to EUR 23.4 million (2018: EUR 16.0 million), recognized in the consolidated statement of financial position.

NOTE 11: CURRENT AND DEFERRED INCOME TAXES

Note 11.1: Income tax expenses

Income tax expense is broken down as follows:

EUR million	2019	2018 (1)
Current year income tax	-41.1	-34.7
Prior year income tax	1.0	6.7
Movement in deferred taxes	11.4	9.9
Income tax expense	**-28.7**	**-18.1**

(1) As restated – refer to note 1 for additional information on the restatement of comparative information

The relationship between income tax expense and accounting profit is explained below:

EUR million	2019	2018 (1)
Result before taxes	93.2	64.7
Tax at the Belgian corporation tax rate of 29.58%	-27.5	-19.1
Reconciling items (see below)	-1.2	1.0
Actual tax on result before taxes	**-28.7**	**-18.1**

(1) As restated – refer to note 1 for additional information on the restatement of comparative information

NOTE 11: CURRENT AND DEFERRED INCOME TAXES (continued)

Note 11.1: Income tax expenses (continued)

The reconciling items are provided below:

EUR million	2019	2018 (1)
Result before taxes	93.2	64.7
Tax at the Belgian corporation tax rate of 29.58%	-27.5	-19.1
Rate differential	0.3	3.3
Permanent differences	-41.4	-9.0
Other temporary differences	0.5	-5.3
Adjustments in respect of prior years	-	6.8
Deferred tax assets not recognised	-2.8	-4.1
Recognition of previously unrecognised deferred tax assets	14.2	8.7
Joint venture and associate	27.5	-
Other	0.5	0.6
Actual income tax on PBT	**-28.7**	**-18.1**

(1) As restated – refer to note 1 for additional information on the restatement of comparative information

The Group's consolidated effective tax rate for the twelve months ended 31 December 2019 is 30.8% (twelve months ended 31 December 2018: 28.0% - restated following the reclassification of an EUR 2.8 million charge from current income tax expense to other operating expenses; see note 1). The small increase in the effective tax rate compared to last year is primarily the result of the impairment charge (EUR 102.3 million in the Moleskine segment) for which no tax relief is available, partially offset by the recognition of deferred tax assets on unused tax losses and credits, due to future profit streams.

In 2019, the line "Permanent differences" mainly includes the tax impact of the EUR 102.3 million impairment charge recognised in the Moleskine segment (no tax relief available).

The line "Joint venture and associate" mainly includes the tax impact on the profit before tax of equity-accounted investees.

The Group is subject to several factors which may affect future tax charges, principally the levels and mix of profitability in different jurisdictions and tax rates imposed.

The Group operates in multiple jurisdictions with often complex legal and tax regulatory environments. The income tax positions taken are considered by the Group to be supportable and are intended to withstand challenge from tax authorities. However, it is acknowledged that some of the positions are uncertain and include interpretations of complex tax laws which could be disputed by tax authorities. The Group judges these positions on their technical merits and this on a regular basis using all the information available (legislation, case law, regulations, established practice, authoritative doctrine as well as certain third-party tax opinions issued by Belgian and foreign tax lawyers). These positions are based on facts and circumstances existing at the end of the reporting period and will be reviewed at each reporting date.

A liability is recorded for each item that is not probable of being sustained on examination by the tax authorities and after using all legal remedies of defending the position before Court, based on all relevant information.

Note 11.2: Current tax assets and liabilities

Current tax assets (liabilities) are largely expected to be recovered (settled) within 12 months.

Note 11.3: Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

NOTE 11: CURRENT AND DEFERRED INCOME TAXES (continued)

Note 11.3: Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the period and the prior period is as follows:

EUR million	Revaluations	Depreciation amortisation write-downs	Provisions	Dividends	Tax losses available for offset	Financial instruments	Other	Total
Deferred tax liabilities (negative amounts)								
At 1 January 2018	-111.7	-21.5	0.6	-	1.2	-1.7	-1.9	-135.0
Credited (charged) to income statement	-	1.9	0.7	-	-1.2	0.2	1.4	3.0
Other variations	-	-	-	-	-	-	0.6	0.6
At 31 December 2018	-111.7	-19.6	1.3	-	-	-1.5	0.1	-131.4
Credited (charged) to income statement	-	-1.5	-	-	-	0.6	-0.3	-1.2
Other variation	-	-0.2	-	-	-	-	-	-0.2
At 31 December 2019	**-111.7**	**-21.3**	**1.3**	**-**	**-**	**-0.9**	**-0.2**	**-132.8**
Deferred tax assets (positive amounts)								
At 1 January 2018	-	-1.6	6.7	0.1	5.9	-	8.8	19.9
Credited (charged) to income statement	-	-0.6	0.3	-0.1	3.3	-	4.0	6.9
Credited (charged) to equity	-	-	-0.4	-	-	-	-	-0.4
Exchange differences	-	-	-	-	-	-	-0.1	-0.1
At 31 December 2018	-	-2.2	6.6	-	9.2	-	12.7	26.3
Credited (charged) to income statement	-	0.3	-0.9	-	13.1	0.7	-0.6	12.6
Credited (charged) to equity	-	-	1.5	-	-	-	0.8	2.3
Exchange differences	-	-	-	-	-	-	0.1	0.1
At 31 December 2019	**-**	**-1.9**	**7.2**	**-**	**22.3**	**0.7**	**13.0**	**41.3**
Net deferred tax assets (liabilities) after offsetting recognised in the consolidated statement of financial position:								
31 December 2018	-111.7	-21.8	7.9	-	9.2	-1.5	12.8	-105.1
31 December 2019	**-111.7**	**-23.2**	**8.5**	**-**	**22.3**	**-0.2**	**12.8**	**-91.5**

The deferred tax liability of EUR 111.7 million presented in the column « revaluations » relates to the deferred tax recognized on the Moleskine brand with indefinite useful life.

The net deferred tax balance includes net deferred tax assets amounting to EUR 15.6 million (2018: EUR 9.2 million) that are expected to be reversed in the following year. However, given the low predictability of deferred tax movements, this net amount might not be reversed as originally foreseen.

At the balance sheet date, the Group has unused tax losses and credits of EUR 30.8 million (2018: EUR 71.6 million) available for offset against future profits, for which no deferred tax asset has been recognised, due to the unpredictability of future profit streams. This includes unused tax losses of EUR 5.4 million (2018: EUR 2.2 million) that will expire in the period 2020-2029 (2018: 2019-2028). Other losses may be carried forward indefinitely.

At the balance sheet date, the aggregate amount of temporary differences associated with the investments in subsidiaries, branches, associates and interests in joint ventures (being mainly the accumulated positive consolidated reserves of these entities) for which deferred tax liabilities have not been recognised is EUR 1,250 million (2018: EUR 1,909 million). No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. It should also be noted that the reversal of these temporary differences, for example by way of distribution of dividends by the subsidiaries to the Company, would generate no (or a marginal) current tax effect.

Deferred tax assets are recognised provided that there is a sufficient probability that they will be recovered in the foreseeable future. Recoverability has been conservatively assessed. However, should the conditions for this recovery not be met in the future, the current carrying amount of the deferred tax assets may be reduced.

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NOTE 12: GOODWILL

EUR million	2019	2018
Gross amount at 1 January	190.7	184.2
Accumulated impairment losses at 1 January	-	-
Carrying amount at 1 January	**190.7**	**184.2**
Additions (see note 25)	8.7	6.3
Impairment losses	-102.3	-
Transfer from (to) another caption	-	0.4
Scope exit	-	-0.2
Carrying amount at 31 December	**97.1**	**190.7**
of which: gross amount	*199.4*	*190.7*
accumulated impairment losses	*-102.3*	-

In the period, the additions mainly comprise the goodwill arising from business combinations performed in the D'Ieteren Auto segment (see note 25).

The allocation of goodwill to cash-generating units is set out below (the allocation of intangible assets with indefinite useful lives is set out in note 13):

EUR million	2019	2018
D'Ieteren Auto	27.3	18.8
Moleskine	69.8	171.9
GROUP	**97.1**	**190.7**

Goodwill is monitored at the operating segment level for business combinations and transactions performed by the Company.

In accordance with the requirements of IAS 36 "Impairment of Assets", the Group completed a review of the carrying value of goodwill and of the intangible assets with indefinite useful lives (see note 13) as at each year end. The impairment review, based on the value in use calculation, was carried out to ensure that the carrying value of the Group's assets are stated at no more than their recoverable amount, being the higher of fair value less costs to sell and value in use.

The Board of Directors of the Company reviewed the carrying amount of its investment in Moleskine. In determining the value in use, the Company calculated the present value of the estimated future cash flows expected to arise, based on Moleskine's latest five-year business plan (over the period 2020 to 2023) reviewed and approved by the Board of Directors, with extrapolation thereafter (terminal growth rate of 2%). The discount rate applied (pre-tax rate of 7.9%; 6.6% in 2018) is based upon the weighted average cost of capital of the Moleskine segment (taking into account appropriate adjustment for the relevant risks associated with the business and with the underlying country – "country risk premium"). An impairment charge of EUR 102.3 million is recognised and fully allocated to goodwill (presented in other operating expenses on the statement of profit or loss). The residual value of the goodwill of the Moleskine segment following the impairment equals EUR 69.8 million.

As a result of its classification as an equity-accounted investee, information on the impairment tests performed in the Belron segment are provided in note 17.

Key assumptions of the financial projections in supporting the value of goodwill and intangible assets with indefinite useful lives include revenue growth rates, operating margins, discount rates, long-term growth rates and segment share. A set of financial projections were prepared, starting with the budget numbers for 2020. Margins are based on historical values achieved and global market trends. Operating expenses are based on historical levels suitably adjusted for increases in activity levels over the term of the cash projections. The assumptions on revenue growth are consistent with historical long-term trends. Long-term growth rates are based upon industry analysis and consistent with historical trends.

Future cash flows are estimates that may be revised in future periods as underlying assumptions change. Should the assumptions vary adversely in the future, the value in use of goodwill and intangible assets with indefinite useful lives may reduce below their carrying amounts. Sensitivities were also calculated on each of the key assumptions as follows: reduction in the long-term growth rate of 1% and increase in the discount rate of 1%.

NOTE 12: GOODWILL (continued)

In 2019, a reduction in the long-term growth rate of 1% would result in an additional impairment charge of EUR 50.1 million on the goodwill allocated to the Moleskine segment. An increase in the discount rate of 1% would result in an additional impairment charge of EUR 63.1 million on the goodwill allocated to the Moleskine segment.

NOTE 13: INTANGIBLE ASSETS

Goodwill is analysed in note 12. All intangible assets have finite useful lives, unless otherwise specified.

EUR million	**Brands (indefinite useful lives)**	**Other**	**Total**
Gross amount at 1 January 2019	402.8	60.7	463.5
Accumulated amortisation and impairment losses at 1 January 2019	-	-30.8	-30.8
Carrying amount at 1 January 2019	**402.8**	**29.9**	**432.7**
Additions:			
Items separately acquired	-	19.4	19.4
Disposals	-	-0.2	-0.2
Amortisation	-	-7.1	-7.1
Carrying amount at 31 December 2019	**402.8**	**42.0**	**444.8**
of which: gross amount	*402.8*	*79.9*	*482.7*
accumulated amortisation and impairment losses	*-*	*-37.9*	*-37.9*
Gross amount at 1 January 2018	402.8	45.9	448.7
Accumulated amortisation and impairment losses at 1 January 2018	-	-26.1	-26.1
Carrying amount at 1 January 2018	**402.8**	**19.8**	**422.6**
Additions:			
Internal development	-	0.5	0.5
Items separately acquired	-	14.8	14.8
Disposals	-	-0.3	-0.3
Amortisation	-	-4.7	-4.7
Transfer from (to) another caption	-	-0.4	-0.4
Translation differences	-	0.2	0.2
Carrying amount at 31 December 2018	**402.8**	**29.9**	**432.7**
of which: gross amount	*402.8*	*60.7*	*463.5*
accumulated amortisation and impairment losses	*-*	*-30.8*	*-30.8*

The Moleskine brand (EUR 402.8 million; acquired in November 2016) has an indefinite useful life, since, given the absence of factors that could cause its obsolescence and in light of the life cycles of the products to which the trademark relates, there is no foreseeable limit to the period over which this asset is expected to generate net cash inflows for the Group.

The caption "Other" mainly includes computer software, other licences and similar rights, and intangibles under development.

The other disclosures required by IAS 36 for intangible assets with indefinite useful lives are provided in note 12.

NOTE 14: PROPERTY, PLANT AND EQUIPMENT

EUR million	Property	Plant and equipment	Assets under construction	Total
Gross amount at 1 January 2019	332.7	130.4	11.7	474.8
Accumulated depreciation and impairment losses at 1 January 2019	-158.2	-94.6	-	-252.8
Carrying amount at 1 January 2019	**174.5**	**35.8**	**11.7**	**222.0**
Recognition of right-of-use assets on initial application of IFRS 16	44.5	12.8	-	57.3
Adjusted carrying amount at 1 January 2019	**219.0**	**48.6**	**11.7**	**279.3**
Additions	9.8	13.5	11.8	35.1
Disposals	-	-0.8	-	-0.8
Depreciation	-23.3	-10.8	-	-34.1
Transfer from (to) another caption	0.6	0.7	-17.0	-15.7
Items acquired through business combinations (see note 25)	4.2	0.5	-	4.7
Translation differences	-	0.2	-	0.2
Carrying amount at 31 December 2019	**210.3**	**51.9**	**6.5**	**268.7**
of which: gross amount	*391.8*	*157.3*	*6.5*	*555.6*
accumulated depreciation and impairment losses	*-181.5*	*-105.4*	-	*-286.9*
Gross amount at 1 January 2018	312.2	116.9	16.5	445.6
Accumulated depreciation and impairment losses at 1 January 2018	-149.6	-84.7	-	-234.3
Carrying amount at 1 January 2018	**162.6**	**32.2**	**16.5**	**211.3**
Additions	4.3	12.4	12.9	29.6
Disposals	-0.1	-2.9	-3.2	-6.2
Depreciation	-8.6	-9.9	-	-18.5
Transfer from (to) another caption	12.7	1.8	-14.5	-
Items acquired through business combinations	3.6	2.2	-	5.8
Carrying amount at 31 December 2018	**174.5**	**35.8**	**11.7**	**222.0**
of which: gross amount	*332.7*	*130.4*	*11.7*	*474.8*
accumulated depreciation and impairment losses	*-158.2*	*-94.6*	-	*-252.8*

At 31 December 2019 and at 31 December 2018, assets under construction mainly included property under construction in the segment "Corporate & unallocated", as part of the real estate activities of the Group.

The right-of-use assets, including those previously held under finance lease under IAS 17, are included in the above at the following amounts (see note 31):

EUR million	Property	Plant and equipment	Assets under construction	Total
31 December 2019	**-**	**50.2**	**-**	**50.2**
31 December 2018	-	4.6	-	4.6

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NOTE 15: INVESTMENT PROPERTY

EUR million	2019	2018
Gross amount at 1 January	21.8	16.6
Accumulated depreciation at 1 January	-7.9	-7.6
Carrying amount at 1 January	**13.9**	**9.0**
Additions	-	0.6
Depreciation	-0.7	-0.3
Transfer from (to) another caption	15.7	4.6
Carrying amount at 31 December	**28.9**	**13.9**
of which: gross amount	*37.5*	*21.8*
accumulated depreciation	*-8.6*	*-7.9*
Fair value	44.3	18.0

The fair value is supported by market evidence and is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification, and who has recent experience in the location and category of the investment property held by the Group. The latest valuations were performed in July 2019.

All items of investment property are located in Belgium and are held by the segment "Corporate & unallocated". The line "transfer from (to) another caption" in 2019 relates to the transfer of assets from assets under construction (see note 14).

See also note 31 for other disclosures on investment property.

NOTE 16: INVENTORIES

EUR million	2019	2018
D'Ieteren Auto		
Vehicles	428.7	384.6
Spare parts and accessories	33.8	29.2
Other	0.2	0.2
Subtotal	**462.7**	**414.0**
Moleskine	**30.1**	**41.7**
GROUP	**492.8**	**455.7**

The accumulated write-down on inventories amounts to EUR 13.2 million (2018: EUR 9.4 million). The amount of write down of inventories recognised in the cost of sales (see note 6) is a net charge of ca EUR 3 million (2018: an income of EUR 3.8 million).

The inventories are expected to be recovered within 12 months and are mainly composed of merchandises.

NOTE 17: EQUITY ACCOUNTED INVESTEES

In 2019, two group entities are accounted for using the equity method (three in 2018)

EUR million	2019			2018		
	D'Ieteren Auto	Belron	Group	D'Ieteren Auto	Belron	Group
Interests in joint ventures	84.8	264.5	349.3	76.6	644.8	721.4
Total of equity-accounted investees	**84.8**	**264.5**	**349.3**	**76.6**	**644.8**	**721.4**
Share of profit in joint ventures	8.6	84.6	93.2	9.9	-9.8	0.1
Total of share of result after tax of equity-accounted investees	**8.6**	**84.6**	**93.2**	**9.9**	**-9.8**	**0.1**

NOTE 17: EQUITY ACCOUNTED INVESTEES (continued)

Belron:

In 2019 and 2018, the largest equity-accounted investee is Belron Group s.a. ("BGSA"), being the joint venture holding the Belron activities (see note 1 for more information), owned 54.85% in voting rights by the Group. The Group concluded that it has joint control over BGSA as a result of some reserved matters being shared with CD&R.

At inception (February 2018), the capital structure was composed of voting ordinary shares (ca 3% of total equity) and non-voting preference shares (ca 97% of total equity), in the same proportion between shareholders (the Group, Clayton, Dubilier and Rice and the family holding company of Belron's CEO). Preference shares bear a fixed annual compounding dividend rate of 10% (any distribution is first allocated to the preference shares in order to satisfy the accumulated dividend and to redeem the subscription amount of preference shares).

A Management Reward Plan (MRP) involving about 250 key employees was set up on 15 June 2018. The participants of the MRP initially acquired non-voting equity instruments (ordinary and preference shares) in BGSA for a total amount of EUR 21.8 million (representing the fair value of various classes of equity instruments, being all treated as equity under IFRS). Part of the issued equity consists of "ratchet shares" which will allow management to enjoy additional returns if certain performance hurdles (IRR and Cash on Cash) are satisfied at exit, which will result in additional dilution for existing shareholders. During the year, participants to the MRP proceeded to an additional total subscription of EUR 3.6 million. Note that the MRP does not impact the Group's percentage voting rights (54.85%).

The following table summarises the financial information of BGSA as included in its own financial statements, adjusted for consolidated adjustments and differences in accounting policies, and also reconciles this summarised financial information to the carrying amount of the Group's interest in BGSA.

EUR million	2019	2018
Non-current assets (including goodwill arising from the Transaction)	3,698.4	2,871.6
Current assets (excluding cash and cash equivalents)	693.7	649.2
Cash and cash equivalents	282.6	124.2
Non-current liabilities (excluding financial liabilities)	-139.8	-87.6
Non-current financial liabilities	-3,055.8	-1,709.8
Current liabilities (excluding financial liabilities)	-767.5	-608.4
Current financial liabilities	-207.6	-47.6
Net assets (100%)	504.0	1,191.6
Group's share of net assets (52.48%) and carrying amount of interest in joint venture	**264.5**	**644.8**

The non-current assets include, among other amounts, the positive difference between the fair value of the equity based on the transaction price (the transaction that occurred in 2018 – see note 1 of the 2018 consolidated financial statements) and the book value of the net assets at the date of the transaction. This goodwill is included in the carrying amount of the equity-accounted investee and is not shown separately.

In the last quarter of 2019, Belron issued a new 7-year Term Loan B of USD 830 million maturing in 2026 and an "add-on-loan" to existing EUR Term Loan B of EUR 100 million maturing in 2024. The proceeds were used to pay dividends and capital reduction throughout redemption of preference shares (EUR 850 million; EUR 460.7 million group's share) to shareholders.

The detailed statement of financial position of Belron as included in its own financial statements (not adjusted for consolidated adjustments) is disclosed in note 4.3 segment information.

In accordance with the requirements of IAS 36 "Impairment of Assets", Belron completed the formal review of the carrying value of goodwill and of the intangible assets with indefinite useful lives**.** The impairment review, based on the value in use calculation, was carried out to ensure that the carrying value of the Belron's assets are stated at no more than their recoverable amount, being the higher of fair value less costs to sell and value in use.

The Belron segment completed this review for each of its cash-generating units (being the different countries where it operates). This review led to a total impairment charge of EUR 21.3 million (already recognized in the first half of 2019), of which EUR 21.0 million in relation with Italy (due to lower expectations; allocated to the goodwill, brands and other intangible assets) and EUR 0.3 million in relation with the Netherlands (fully allocated to other intangible assets). This impairment charge in the Belron segment however has no impact on the Group operating result since Belron is an equity-accounted investee.

NOTE 17: EQUITY ACCOUNTED INVESTEES (continued)

At year-end, based on IAS28, the Board of Directors of the Company did not identify any indication of possible impairment (a triggering event) on its investments in Belron (equity-accounted investee) and therefore did not perform an impairment test.

A new shareholders' agreement was signed in May 2018 between the Group and the family holding company of the Belron's CEO, including put options (with related call options) related to the interest held by the family holding company of the Belron's CEO. Based on IFRS requirements, the (financial) obligation to buy the equity instruments in an equity-accounted investee does not give rise to a financial liability in the consolidated statement of financial position (because equity-accounted investees are not part of the Group). This contract is a derivative that is in the scope of IFRS 9 "Financial Instruments", measured at fair value through profit or loss and categorised within the fair value hierarchy as level 3. The fair value of this derivative amounts to nil as at 31 December 2019.

In the consolidated statement of comprehensive income, the lines "Equity-accounted investees – share of OCI (net of tax)" mainly relate to the re-measurements of defined benefit assets/liabilities (mostly due to the UK pension scheme recording an actuarial loss arising from changes in financial assumptions, more than offset by actual return on scheme assets), to the cash flow hedges (interest rate swaps and cross currency interest rate swaps used to partially hedge the debt) and translation differences of Belron.

The table below presents the revenue, profit before tax, the net result, and the other comprehensive income for the year ended 31 December 2019 (on a post-IFRS 16 basis) and for the period going from 7 February 2018 until 31 December 2018 (on a pre-IFRS 16 basis), periods over which the result of BGSA is accounted for under equity-accounting method.

Given the equity structure described above, the Group's share in the net result of Belron for the year end closed as at 31 December 2019 was determined based on the Group's percentage of ownership in the preference shares (for the fixed annual compounding dividend rate of 10% which benefits to preference shares) and based on the Group's percentage of ownership in the ordinary shares (for the net result in surplus, after deduction of the fixed dividend of the preference shares). This calculation resulted in a Group's share in the net result of Belron computed based on a weighted average percentage of 52.48% (54.10% in 2018), corresponding to a Group's share in the profit of Belron of EUR 84.6 million (out of which EUR 64.3 million relate to preference shares and 20.3 million relate to ordinary shares).

The result for the period going from 1 January until 7 February 2018 is accounted for under global integration method (94.85% stake), under discontinued operations (see note 16 of the 2018 annual consolidated financial statements for more information).

EUR million	**2019**	**2018**
Revenue	4,228.1	3,528.1
Profit before tax	247.1	6.9
Result for the period (100%)	161.2	-18.1
Other comprehensive income (100%)	-0.8	18.4
Profit (or loss) and total comprehensive income (100%)	160.4	0.3
Group's share of profit (or loss) and comprehensive income, of which	**84.2**	**0.2**
Group's share of profit (or loss)	*84.6*	*-9.0*
Group's share of other comprehensive income	*-0.4*	*9.2*

The reconciliation of the Group's share in the net assets of BGSA from 31 December 2018 to 31 December 2019 is summarized below:

EUR million	
Group's share of net assets at 31 December 2018	**644.8**
Group's share of profit (or loss) and comprehensive income	84.2
Group's share in dividends and proceeds from capital reduction (see note 4)	-460.7
Group's share in adjustment in relation to IFRS 16 adoption (see note 3)	-6.7
Other movements, Group's share	2.9
Group's share of net assets at 31 December 2019	**264.5**

D'Ieteren Auto

In 2019 and 2018, the second largest equity-accounted investee is the joint venture Volkswagen D'Ieteren Finance (VDFin), owned 50% minus one share by the Group and 50% plus one share by Volkswagen Financial Services (a subsidiary of the Volkswagen group), active in a full range of financial services related to the sale of the Volkswagen group vehicles on the Belgian market.

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NOTE 17: EQUITY ACCOUNTED INVESTEES (continued)

The following table summarises the financial information of VDFin as included in its own financial statements, adjusted for differences in accounting policies, and also reconciles this summarised financial information to the carrying amount of the Group's interest in VDFin.

EUR million	2019	2018
Non-current assets	1,556.3	1,353.6
Current assets (excluding cash and cash equivalents)	927.9	759.9
Cash and cash equivalents	66.0	170.6
Non-current liabilities (excluding financial liabilities)	-10.2	-9.3
Non-current financial liabilities	-886.2	-1,005.0
Current liabilities (excluding financial liabilities)	-170.0	-121.5
Current financial liabilities	-1,314.2	-995.0
Net assets (100%)	169.6	153.3
Group's share of net assets (49.99%) and carrying amount of interest in joint venture	**84.8**	**76.6**

Share of net assets represents the share of the Group in the equity of VDFin as at 31 December 2019.

EUR million	2019	2018
Revenue	636.3	537.6
Depreciation and amortization	-117.9	-99.6
Net finance costs	24.9	25.2
Profit before tax	24.0	29.5
Tax expense	-6.8	-9.8
Result for the period (100%)	17.2	19.7
Other comprehensive income (100%)	-0.8	-
Profit (or loss) and total comprehensive income (100%)	16.4	19.7
Group's share of profit (or loss) and comprehensive income (49.99%)	**8.2**	**9.9**

In the prior period, the line "Profit before tax" included the additional revenue recognised following a change in accounting estimates.

NOTE 18: FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

Financial instruments - measurement

Financial assets held by the Group at 31 December 2019 are limited to trade and other receivables (see note 20), cash and cash equivalents (see note 19) and short-term financial investments (in the Corporate & unallocated segment – see note 4). Trade and other receivables, cash and cash equivalents and short-term financial investments (except money-market-assets, as mentioned below) are measured at amortised costs under IFRS 9.

Financial liabilities held by the Group at 31 December 2019 consist in loans and borrowings (see note 23) and trade and other payables (see note 24), both classified as liabilities at amortised costs under IFRS 9. The financial liability relating to the disposal of the 40% stake of Belron is measured at FVTPL and amounts to EUR 37.5 million (this amount is not contingent anymore and should be paid out in 2020).

In the current period (see note 4.3 segment information), the financial instruments held in the Belron segment (equity-accounted investee) consist in cross-currency interest rate swaps to hedge against changes in market interest rates, forward exchange contracts used to hedge the cost of future payable where those payables are denominated in a currency other than the currency of the purchasing company (both measured as hedging instruments), fuel derivatives used to hedge the price of fuel purchase (measured at FVTPL) and other forward exchange contracts used to swap foreign currency cash balances to reduce borrowings and minimise interest expense (measured at FVTPL).

At 31 December 2018 and 31 December 2019, in the Moleskine segment, the EUR 0.4m derivative hedging instrument (measured at FVTPL) relates to interest rates swaps used to hedge future loan reimbursements against fluctuation in interest rates.

All Group's financial assets and liabilities measured at fair value in the consolidated statement of financial position are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted market prices in an active market (that are unadjusted) for identical assets and liabilities;
- Level 2: valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable);
- Level 3: valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

NOTE 18: FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT (continued)

In 2019 and 2018, all Group's financial assets and liabilities measured at fair value in the consolidated statement of financial position are classified in level 2, except the money-market assets (EUR 54.4 million; see note 19) classified in level 1 and the financial liability (EUR 37.5 million; see above) classified in level 3.

Valuation techniques

The fair values of derivative hedging instruments and derivatives held for trading are determined using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions at the balance sheet date. The fair value of cross currency interest rate swaps and interest rate swaps is calculated as the present value of future estimated cash flows. The fair value of interest rate caps and collars is valued using option valuation techniques. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date. The fair value of fuel hedge instruments (combination of options, collars and swaps used in the Belron segment to hedge the price of fuel purchases) is determined using market valuations prepared by the respective banks that executed the initial transactions at the statement of financial position date based on the present value of the monthly futures forward curve for gasoline given the volume hedged and the contract period. The fair values of forward rate agreements are calculated as the present value of future estimated cash flows.

The main risks managed by the Group under policies approved by the Board of Directors, are liquidity and re-financing risk, market risk, credit risk, counterparty risk and price risk. The Board periodically reviews the Group's treasury activities, policies and procedures. Treasury policies aim to ensure permanent access to sufficient liquidity, and to monitor and limit interest and currency exchange risks. These are summarised below.

Liquidity and re-financing risk

Liquidity risk is associated with the Group's ability to meet its obligations. Each business unit of the Group manages liquidity risk by maintaining sufficient cash and funding available through an adequate amount of committed credit facilities to cover its anticipated medium-term commitments at all times. To minimise liquidity risk, the Group ensures, on the basis of its long-term financial projections, that it has a core level of committed long-term funding in place, with maturities spread over a wide range of dates, supplemented by various shorter-term facilities, and various funding sources.

Cash pooling schemes are sought and implemented each time when appropriate in order to minimise gross financing needs and costs of liquidity.

The following is an analysis of the contractual undiscounted cash flows payable under financial liabilities.

EUR million	Due within one year		Due between one and five years		Due after five years		Total	
	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest
At 31 December 2019								
Loans and borrowings								
Lease liabilities	12.9	0.2	29.4	0.5	7.7	0.1	50.0	0.8
Other borrowings and private bonds	33.7	2.3	99.2	2.5	0.1	-	133.0	4.8
Total	46.6	2.5	128.6	3.0	7.8	0.1	183.0	5.6
Trade and other payables	411.5	-	-	-	-	-	411.5	-
Total	**458.1**	**2.5**	**128.6**	**3.0**	**7.8**	**0.1**	**594.5**	**5.6**
At 31 December 2018								
Loans and borrowings								
Obligations under finance leases	0.1	-	0.3	0.1	0.3	0.1	0.7	0.2
Other borrowings and private bonds	39.6	2.3	115.3	2.6	0.3	-	155.2	4.9
Total	39.7	2.3	115.6	2.7	0.6	0.1	155.9	5.1
Trade and other payables	413.8	-	-	-	-	-	413.8	-
Total	**453.5**	**2.3**	**115.6**	**2.7**	**0.6**	**0.1**	**569.7**	**5.1**

The settlement of the financial liability of EUR 37.5 million is expected in the course of 2020.

NOTE 18: FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT (continued)

Interest Rate Risk

The Group's interest rate risk arises from changes in interest rates on interest-bearing assets and from loans and borrowings.

The Group seeks to cap the impact of adverse interest rates movements on its financial results, particularly in relation to the next 12 months. To manage its interest rate exposures, the Group primarily uses forward rate agreements, interest rate swaps, caps and floors. Each business unit determines its own minimum hedge percentages, which, for the period up to 12 months, are comprised between 50% and 100%, and thereafter sets them gradually lower over time. The overall hedge horizon is typically 3 years. Hedges, or fixed rate indebtedness, beyond 5 years are unusual.

The interest rate and currency profiles of loans and borrowings are disclosed in note 23.

A change of 100 basis points in interest rate at the reporting date would have increased/decreased the result from continuing operations by the amounts shown below. This analysis assumes that all other variables remain constant.

EUR million	Result from continuing operations	
	1% increase	1% decrease
31 December 2019	**-2.5**	**2.5**
31 December 2018	-2.4	2.4

Currency Risk

The Group's objective is to protect its cash flows, commercial transactions and net investments in foreign operations from the potentially high volatility of the foreign exchange markets by hedging any material net foreign currency exposure.

The Group has certain investments in foreign operations whose net assets and related goodwill are exposed to foreign currency translation risk. Group policy is to hedge the economic value of material foreign currency investments (limited to the net book value of the asset) in a particular currency with financial instruments including debt in the currency of the investment. The proportion to which an investment is hedged is individually determined having regard to the economic and accounting exposures and the currency of the investment. To complement these natural hedges, the Group uses instruments such as forwards, swaps, plain-vanilla foreign exchange options and, when appropriate, cross currency swaps. The hedging levels are reviewed periodically, in light of the market conditions and each time a material asset is added or removed.

The significant exchange rates applied in 2019 and in 2018 are disclosed in note 29.

A 10 percent strengthening/weakening of the euro against the following currencies at 31 December would have increased/decreased result from continuing operations by the amounts shown below. This analysis assumes that all other variables remain constant.

EUR million	Result from continuing operations	
	10% strengthening	10% weakening
31 December 2019		
EUR vs GBP	-0.3	0.2
EUR vs USD	-2.7	3.3
EUR vs HKD	-0.5	0.6
31 December 2018		
EUR vs GBP	-0.3	0.4
EUR vs USD	-2.3	3.7

Price Risk

Price risk is related to oscillations in the prices of raw materials, semi-finished and finished goods purchased. Specifically, the price risk mainly arises from the presence of a limited number of supplier of goods and the need to guarantee procurement volumes. The Group limits price risk through its procurement policy.

Counterparty risk

Exposure limits to financial counterparties in respect of both amount and duration are set in respect of derivatives and cash deposits. Such transactions are entered into with a limited number of pre-designated banks on the basis of their publicly available credit ratings, which are checked at least once a year. Limits on length of exposure per category of transaction are in place to protect liquidity and mitigate counterparty default risks. The instruments and their documentation must be authorized before entering the contemplated transactions.

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NOTE 19: CASH AND CASH EQUIVALENTS

Cash and cash equivalents are analysed below:

EUR million	2019				2018 (1)			
	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group
Cash at bank and in hand	-121.4	55.2	630.9	564.7	-59.0	23.8	408.6	373.4
Short-term deposits	-	-	101.0	101.0	-	-	300.0	300.0
Money Market Assets	1.8	-	54.4	56.2	1.1	-	258.5	259.6
Cash and cash equivalents	**-119.6**	**55.2**	**786.3**	**721.9**	**-57.9**	**23.8**	**967.1**	**933.0**

(1) As restated in the framework of the continuous improvement of the financial reporting presentation.

Cash and cash equivalents are mainly floating rate assets which earn interest at various rates set with reference to the prevailing EONIA, LIBID or equivalent. Their carrying amount is equal to their fair value. In 2018 and 2019, in the segment "Corporate & unallocated", Money Market Assets represent the fair value of investment funds. They are measured at fair value through P&L (FVTPL).

The negative balance of "Cash at bank and in hand" in the D'Ieteren Auto segment is due to the intragroup balances with the "Corporate & unallocated" segment.

NOTE 20: TRADE AND OTHER RECEIVABLES

EUR million	2019				2018 (1)			
	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group
Non-current receivables	**2.1**	**1.2**	**1.3**	**4.6**	**2.5**	**1.3**	**20.9**	**24.7**
Trade receivables - net	339.2	33.4	0.8	373.4	318.1	35.6	0.3	354.0
Current receivables from equity-accounted investees	52.3	-	-	52.3	14.6	-	-	14.6
Other current receivables	22.7	2.3	4.1	29.1	18.9	4.8	2.0	25.7
Trade and other receivables	**414.2**	**35.7**	**4.9**	**454.8**	**351.6**	**40.4**	**2.3**	**394.3**

(1) As restated to reflect the reallocation of receivables in the framework of the continuous improvement of the financial reporting presentation.

The non-current receivables are composed of guarantee deposits against rental properties and, at 31 December 2018, of a loan granted to a minority shareholder of Belron (family holding company of Belron's CEO). The loan granted to this minority shareholder has been fully reimbursed in the current period. The other non-current receivables generally generate no interest income. They are expected to be recovered after more than 12 months.

The trade and other receivables are expected to be recovered within 12 months. Their carrying amount approximates their fair value, and they generate no interest income.

The Group is exposed to credit risk arising from its operating activities (potential losses arising from the non-fulfilment of obligations assumed by trade and financial counterparties). Such risks are mitigated by selecting clients and other business partners on the basis of their credit quality and by avoiding as far as possible concentration on a few large counterparties. Credit quality of large counterparties is assessed systematically, and credit limits are set prior to taking exposure. Payment terms are on average less than one month except where local practices are otherwise. Receivables from sales involving credit are closely tracked and collected mostly centrally in the D'Ieteren Auto segment, and at the country level in the Belron segment (equity-accounted investee). In the Moleskine segment, the risk of insolvency is monitored centrally with review of the credit exposure. The credit risk is differentiated by sales channel and the acceptance of new customers is monitored by conducting qualitative and quantitative corporate rating services.

In the D'Ieteren Auto segment, concentration on top ten customers, based on the gross receivables, is 23.5% (2018: 23.6%) and no customer is above 5% (2019: 4%; 2018: 6%). Certain receivables are also credit insured. In the Belron segment (equity-accounted investee), concentrations of risk with respect to receivables are limited due to the diversity of Belron's customer base. In the Moleskine segment, trade receivables are concentrated due to the distribution model. However, there were no specific concentration risks since the counterparties do not present solvency risk and in any event could be replaced, if required, which would not entail operational difficulties. The credit position of certain customers is also partly guaranteed by letters of credit.

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NOTE 20: TRADE AND OTHER RECEIVABLES (continued)

Statement of financial position amounts are stated net of provisions for doubtful debts, and accordingly, the maximum credit risk exposure is the carrying amount of the receivables in the statement of financial position.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historic payment profiles and the corresponding historical credit losses experienced. The historical loss rates are adjusted where relevant to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

As at 31 December 2019, the provisions for bad and doubtful debt amount to EUR 4.9 million (2018: EUR 7.5 million).

The ageing analysis of trade and other receivables past due but not impaired is as follows:

EUR million	2019	2018
Up to three months past due	52.4	37.3
Three to six months past due	4.7	3.2
Over six months past due	11.5	3.3
Total	**68.6**	**43.8**

The income in 2019 for bad and doubtful debts amounts to EUR 0.6 million (2018: income of EUR 2.3 million). See note 6.

NOTE 21: CAPITAL AND RESERVES

A reconciliation of share capital and reserves are set out in the consolidated statement of changes in equity.

Share capital

The change in ordinary share capital is set out below:

EUR million, except number of shares stated in units	Number of ordinary shares	Ordinary share capital
At 1 January 2018	**55,302,620**	**160.0**
Change	-	-
At 31 December 2018	**55,302,620**	**160.0**
Change	-	-
At 31 December 2019	**55,302,620**	**160.0**

The 5,000,000 nominative participating shares do not represent share capital. Each participating share confers one voting right and gives the right to a dividend equal to one eighth of the dividend of an ordinary share.

Treasury shares

Treasury shares are held by the Company and by subsidiaries as set out below:

EUR million, except number of shares stated in units	31 December 2019		31 December 2018	
	Number	Amount	Number	Amount
Treasury shares held by the Company	1,508,653	57.0	1,164,933	38.3
Treasury shares held by subsidiaries	-	-	-	-
Treasury shares held	**1,508,653**	**57.0**	**1,164,933**	**38.3**

Treasury shares are held to cover the stock option plans set up by the Company since 1999 (see note 9).

Share-based payment reserve

The share-based payment reserve relates to the employee stock option plans (equity-settled) granted to officers and managers of the D'Ieteren Auto and "Corporate & unallocated" segments (see note 9).

NOTE 21: CAPITAL AND RESERVES (continued)

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

In 2018, following the disposal in February 2018 of the 40% stake of Belron to CD&R, the cumulative amount of hedging reserve has been recycled to profit or loss (non-cash income of EUR 0.4 million – see note 16 of the 2018 consolidated financial statements).

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of financial instruments that hedge the Group’s net investment in a foreign subsidiary.

In 2018, following the disposal in February 2018 of the 40% stake of Belron to CD&R, the cumulative amount of foreign exchange difference held in translation reserve has been recycled to profit or loss (non-cash income of EUR 32.0 million – see note 16 of the 2018 consolidated financial statements).

Registered shares not fully paid-up may not be transferred except by virtue of a special authorisation from the Board of Directors for each assignment and in favour of an assignee appointed by the Board (art. 7 of the Articles). Participating shares may not be transferred except by the agreement of a majority of members of the Board of Directors, in which case they must be transferred to an assignee appointed by said members (art. 8 of the Articles).

The Group’s objectives when managing capital are to safeguard each of its activities ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. The Group monitors the capital adequacy at the level of each of its activities through a set of ratios relevant to their specific business. In order to maintain or adjust the capital structure, each activity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt, taking into account the existence of non-controlling shareholders.

The controlling shareholders are listed here below:

Shareholders with controlling interest according to the declaration of transparency dated 2 November 2011, and to further communications to the company (of which the latest on 16 January 2020).	**Capital shares**		**Participating shares**		**Total voting rights**	
	Number	**%**	**Number**	**%**	**Number**	**%**
s.a. de Participations et de Gestion, Brussels	12,129,254	21.93%	-	-	12,129,254	20.11%
Reptid Commercial Corporation, Dover, Delaware	1,963,200	3.55%	-	-	1,963,200	3.26%
Mrs Catheline Périer-D’Ieteren	-	0.00%	1,250,000	25.00%	1,250,000	2.07%
Mr Olivier Périer	10,000	0.02%	-	-	10,000	0.02%
The four abovementioned shareholders (collectively “SPDG Group”) are associated.	**14,102,454**	**25.50%**	**1,250,000**	**25.00%**	**15,352,454**	**25.46%**
Nayarit Participations s.c.a., Brussels	17,217,830	31.13%	-	-	17,217,830	28.55%
Mr Roland D’Ieteren	466,190	0.84%	3,750,000	75.00%	4,216,190	6.99%
Mr Nicolas D’Ieteren	10,000	0.02%	-	-	10,000	0.02%
The three abovementioned shareholders (collectively “Nayarit Group”) are associated.	**17,694,020**	**31.99%**	**3,750,000**	**75.00%**	**21,444,020**	**35.56%**
The shareholders referred to as SPDG Group and Nayarit Group act in concert.						

The Board of Directors proposed the distribution of a gross dividend amounting to EUR 1.00 per share (2018: an ordinary dividend of EUR 1.00 per share), or EUR 54.4 million in aggregate (2018: EUR 54.7 million).

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NOTE 22: PROVISIONS

Liabilities for post-retirement benefit schemes are analysed in note 10. The other provisions, either current or non-current, are analysed below.

The major classes of provisions are the following ones:

EUR million	2019				2018			
	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group
Non-current provisions								
Dealer-related	9.2	-	-	9.2	3.8	-	-	3.8
Other non-current items	5.0	-	0.5	5.5	6.6	4.1	0.4	11.1
Subtotal	**14.2**	**-**	**0.5**	**14.7**	**10.4**	**4.1**	**0.4**	**14.9**
Current provisions								
Other current items	-	2.5	-	2.5	-	2.2	-	2.2
Subtotal	**-**	**2.5**	**-**	**2.5**	**-**	**2.2**	**-**	**2.2**
Total provisions	**14.2**	**2.5**	**0.5**	**17.2**	**10.4**	**6.3**	**0.4**	**17.1**

The changes in provisions are set out below for the year ended 31 December 2019:

EUR million	Dealer-related	Other non-current items	Other current items	Total
At 1 January 2019	**3.8**	**11.1**	**2.2**	**17.1**
Charged in the year	5.1	0.2	0.3	5.6
Utilised in the year	-0.1	-1.6	-	-1.7
Reversed in the year	-1.9	-4.2	-	-6.1
Transferred during the year	2.3	-	-	2.3
At 31 December 2019	**9.2**	**5.5**	**2.5**	**17.2**

The timing of the outflows being largely uncertain, most of the provisions are considered as non-current items. The non-current provisions are not discounted since the impact is not considered material to the Group. Current provisions are expected to be settled within 12 months.

In the D'Ieteren Auto segment, the dealer-related provisions arise from the ongoing improvement of the distribution networks.

Other non-current provisions also comprise:

- Dilapidation and environmental provisions to cover the costs of the remediation of certain properties held under leases;
- Provision against legal claims that arise in the normal course of business, that are expected to crystallise in the next couple of years. After taking appropriate legal advice, the outcome of these legal claims should not give rise to any significant loss beyond amounts provided at 31 December 2019.

NOTE 23: LOANS AND BORROWINGS

Loans and borrowings are presented as follows:

EUR million	2019				2018			
	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group
Non-current loans and borrowings								
Lease liabilities (2018: obligations under finance leases)	8.4	22.8	4.3	35.5	0.6	-	-	0.6
Bank and other loans	-	98.3	0.6	98.9	0.1	114.8	0.8	115.7
Inter-segment loan	-	190.8	-190.8	-	-	155.9	-155.9	-
Subtotal non-current loans and borrowings	**8.4**	**311.9**	**-185.9**	**134.4**	**0.7**	**270.7**	**-155.1**	**116.3**
Current loans and borrowings								
Lease liabilities (2018: obligations under finance leases)	5.6	6.7	0.4	12.7	0.1	-	-	0.1
Bank and other loans	0.1	33.6	0.1	33.8	2.1	37.1	0.1	39.3
Subtotal current loans and borrowings	**5.7**	**40.3**	**0.5**	**46.5**	**2.2**	**37.1**	**0.1**	**39.4**
TOTAL LOANS AND BORROWINGS	**14.1**	**352.2**	**-185.4**	**180.9**	**2.9**	**307.8**	**-155.0**	**155.7**

Obligations under lease contracts (2018: obligations under finance lease contracts) are analysed below:

EUR million	2019		2018	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within one year	12.7	12.7	0.1	0.1
Between one and five years	29.6	29.5	0.6	0.6
More than five years	7.9	6.0	-	-
Subtotal	50.2	48.2	0.7	0.7
Present value of lease obligations	**48.2**		**0.7**	

At 31 December 2019, the obligations under lease contracts presented above include the additional liabilities arising from the adoption of IFRS 16 at 1 January 2019.

In both periods, the non-current inter-segment loans comprise amounts lent by the segment "Corporate & unallocated" to the Moleskine segment (non-recourse loan in the framework of the acquisition), at arm's length conditions.

Non-current loans and borrowings are due for settlement after more than one year, in accordance with the maturity profile set out below:

EUR million	2019	2018
Between one and five years	128.4	115.8
After more than five years	6.0	0.5
Non-current loans and borrowings	**134.4**	**116.3**

The exposure of the Group's loans and borrowings to interest rate changes and the repricing dates (before the effect of the debt derivatives) at the balance sheet date is as follows:

EUR million	2019	2018
Less than one year	46.5	39.4
Between one and five years	128.4	115.8
After more than five years	6.0	0.5
Loans and borrowings	**180.9**	**155.7**

NOTE 23: LOANS AND BORROWINGS (continued)

The interest rate and currency profiles of loans and borrowings are as follows (including the effects of debt derivatives and excluding the new lease liabilities arising from the adoption of IFRS 16 in 2019):

EUR million	2019			2018		
Currency	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
EUR	93.8	33.9	127.7	109.4	44.6	154.0
USD	-	1.0	1.0	-	-	-
HKD	-	4.6	4.6	-	1.7	1.7
Total	**93.8**	**39.5**	**133.3**	**109.4**	**46.3**	**155.7**

EUR borrowings are stated after deduction of deferred financing costs of EUR 0.7 million (2018: EUR 1.1 million).

The floating rate borrowings bear interest at various rates set with reference to the prevailing EURIBOR or equivalent. The range of interest rates applicable for fixed rate borrowings outstanding is as follows:

	2019		2018	
Currency	Min.	Max.	Min.	Max.
EUR	0.5%	3.1%	0.6%	3.0%

The fair value of loans and borrowings (both current and non-current) approximates their carrying amount. Certain of the borrowings in the Group have covenants attached. At year-end, there is no breach of covenants.

The table below provides information about the changes in liabilities arising from financing activities:

EUR million	At 1 January 2019	Cash flows	Non-cash movements			Sub-total	At 31 December 2019
			IFRS 16 adoption	Tansfer	Other		
Long-term loans and borrowings	115.7	-1.5	-	-16.7	1.4	98.9	98.9
Short-term loans and borrowings	39.3	-25.6	-	16.7	3.4	33.8	33.8
Lease liabilities	0.7	-14.9	58.3	-	4.1	48.2	48.2
Total liabilities arising from financing activities	**155.7**	**-42.0**	**58.3**	**-**	**8.9**	**180.9**	**180.9**

EUR million	At 1 January 2018	Cash flows	Non-cash movements			Sub-total	At 31 December 2018
			Acquisition	Tansfer	Other		
Long-term loans and borrowings	131.3	-0.1	-	-16.5	1.0	115.7	115.7
Short-term loans and borrowings	32.4	-25.5	-	16.5	15.9	39.3	39.3
Lease liabilities	0.8	-0.1	-	-	-	0.7	0.7
Total liabilities arising from financing activities	**164.5**	**-25.7**	**-**	**-**	**16.9**	**155.7**	**155.7**

In both periods, the other non-cash movements include, among other amounts, the amortization of deferred financing costs, the impacts of business combinations performed by the D'Ieteren Auto segment and, in 2019 only, the lease liabilities recognised for lease contracts commenced throughout 2019 in the D'Ieteren Auto and Moleskine segment.

In 2019, the additions are related to the new lease liabilities recognised upon transition to IFRS 16 (see note 3 for additional information on the impact of the adoption of IFRS 16 on the Group's consolidated financial statements).

NOTE 24: TRADE AND OTHER PAYABLES

Other non-current payables in the prior period are other creditors, payable after more than 12 months. The carrying value of other non-current payables approximates their fair value.

Trade and other payables are described below:

EUR million	2019				2018			
	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group
Non-current payables	**-**	**-**	**-**	**-**	**-**	**1.6**	**-**	**1.6**
Trade payables	258.0	29.9	3.2	291.1	242.4	34.8	2.1	279.3
Accrued charges and deferred income	42.2	1.0	1.5	44.7	34.1	0.8	0.8	35.7
Non-income taxes	-2.0	1.0	-	-1.0	0.7	1.2	-	1.9
Other current creditors	63.5	5.7	7.5	76.7	90.6	5.2	1.1	96.9
Trade and other payables	**361.7**	**37.6**	**12.2**	**411.5**	**367.8**	**42.0**	**4.0**	**413.8**

Trade and other current payables are expected to be settled within 12 months. The carrying value of trade and other current payables approximates their fair value.

NOTE 25: BUSINESS COMBINATIONS

During the period, the D'Ieteren Auto segment made the following acquisitions:

- In January 2019, D'Ieteren Auto acquired 100% of the shares of Garage Dielis n.v., a dealership active in the automobile distribution and services activities in Belgium.
- In March 2019, D'Ieteren Auto acquired 80% of the shares of CarASAP n.v., a provider of mobility services in Belgium.
- In July 2019, D'Ieteren Auto acquired 100% of the shares of Garage Don Bosco n.v., a dealership active in the automobile distribution and services activities in Belgium.
- In August 2019, D'Ieteren Auto acquired 100% of the shares of Garage Thuy Kontich n.v., Garage Thuy Wommelgem n.v., and Garage Vanden Bergh n.v., three dealerships active in the automobile distribution and services activities in Belgium.

The additional revenue and result arising subsequent to these acquisitions are not considered material to the Group and accordingly are not disclosed separately.

NOTE 25: BUSINESS COMBINATIONS (continued)

The details of the net assets acquired, goodwill and consideration of the acquisitions performed by the D'Ieteren Auto segment are set out below:

EUR million	Total provisional fair value (1)
Property, plant & equipment	4.7
Other receivables	0.1
Inventories	11.2
Trade and other receivables	6.6
Cash & cash equivalents	0.4
Non-current loans & borrowings	-1.0
Current loans & borrowings	-4.7
Trade and other current payables	-11.6
Net assets acquired	**5.7**
Goodwill (see note 12)	8.7
TOTAL IDENTIFIABLE NET ASSETS ACQUIRED AND LIABILITIES ASSUMED, INCLUDING GOODWILL	**14.4**
Consideration satisfied by:	
Cash payment	13.9
Non-interest-bearing deferred consideration	0.3
Contingent consideration	0.2
TOTAL CONSIDERATION	**14.4**

(1) The fair values have been measured on a provisional basis (for some acquisitions). If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition, then the accounting for the acquisition will be revised.

The goodwill recognised above reflects the expected synergies and other benefits resulting from the combination of the acquired activities with those of the D'Ieteren Auto segment. As permitted by IFRS 3 "Business Combinations" (maximum period of 12 months to finalize the acquisition accounting), the above provisional allocation will be reviewed and if necessary reallocated to brands and intangible assets.

NOTE 26: LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The full list of companies concerned by articles 114 and 165 of the Royal Decree of 30 January 2001 implementing the Company Code will be lodged with the Central Balance Sheet department of the National Bank of Belgium. It is also available on request from the Company head office (see note 1). The main subsidiaries, associates and joint ventures of the Company are listed below:

Name	Country of incorporation	% of share capital owned at 31 December 2019	% of share capital owned at 31 December 2018
D'Ieteren Auto			
P.C. Liège s.a.	Belgium	100%	100%
P.C. Mechelen n.v.	Belgium	100%	100%
Kronos Automobiles s.a.	Belgium	100%	100%
Garage Rietje n.v.	Belgium	100%	100%
Carrosserie Rietje n.v.	Belgium	100%	100%
Rietje Waasland n.v.	Belgium	100%	100%
Garage Clissen n.v.	Belgium	100%	100%
Garage Bruynseels n.v.	Belgium	100%	100%
Carrosserie Bruynseels n.v.	Belgium	100%	100%
Garage Dielis n.v.	Belgium	100%	-
Garage Vanden Bergh n.v. and Vanden Bergh & Ansoms b.v.b.a.	Belgium	100%	-
Auto Center Kontich b.v.b.a.	Belgium	100%	100%
Automobiel Center Puurs n.v.	Belgium	100%	100%
Sopadis Wommelgem n.v.	Belgium	100%	100%
Don Bosco b.v.b.a.	Belgium	100%	-
Autonatie n.v.	Belgium	100%	100%
Overijse Automotive n.v.	Belgium	100%	100%
Autobedrijf Y&N Claessens b.v.b.a.	Belgium	100%	100%
Sopadis Knokke n.v.	Belgium	100%	100%
Automobile Center Mechelen 2 b.v.b.a.	Belgium	100%	100%
Garage Thuy Wommelgem n.v.	Belgium	100%	-
Garage Thuy Kontich b.v.b.a.	Belgium	100%	-
Dicobel s.a.	Belgium	100%	100%
Sopadis s.a.	Belgium	100%	100%
P.C. Paal-Beringen n.v.	Belgium	100%	100%
s.a. D'Ieteren Services n.v.	Belgium	100%	100%
s.a. Volkswagen D'Ieteren Finance n.v.	Belgium	49.99%	49.99%
s.a. D'Ieteren Sport n.v.	Belgium	100%	100%
s.a. D'Ieteren Treasury n.v.	Belgium	100%	100%
s.a. Wondercar n.v.	Belgium	100%	100%
Lab Box s.a.	Belgium	100%	100%
Poppy Mobility n.v.	Belgium	100%	100%
Skipr n.v.	Belgium	100%	100%
CarASAP s.a.	Belgium	100%	-
Electric By D'Ieteren (EDI)	Belgium	100%	-
Belron			
Belron Group s.a. (in voting rights)	Luxemburg	54.85%	54.85%
Moleskine			
Moleskine SpA	Italy	100.00%	100.00%
Corporate & unallocated			
s.a. D'Ieteren Immo n.v.	Belgium	100.00%	100.00%
D'IM s.a.	Luxemburg	100.00%	100.00%
D'Ieteren Vehicle Glass s.a.	Luxemburg	100.00%	100.00%
D Participation Management s.a.	Belgium	100.00%	100.00%

NOTE 26: LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (continued)

The Group's average stake (used for the income statement) in Belron equalled 52.48% in 2019 (57.78% in 2018).

The main entities accounted for using the equity method are the joint venture Belron Group s.a. and Volkswagen D'Ieteren Finance s.a. See note 17 for adequate disclosures.

NOTE 27: CONTINGENCIES AND COMMITMENTS

EUR million	2019	2018
Commitments to acquisition of non-current assets	2.8	8.6
Other important commitments:		
Commitments given	2.8	6.5
Commitments received	-	24.2

In 2019 and in 2018, the commitments to acquisition of non-current assets mainly concern property, plant and equipment in the segment "Corporate & unallocated".

NOTE 28: RELATED PARTY TRANSACTIONS

EUR million	2019	2018
With entities with joint control or significant influence over the Group:		
Amount of the transactions entered into during the period	1.1	0.7
Outstanding creditor balance at 31 December	-	-
With joint ventures in which the Group is a venturer:		
Sales	362.1	303.9
Purchases	-13.4	-22.5
Trade receivables outstanding at 31 December	52.3	14.6
With key management personnel:		
Compensation:		
Short-term employee benefits	3.6	4.2
Post-employment benefits	0.3	0.3
Termination benefits	1.9	-
Total compensation	5.8	4.5
Amount of the other transactions entered into during the period	0.5	-
Outstanding creditor balance at 31 December	-	0.9
With other related parties:		
Amount of the transactions entered into during the period	0.2	0.2

Shareholders and other related parties

The Nayarit group (Nayarit Participations S.c.a., Roland D'Ieteren and Nicolas D'Ieteren) and the SPDG group (s.a. de Participations et de Gestion, Reptid Commercial Corporation, Catheline D'Ieteren and Olivier Périer), acting in concert following an agreement pertaining to the exercise of their voting rights with a view to leading a sustainable joint strategy, together hold 61.02% of the voting rights of the Company (see note 20).

In 2019, some of these shareholders and/or entities related to them carried out commercial transactions with the Company. These transactions (total of EUR 1.3 million) can be outlined as follows:

- Automobile repair and supply of spare parts carried out by the Company and invoiced to these parties for a total amount of EUR 1.1 million;
- Architecture fees invoiced by one of these parties to the Company for a total amount of EUR 0.1 million.
- The rental by one of these parties of a property belonging to a subsidiary of the Company which led to the payment of a rent for a total amount of 0.05 million.

NOTE 28: RELATED PARTY TRANSACTIONS (continued)

Joint Ventures

In 2019, the Group was venturer in two joint ventures, the main one being Belron Group s.a. (BGSA). The second one is Volkswagen D'Ieteren Finance (VDFin). See note 17 for more information related to the joint ventures.

In 2019, sales of EUR 362.1 million to joint ventures mainly consist in sales of new vehicles by the D'Ieteren Auto segment to VDFin. Purchases of EUR 13.4 million mainly relate to used cars purchased by the D'Ieteren Auto segment from VDFin (former fleet vehicles). The outstanding trade receivables (EUR 52.3 million) are mainly related to VDFin.

Key management personnel

The key managers comprise the members of the Company's Board of Directors and its Executive Committee (see the Corporate Governance Statement).

In 2019, a total of 130,000 options were issued to key managers (at an exercise price of EUR 33.19 per option). For more information on the remuneration of key managers, reference is made to the remuneration report that can be found in the Corporate Governance Statement.

In 2019, loans granted by the Company and one of its subsidiaries to the members of the Executive Committee were outstanding for a total amount of EUR 0.5 million. These loans were granted in the context of the stock option plans in order to enable those concerned to pay the taxes due at the moment the options were accepted. The loans were granted for periods of 10, 7 or 5 years with interest rates of respectively 2.39%, 1.74% and 1.31%.

NOTE 29: EXCHANGE RATES

Monthly income statements of foreign operations are translated at the relevant rate of exchange for that month. Except for the statement of financial position which is translated at the closing rate, each line item in these consolidated financial statements represents a weighted average rate.

The main exchange rates used for the translations were as follows:

Number of euros for one unit of foreign currency	2019	2018
Closing rate		
CAD	0.69	0.64
GBP	1.18	1.12
USD	0.89	0.87
HKD	0.11	0.11
CNY	0.13	0.13
JPY	0.01	0.01
SGD	0.65	0.64
Average rate (1)		
CAD	0.67	0.65
GBP	1.14	1.13
USD	0.89	0.85
HKD	0.11	0.11
CNY	0.13	0.13
JPY	0.01	0.01
SGD	0.65	0.63

(1) Effective average rate for the profit or loss attributable to equity holders.

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NOTE 30: SERVICES PROVIDED BY THE STATUTORY AUDITOR

The external audit is conducted by KPMG Réviseurs d'Entreprises, represented by Alexis Palm, whose audit mandate expires at the General Meeting of 2020.

EUR million	2019	2018
Audit services	**3.5**	**3.0**
KPMG in Belgium	0.6	0.6
Other firms in the KPMG network	2.9	2.4
Non-audit services	**0.7**	**1.2**
KPMG in Belgium	0.2	0.2
Other firms in the KPMG network	0.5	1.0
Services provided by the Statutory Auditor	**4.2**	**4.2**

NOTE 31: LEASES

Leases as lesse

The Group leases buildings, stores, non-fleet vehicles and items of property, plant and equipment. Previously, these leases were classified as operating leases under IAS 17. The Group also leases IT equipment for which no right-of-use assets and lease liabilities have been recognised since these leases are short-term and/or leases of low-value items.

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment.

EUR million	Land and buildings	Plant and equipment	Total
Balance at 1 January 2019	**17,7**	**44,7**	**62,4**
Depreciation charge for the year	-6,5	-9,8	-16,3
Additions to right-of-use assets	2,7	1,4	4,1
Balance at 31 December 2019	**13,9**	**36,3**	**50,2**

Some property leases contain extension options exercisable by the Group. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control. The impact on the lease liability resulting from the exercise of extension options is not considered material to the Group.

Leases as lessor

The Group leases out its investment property (held in the "Corporate & unallocated" segment). All leases are classified as operating leases from a lessor perspective because they do not transfer substantially of the risks and rewards incidental to the ownership of the assets. Rental income recognised by the Group during 2019 equals EUR 2.8 million (2018: EUR 2.3 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

EUR million	2019			2018		
	Investment property	Other property, plant and equipment	Total	Investment property	Other property, plant and equipment	Total
Within one year	2,2	-	2,2	0,9	-	0,9
Later than one year and less than five years	8,0	-	8,0	2,8	-	2,8
After five years	1,2	-	1,2	0,8	-	0,8
Total	**11,4**	**-**	**11,4**	**4,5**	**-**	**4,5**

NOTE 31: LEASES (continued)

The revenue, expenses, rights and obligations arising from leasing arrangements regarding investment property are not considered material to the Group, and accordingly a general description of these leasing arrangements is not disclosed.

The Group is not acting as a lessor under finance leases.

NOTE 32: SUBSEQUENT EVENTS

In February 2020, the Group signed an agreement with Clayton, Dubilier & Rice (CD&R) regarding the acquisition by the Company of non-voting preference shares held by CD&R in Belron for a total value of EUR 150 million, at book value. This transaction strengthens the Company's ownership in Belron in the context of its strong operating performance and underlines the Company's long-term partnership and alignment in strategic vision with Belron.

The exit of the UK from the European Union (Brexit) could affect estimations or judgements made in the preparation of the financial statements, mostly for the entities with operations in the UK or Europe. Risks and potential exposures to the Brexit are however assessed as reasonable due to the limited exposure of the Group to the UK economic environment and to the measures taken by local management to mitigate the risks.

The coronavirus (COVID-19) pandemia is affecting all Group's activities. Since the outset of the crisis the Group has taken swift measures to protect its employees, its clients and suppliers. The Group has also taken measures to guarantee supply, especially from China, for Moleskine and Belron. The very recent developments lead to temporary closures of the vast majority of Group's operations, being at the level of D'Ieteren Auto or at the ones of Belron and Moleskine.

The Group is taking measures to minimize the impact of the crisis on Group's cash flows and the Group is ensuring that it has the necessary liquidity for a prolonged crisis.

With respect to consolidated financial statements for the year ended 31 December 2019, the financial reporting effects of the COVID-19 have been considered as non-adjusting events after the period-end as the significant changes in business activities and economic conditions occurred as a result of events occurring after the reporting date of 31 December 2019, such as actions taken by the government and private sector to respond to the outbreak.

The assumptions used for the preparation of the consolidated financial statements for the year ended 31 December 2019 (including those used for the impairment tests) reflected the reasonable and supportable information which were available as at 31 December 2019.

When non-adjusting subsequent events after the reporting period are material, IAS 10.21 requires the entity to disclose the nature of the event and an estimate of its financial effect, or a statement that such an estimate cannot be made. At the time of approval of the consolidated financial statements, since the pandemia is still evolving very rapidly, the financial effect of COVID-19 cannot be reliably estimated.

No other significant transactions out of the ordinary course of business occurred between the closing date and the date these consolidated financial statements were authorised for issue.

NOTE 33: ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The new standards and amendments to standards that are mandatory for the first time for the Group’s accounting period beginning on 1 January 2019 are listed below.

- IFRS 16 “Leases” (effective 1 January 2019 – endorsed by the EU). This new standard requires the Group when operating as a lessee to bring most leases on-balance sheet. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to previous finance lease accounting under IAS 17. There are optional exemptions for short-term leases and leases of low-value items. Lessor accounting remains unchanged from previous guidance under IAS 17.
- IFRIC 23 “Uncertainty over income tax treatments” (effective 1 January 2019 - endorsed by the EU);
- Amendments to IFRS 9 “Prepayment Features with Negative Compensation” (effective 1 January 2019 – endorsed by the EUR);
- Amendments to IAS 28 “Long Term Interests in Associates and Joint Ventures” (effective 1 January 2019 – endorsed by the EUR);
- Amendments to IAS 19 “Plan amendment, Curtailment or Settlement” (effective 1 January 2019 – endorsed by the EU);
- Annual improvements to IFRS 2015-2017 cycle (effective 1 January 2019 – endorsed by the EU);

Except for IFRS 16 “Leases”, these new standards do not have a significant impact on the Group’s financial statements. The impact of IFRS 16 adoption on the Group’s consolidated financial statements is described in note 3. The accounting policies applicable to leases is further described below.

The standards, amendments and interpretations to existing standards issued by the IASB but not yet effective in 2019 have not been early adopted by the Group. They are listed below.

- Amendments to References to the Conceptual Framework in IFRS Standards (effective 1 January 2020 – endorsed by the EU);
- Amendments to IFRS 3 “Definition of a Business” (effective 1 January 2020 – endorsed by the EU);
- Amendments to IAS 1 and IAS 8 “Definition of Material” (effective 1 January 2020 – endorsed by the EU);
- Amendments to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform” (effective 1 January 2020 – endorsed by the EU)
- IFRS 17 “Insurance Contracts” (effective 1 January 2021 – subject to endorsement by the EU);
- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” (effective 1 January 2021 – subject to endorsement by the EU).

The above standards, amendments and interpretations are not expected to have a significant impact on the Group’s consolidated financial statements.

PRINCIPLES OF CONSOLIDATION

Subsidiaries

Subsidiaries, which are those entities in which the Group has, directly or indirectly, an interest of more than half of the voting rights or otherwise has the power to exercise control over the operations, are consolidated. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date that control is transferred to the Group and are no longer consolidated from the date that control ceases. All inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated upon consolidation.

Transactions with non-controlling interest that do not result in loss of control are accounted for as equity transactions. The difference between fair value of any consideration paid and the relevant share acquired in their interests in the subsidiary’s equity is recorded in equity. Gains or losses on disposals to non-controlling interest (that do not result in loss of control) are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date where control is lost, with the change in carrying amount recognised in profit or loss as part of the gain or loss recognized upon loss of control. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income are reclassified to profit or loss if required by IFRS standards.

NOTE 33: ACCOUNTING POLICIES (continued)

Associates

Associates are all entities over which the Group has significant influence but not control or joint control, over the financial and operating policies. Investments in associates are accounted for using the equity method. The investment is initially recognised at cost (including transaction costs), and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and OCI of the investee after the date of acquisition, until the date on which significant influence ceases. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of profit from the associate represents the Group's share of the associate's profit after tax. Profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised gains on transactions between the Group and its associate are also eliminated based on the same principle; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

Interests in joint ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in joint ventures are recognised using the equity method. The above principles regarding associates are also applicable to joint ventures.

Impairment of associates and joint ventures

The Group determines at each reporting date whether there is any objective evidence that the investment in the equity-accounted investee is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount (being the higher of the value in use or fair value less costs to sell) of the associate or joint venture and its carrying value and recognises the amount adjacent to "share of result of equity-accounted investees, net of income tax" in the income statement.

FOREIGN CURRENCY TRANSLATION

The Group consolidation is prepared in euro. Income statements of foreign operations are translated into euro at the weighted average exchange rates for the period and statements of financial positions are translated into euro at the exchange rate at the reporting date (except for each component of equity, translated once at the exchange rates at the dates of the relevant transactions). Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as local currency assets and liabilities of the foreign entity and are translated at the closing rate. The translation reserve, which is recorded in other comprehensive income (except to the extent that the translation difference is allocated to NCI) includes both the difference generated by translating income statement items at a different exchange rate from the period-end rate and the differences generated by translating opening shareholders' equity amounts at a different exchange rate from the period-end rate.

Foreign currency transactions are accounted for at the exchange rate prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised within the income statement (or within OCI if it relates to equity instruments designated at FVOCI).

On disposal of a foreign operation, gains and losses accumulated in other comprehensive income are included in the income statement.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. The excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net recognised amount (generally at fair value) of the identifiable assets acquired and liabilities assumed constitutes goodwill and is recognised as an asset. In case this excess is negative, it is recognised immediately in the income statement. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. Acquisition-related costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred.

NOTE 33: ACCOUNTING POLICIES (continued)

Associates

Associates are all entities over which the Group has significant influence but not control or joint control, over the financial and operating policies. Investments in associates are accounted for using the equity method. The investment is initially recognised at cost (including transaction costs), and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and OCI of the investee after the date of acquisition, until the date on which significant influence ceases. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of profit from the associate represents the Group's share of the associate's profit after tax. Profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised gains on transactions between the Group and its associate are also eliminated based on the same principle; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

Interests in joint ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in joint ventures are recognised using the equity method. The above principles regarding associates are also applicable to joint ventures.

Impairment of associates and joint ventures

The Group determines at each reporting date whether there is any objective evidence that the investment in the equity-accounted investee is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount (being the higher of the value in use or fair value less costs to sell) of the associate or joint venture and its carrying value and recognises the amount adjacent to "share of result of equity-accounted investees, net of income tax" in the income statement.

FOREIGN CURRENCY TRANSLATION

The Group consolidation is prepared in euro. Income statements of foreign operations are translated into euro at the weighted average exchange rates for the period and statements of financial positions are translated into euro at the exchange rate at the reporting date (except for each component of equity, translated once at the exchange rates at the dates of the relevant transactions). Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as local currency assets and liabilities of the foreign entity and are translated at the closing rate. The translation reserve, which is recorded in other comprehensive income (except to the extent that the translation difference is allocated to NCI) includes both the difference generated by translating income statement items at a different exchange rate from the period-end rate and the differences generated by translating opening shareholders' equity amounts at a different exchange rate from the period-end rate.

Foreign currency transactions are accounted for at the exchange rate prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised within the income statement (or within OCI if it relates to equity instruments designated at FVOCI).

On disposal of a foreign operation, gains and losses accumulated in other comprehensive income are included in the income statement.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. The excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net recognised amount (generally at fair value) of the identifiable assets acquired and liabilities assumed constitutes goodwill and is recognised as an asset. In case this excess is negative, it is recognised immediately in the income statement. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. Acquisition-related costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred.

NOTE 33: ACCOUNTING POLICIES (continued)

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGU's or groups of CGU's that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level for business combinations performed by the Company.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

INTANGIBLE ASSETS

An item of intangible assets is valued at its cost less any accumulated amortisation and any accumulated impairment losses. Customer contracts and brands acquired in a business combination are recognised at fair value at the acquisition date. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred when the capitalization criteria are not met. However, costs that are directly associated with identifiable and unique software products controlled by the Group which have probable economic benefits exceeding the cost beyond one year are recognised as intangible assets.

The amortisation method used reflects the pattern in which the assets' future economic benefits are expected to be consumed. Intangible assets with a finite useful life are generally amortised over their useful life on a straight-line basis. The estimated useful lives are between 2 and 10 years.

Brands for which there is a limit to the period over which these assets are expected to generate cash inflows will be amortised on a straight-line basis over their remaining useful lives which are estimated to be up to 5 years. Amortisation periods are reassessed annually.

Brands that have indefinite useful lives are those, thanks to the marketing spend, the advertising made and the absence of factors that could cause their obsolescence, where there is no foreseeable limit to the period over which these assets are expected to generate net cash inflows for the Group. They are therefore not amortised but tested for impairment annually.

For any intangible asset with a finite or indefinite useful life, where an indication of impairment exists, its carrying amount is assessed and written down immediately to its recoverable amount. Impairment losses are recognised in the consolidated income statement.

Expenditure on internally generated intangible assets which does not meet the capitalization conditions under IFRS is recognised in the consolidated income statement as an expense as incurred. Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then, to reduce the carrying amount of the other assets in the unit, on a pro rata basis.

RESEARCH AND DEVELOPMENT

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
(b) the Group has the intention to complete the intangible asset and use or sell it;
(c) the Group has ability to use or sell the intangible asset;
(d) how the intangible asset will generate probable future economic benefits;
(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
(f) the Group has the ability to measure reliably the expenditure attributable to the intangible asset during its development.

PROPERTY, PLANT AND EQUIPMENT

An item of property, plant and equipment is initially measured at cost. This cost comprises its purchase price (including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates), plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating. If applicable, the initial estimate of the cost of dismantling and removing the item and restoring the site is also included in the cost of the item.

NOTE 33: ACCOUNTING POLICIES (continued)

After initial recognition, the item is carried at its cost less any accumulated depreciation and any accumulated impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads if directly attributable. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

The depreciable amount of the item is allocated according to the straight-line method over its useful life. Land is not depreciated. The main depreciation periods are the following:

- Buildings: 40 to 50 years;
- Plant and equipment: 3 to 15 years;
- IT equipment: 2 to 7 years;

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

LEASES

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 January 2019. Accordingly, the comparative information for 2018 has not been restated and is presented, as previously reported, under IAS 17 and related interpretations. See note 3 for additional information on the initial application of IFRS 16.

Policy applicable from 1 January 2019:

<u>Lessee</u>

At inception of a contract, the Group assesses whether a contract is or contains a lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into or changed on or after 1 January 2019.

As a lessee, the Group recognizes right-of-use assets and lease liabilities at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate at that date. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by reference to the interest rate it would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the initial measurement of the lease liability comprise fixed payments, and in some cases, variable lease payments (being those depending on an index or a rate, initially measured using the index or rate as at the commencement date), the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise the extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate the lease earlier. The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which affects the amount of lease liabilities and right-of-use assets recognized.

NOTE 33: ACCOUNTING POLICIES (continued)

The lease liability is measured at amortised cost using the effective interest method and is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

In case the lease liability is remeasured, corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets that do not meet the definition of investment property are presented in "property, plant and equipment" in the statement of financial position, under the same line item than the assets of the same nature that it owns. Lease liabilities are presented in "loans and borrowings" in the statement of financial position.

Consideration on transition:

For the leases previously classified as finance leases under IAS 17, the carrying amount of the right-of-use assets and the lease liability at 1 January 2019 were determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

The Group applied the practical expedient whereby short-term leases (less than or equal to 12 months) and leases of low-value assets are not recognized as right-of-use assets and lease liabilities and to recognize the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

<u>Lessor</u>

Lessor accounting remained substantially unchanged compared to previous guidance. At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

In rare situations in which the Group acts as an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. Under IAS 17, the head lease and sub-lease contracts were classified as operating leases.

Policy applicable before 1 January 2019:

<u>Operating leases for which the Group is the lessor</u>

Assets leased out under operating leases in which a significant portion of the risks and rewards of ownership are retained by the lessor (other than vehicles sold under buy-back agreements) were included in property, plant and equipment in the statement of financial position. They were depreciated over their expected useful lives. Rental income was recognised on a straight-line basis over the lease term.

<u>Operating leases for which the Group is the lessee</u>

Lease payments under operating leases were recognised as expenses in the income statement on a straight-line basis over the lease term. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

<u>Finance leases for which the Group is the lessee</u>

Leases of property, plant and equipment for which substantially all the risks and rewards of ownership are transferred to the Group were classified as finance leases. Finance leases were capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment was allocated between the liability and the finance charge so as to achieve a constant rate of return on the finance balance outstanding. The corresponding rental obligations, net of finance charges, were included in borrowings. The interest element of the finance cost was charged to the income statement over the lease period. The leased assets were depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment.

The lease liability was remeasured when there was a change in future lease payments arising from a change in an index or rate, if there was a change in the Group's estimate of the amount expected to be payable under a residual value guarantee (if any), if the Group changed its assessment of whether it will exercise a purchase, extension or termination option or if there was a revised in-substance fixed lease payment.

When the lease liability was remeasured in this way, a corresponding adjustment was made to the carrying amount of the right-of-use asset, or was recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

If there was no reasonable certainty that ownership would be acquired by the end of the lease term, the asset was depreciated over the shorter of the lease term and its useful life.

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NOTE 33: ACCOUNTING POLICIES (continued)

INVESTMENT PROPERTIES

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses. These items are amortised over their useful life on a straight-line basis method. The estimated useful lives are between 40 and 50 years.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Items that are not interchangeable, like new vehicles and second-hand vehicles, are valued using specific identification of their individual costs. Other items are valued using the first in, first out or weighted average cost formula. When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. Losses and write-downs of inventories are recognised in the period in which they occur. Reversal of a write-down is recognised as a credit to cost of sales in the period in which the reversal occurs.

PROVISIONS

A provision is recognised when:

- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision is recognised. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

EMPLOYEE BENEFITS

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. On amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service and net interest for the period and the effect of the asset ceiling is disregarded when calculating the gain or loss of any settlement of the plan and is dealt with separately in other comprehensive income.

The Group has various defined benefit pension plans and defined contribution pension plans. Most of these plans are funded schemes, i.e. they are financed through a pension fund or an external insurance policy. The minimum funding level of these schemes is defined by national rules (see note 10).

Obligations for contributions to *defined contribution pension plans* are charged as an expense as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Group's commitments under *defined benefit pension plans*, and the related costs, are valued using the "projected unit credit method", with independent actuaries carrying out the valuations at least on a yearly basis. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised in other comprehensive income. Past service cost is recognised as an expense at the earlier of the following dates: a) when the plan amendment or curtailment occurs; and b) when the entity recognizes related restructuring costs or termination benefits. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. The long-term employee benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligations as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of any refunds and reductions in future contributions to the plan.

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NOTE 33: ACCOUNTING POLICIES (continued)

TERMINATION BENEFITS

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits as it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

OTHER LONG-TERM INCENTIVES

The group recognises a provision for long-term incentives where they are contractually obliged or where there is a past practice that has created a constructive obligation. This provision is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

FINANCIAL INSTRUMENTS EXCLUDING DERIVATIVES

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and liabilities are initially recognised when the entity becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

The Group derecognises a financial asset when the contractual rights to cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, expire, or are substantially modified.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies its financial assets in the following categories on initial recognition: at amortised cost; at fair value through other comprehensive income (FVOCI) – debt; at FVOCI – equity investment; or fair value through profit or loss (FVTPL). Management determines the classification of its financial assets at initial recognition based on a) the business model in which the financial asset is held; and 2) on the assessment whether contractual cash flows are solely payments of principal and interests (see below). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Business model assessment

The Group assesses the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basis lending risks and costs, as well as profit margin.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTE 33: ACCOUNTING POLICIES (continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL, including all derivative financial assets.

Subsequent measurement of financial assets:

- Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss, except for derivatives designated as hedging instruments.
- Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- Debt investment at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
- Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits, excluding any blocked or restricted cash held by the Group. Cash equivalents are short-term (maximum 3 months), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are classified and measured at amortised cost.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL (except hedging instruments) are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effect(s).

Where the Company (or its subsidiaries) reacquires its own equity instruments, those instruments are deducted from equity as treasury shares. Where such equity instruments are subsequently sold, any consideration received is recognised in equity.

Dividends to holders of equity instruments proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date; it is presented in equity.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are used as hedges in the financing and financial risk management of the Group.

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Group uses foreign exchange forward contracts, interest rate swaps, cross currency interest rate swaps, and options to hedge these exposures. The Group does not use derivatives for speculative purposes. However, certain financial derivative transactions, while constituting effective economic hedges, do not qualify for hedge accounting under the specific rules in IAS 39.

Despite the introduction of IFRS 9, the Group still applies hedge accounting for Moleskine under IAS 39 (which is an option under IFRS 9).

Derivatives are recorded initially and subsequently at fair value. Any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent changes in fair value are generally recognised in profit or loss.

NOTE 33: ACCOUNTING POLICIES (continued)

Cash flow hedge

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income and any ineffective portion is recognised immediately in the income statement. If the cash flow hedge is a firm commitment or the forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in other comprehensive income are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in other comprehensive income are recognised in the income statement in the same period in which the hedged item affects net profit or loss.

Fair value hedge

For an effective hedge of an exposure to changes in the fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged with a corresponding entry in profit or loss. Gains or losses from re-measuring the derivative, or for non-derivatives the foreign currency component of its carrying amount, are recognised in profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. In the case of a cash flow hedge, any cumulative gain or loss recognised in other comprehensive income is transferred to profit or loss when profit or loss is impacted by the hedged item. If the forecast transaction is no longer expected to occur, the cumulative gain or loss is reclassified in the profit or loss immediately.

PUT OPTIONS GRANTED TO NON-CONTROLLING INTERESTS

Until the loss of exclusive control of Belron as at 7 February 2018, the Group was committed to acquiring the non-controlling interests owned by third parties in Belron, should these third parties have wished to exercise their put options. The exercise price of such options granted to non-controlling interests was reflected as a financial liability in the consolidated statement of financial position per 31 December 2017. For put options granted to non-controlling interests prior to 1 January 2010, the goodwill was adjusted at period end to reflect the change in the exercise price of the options and the carrying value of non-controlling interest to which they relate.

Due to the introduction of the revised version of IFRS 3 (effective date 1 January 2010), for put options granted to non-controlling interests as from 1 January 2010, at inception, the difference between the consideration received and the exercise price of the options granted was recognised against the group's share of equity. At each period end, the re-measurement of the financial liability resulting from these options were recognised in the consolidated income statement (net finance costs).

NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal groups comprising assets and liabilities) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

A discontinued operation is a component of the Group's business that represents a separate major line of the business or geographical area of operations that either has been disposed of or is classified as held for sale and is disclosed as a single line item in the income statement. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

In the D'Ieteren Auto segment, the Group generates revenue primarily from the sale of new vehicles to independent dealers and to final customers, the sale of used vehicles to final customers, the sale of spare parts and accessories and the rendering of after-sale services.

Upon selling vehicles or spare parts to independent dealers or final customers, the Group satisfies its performance obligations and recognizes revenue at a point in time, when control of the goods transfers to the customers. Since the Group issues invoices to customers upon satisfying its performance obligations, rights to financial consideration immediately become unconditional and are therefore recognized as receivables. A legal warranty of 2 years applies to the sale of new vehicles to customers, which in turn corresponds to the legal warranty that the factory grants to the D'Ieteren Auto segment. This warranty does therefore not represent a separate performance obligation.

NOTE 33: ACCOUNTING POLICIES (continued)

The Group offers to customers the possibility to purchase maintenance contracts together with the sale of a new vehicle. The duration of these contracts ranges from 3 to 12 years. This type of contract represents a separate performance obligation and should not be combined with the sale of a new vehicle. Under such arrangements, the Group transfers the benefit of the maintenance services to the customers as it performs and therefore satisfies its performance obligation over time. The Group recognizes revenue over time by estimating the occurrence of performance obligations using historical data and projected revenue. Revenue recognized according to the percentage of completion method is therefore reasonably estimated using cost curves and historical data.

The difference between the consideration received from the final customers and the costs incurred over time to satisfy the performance obligation represent contract liabilities under IFRS 15. Since the amount of contract liabilities are not considered significant to the Group compared to total revenue, they have not been presented in a separate line item in the consolidated statement of financial position.

When rendering other repair or maintenance services to final customers, the Group recognizes revenue over time if deemed significant. The revenue to be recognized over time for other repair and maintenance was not significant as at 31 December 2019.

Across all sales channels of the Moleskine segment, revenue is recognized at a point in time, as soon as control of the goods transfers to the customers (i.e. when the good is physically delivered to the final customer).

Disaggregation of revenue from contracts with customers

In selecting the categories to use to disaggregate revenue from contracts with customers, management considered how the information about the Group's revenue is presented for other purpose, including press releases and information presented to the chief operating decision maker, as well as how the nature, amount, timing and uncertainties of revenue and cash flows are affected by economic factors. See note 5 for additional information on disaggregation of revenue.

FINANCE INCOME AND FINANCE COSTS

Finance income and finance costs include interest income, interest expenses, dividend income, and net gains and losses on financial assets and financial liabilities measured at fair value through profit or loss. Interest income and expenses are recognized using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

SHARE-BASED PAYMENTS

Share-based payments are exclusively made in connection with employee stock option plans ("ESOP").

Equity-settled ESOP granted after 7 November 2002 are accounted for in accordance with IFRS 2, such that their cost is recognised in the income statement, with a corresponding increase in equity, over the vesting period of the awards.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

GOVERNMENT GRANTS

Government grants related to assets are presented in liabilities as deferred income and amortised over the useful life of the related assets.

NOTE 33: ACCOUNTING POLICIES (continued)

INCOME TAXES

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or other comprehensive income.

Current taxes relating to current and prior periods are, to the extent unpaid, recognised as a liability. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current taxes are measured using tax rates enacted or substantially enacted at the reporting date. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. The benefit relating to a tax loss that can be carried back to recover current tax of a previous period is recognised as an asset. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Current tax assets and liabilities are offset only if the following criteria are met:

- the entity has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred taxes are provided using the balance sheet liability method, on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (such as unused tax losses carried forward).

Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill.

The amount of deferred tax recognized is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

IMPAIRMENT OF NON-DERIVATIVE FINANCIAL ASSETS

The Group recognizes loss allowances for ECLs (expected credit losses) on financial assets measured at amortized cost, debt investments measured at FVOCI and contract assets. The Group measures loss allowances at an amount equal to lifetime ECLs, except for debt securities that are determined to have low credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) at the reporting date and other debt securities and bank balances for which the credit risk has not increased significantly since initial recognition which are measured at 12-month ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information. A financial asset is considered in default, when the debtor is unlikely to pay its credit obligation in full.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses, measured as the present value of all cash shortfalls (the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

NOTE 33: ACCOUNTING POLICIES (continued)

At each reporting date, the Group assesses whether financial assets carried at amortized costs and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- breach of contract such as default;
- probability that the debtor will enter bankruptcy or other financial reorganization;
- disappearance of an active market for security because of financial difficulties.

Loss allowances for financial assets measured at amortized costs are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Group reviews the carrying amount of its non-financial assets (other than investment property recognized at fair value - if any -, inventories, and deferred tax assets) to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of other assets in the unit, on a pro-rata basis.

An impairment loss in respect of goodwill is never reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

KPMG

Statutory auditor's report to the general meeting of D'Ieteren SA on the consolidated financial statements as of and for the year ended 31 December 2019

FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN FRENCH

In the context of the statutory audit of the consolidated financial statements of D'Ieteren SA ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the consolidated financial statements for the year ended 31 December 2019, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of 1 June 2017, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee and as presented by the workers' council. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2019. We have performed the statutory audit of the consolidated financial statements of D'Ieteren SA for 6 consecutive financial years.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2019, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR 3,458.2 million and the consolidated statement of profit or loss shows a profit for the year of EUR 64.5 million.

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and financial position as at 31 December 2019 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the consolidated financial statements" section of our report.

Statutory auditor's report to the general meeting of D'Ieteren SA on the consolidated financial statements as of and for the year ended 31 December 2019

We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

We have obtained from the board of directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – subsequent events

We draw attention to Note 32 of the consolidated financial statements, which describes the possible effects of the COVID-19 crisis on the operations and financial situation of the Group as well as the measures taken by the Group. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill and intangible assets with indefinite useful lives of the cash-generating unit Moleskine

We refer to note 12 "Goodwill" and note 13 "Intangible Assets" of the consolidated financial statements.

— *Description*

In accordance with the requirements of IAS 36 "Impairment of Assets", the Group completed an impairment test of its cash-generating unit Moleskine (the "CGU"), which includes goodwill and intangible assets with indefinite useful lives. The impairment review, based on the value in use calculation, was carried out to ensure that the carrying value of the CGU's assets are stated at no more than their recoverable amount, being the higher of fair value less costs to sell and value in use.

As a result of the impairment test, an impairment charge of EUR 102.3 million was recognized and fully allocated to goodwill.

We identified the valuation of the cash-generating unit "Moleskine" as a Key Audit Matter due to the significance of the acquisition value of the goodwill and intangible assets with indefinite useful lives and also because of the significant management judgement and estimation required in assessing potential impairment which could be subject to error and potential management bias. In addition, changes in the key assumptions may have a significant financial impact.

— *Our audit procedures*

With the involvement of our valuation specialists, our procedures included, amongst others:

- inquiring with management about the key assumptions used for the impairment test (future cash flow projections, discount rate and perpetual growth rate) and assessing the reasonableness of these assumptions;
- comparing the future cash flow forecasts used by management for the impairment test with the budget approved by the Board of Directors;
- assessing management's previous ability to forecast cash flows accurately and challenging the reasonableness of current forecasts by comparing key assumptions and parameters (in particular the discount rate, forecasted period growth rate and inflation rate) to historical results, economic and industry forecasts and internal planning data;
- evaluating the methodology adopted by management in its impairment test, with reference to the requirements of the prevailing accounting standard (*IAS 36 Impairment of Assets*);
- testing the mathematical accuracy of the discounted cash flow model;
- performing a sensitivity analysis to both the discount rate and forecasted cash flows used by the Group to assess what change thereto would result in a different conclusion being reached, and assessing whether there were any indications of management bias in the selection of these assumptions;
- assessing the disclosures in the consolidated financial statements.

Measurement of D'Ieteren Group's share of result of Belron Group SA ("Belron" or "the Component")

We refer to note 17 "Equity-accounted Investees" of the Consolidated Financial Statements.

— *Description*

Since 2018, Belron is accounted for using the equity method as a result of the joint control shared between the Company and a third-party investor.

One of the matters of most significance in our audit of the Consolidated Financial Statements of D'Ieteren Group for the year ended 31 December 2019 has been the measurement of D'Ieteren Group's share of result of Belron.

D'Ieteren Group's share of result of Belron can be significantly impacted by Belron's estimate of its uncertain tax positions and by any impairment loss incurred at the level of Belron.

These matters ("the Matters") have been considered as a Key Audit Matter for the year ended 31 December 2019 for the following reasons:

- Misinterpretation of country specific tax laws and regulations could give rise to additional tax liabilities, interests and penalties resulting in material outflows in subsequent years. Further assessment of the likely outcome of Belron's uncertain tax positions involved a high degree of judgment and potential estimation bias by the board of directors of Belron.
- There is a high degree of judgment and potential bias by the board of directors of Belron in assessing potential impairment. In addition,

changes in the key assumptions may have a significant financial impact on the Consolidated Financial Statements of D'Ieteren Group through its share in the result of Belron.

— *Our audit procedures*

Our procedures included, amongst others:

- requesting from the auditor of Belron (the "Component Auditor") to perform an audit on the financial information of Belron for the year ended 31 December 2019 in accordance with our instructions;
- performing risk assessment procedures with the assistance of the Component Auditor and reviewing the Component Auditor's overall audit strategy and audit plan;
- reviewing the Component Auditor's documentation and assessing whether the Component Auditor has designed and implemented appropriate audit responses to address the identified Matters. In particular, we assessed the adequacy of the audit procedures performed, audit evidence obtained and conclusions reached by the Component auditor with respect to:
  - the significant assumptions used by Belron's board of directors in the performance of its impairment testing at the level of Belron, the reliability of Belron's cash flow projections and any indications of estimation bias;
  - the process in place at Belron to identify, assess and measure the potential financial impact of uncertain tax positions, and any identification of estimation bias therein.
- evaluating D'Ieteren Group's assessment of the absence of impairment indicator of its equity-accounted investee in Belron;
- assessing the correctness of the determination and recording of D'Ieteren's Group's share of result of Belron and the disclosures included in the consolidated financial statements.

Board of directors' responsibilities for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

When performing our audit we comply with the legal, regulatory and professional requirements applicable to audits of the consolidated financial statements in Belgium. The scope of the statutory audit of the consolidated financial statements does not extend to providing assurance on the future viability of the Group nor on the efficiency or effectivity of how the board of directors has conducted or will conduct the business of the Group.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

— Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors;

— Conclude on the appropriateness of board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the Board of directors

The board of directors is responsible for the preparation and the content of the board of directors' annual report on the consolidated financial statements and the other information included in the annual report.

Statutory auditor's responsibilities

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the consolidated financial statements and the other information included in the annual report, and to report on these matters.

Aspects concerning the board of directors' annual report on the consolidated financial statements and other information included in the annual report

Based on specific work performed on the board of directors' annual report on the consolidated financial statements, we are of the opinion that this report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 3:32 of the Companies' and Associations' Code.

Statutory auditor's report to the general meeting of D'Ieteren SA on the consolidated financial statements as of and for the year ended 31 December 2019

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the consolidated financial statements and other information included in the annual report:

— the "Key Figures" and the "Key Indicators" included in the section "Integrated Report"; and

— the "2019 Full-Year Results" and the "Summarized Statutory Financial Statements" included in the section "Financial and Directors' Report 2019"

contain material misstatements, or information that is incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

The non-financial information required by article 3:32 §2 of the Companies' and Associations' Code has been included in the board of directors' annual report on the consolidated financial statements, which is part of section "Financial and Directors' Report 2019" of the annual report. The Company has prepared this non-financial information based on the GRI ("Global Reporting Initiative") and the SASB ("Sustainability Accounting Standards Board") frameworks. In accordance with art 3:80 §1, 1st paragraph, 5° of the Companies' and Associations' Code, we do not comment on whether this non-financial information has been prepared in accordance with the mentioned GRI and SASB.

Information about the independence

— Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.

— The fees for the additional engagements which are compatible with the statutory audit referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the consolidated financial statements.

Other aspect

— This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.

Zaventem, 27 April 2020

KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren
Statutory Auditor
represented by

Alexis Palm
Réviseur d'Entreprises / Bedrijfsrevisor

s.a. D'Ieteren n.v. Summarised Statutory Financial Statements 2019

CONTENTS

The statutory financial statements of s.a. D'Ieteren n.v. are summarised below in accordance with article 105 of the Company Code. The unabridged version of the statutory financial statements of s.a. D'Ieteren n.v., the related management report and Statutory Auditor's report shall be deposited at the National Bank of Belgium within the legal deadline and may be obtained free of charge from the internet site www.dieteren.com or on request from:

s.a. D'Ieteren n.v.
Rue du Mail 50
B-1050 Brussels

Summarised Balance Sheet

At 31 December

EUR million		2019	2018
ASSETS			
Fixed assets		**3,951.5**	**2,881.2**
II.	Intangible assets	28.1	18.7
III.	Tangible assets	21.6	22.0
IV.	Financial assets	3,901.8	2,840.5
Current assets		**1,240.8**	**749.5**
V.	Non-current receivables	0.3	20.0
VI.	Stocks	383.5	350.2
VII.	Amounts receivable within one year	362.1	334.8
VIII.	Investments	470.6	37.8
IX.	Cash at bank and in hand	15.0	-
X.	Deferred charges and accrued income	9.3	6.7
TOTAL ASSETS		**5,192.3**	**3,630.7**

EUR million		2019	2018
LIABILITIES			
Capital and reserves		**3,340.3**	**1,540.1**
I.A.	Issued capital	160.0	160.0
II.	Share premium account	24.4	24.4
IV.	Reserves	3,141.4	1,341.2
V.	Accumulated profits	14.5	14.5
Provisions and deferred taxes		**14.5**	**33.5**
Creditors		**1,837.5**	**2,057.1**
VIII.	Amounts payable after one year	178.6	553.2
IX.	Amounts payable within one year	1,621.8	1,466.6
X.	Accrued charges and deferred income	37.1	37.3
TOTAL LIABILITIES		**5,192.3**	**3,630.7**

Summarised Income Statement

Year ended 31 December

EUR million		2019	2018
I.	Operating income	3,495.2	3,280.3
II.	Operating charges	3,409.2	3,218.4
III.	Operating profit	86.0	61.9
IV.	Financial income	1,996.2	82.4
V.	Financial charges	202.8	27.6
IX.	Result for the period before taxes	1,879.4	116.7
IXbis.	Deferred taxes	0.4	0.3
X.	Income taxes	-25.4	-16.3
XI.	Result for the period	1,854.4	100.7
XII.	Variation of untaxed reserves (1)	0.5	0.6
XIII.	Result for the period available for appropriation	1,854.9	101.3

(1) Transfers from untaxed reserves (+) / Transfers to untaxed reserves (-).

Summarised Appropriation

Year ended 31 December

EUR million	2019	2018
APPROPRIATION ACCOUNT		
Profit (loss) to be appropriated	1,869.4	115.8
Gain (loss) of the period available for appropriation	1,854.9	101.3
Profit (loss) brought forward	14.5	14.5
Withdrawals from capital and reserves	1.7	4.1
from capital and share premium account		
from reserves	1.7	4.1
Transfer to capital and reserves	1,802.2	50.7
to capital and share premium account		
to legal reserve		
to other reserves	1,802.2	50.7
Profit (loss) to be carried forward	14.5	14.5
Profit to be distributed	54.4	54.7
Dividends	54.4	54.7

This proposed appropriation is subject to approval by the Annual General Meeting of 28 May 2020.

Summary of Accounting Policies

The **capitalised costs for the development of information technology projects (intangible assets)** are amortised on a straight-line basis over their useful life. The amortisation period cannot be less than 2 years nor higher than 7 years.

Tangible Fixed Assets are recognised at their acquisition value; this value does not include borrowing costs. Assets held by virtue of long-term leases ("emphytéose"), finance leases or similar rights are entered at their capital reconstitution cost. The rates of depreciation for fixed assets depend on the probable economic lifetime for the assets concerned. As from 1 January 2003, tangible fixed assets acquired or constructed after this date shall be depreciated pro rata temporis and the ancillary costs shall be depreciated at the same rate as the tangible fixed assets to which they relate.

The main depreciation rates are the following:

	Rate	Method
Buildings	5%	L/D
Building improvements	10%	L/D
Warehouse and garage	15%	L/D
Network identification equipment	20%	L/D
Furniture	10%	L/D
Office equipment	20%	L/D
Rolling stock	25%	L
Heating system	10%	L/D
EDP hardware	20%-33%	L/D

L: straight line.
D: declining balance (at a rate twice as high as the equivalent straight-line rate).

Tangible fixed assets are revalued if they represent a definite, long-term capital gain. Depreciation of any revaluation surplus is calculated linearly over the remaining lifetime in terms of the depreciation period of the asset concerned.

Financial Fixed Assets are entered either at their acquisition price, after deduction of the uncalled amounts (in the case of shareholdings), or at their nominal value (amounts receivable). They can be revalued, and are written down if they suffer a capital loss or a justifiable long-term loss in value. The ancillary costs are charged to the income statement during the financial year.

Amounts Receivable within one year and those receivable after one year are recorded at their nominal value. Write-downs are applied if repayment by the due date is uncertain or compromised in whole or in part, or if the repayment value at the closing date is less than the book value.

Stocks of new vehicles are valued at their individual acquisition price. Other categories of stocks are valued at their acquisition price according to the fifo method, the weighted average price or the individual acquisition price. Write-downs are applied as appropriate, according to the selling price or the market value.

Treasury Investments and Cash at Bank and in Hand are recorded at their acquisition value. They are written down if their realisation value on the closing date of the financial year is less than their acquisition value.

When these treasury investments consist of own shares held for hedging share options, additional write-downs are applied if the exercise price is less than the book value resulting from the above paragraph.

Provisions for Liabilities and Charges are subject to individual valuation, taking into account any foreseeable risks. They are written back by the appropriate amount at the end of the financial year if they exceed the current assessment of the risks which they were set aside to cover.

Amounts Payables are recorded at their nominal value.

Valuation of assets and liabilities in foreign currencies

Financial fixed assets are valued in accordance with recommendation 152/4 by the Accounting Standards Commission. Stocks are valued at their historical cost. However, the market value (as defined by the average rate on the closing date of the balance sheet) is applied if this is less than the historical cost. Monetary items and commitments are valued at the official rate on the closing date, or at the contractual rate in the case of specific hedging operations. Only negative differences for each currency are entered in the income statement.

Corporate governance statement

In 2019, the Company adhered to the principles laid out in the 2009 Belgian Code of Corporate Governance (“Code 2009”), which is available at www.corporategovernancecommittee.be. Since 1 January 2020, the Company adheres to the new 2020 version of the Code, also available on the same site. Since 1 January 2006, the Company publishes its Governance Charter on www.dieteren.com. When applying the principles of the Code, the Company takes however into consideration the specific shareholder structure of the Company, whose stability has been ensured by the majority family shareholding since 1805. Exceptions to the 2009 Code are set out on page 101.

1. Composition and Functioning of the Board and Executive Management Bodies

1.1. BOARD OF DIRECTORS

1.1.1. Composition

The Board of Directors consists of:
- six non-executive Directors, appointed upon proposal of the family shareholders;
- five non-executive Directors, four of whom are independent, chosen on the basis of their experience;

The Chairman and Deputy Chairmen of the Board are selected among the Directors appointed upon proposal of the family shareholders. Four female directors sit on the Board.

1.1.2. Roles and activities

Without prejudice to its legal and statutory attributions and those of the General Meeting, the role of the Board of Directors is to:

- determine the Company’s strategy and values;
- approve its plans and budgets;
- decide on major financial transactions, acquisitions and divestments concerning the Group and its main subsidiaries;
- ensure that appropriate organization structures, processes and controls are in place to achieve the Company’s objectives and manage the associated risk;
- appoint the directors proposed by the Company to the Boards of the main subsidiaries;
- appoint and revoke the CEO and, based on a proposal by said CEO, the other members of the Executive Committee and the CEOS of the Group’s activities, and determine their remuneration;
- monitor and review day-to-day management performance;
- supervise communications with the Company’s shareholders and the other interested parties;
- approve the Company’s statutory and consolidated financial statements, as well as set the dividend which will be proposed to the General Meeting. In that framework, the Board of Directors intends to maintain its ongoing policy of providing the largest possible self-financing, which has supported the group’s development, with a view to strengthen its equity capital and to maintain quality financial ratios. Absent major unforeseen events, the Board will ensure a stable and, results permitting, steadily growing dividend.

Composition of the Board of Directors on 31 December 2019		Joined Board in	end of mandate
Nicolas D'Ieteren (44)[1]	**Chairman of the D'Ieteren Board of Directors, Chairman of Belron Group SA** BSc Finance & Management (University of London); Asia Int'l Executive Program and Human Resources Management in Asia Program (INSEAD). Led projects at Bentley Germany and Porsche Austria. From 2003 to 2005, finance director of a division of Total UK. Since 2005, managing director of Nayarit.	2005	June 2024
Olivier Périer (48)[1]	**Deputy Chairman of the Board and Chairman of the Strategic Committee** Master's degree in architecture and urban planning (ULB). Executive Programme for the Automotive Industry (Solvay Business School). International Executive, Business Strategy Asia Pacific and International Directors Programmes; Certificate in Global Management (INSEAD). Founding partner of the architectural firm Urban Platform. Managing director of SPDG, a private holding company, since 2010. Chairman, member of advisory or supervisory boards of various venture capital companies.	2005	June 2023
Christine Blondel (61)	**Independent Director** Ecole Polytechnique (France), MBA (INSEAD). Management Consultant at Procter & Gamble from 1981 to 1984, Director at the Wendel International Centre for Family Enterprise at INSEAD (until 2007), Adjunct professor at INSEAD and Nova (Portugal). Advisor to family businesses.	2009	June 2021
CB Management	**Independent Director– Permanent representative: Cécile Bonnefond (64)** MBA European Business School & Senior Executive Program IMD Lausanne. Danone (1979-1984), Kellogg's (1984-1994), Diageo-Foods/Sara Lee (1995-2001). LVMH: CEO of Veuve Clicquot (2001-2008), Bon Marché (2009-2010). President and co-investor at Piper & Charles Heidsieck champagnes (2011-2015). Since 2015, sits on boards of listed and family-run companies. Consultant for BPI France.	2018	June 2022
Sophie Gasperment (55)	**Independent Director** Graduate of ESSEC and Insead. Joined L'Oréal in 1986. Became General Manager at L'Oreal UK in 2000 and then Executive Chairman and CEO of The Body Shop International. International Trade Advisor from 2005 to 2013. In 2014, became Group General Manager of Financial Communication & Strategic Prospective for the L'Oréal Group. Since 2019, Independent Director (other mandates: Accor, Cimpress and Kingfisher plc), Senior advisor to the BCG, and Angel investor.	2018	June 2022
GEMA sprl[1]	**Non-executive Director – Permanent representative: Michel Allé (69)** Civil engineer and economist (ULB). Joined Cobepa in 1987, member of its Executive Committee (1995-2000). CFO of Brussels Airport (2001-2005). CFO of SNCB Holding (2005-2013). CFO of SNCB (2013-2015). Director of Elia and Chairman of the Boards of EPICS Therapeutics and DIM3. Professor at ULB.	2014	June 2022
Pascal Minne (69)	**Non-Executive Director** Law degree (ULB), Master in Economics (Oxford). Former partner and Chairman of PwC Belgium (until 2001). Director of the Petercam group until 2015. Various Directorships. Emeritus Professor at ULB.	2001	June 2022
Nayarit Participations s.c.a.[1]	**Non-Executive Director – Permanent representative: Frédéric de Vuyst (46)** Bachelor of Law (Université de Namur), BA Business & BSc Finance (London Metropolitan, School of Business). Managing Director Corporate & Investment Banking at BNP Paribas Belgium until 2008. Head of Business Development Investment Banking et Management Board Corporate Banking at BNP Paribas Fortis until 2012. Since then, CEO at Nayarit Participations and various directorships.	2001	June 2022
Pierre-Olivier Beckers sprl	**Independent Director – Permanent representative: Pierre-Olivier Beckers (59)** Master in Management Sciences (LSM), Louvain-la-Neuve. MBA Harvard Business School. Career at Delhaize Group (1983-2013). Chairman of the Executive Committee and managing director of Delhaize Group (1999-2013). Chairman of the Belgian Olympic and Interfederal Committee since 2004. Member of the International Olympic Committee (IOC) and Chairman of its Audit Committee. Chairman of the Coordinating Committee for the 2024 Paris Olympics. Various directorships. Advisor to and investor in various recently-formed companies.	2014	June 2022
s.a. de Participation et de Gestion (SPDG)[1]	**Non-executive Director – Permanent representative: Denis Pettiaux (51)** Civil engineer in physics and Executive Master in Management (ULB). Member of SPDG executive committee, in charge of finance and a non-executive member of various Boards of Directors, advisory boards and investment committees. Joined Coopers & Lybrand in 1997. Until 2008, Director of PricewaterhouseCoopers Advisory in Belgium. Until 2011, Director of PricewaterhouseCoopers Corporate Finance in Paris.	2001	June 2022
Michèle Sioen (54)[1]	**Non-Executive Director** Degree in economics. CEO of Sioen Industries, a listed company specialised in technical textiles. Honorary Chairman of the FEB. Various Directorshipsof Belgian companies, notably Immobel, Sofina, Fedustria and Guberna.	2011	June 2023

(1) Director appointed upon proposal of family shareholders.

The Board of Directors meets at least six times a year. Additional meetings are held occasionally if necessary. The Board of Directors' decisions are taken by a majority of the votes, the Chairman having a casting vote in case of a tie. In 2019, the Board met 11 times.. All Directors attended the meetings that were fixed in advance, as well as the more occasional meetings with the exception of: Mr Pierre-Olivier Beckers, Mrs Christine Blondel, Mrs Cécile Bonnefond, Mrs Sophie Gasperment, and Mr Pascal Minne, who were all excused for one meeting, and Mrs Michèle Sioen, who was excused for three meetings.

1.1.3. Tenure of Directors

The mandate of Mr Nicolas D'Ieteren was renewed for a period of 5 years at the AGM of 6 June 2019, and the mandates of Mr Olivier Périer and Mrs Michèle Sioen were renewed at the same AGM for a period of 4 years.

1.1.4. Committees of the Board of Directors

Composition (at 31/12/2019)	Audit Committee[1]	Nominations and Remuneration Committee [1]
Chairman	Pascal Minne	Nicolas D'Ieteren
Members	Christine Blondel[2]	Pierre-Olivier Beckers[3]
	Frédéric de Vuyst[4]	Christine Blondel[2]
	Denis Pettiaux[5]	Sophie Gasperment[2]
		Olivier Périer

(1) Given their respective education and management experience in industrial and financial companies, the members of the Audit Committee and the members of the Nominations and Remuneration Committee, possess the expertise required by law in accounting and audit law for the former and in remuneration policy for the latter.
(2) Independent Director
(3) Permanent representative of Pierre-Olivier Beckers sprl. Independent Director
(4) Permanent representative of Nayarit Participations s.c.a.
(5) Permanent representative of SPDG s.a.

The Audit Committee met 5 times in 2019. These meetings were held in the presence of the Auditor. All of its members attended all of the meetings.

The Nominations and Remuneration Committee met 4 times in 2019. All of its members attended all of the meetings.

The Strategic Committee met 10 times in 2019.

Each Committee reported on its activities to the Board.

1.1.5. Functioning of the Committees

Audit Committee

On 31 December 2019, the Audit Committee was comprised of four non-executive Directors, of which one independent Director. The Audit Committee's primary role is to monitor the Company's financial information and supervise the risk management and internal controls systems of the Company and its main entities. The Committee reviews the auditor's reports on the half-year and annual financial statements of the Company, of Belron and of Moleskine. The Audit Committee meets at least four times a year, including at least once every six months in the presence of the Auditor, and reports on its activities to the Board of Directors. At least one specific meeting is dedicated to the supervision of the risk management and internal controls systems. The Auditor KPMG, appointed by the Ordinary General Meeting of 1 June 2017, has outlined the methodology for auditing the statutory and consolidated statements as well as the applicable materiality and reporting thresholds. The Committee's charter adopted by the Board is set out in Appendix I of the Governance Charter published on the Company's website.

Nominations and Remuneration Committee

On 31 December 2019, the Nominations and Remuneration Committee was comprised of five Directors, including the Chairman of the Board, who presides over the meetings, the Deputy Chairman and three independent Directors.
The missions of the ARC are as follows:

- To make proposals to the Board concerning appointments of non-executive Directors, the CEO, and based on a proposal by the latter, the other members of the Executive Committee and the CEOs of the Group's main entities, and ensure that the company has official, rigorous and transparent procedures to support these decisions.
- To make proposals to the Board regarding the remuneration of the non-executive Directors, the CEO, and, based on a proposal by the latter, the other members of the Executive Committee and the CEOs of the Group's main entities, and ensure that the company has official, rigorous and transparent procedures to support these decisions.

- To regularly review the procedures, principles and policies relating to the appointment and remuneration of managers in the Group's main activities and the Corporate team, and to coordinate with the Nominations and Remuneration Committees that already exist within the Group's main entities
- .To prepare the remuneration report and comment on it during the Annual General Meeting

The Committee meets at least four times a year and reports on its work to the Board of Directors. The Committee's Charter adopted by the Board is set out in Appendix II of the Governance Charter available on the Company's website.

Strategic Committee

The Strategic Committee, which became a specialised Committee of the Board on 28 February 2019, meets at least once a month and brings together the Chairman and Deputy Chairman of the Board, two Directors representing the family shareholders and the Group CEO. The other members of the Executive Committee are permanent members. At the level of the Group and its subsidiaries, the Committee's mission is to consider the Group's development priorities, , to analyse the long-term strategies and objectives of the Group, to examine the progress of strategic projects, to analyse future investments and divestments, to monitor progress of the Group's businesses, and to prepare strategic points for discussion at Board meetings. The Committee's Charter, adopted by the Board, is set out in Appendix III of the Company's Governance Charter available on the Company's website.

Policy for transactions and other contractual relationships not covered by the legal provisions on conflicts of interest

Directors and managers are not authorised to provide paid services or to purchase or sell goods, directly or indirectly, to or from the company or its group companies within the framework of transactions not covered by their mandates or duties, without the specific consent of the Board of Directors, except for transactions realised in the normal course of business of the Company. They are to consult the Chairman or the Group CEO, who shall decide whether an application for derogation can be submitted to the Board of Directors. If so, they will notify the details of the transaction to the company secretary, who will ensure that the applicable rules are complied with. Such transactions shall only be authorised if carried out at market conditions.

Evaluation of the Board and its Committees

The Board and its Committees assess on a regular basis, and at least once every three years, their size, composition, procedures, performance and their relationships with the management, as well as the individual contribution of each Director to overall functioning, in order to constantly improve the effectiveness of their actions and the contribution of said actions to the group's proper governance.
The Board and its Committees underwent a new evaluation during the first quarter of 2019. This process was conducted with the help of an outside professional who interviewed all Directors and members of the Executive Committee. A summary of the interviews was presented to the Board along with clear recommendations for the Board's consideration.

1.2. GROUP EXECUTIVE MANAGEMENT

The members of the Executive Committee are responsible for the day-to-day management of the Company. On 31 December 2019, the Group Executive Committee was comprised of the Group CEO (Chairman of the Group Executive Committee) and the Group CFO.

Composition of the Executive Committee on 31 December 2019		**Start of mandate**
Francis Deprez (54)	Chairman of the Executive Committee and CEO Diploma in Applied Economic Sciences (UFSIA Anvers) and Master's in Business Administration (Harvard Business School). Associate (1991-1998) and Partner (1998-2006) at McKinsey & Company Belgium. In the Deutsche Telekom Group, served as Managing Director of the Center for Strategic Projects (2006-2011), Chief Strategy and Policy Officer of Deutsche Telekom AG (2007–2011), member of the Supervisory Boards of T-Mobile International (2007-2009) and of T-Systems International (2008-2011), Chief Executive Officer of Detecon International Gmbh (2011-2016). Directorships at Belron and Moleskine.	2019 (CEO) 2016 (as a member of the Executive Committee)
Arnaud Laviolette (58)	Member of the Executive Committee – Chief Financial Officer Master in Economic Sciences (UCL). Worked in banking for almost 25 years, head of Corporate Finance, Corporate Clients and Board member at ING Belgique until 2013. Investment manager at GBL from 2013 to June 2015. Directorships at Belron and Moleskine. External Director at Rossel.	2015

The members of the Group Executive Committee act collegially. At the Group level, they are in charge of origination, monitoring and developing the Group's activities in terms of strategy, human resources, finance, financial communication, investor relations, accounting consolidation, treasury, M&A, Sustainability and legal and fiscal matters.

1.3. EXECUTIVE MANAGEMENT OF THE FOUR BUSINESSES

The D'Ieteren Group owns four businesses which each have their own executive management structure: automobile vehicle distribution in Belgium (D'Ieteren Auto), Belron, Moleskine and D'Ieteren Immo.

D'Ieteren Auto, which is an operational department of D'Ieteren SA/NV without separate legal status – is managed by the CEO of D'Ieteren Auto, reporting to the Group CEO. The CEO of D'Ieteren Auto chairs a management committee comprising six other members responsible for Retail, Finance, Operations, Research & Marketing, Brands & Network Management, New Mobility and Human Resources & Campus.

Belron, of which D'Ieteren owned 54.85% of the voting rights on 31 December 2019, has a Board of Directors consisting of 6 members: 3 who are appointed by the Company, 2 appointed by CD&R (minority shareholder in Belron) and the CEO of Belron. The Belron Board of Directors is chaired by the Chairman of the Company's Board.

Moleskine, a fully-owned subsidiary of D'Ieteren, is governed by a Board of Directors consisting of 6 members: 4 appointed by the Company and the Moleskine CEO and CFO.

D'Ieteren Immo, a 100% subsidiary of D'Ieteren, is managed by a Board comprised of 4 Directors: 3 appointed by the Company and the CEO of D'Ieteren Immo.

1.4. EXTERNAL AUDIT

The external audit is conducted by KPMG Réviseurs d'Entreprises, represented by Alexis Palm, whose mandate to audit the statutory and consolidated accounts for 2017, 2018 and 2019 was renewed at the General Meeting of 1 June 2017.
The total fees charged by the Statutory Auditor and linked companies for the work carried out in 2019 on behalf of D'Ieteren SA/NV and linked companies amounted to EUR 4,2 million, excluding VAT. Details of the fees are included in the annexe of the 2019 Consolidated Financial Statements (page 71).

Derogations to the 2009 belgian corporate governance code

The company derogates from the Code on the following principles:

> DEROGATION TO PRINCIPLE 2.2.

The group of Directors appointed upon proposal of the family shareholders is in a position to dominate decisions taken by the Board of Directors. In companies where family shareholders hold a majority of the share capital, the family shareholders do not have, as do other shareholders, the opportunity to sell their shares if they do not agree with the orientations defined by the Board. Their joint or majority representation on the Board enables them to influence these orientations, thereby ensuring the shareholding stability necessary to the profitable and sustainable growth of the Company. The potential risks for corporate governance resulting from the existence of a high degree of control by the majority shareholder on the activities of the Board can be mitigated, on the one hand, by the appropriate use of this power by the Directors concerned in respect of the legitimate interests of the company and of its minority shareholders and, on the other hand, by the long-term presence of several non-executive Directors not representative of the family shareholding, which ensures genuine dialogue on the Board.

> DEROGATION TO PRINCIPLES 5.2./4 AND 5.3./1

The composition of the Audit Committee, which includes at least one independent Director, derogates from the Belgian Corporate Governance Code, which recommends the presence of a majority of independent Directors. This is because the Board believes that an in-depth knowledge of the company is at least as important as independent status.

2. Diversity

D'Ieteren aims to put diversity at the heart of its Board and Executive Committee. This means having directors who differ in terms not only of their background, education, age and gender, but also in their independence, experience and professional expertise. Such diversity will ensure a range of perspectives, insights and the critical thinking that are essential to enabling efficient decision-making and good governance. Enhancing diversity at the Board and Executive Committee levels also increases the pool of potential candidates and helps to attract and retain talent.

The Nominations and Remuneration Committee reviews and assesses the composition of the Board of Directors and the Executive Committee, and advises the Board on the appointment of new Board members and Executive Committee members, as well as the renewal of any existing mandates. During this process, the Nominations and Remuneration Committee considers candidates on merit, without losing sight of the need for diversity (including criteria such as background, education, age, gender, independence (for potential Board members), professional skills, length of service and differing professional and personal experience).

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Share Information

In terms of gender diversity, the Board of Directors aims to comply with legal requirements by having at least one third of the underrepresented gender on the Board[1]. This target was achieved on 31 May 2018 with the nomination of two new female directors. The Board currently has 11 members, four of whom are women.

Reference is made to section 1 of the Corporate Governance Statement regarding other diversity criteria (age, length of service, education and professional experience) in relation to the members of the Board of Directors and the Executive Committee as of 31 December 2019.

3. Remuneration report

3.1. DETERMINATION OF REMUNERATION POLICY AND INDIVIDUAL AMOUNTS FOR MANAGERS

The policy and the individual remuneration of the Company's non-executive Directors and executive management of the company are determined by the group's Board of Directors based on the recommendations of the Nominations and Remuneration Committee.

D'Ieteren's Nominations and Remuneration Committee, which relies on the proposals of the CEO when it concerns the other members of the Executive Committee, reviews the following elements at the end of each year and submits the following to the Board for approval:

- the remuneration of the non-executive Directors for the following year;
- the variable remuneration of the members of the Executive Committee for the past year, taking into account any annual or multi-annual criteria related to the performance of the Company and/or that of the beneficiaries;
- any changes to the fixed remuneration of the members of the Executive Committee and their targeted variable remuneration for the following year, and associated performance criteria.

The Board intends to maintain this procedure for the two years following the year under review. Certain elements of the Executive Committee members' remuneration will be reviewed for the years 2020 and beyond in order to ensure compliance with Belgium's updated 2020 Corporate Governance Code.

3.2. REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Company implements a remuneration policy designed to attract and retain on the Board non-executive Directors with a wide variety of expertise in the various areas necessary for the profitable growth of the Company's activities. These Directors receive an identical fixed annual remuneration, independent of their presence at Board meetings. Some Directors are entitled to a fixed remuneration for rendering specific services such as Chairman or Deputy Chairman of the Board, or for participating in one or more Board committees. The total amount of these remunerations is shown in the following table. The non-executive Directors do not receive any remuneration related to the Company's performance.

For the year ended 31 December 2019, a total of EUR 1,350,000 was paid to the non-executive Directors by the Company, broken down as illustrated in the table below. No other benefit or remuneration, loan or guarantee was granted to them by D'Ieteren or its subsidiaries.

2019 (in EUR)	Base remuneration	Specialised Committees	Total remuneration
D'Ieteren N.	250,000	All in	250,000
Périer O.	200,000	All in	200,000
P.-O. Beckers sprl	70,000	35,000	105,000
Bonnefond C.	70,000		70,000
Blondel C.	70,000	70,000	140,000
Gaspermont S.	70,000	35,000	105,000
Gema (M. Allé)	70,000		70,000
Minne P.	70,000	60,000	130,000
Nayarit (de Vuyst)	70,000	35,000	105,000
Sioen M.	70,000		70,000
SPDG (D. Pettiaux)	70,000	35,000	105,000
Total	**1,080,000**	**270,000**	**1,350,000**

[1] The required number is rounded up to the nearest whole number.

3.3. REMUNERATION OF THE EXECUTIVE MANAGERS

General principles

At 31 December 2019, the executive management team was composed of members of the Executive Committee, namely Francis Deprez (CEO) and Arnaud Laviolette (CFO). Francis Deprez, who was already a member of the Executive Committee, was appointed CEO on 1 July 2019.

The group has its own remuneration policy for attracting and retaining managers with the appropriate background and motivating them by means of appropriate incentives. This policy is based on external fairness criteria, measured in terms of comparable positions outside the group, and on internal fairness criteria between colleagues within the Company.

The policy aims to position total individual remuneration of the members of the Executive Committee around the median remuneration for positions of similar responsibility in comparable Belgian or foreign companies, as benchmarked by independent experts. The most recent benchmarking dates from January 2016.

Description of the various components

The CEO contract of Francis Deprez, applicable from 1 July 2019, comprises the following remuneration components:
- an 'all-in' annual fixed base remuneration of EUR 700,000, which includes benefits of all kinds related to the provision of company cars and a mobile phone;
- a variable remuneration comprising:
    - an annual variable remuneration, with a target set at approximately 70% of the fixed remuneration;
    - and a long-term incentive plan in the form of share options.

The Company also covers the contributions to disability, life insurance and pension schemes for the benefit of the CEO for an annual amount of EUR 115,000.

The remuneration of the other members of the Executive Committee comprises:

- a fixed annual all-in base remuneration, consisting of benefits of all kinds related to the provision of company cars and mobile phones.
- a variable remuneration comprising:
    - an annual variable remuneration, with a target at about 60% of the fixed short-term remuneration, and;
    - a long-term incentive plan in the form of share options.

The Company also covers the contributions to disability, life insurance and pension schemes for the benefit of the members of the Executive Committee.

As regards the phasing of the payment of the components of this variable remuneration over time, the Company complies with the legal requirements in terms of relative proportions relating to:
- the target annual variable remuneration, which shall not exceed 50% of the total variable remuneration and which, adjusted according to whether performance criteria have been met, is paid at the beginning of the year following that in which the services were provided;
- the long-term variable remuneration granted in the form of share options, which can be exercised at the earliest from the fourth year following the year in which they were allocated.

The allocation of the variable remuneration depends on the compliance with collective quantitative performance criteria (consolidated result compared with the budget, which includes all the objectives and missions approved by the Board of Directors with a view to creating long-term value) and qualitative individual (related to the job description) and collective (related to the development and execution of the group's strategy, to the development of its human and financial resources, and to the conduct of specific key projects) criteria.
The annual bonus can vary from 0% to 150% of the target in EUR, depending on the result of the annual performance appraisal.

At the start of the year after that for which the remuneration in question is being allocated, the performance of the interested parties is assessed by the Board, on the recommendation of the Nominations and Remuneration Committee, and upon proposal by the CEO when it concerns the other members of the Executive Committee, in accordance with the agreed performance criteria.

The long-term incentive plan for the members of the Executive Committee consists of D'Ieteren stock options, the number to be decided by the Board of Directors after a proposal by the Nominations and Remuneration Committee.

These options give the right to acquire existing shares of the Company at an exercise price that corresponds, for each plan, either to the average price over the 30 calendar days preceding the offer date, or to the closing price on the working day preceding the offer date, as decided by the Chairman of the Board of Directors on the working day preceding the launch of the plan.

These options may be exercised from 1 January of the 4th year following the date they were granted and up until the end of the tenth year following their granting, with the exception of approximately 1-month periods preceding the release of the full-year and half-year financial results. The actual exercise of the options depends on the evolution of the share price from the beginning of the exercise period. Additional details on the share option plans are provided in note (???) of the consolidated financial statements.

Remuneration allocated to the Executive Committee for 2019

The following table summarises the various categories of Executive Committee remuneration allocated for 2019.

2019 (in EUR)	CEO (1)	Other members of Executive Committee (2)	Total
Fixed remuneration	552,350	822,518	1,374,868
Short-term variable remuneration (2)	300,000	593,000	893,000
Contribution to disability, pension and life insurance	86,250	183,500	269,750

(1) The remuneration of the CEO includes all remuneration paid to (i) the former group CEO up to 7 April 2019 and (ii) to the new group CEO from 1 July 2019.
(2) The remuneration of the other members of the Executive Committee includes the remuneration paid to the new group CEO prior to his appointment on 1 July 2019.

Moreover, 130,000 share options were granted to the members of the Executive Committee for the fiscal year 2019, at strike price of EUR 33.19 per D'Ieteren share, allocated as follows:

2019	Granted options
Axel Miller (former CEO)	50,000
Francis Deprez (new CEO)	40,000
Arnaud Laviolette (CFO)	40,000

Details of the share options belonging to members of the Executive Committee that were exercised or expired during 2019 can be found in note [xx] of the consolidated financial statements.

A severance payment of EUR 1,850,000 was granted to the former CEO on his departure on 8 April 2019. The payment amounts to less than 18 months of remuneration (including fixed remuneration, short-term variable remuneration and contributions to disability, pension and life insurance). This sum is justified based on comparable market practices and the good performance of the Company in the period when he was CEO.

Main contractual conditions concerning the departure of executive management and the right to claim reimbursement for all or part of the variable remuneration

Barring cases of unprofessional conduct, incapacity or gross negligence, the contracts of Executive Committee members allow for 12 months of severance pay.

At 31 December 2019, these contracts do not contain claw-back clauses that are applicable if the variable remuneration has been allocated on the basis of false information.

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4. Internal controls and risk management systems

D'Ieteren and its activities operate in a constantly changing environment which exposes them to multiple risks.
In order to protect their reputation while ensuring sustainable success and the achievement of corporate targets, D'Ieteren and its activities have in place comprehensive risk management and internal control systems which:

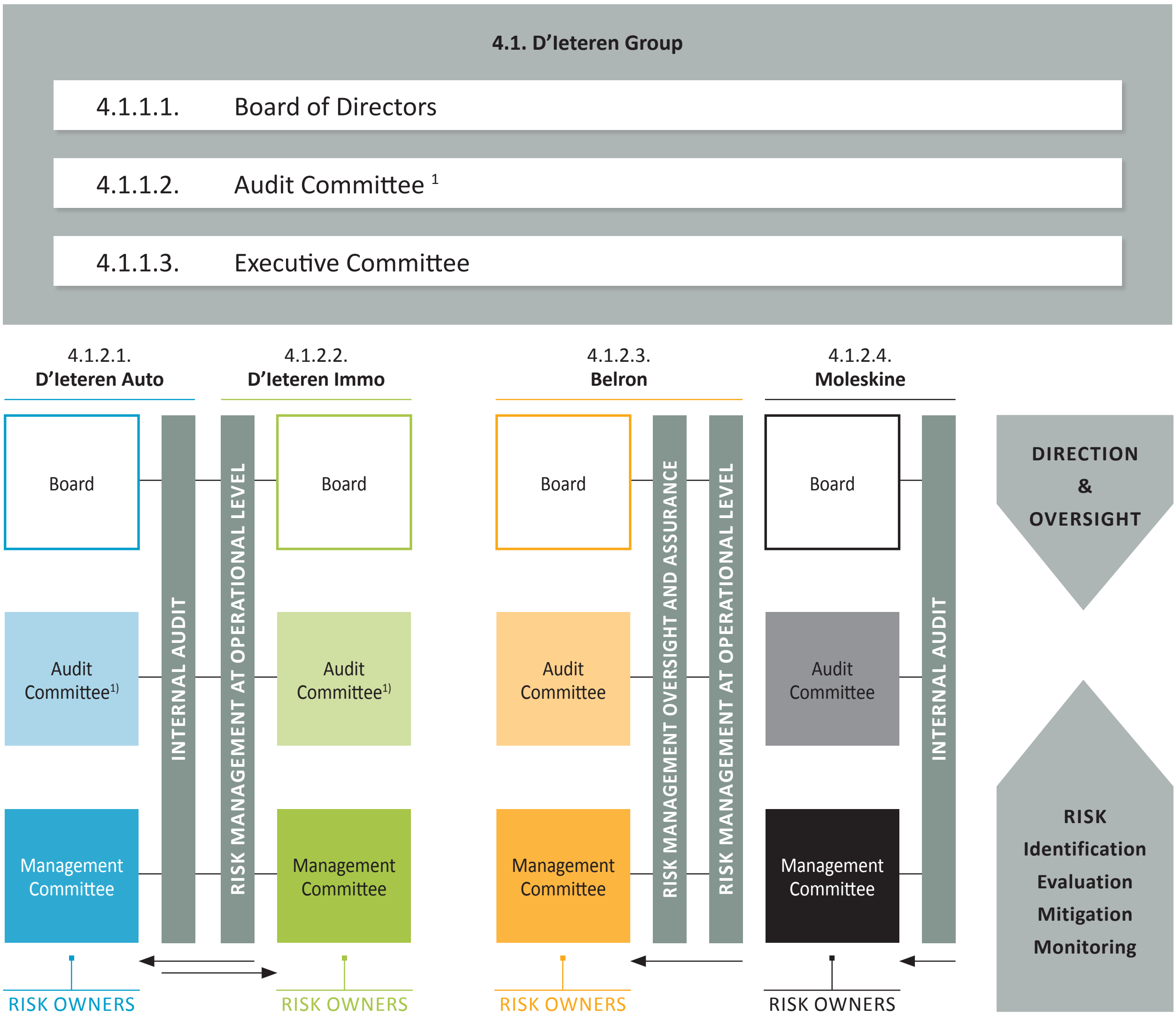
- Identify risks at an early stage;
- Assess the probability and potential impact of the risks;
- Put mitigating measures in place.

We manage our risks following the principle of three lines of defence:

- At the operational level of each activity;
- Risk management, compliance & legal;
- Internal Audit.

4.1. RISK MANAGEMENT GOVERNANCE STRUCTURE AND RESPONSIBILITIES

The organizational structure at the level of D'Ieteren and the activities ensures the appropriate delegation of authorities to management and a separation of duties.



1 D'Ieteren Group, D'Ieteren Auto and D'Ieteren Immo have the same Audit Committee.

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4.1.1. D'Ieteren

4.1.1.1. Board of Directors

The Board performs its control duties by (i) ensuring that D'Ieteren's activities correctly perform their own control duties and that Committees entrusted with special survey and control tasks (such as the Audit Committee and Remuneration Committee) are put in place and function properly and (ii) ensuring that reporting procedures are implemented to allow the Board to follow up the entities' activities at regular intervals, notably regarding the risks they face.

4.1.1.2. Audit Committee

The Board of Directors is assisted by the Audit Committee in the exercise of its control responsibilities for the company's entities, in particular with respect to the financial information distributed to shareholders and to third parties and the monitoring of the different risk management and internal control mechanisms.

The Group Audit Committee receives regular reports on the work carried out by the Audit Committees of each activity before itself reporting to the Board.

The independence of the head of Internal Audit is ensured by direct reporting to the Audit Committee and CFO.

4.1.1.3. Executive Committee

The members of the Executive Committee act collegially and are responsible for, amongst other, monitoring of the Group's businesses, strategy, human resources, financial communication, investor relations, account consolidation, management information systems, treasury, M&A, legal and tax matters.

4.1.2. At the level of the activities

4.1.2.1. D'Ieteren Auto

D'Ieteren SA is the legal entity of D'Ieteren and D'Ieteren Auto. D'Ieteren Auto's Board of Directors meets at least quarterly. The Audit Committee, which is the same for D'Ieteren and D'Ieteren Auto convenes every quarter.

Divisional directors are responsible for risk management on a day-to-day operational level. D'Ieteren Auto's import operations are certified by ISO 9001:2015.

4.1.2.2. D'Ieteren Immo

The real estate assets and operations of D'Ieteren Auto are grouped under a single legal entity (D'Ieteren Immo SA). It has its own Board of Directors and Management Committee. It has no specific Audit Committee.

4.1.2.3. Belron

Belron uses the '3-Lines of Defence' model to manage business and financial risk:

- 1st Line - Business Units performing regular internal control activities;
- 2nd Line - Oversight and standard setting functions at Belron level;
- 3rd Line - Independent Assurers, including external auditors.

The 3-Line model, which provides the framework for risk management activities throughout Belron, is supported by Risk Management Programmes which are used by each Business Unit to assess and benchmark the management of the main risks.

4.1.2.4. Moleskine

Moleskine's risk management relies on the following organizational model aimed at ensuring adequate identification, measurement, management and monitoring of the main risks:

- Risks are monitored by the Audit Committee, which met four times in 2019. The Audit Committee is chaired by D'Ieteren's CFO and it includes Moleskine's CFO, other ad-hoc members (both from Moleskine and from D'Ieteren Group) and Moleskine's Internal Audit Manager as permanent observer. The Committee approves the Risk Map prepared by the Internal Audit Manager after having gathered inputs from the leadership and the shareholder's representatives;
- The Internal Audit plan, also approved by the Audit Committee, refers to the Risk Map in planning its activities. The results of the monitoring activities are contained in the Audit reports to the Audit Committee. The Internal Audit Manager reports hierarchically to Moleskine's CFO who is also a member of the Board;

- In addition to the internal model, Moleskine has also an external Supervisory Body that oversees the functioning of and the compliance with the "Organizational, Management and Control Model" adopted to prevent crimes provided for in the Legislative Decree no. 231/2001;
- The outcome of the Supervisory Body's activities is summarized every six months in a report sent to Moleskine's Board of Directors. The Supervisory Body is composed of three members of which two externals and Moleskine's Internal Audit Manager.

4.2. RISK MANAGEMENT PROCESS

4.2.1. Risk identification/mapping

Each activity identifies its key business and financial risks by assessing factors that could have an adverse impact on the future operations and financial returns of the business. External and operational risk factors are assessed in terms of the scale of their impact and the probability of their occurrence, with particular attention given to the most important ones. Risks are categorised as Governance/Compliance, Strategic, Operational or Financial.

Each activity conducts an annual risk review and updates its risk register to reflect the impact of each risk and the measures proposed to mitigate them. This approach forms the cornerstone of D'Ieteren's risk management activities, which aims to ensure that the major risks faced by the Group have been identified and assessed, and that there are controls either in place or planned to manage them.

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 and key performance indicators. The adoption of accounting procedures ensures the consistency, integrity and accuracy of the company's financial records.

4.2.2. Review and execution of mitigating plans

Following the annual risk review process, measures are implemented to mitigate the identified risks and control missions are prioritized based on the risk profile. The execution of the plans is supervised by Internal Audit teams.

Mitigating actions include for instance the regular reporting and review of all significant treasury transactions and financing activities, procedures for the authorisation of capital expenditure, country visits and discussions with local management. Some risks are mitigated by environmental and social actions initiated by the activities.

4.2.3. Reporting

The Internal Audit Managers of Moleskine and D'Ieteren Auto report regularly to their respective Audit Committees. At Belron, the outcome of the work carried out to assess the effectiveness and efficiency of risk management practices across the company is reported to both local and regional management and to the Belron Audit Committee, which meet regularly during the year.

Reporting includes an assessment of the mitigating actions and recommendations. The Chairmen of the Audit Committees present the risk management report to their Board. Control issues that arise from internal and external audits together with any additional matters are brought to the attention of the Audit Committees.

At the Group level, the Head of Internal Audit reports on a quarterly basis to the Audit Committee.

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4.3. MAIN RISKS

4.3.1. D'IETEREN

Governance/compliance

GOVERNANCE

Risk of deficient governance (management, functioning of the committees, decision-making process and/or risk management).

POTENTIAL IMPACT

Failure to achieve long-term strategic objectives. Failure to comply with applicable laws and regulations. Adverse financial and reputational impact, claims and fines.

MITIGATING ACTIONS

D'Ieteren adheres to the Belgian Code of Corporate Governance while taking into account the unique structure of its share capital, with family shareholders owning the majority of the shares. The Corporate Governance Charter provides clear guidelines for the decision-making process and delegation of authority.

Governance/compliance

LISTING AND COMMUNICATION

Risk that laws and regulations governing listed companies are breached. D'Ieteren is subject to regulations related to communication, financial reporting, transparency, insider trading and corporate governance (see previous risk).

Risk related to volatility on the equity markets.

POTENTIAL IMPACT

A drop in D'Ieteren's share price and market capitalization.

Significant fines if laws or regulations are breached. Loss of confidence on the part of investors and analysts.

MITIGATING ACTIONS

The consolidation process is based on a centralized accounting software to ensure consistency across the participations. D'Ieteren's Consolidation team checks that the financial figures of its activities present a complete, accurate and reliable reflection of their financial performance and position.

The financial reports and press releases related to the full year and half-year results are reviewed by Executive Committee members, the Audit Committee, the external auditor and the Board of Directors prior to publication.

Strategic

CAPITAL ALLOCATION

Risks related to capital allocation decisions (investments in existing operations, acquisitions/ disposals, dividend policy, share buybacks). Risks related to the timing of those decisions. The availability of investment/ divestment opportunities is subject to macroeconomic and market conditions.

Climate changes could significantly impact some businesses in the future hereby impacting capital allocation decisions.

POTENTIAL IMPACT

Disappointing shareholder value creation and share price underperformance. Loss of confidence on the part of investors and analysts.

Write-downs and impairment losses in the income statement.

MITIGATING ACTIONS

D'Ieteren is a family of businesses with a long-term focus. D'Ieteren aims at full control, a majority stake or the option to gain a majority stake in its participations. Every material investment is subject to an in-depth due diligence. which is reviewed by an Investment Committee, the Strategic Committee and the Board.

D'Ieteren started to include an ESG analysis as part of the due diligence process.

D'Ieteren's Executive Committee members are board members at the level of the participations.

Financial

LIQUIDITY AND TAXES

Risks arising from a lack of financial resources.

Risks related to fiscal regulations.

POTENTIAL IMPACT

Insufficient financial resources may hamper the implementation of D'Ieteren's investment strategy.

MITIGATING ACTIONS

D'Ieteren invests in activities while maintaining a solid financial structure. D'Ieteren's activities are financed independently through non-recourse debt. In other words, D'Ieteren does not provide guarantees for the benefit of its participations.

At the end of 2019, D'Ieteren's (excluding Belron, D'Ieteren Auto and Moleskine) net cash position amounted EUR 1,516.4 million (post IFRS 16).

Financial flexibility is ensured through a prudent cash management policy.

Control processes for tax regulation compliance include internal reviews and external audits.

Governance/compliance

4.3.2. D'IETEREN AUTO

ORGANIZATION

Risks related to deficient governance (e.g. corporate organization, functioning of the committees, decision-making process and risk management). Deficient governance could lead to inadequate decisions and failure to comply with applicable laws and regulations.

POTENTIAL IMPACT

Adverse reputational and financial impact including claims and fines.

Failure to achieve targets when major decisions are taken without being adequately challenged/authorized.

MITIGATING ACTIONS

Governance policies are widely communicated and their application is audited. Clear allocation of responsibilities and decision-making power (e.g. at the level of D'Ieteren Auto versus D'Ieteren).

Governance/compliance

ETHICS

Risk that unethical behaviour (inside or outside the company) may harm the company and/or third parties.

POTENTIAL IMPACT

A breach of legal provisions and unethical behaviour (e.g. disrespect for human rights, discrimination, corruption, fraud and conflicts of interest) could seriously damage D'Ieteren Auto's reputation and results. Disrespectful and inappropriate behaviour may also have a negative impact on the working atmosphere.

MITIGATING ACTIONS

D'Ieteren Auto's code of conduct ("The Way We Work") covers amongst other the behaviour in the workplace, health and safety, conflicts of interest, communication with the public, confidentiality, gifts/entertainment and the relationship with suppliers.

Preventive measures are in place including psychosocial risk detection and reporting.

The first phase of 'Leading the D'Ieteren Auto Way', which aims to reinforce the corporate values, has been launched in 2019 at the level of the management committees. It will be implemented throughout the organisation in 2020-2021.

Governance/compliance

COMPETITION LAW

Risks related to breaches of European and Belgian competition laws that prohibit anticompetitive practices (e.g. agreements between two or more independent market operators which restrict competition) and the abuse of dominance. Anti-competitive practices include vertical agreements (factories-importer-dealer) and horizontal agreements (between competitors).

POTENTIAL IMPACT

An infringement of competition law could result in legal proceedings, fines up to 10% of consolidated revenues and damages to affected competitors. It may also severely harm D'Ieteren Auto's reputation and result in the loss of distribution contracts.

MITIGATING ACTIONS

The Legal Department informs, advises and monitors.
A document with guidelines lists the potential risks and appropriate behaviour to mitigate them.

Strategic

SECTOR TRENDS, REGULATIONS AND POLICIES

Risks due to unfavourable changes in automotive or mobility policies (regarding energy, climate, environment, taxation, …) at regional, national and/or European level.

Risks related to four megatrends: automated, connected, electric and shared mobility.

Risks related to changing customer behaviour and the rising success of multimodality. Customers compare the total cost of vehicle ownership versus the total cost of mobility.

POTENTIAL IMPACT

Changes in regulations may impact the volume of vehicles sold and/or leased on the Belgian market. Negative impact on margins.

The growing penetration of alternative powertrains (hybrid, electric vehicles, …) and advanced driver assistance systems may have a negative impact on the sales of spare parts and revenues from bodywork and maintenance.

MITIGATING ACTIONS

D'Ieteren Auto's vision aims at supporting citizens' social life through a more fluid, accessible and sustainable mobility. Lab Box, a subsidiary of D'Ieteren, explores and tests new mobility solutions (e.g. Poppy, an environmentally friendly shared mobility service in Brussels and Antwerp, and Skipr, a Mobility as a Service application).

The rising penetration of electric vehicles and new digital products create new opportunities. Electric by D'Ieteren (EDI), for example, offers charging solutions for electric vehicles at home or at work and gives access to the largest European network of charging stations.

Strategic

RELATIONSHIP WITH VOLKSWAGEN GROUP AND YAMAHA

Risks related to the loss of one or more distribution contracts with Volkswagen Group and Yamaha. Risk that Volkswagen Group or Yamaha might take strategic decisions (e.g. pricing, design, type of engines) that are detrimental to D'Ieteren Auto's competitive position. Risk that Volkswagen will bypass D'Ieteren.

POTENTIAL IMPACT

Negative financial impact, redundancies and reputational damage.

MITIGATING ACTIONS

The relationship with key suppliers is based on D'Ieteren Auto's ability to demonstrate its added value through state-of-the-art logistics, the professionalization of the Belgian dealer network and in-depth knowledge of the Belgian market.
A trust-based relationship allows D'Ieteren Auto to be informed at an early stage of Volkswagen Group's or Yamaha's decisions.

Strategic

MAJOR PROJECTS

Risks related to the Magellan project which aims to prepare D'Ieteren for the future of mobility. It includes the development of new activities and expansion into adjacent activities. For example, Lab Box develops new mobility solutions and EDI (Electric D'Ieteren Solutions) offers intelligent charging solutions for electric vehicles and a trading desk for second hand vehicles will be launched in 2020.

Risks related to new software/IT systems such as CROSS (Dealership Management Software) and Clips (management of spare parts).

POTENTIAL IMPACT

The above-mentioned projects entail significant financial and reputational risks.

MITIGATING ACTIONS

The governance related to Magellan projects has been defined and a Transformation Office has been put in place in order to assure the follow-up and implementation of the initiatives. Change Managers have been also identified and are trained in project management.

Operational

TALENT & LEADERSHIP

Risk that D'Ieteren Auto fails to attract, motivate and retain skilled people.

POTENTIAL IMPACT

The loss of know-how due to the departure of key personnel could lead to a loss of revenues and costs. D'Ieteren Auto's competitive position may suffer if it fails to attract and retain talents that are needed to prepare itself for the changes in the mobility sector.

MITIGATING ACTIONS

An attractive employer brand to attract new talent. Personal and professional development through appraisals and coaching. The CaReer Model increases transparency in terms of expectations, skills and results, while offering career opportunities across the business. A Succession Plan is under review for key positions. MySkillCamp, the Learning & Content Management platform allows employees to learn autonomously. Create a learning mindset to prepare D'Ieteren Auto for the future.

Operational

IT INFRASTRUCTURE, DATA, DIGITAL AND CYBER SECURITY

Risks related to failure or interruption of critical IT services and applications.
Cyber-attacks (e.g. phishing, malware). Loss of confidentiality and integrity (e.g. customer, employee and cost price data). Data leaks (e.g. customer data). Non-compliance with GDPR or other regulatory obligations.
Unintentional internal user actions.

POTENTIAL IMPACT

Business disruption/interruption.
Negative impact on sales and financial results. Reputational damage.
Loss of trust of customers, factories and employees.
Fines (up to 4% of the annual turnover) for non- GDPR compliance.

MITIGATING ACTIONS

Technical/software controls (e.g. firewalls, antivirus). Physical controls (e.g. security doors for computer rooms, badge readers). Appointment of a Data Protection Officer and a Chief Information Security Officer.
Communication to improve employee awareness. Training for high risk profile employees who have access to personal data. Actions to protect data and ensure compliance with GDPR including assessment, an implementation program and data cartography. A roadmap to enforce controls that protect against cyber threats and prevent compliance breaches. A cyber roadmap has been defined and is being implemented.

Operational

HEALTH AND SAFETY

Health and safety risks related to the use of potentially dangerous machinery and chemicals, the work environment, the handling of goods and psychological issues (burn-out and stress). Fire risks related to infrastructure and activities.

Risks related to a pandemic (e.g. COVID-19).

POTENTIAL IMPACT

Non-compliance with safety regulations and internal policies. Injuries, penalties, fines, reputational damage and disruption of the activities.
Health & safety issues could result in an increase in absenteeism.

MITIGATING ACTIONS

Zero-tolerance policy regarding breaches of safety standards. The safety department carries out risk assessments, monitors protection measures (e.g. the use of safe tools and machinery and protective equipment) and organises workshops on fire prevention and health and safety issues such as ergonomics, first aid, the safe use of chemicals and electrical risks. Employees can count on help from an external prevention advisor in the case of psychological issues.

In the event of a pandemic, adequate measures (e.g. homeworking, temporary closure of sites) are taken to protect employees and customers. The company complies with national health safety instructions.

Operational

ENVIRONMENT

Risks related to the distribution of polluting combustion vehicles, transportation, the handling of chemicals and waste. See D'Ieteren Immo for the environmental impact related to the buildings.

POTENTIAL IMPACT

Breach of environmental laws, fines and reputational impact.

MITIGATING ACTIONS

D'Ieteren Auto's clean vehicle offer is set to expand significantly as Volkswagen Group aims at over 80 new electric models, including 50 pure electric models by 2025.

Working from home and environmentally friendly mobility solutions are offered to employees.

Lab Box, a 100% subsidiary, explores innovative mobility services.

Employees are trained to correctly sort and collect waste. Periodic site visits by a project coordinator of the main waste collector (Suez) for the optimization of the on-site waste management. Waste container parks on several sites.

Financial

FINANCIAL INFORMATION

Risks related to the preparation of financial information. Risks related to incorrect financial information and/or non-compliance with relevant standards.

POTENTIAL IMPACT

Misrepresentation of D'Ieteren Auto's financial performance to investors and other stakeholders. Regulatory scrutiny. Reputational damage.

MITIGATING ACTIONS

The financial statements are prepared by D'Ieteren Auto's 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'Ieteren. The financial information processes are covered by specific procedures, follow-up checks and rules of validation. The application of IFRS is discussed with the Statutory Auditor and in the Audit Committee.

Financial

RESIDUAL VALUES (D'IETEREN LEASE)

Risks related to the residual value of leasing vehicles at D'Ieteren Lease (100% owned by VDFin). D'Ieteren Lease is exposed to fluctuations in selling prices at the end of the leasing contract. Residual values reflect changes in demand (e.g. shift away from diesel engines, rising popularity of SUV's), regulations, taxation and macro-economic factors.

POTENTIAL IMPACT

Negative financial impact: leasing contracts may turn out to be unprofitable if residual values drop.

MITIGATING ACTIONS

D'Ieteren Lease continuously monitors the second-hand vehicle market. Residual values are analysed on a quarterly basis to take into account recent sales results and new model launches. Provisions are also reviewed and adjusted if necessary on a quarterly basis.

Financial

LIQUIDITY AND INTEREST RATES (VDFIN)

Risks related to the financing of Volkswagen D'Ieteren Finance (VDFin), a provider of retail finance, operating leases and financial leases. VDFin also provides financing to the dealer network.

Note: VDFin is a joint venture between D'Ieteren (50% stake minus one share) and Volkswagen Financial Services (a subsidiary of Volkswagen group).

POTENTIAL IMPACT

Insufficient financing at competitive interest rates would be detrimental to VDFin's competitive position and financial performance.

MITIGATING ACTIONS

Volkswagen Financial Services, a subsidiary of Volkswagen group, has diversified sources of financing and provides financing to VDFin at market conditions while ensuring permanent access to liquidity.

Standard & Poor's gives Volkswagen Financial Services AG a credit rating of A-2 on commercial paper and a BBB+ rating on senior unsecured loans.

The Controlling & Treasury department of VDFin closely monitors the cost of financing in order to minimize the risk related to market conditions and the asset and liability management (ALM) policy ensures that the interest rate is well managed.

Governance/Compliance

4.3.3. D'IETEREN IMMO

ENVIRONMENT

Risks related to increasingly stringent environmental regulations. Risks related to environmental permits.

POTENTIAL IMPACT

Reputational damage. Higher costs to satisfy regulatory requirements.

MITIGATING ACTIONS

D'Ieteren Immo is committed to a reduction of its environmental footprint. Over recent years, various measures have been implemented aimed at using energy more efficiently while integrating alternative energy sources such as solar panels and co-generation units that produce not only electricity but also heat for buildings.

D'Ieteren Immo is implementing a new sustainability strategy after having chosen 8 objectives from the Sustainable Development Goals. It will assess its current and future assets in function of those 8 objectives after having defined clear criteria.

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Operational

CONSTRUCTION PROJECTS

Risks related to the financial health of the builders and contractors.
Risks related to safety on the building sites.
Risks related to cost overruns

POTENTIAL IMPACT

Bankruptcy of a builder or contractor may result in stoppage or interruption of the construction process, delayed rental income, lawsuits and additional costs. It is difficult to find contractors who are willing to take over a project from an insolvent peer. Reputational damage if an accident occurs on a building site. Cost overruns have a negative impact on a project’s return on investment.

MITIGATING ACTIONS

Thorough screening of the contractors. For example, Graydon reports are consulted when large projects are undertaken and insurance coverage is taken.

A safety coordinator is assigned by D’Ieteren Immo.
During site meetings contractors are repeatedly reminded of the safety requirements.

Projects are carefully scrutinized before being approved. D’Ieteren Immo has not only expertise in dealership real estate but also in other segments (e.g. offices, retail and residential).

Operational

OCCUPANCY RATE

Risks related to occupancy rates. D’Ieteren Auto is by far the main tenant (93% of total rental income) of D’Ieteren Immo’s real estate.

POTENTIAL IMPACT

Loss of revenues and extra costs if the occupancy rate declines.

MITIGATING ACTIONS

Diversification of the real estate assets (e.g. residential, commercial, workshops, offices). Focus on multifunctional sites that can be developed for various purposes. Unoccupied space is rented out to other tenants besides D’Ieteren Auto. Some dealership sites that are no longer used by D’Ieteren Auto are sold.

Governance/Compliance

4.3.4. BELRON

LEGAL AND REGULATORY

Risks related to breaches of legislation and regulation. The key legislative risks faced by Belron relate to competition law, GDPR, anti-bribery, health & safety, social law and tax compliance.

POTENTIAL IMPACT

The reputation of Belron, its operating businesses and brands may be adversely affected by a breach of legislation or regulation.

MITIGATING ACTIONS

Established policies, procedures and guidance related to legislation and regulation are regularly updated and promoted through on-site workshops.

The legal department reviews contracts and business activities and performs legal audits. Outcomes arising from their assurance work are separately reported to the Audit Committee and/or the Board.

Advice and opinions are also sought from external counsel as and where thought appropriate.

Governance/Compliance

ETHICS

Risks related to unethical behaviour from within and/or external to the company which may harm the business and/or third parties.

POTENTIAL IMPACT

Reputation or (intangible) assets may be affected were employees, customers, suppliers or agents to commit unethical or fraudulent acts for personal gain, or were Belron to be considered jointly responsible for any such act perpetrated by a third party. Unethical behaviour may negatively impact working atmospheres and further damage business performance.

MITIGATING ACTIONS

A 'Genuine' Guiding Principles initiative, led by the Belron Group People & Leadership function, sets out the way things are done at Belron. This helps underpin the genuine approach to 'the way we work', guided by its ethical principles of integrity, respect and trust.

Strategic

MAJOR PROJECTS

Risks related to major projects, including the Fit for Growth project.

POTENTIAL IMPACT

The Fit for growth project is focused on boosting the financial performance of Belron and includes multiples work streams focusing on growth, profitability and ways of working. The ability of Belron to achieve its growth and profit ambition is fundamentally dependent on the success of this project.

MITIGATING ACTIONS

Belron has established a comprehensive programme management approach for the Fit for Growth project. Each work stream has an executive responsible for its success with overall co-ordination of the project being controlled by a member of the Group Executive committee. Financial and non-financial performance metrics have been developed for each work stream which are collected, reviewed and acted upon monthly. Additional capability is being introduced where necessary, notably in the fields of HR and IT.

Strategic

TECHNOLOGY

Risks related to new and emerging technologies. The technological complexity of vehicles (and vehicle glass) continues to gather pace, typified by the growing popularity of Advanced Driver Assistance Systems (ADAS) and the need to recalibrate the sensors.

POTENTIAL IMPACT

Failure to adapt to technological advancements and developments may impact Belron's ability to return vehicles to the motorist in a safe condition and have an adverse impact on the leadership position held by Belron.

MITIGATING ACTIONS

In addition to its broad geographical spread and its cross-national operating platforms, Belron is a world leader in assessing and understanding the ever-changing technological advancements in vehicles and vehicle glass.

The central Belron Technical team comprises individuals with expertise in Advanced Driver Assistance Systems and the recalibration thereof. The calibration process is determined by Belron Technical and checked as part of the Risk & Assurance process.

Strategic

MARKETS

Risks related to the vehicle glass repair and replacement markets including industry, macro-economic and technological factors.
As with any business, Belron may be impacted by external factors, including general economic conditions, climate, changes in government policy and consumer behaviour.

POTENTIAL IMPACT

Negative impact on growth, sales and financial results.

MITIGATING ACTIONS

Global and local country developments are actively monitored and fed in to a planning process. This process allows early anticipation of these trends or swift reactions to sudden events, for example climatic conditions, providing management with a base for making decisions regarding the range of products and services offered, their pricing and the optimum size of the operational platform.

The workforce at Belron is highly skilled and competent and, through its inspiring leadership, the business is well positioned to recognise change and adapt to optimise the resulting opportunities.

Operational

TALENT AND LEADERSHIP

Risks related to employee hiring, engagement, development and staff-turnover.

POTENTIAL IMPACT

The inability to continue to identify, attract and retain the best people could have a negative impact on the continued success of the Belron business, its reputation, its service levels and its financial performance.

MITIGATING ACTIONS

The business regularly monitors the levels of Employee Engagement and responds effectively to the results. Employee performance is regularly reviewed, with continuing specific initiatives related to succession planning, leadership potential and ongoing development.

Belron measures and improves the performance of its leaders through its Executive Winning Behaviours programmes.

Employee retention is managed through the offer of a competitive compensation package that is regularly benchmarked against market practices, good career prospects, regular feedback and employee satisfaction surveys.

Operational

IT INFRASTRUCTURE, DATA, DIGITAL AND CYBER SECURITY

Risks related to information security (including payment card processing, data purge and data discovery, VPN and firewalls and legislative compliance).

Evolving threat of cyber-crime including attacks on systems and infrastructure, or those of key third parties.

Risk related to IT implementations.

POTENTIAL IMPACT

Failure or protracted loss of IT functionality, denial of service, or an inability to access data could significantly impair customer service levels, adversely impact financial results and damage reputation.

MITIGATING ACTIONS

Business units implement general IT controls, which include measures to help to prevent unauthorised access and inappropriate use of systems.

Disaster recovery plans are developed and tested.

An annual review (drawn from internationally recognised IT governance, practice and service management frameworks) is undertaken at all business units to assess the design and operation of IT controls. Any actions arising are then addressed by management.

Operating businesses address any identified vulnerabilities from (external and internal) penetration tests which are performed independently.

Operational

KEY ACCOUNTS

Risks related to the loss of major accounts. The Belron business model depends on constantly achieving high customer satisfaction levels which also reflect very positively on Key Account partners.

POTENTIAL IMPACT

Loss of Key Account partners, including insurers and fleets, could adversely impact sales and performance and impair the ability of the business to acquire new accounts.

MITIGATING ACTIONS

Belron maintains a close relationship with its insurance, fleet and lease Key Accounts and is committed to being open and honest in all its dealings.

Each Key Account has a Sales team 'owner' who executes plans with clear objectives to strengthen relationships. These plans are overseen by Sales Directors within each country and for the largest Key Accounts, these plans are overseen by the Belron Sales & Marketing team. Key Accounts perform their own audits in some countries.
Belron constantly and extensively monitors customer satisfaction through 'Net Promoter Score' assessments over its service levels.

Operational

HEALTH AND SAFETY

Risks related to safety and health of the employees and members of the public through the established, day to day business operations (including glass repair and replacement through its service centers or mobile fleets, its supply chain sites, or driving at work).

Risks related to a pandemic (e.g. COVID-19).

POTENTIAL IMPACT

Non-compliance with safety regulations and internal policies, processes and procedures could lead to serious injury to our employees or to third parties.

MITIGATING ACTIONS

The key fitting steps are codified within the Belron 'Way of Fitting' processes. Safety standards are embedded in this 'Way of Fitting' through its 'Quality starts with Safety' procedures. These methods, specialist tools, training courses and assessments are developed and implemented across all locations. Each business is responsible for implementing measures to comply with national safety requirements and standards and many of them are supported by dedicated Health & Safety personnel. In the event of a pandemic, adequate measures (e.g. homeworking, temporary closure of sites) are taken to protect employees and customers.

Extensive training programmes for all its technicians are delivered through locally based technical teams. Any customer complaints are thoroughly followed-up. Actions to rectify any issues are captured and are fed-back into the content of global training programmes.

Operational

SUPPLY CHAIN AND SERVICE DELIVERY

Risks related to the sourcing of vehicle glass, polyurethane, repair resin and other products through a strategic (primary) supplier, and risks in the operational supply chain to deliver consistent capability from any of the Belron distribution centers or responses to customers' contacts through its call centers.

In particular, the possible impact of border controls in Europe post Brexit or trade tariffs between the US and China.

POTENTIAL IMPACT

A temporary loss of one of the distribution centers or call centers or the loss of a key supplier, for example as a result of a fire or other natural hazard, could result in business disruption. This could damage established customer service levels and impact financial performance

MITIGATING ACTIONS

The Supplier Code of Conduct sets out the underlying principles on which supply chain relationships at Belron are based.

A strategy to diversify sourcing from glass, repair resin and accessory manufacturers and suppliers.

As part of the service delivery Business Continuity Plans are designed to ensure continuity of operations should a significant adverse event occur. Belron places property damage/ business interruption insurance to cover the maximum potential loss of any of its major distribution centers or call centers and its property insurers perform regular, routine inspections of all key sites.

The business has specifically identified the risks associated with a disruptive Brexit and has developed contingency plans. The impact of trade tariffs between the US and China is being partially mitigated through diversifying sources of supply.

Financial

PROCESSES AND CONTROLS

The risk of a breakdown of fundamental financial and treasury processes and controls.

POTENTIAL IMPACT

Negative impact on results, a lack of financial resources to execute the strategy and a detrimental impact upon the reputation of the business.

MITIGATING ACTIONS

Regular financial performance monitoring. Business units implement internal financial controls including segregation of duties and delegation of authorities over all key financial processes.

Treasury policies are communicated, with the Belron Group Treasury overseeing activity on a regular basis.

Internal financial controls protect business assets and ensure effective stewardship (including internal and external reporting). In addition to annual assessments of financial controls conducted by both Belron and its business units, the external auditors review the key financial controls.

Financial

FOREIGN EXCHANGE RATES, INTEREST RATES & LIQUIDITY

Risks related to fluctuations in foreign exchange rates. Risks related to funding, liquidity and changes in interest rates.

POTENTIAL IMPACT

Adverse foreign exchange rate fluctuations could have a negative impact on sales and results. Difficulty to renew funding in adverse financial markets. A lack of financial resources to execute the strategy, which in turn may have a detrimental impact on the reputation of the business.

MITIGATING ACTIONS

In each country where Belron has operations, revenues and costs incurred are primarily denominated in the relevant local currency, and principally in USD, EUR and GBP, thereby providing a natural currency hedge. Wherever possible, the policy is to hedge investments that are made in foreign currencies with debt in the same currency.

Belron aims to generate a strong free cash flow and manages liquidity risk by maintaining sufficient cash and funding available.

The exposure to variable interest rates arising on the Term Loan facilities are hedged through a series of interest rate swaps.

Strategy

4.3.5. MOLESKINE

TRADING CONDITIONS

Risks related to economic downturns.

Risk related to business concentration, in particular in the Wholesale channel where Moleskine supplies "bricks-and-mortar" retailers who are under pressure from online retailers and changing consumer behavior.

POTENTIAL IMPACT

An economic downturn could have a negative impact on demand for discretionary consumer goods and put large distributors and retailers under pressure. Negative financial impact.

MITIGATING ACTIONS

Moleskine is continuously monitoring emerging trends and mindstyle changes. Innovation mitigates the impact from economic downturns. Macro-economic risks are also mitigated through geographic diversification given Moleskine's presence in 114 countries.

Risks related to customer concentration have slightly increased in 2019 s the direct channels were under pressure. In 2019, the top 5 customers represented 23% of total company sales.

Countries with a direct distribution model represent more than 65% of sales.

Strategy

IMPLEMENTATION

Risks related to the implementation of the multi-category/multi-channel strategy.

POTENTIAL IMPACT

Poor execution of the strategy could lead to reputational damage and financial losses.

MITIGATING ACTIONS

Moleskine has put in place an action plan to make its retail activities profitable including a detailed store-by-store analysis, closure of underperforming stores, the launch of a new store format and the implementation of best practices.

Moleskine decided to improve the customer experience, through the implementation of a new e-commerce model.

Operational

SUPPLY CHAIN AND INVENTORY MANAGEMENT

Risks related to the supply chain and outsourced production.
Risks related to trade barriers and tariffs.
Risk related to Inventory high levels

POTENTIAL IMPACT

Revenues and results could suffer if the manufacturers fail to fulfil the contractual obligations in terms of timing.
Trade barriers and tariffs could also have a negative impact on results.

Financial impact related to excess/obsolete inventories.

MITIGATING ACTIONS

New suppliers are currently under evaluation to secure suppliers back up, to reduce the risk related to trade tariffs and business continuity.

Mitigating actions to reduce inventory: selective buying strategy, de-stocking initiatives of old inventory, review of the phase out/out of catalogue process.
Improved HQ Supply chain organization through new Supply chain Director having started in September 2019.

Operational

PROCESSES AND CONTROLS

The risk of a breakdown of the fundamental processes and controls: quality standard settings, product development, marketing and communication and procurement for services.
Fraud risk related to the retail processes.

POTENTIAL IMPACT

Negative impact on the effectiveness and efficiency of the processes and detrimental impact on the reputation of the business.

MITIGATING ACTIONS

Quality assurance and quality control are under assessment in order to design and implement an improved process.

Internal control system, segregation of duties and delegation of authorities over those processes are under review.

Operational

TALENT & LEADERSHIP

Risks related to Moleskine's capacity to attract, motivate and retain skilled people.

POTENTIAL IMPACT

High turnover in Moleskine personnel. Inability to execute Moleskine's strategy.
Negative financial impact.

MITIGATING ACTIONS

In 2019, Moleskine's People Strategy focused primarily on reconnecting and engaging staff with the company's purpose. To pursue this objective, the executive team has identified the Culture Project as the prime motor for embracing and manifesting the company's purpose in everyday life. Through the Culture Project, Moleskine's values have been shared globally with Moleskine's teams.

Moleskine's total reward system includes flexible benefits and a smart working environment. Moleskine's 'hiring from within' and 'horizontal job rotation' approach continues to be encouraged.

Operational

IT INFRASTRUCTURE, DATA, DIGITAL AND CYBER SECURITY

Risks related to failure or interruption of critical IT services and applications.

Cyber-attacks (e.g. phishing, malware).

POTENTIAL IMPACT

Business disruption. Negative impact on sales and financial results. Reputational damage.

MITIGATING ACTIONS

Technical/software controls (e.g. firewalls, antivirus).

A vulnerability assessment was conducted in 2019 and remediations for high priority vulnerabilities are implemented.

Operational

DATA PRIVACY

Risks related to data leaks (e.g. customer data). Non-compliancy with GDPR or other regulatory obligations related to the treatment of personal data. Unintentional internal user actions.

POTENTIAL IMPACT

Reputational impact. Loss of trust of customers, factories and employees. Fines breach of GDPR regulation.

MITIGATING ACTIONS

Actions to protect data and to be compliant with GDPR including policies and procedures and training of high risk profile employees who have access to personal data.

An external Data Protection Officer monitors the compliance of the Moleskine Data treatment processes through the risk based audit plan.

Operational

LEGAL

Compliance risk related to relevant regulations and laws.

POTENTIAL IMPACT

Breach of laws and regulations can result in fines and reputational damage.

MITIGATING ACTIONS

The legal department oversees legal risks with regulatory assessment and implementation of remediations.

HR Department is responsible to manage and monitor labor law issues, with the support of external labor law advisors.

Operational

ENVIRONMENT

Risks related to the environmental impact of Moleskine's operations and products.

POTENTIAL IMPACT

Breach of environmental laws, fines and reputational impact.

MITIGATING ACTIONS

Most of Moleskine's environmental impact is related to its supply chain. The company mitigates the impact of its products through various measures. For example, the Moleskine notebooks are made of acid- and chlorine free paper and Forest Stewardship Council (FSC)-certification ensures that 100% of Moleskine's paper products are made of paper that comes from responsibly-managed forests. Moleskine develops products that are designed to be reused and wasteful packaging is kept to a minimum.

In 2019-2020, Moleskine has realized a Lifecycle analysis for one of its main products (the classical notebook) in order to better understand the roots of its environmental impact and how to tackle them.

Operational

HEALTH AND SAFETY

Risks related to safety and health of the employees and customers. Risks related to a pandemic (e.g. COVID-19).

POTENTIAL IMPACT

Non-compliance with health and safety regulations/instructions could lead to serious illnesses or injuries, reputational damage and penalties.

MITIGATING ACTIONS

The company complies with national health safety instructions. In the event of a pandemic, adequate measures (e.g. homeworking, temporary closure of sites) are taken to protect employees and customers.

Financial

FOREIGN EXCHANGE RATES

Risks related to fluctuations in foreign exchange rates.

POTENTIAL IMPACT

Adverse foreign exchange rate fluctuations could have a negative impact on sales and results.

MITIGATING ACTIONS

Price lists are updated to reflect foreign exchange rate fluctuations. The procurement strategy aims to match the currencies of purchases and sales.

Moleskine has adopted a system that makes it possible to monitor exposure to foreign exchange rate fluctuations with greater reliability, in particular with regards to trade receivables and payables. It has the objective to hedge major exposure through forward currency purchase and sale contracts.

Financial

FINANCIAL INFORMATION PROCESS

Risks related to the preparation of financial information.
Risks related to delays in the financial closing.

POTENTIAL IMPACT

Misrepresentation of Moleskine's financial performance to its stakeholders.

Negative impact on the decision-making process because of inadequate and/or delayed information.

MITIGATING ACTIONS

The financial statements are prepared by Moleskine's finance department in accordance with the International Financial Reporting Standards (IFRS) and D'Ieteren Group's accounting policies.

The financial information processes include specific procedures, follow-up checks and rules of validation.

The application of IFRS is discussed with the Statutory Auditor and in the Audit Committee.

Several actions were implemented in 2019 to speed up management reporting and the financial closing process.

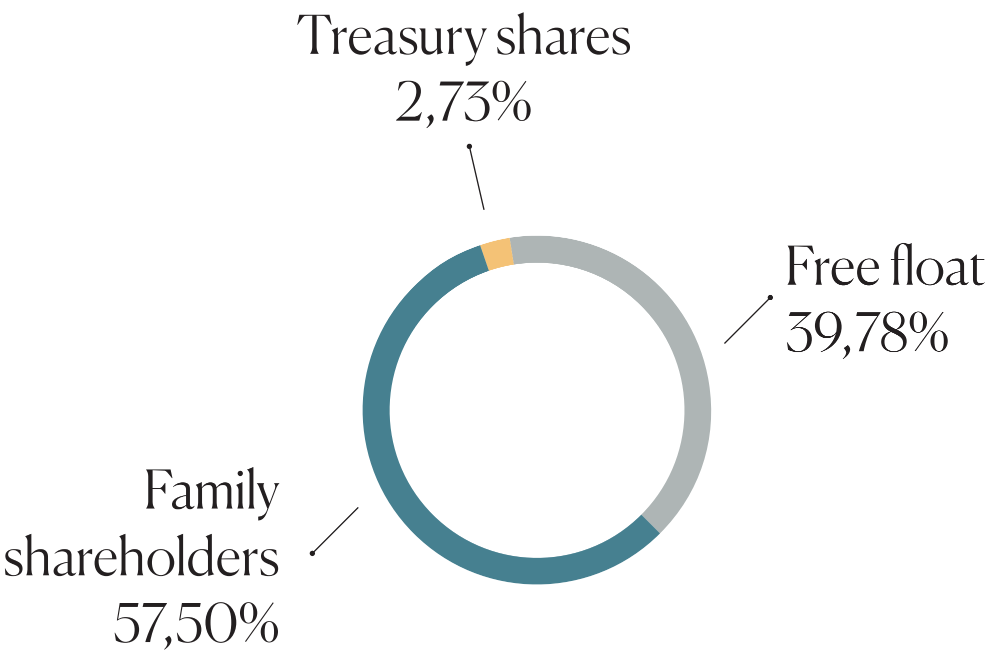
5. Capital Information

5.1. DENOMINATOR

At 31 December 2019	Number	Related voting rights
Ordinary shares	55,302,620	55,302,620
Participating shares	5,000,000	5,000,000
Total		**60,302,620**

5.2. SHAREHOLDING STRUCTURE

At 31 December 2019	In share capital	In voting rights
Family shareholders	**57.50%**	**61.02%**
of which Nayarit Group	*31.99%*	*35.56%*
of which SPDG Group	*25.50%*	*25.46%*
Treasury shares	**2.73%**	**2.50%**
Free float	**39.78%**	**36.48%**



5.3. DISCLOSURE OF SIGNIFICANT SHAREHOLDINGS (TRANSPARENCY LAW)

In compliance with Article 14 paragraph 4 of the law of 2 May 2007 on the disclosure of significant shareholdings, the shareholding structure such as it results from the latest notification received by the Company (on 16 January 2020, see note above) is presented in Note 21 of the financial statement (page 61).
The Company is not aware of any subsequent notification modifying the information presented in this Note.

5.4. ELEMENTS THAT CAN HAVE AN INFLUENCE IN CASE OF A TAKEOVER BID ON THE SHARES OF THE COMPANY

In accordance with Article 74 § 7 of the Law of 1 April 2007 on takeover bids, the Company received on 20 February 2008 a notification from the Nayarit group (whose members are listed in Note 21 of the Consolidated Financial Statements, page 61), which mentions that, either separately or acting in concert with other people, on 30 September 2007, this group held more than 30% of the voting shares issued by the Company. This notification remains relevant at the date of this report.

The Extraordinary General Meeting of 6 June 2019 renewed the authority of the Board:

- To increase the share capital once or several times by no more than EUR 60 million. The capital increases to be decided upon in the framework of the authorised capital can be made either in cash or in kind within the limits set by Belgium's Companies and Associations Code, or by incorporation of available as well as non-available reserves or a share premium account, with or without the creation of new shares, either preference or other shares, with or without voting rights and with or without subscription rights. The Board of Directors may limit or waive, in the Company's best interest and in accordance with the conditions determined by the law, the preferential subscription rights to the capital increases it decides upon, including in favour of one or more determined persons;

- To issue, within the framework of the authorised capital, convertible bonds, subscription rights or financial instruments, which may grant rights to Company shares, under the conditions defined by the Companies and Associations Code, up to a maximum, such that the amount of the capital increases that might result from the exercise of the above-mentioned rights and financial instruments does not exceed the limit of the remaining authorised capital, as the case may be without taking into account (see my mail) the preferential subscription rights of bondholders.

Without prejudice to the authorisations given to the Board of Directors described in the preceding paragraphs, the Extraordinary General Meeting of 1 June 2017 also renewed the authority of the Board of Directors, for a renewable 3-year period, to proceed – in the event of takeover bids on the Company's shares and provided the required notification has been made by the FSMA within 3 years of the decision of the General Meeting – with capital increases by contribution in kind or in cash, as the case may be without talking into account the preferential subscription rights of shareholders;

The Extraordinary General Meeting of 31 May 2018 also approved the renewal of the 5-year authorization granted to the Board concerning the acquisition, transfer or cancellation of own shares under legal conditions, notably to cover stock option plans for managers of the Company.

In the event of a risk of serious and imminent harm occurring to the Company, the Board of Directors has the authority to transfer treasury shares either on the market or through a sale under the same conditions to all shareholders in compliance with the applicable legal conditions. This authorisation applies, under the same conditions, to the purchase or transfer of shares held in the Company by its subsidiaries as stated in articles 7:221 to 7:225 of the Companies and Associations Code.

The rules governing the appointment and replacement of Board members and the amendment of the Company's articles of association are those provided for by the Companies and Associations Code.

Disclosure of non-financial information

1. The D'Ieteren Group

As the parent company, the impact of the D'Ieteren Group is most visible in its investment decisions and the support it provides to its different activities. The Group currently has four activities: D'Ieteren Auto (100%-owned), Belron (54.85% of voting rights), Moleskine (100% owned) and D'Ieteren Immo (100% owned). It has a long-term strategy for growth and value creation in its businesses, which it actively supports to strengthen their positions in their specific industries or regions. The overall objective is to create value for all stakeholders.

In 2019, D'Ieteren Group formalized its mission to increase its impact on the wider society with which it engages. In particular, the Group aims to build a family of businesses that reinvent their respective industries in search of excellence and a meaningful impact. Accordingly, the Group decided in 2019 to take additional steps to support its activities by further embedding sustainability within their organisations. As in 2018, communications professionals and sustainability experts of D'Ieteren Group, D'Ieteren Auto, Belron, Moleskine and D'Ieteren Immo gathered in Brussels at the end of 2019 to discuss how best to align their sustainability reporting methods and share best practices. It helped to pinpoint the Group's ambitions: to assist the activities in defining a clear sustainability strategy and in enhancing the reliability, accuracy and comparability of their non-financial data.

1.1. D'IETEREN GROUP'S 2019 NON-FINANCIAL REPORTING: STRUCTURE AND METHODOLOGY

For this reporting, the Group has decided to follow the same structure as for last year - based on the material themes identified in 2018. However, this year both D'Ieteren Auto and D'Ieteren Immo are releasing separate disclosures while the two activities were previously combined.

The main themes identified in 2018 arose from the materiality analysis that was conducted for each activity based among others on the standards of the Sustainability Accounting Standards Board (SASB). The SASB has defined a set of 77 standards that identify a range of material sustainability themes for specific industries. Close examination of these standards has made it possible to select material themes that are more relevant to the industries in which D'Ieteren Group operates. External sustainability experts supported D'Ieteren and its activities in this task and helped to ensure that the materiality assessment was consistent and accurate.

Moreover, D'Ieteren has aligned its material themes with the UN Sustainable Development Goals (SDGs). The 2030 Agenda for Sustainable Development, which consists of 17 Goals covering 169 targets, was adopted by all United Nations Member States in 2015. For each of the identified material themes, D'Ieteren identified the related SDG and SDG targets and looked at how its activities were contributing to meeting the UN goals.

This year, for the first time, D'Ieteren Group aligned itself with the Global Reporting Initiative (GRI) Standards (core option). The GRI Standards (SRS) have been developed over the last 20 years and represent global best practice for reporting on economic, environmental and social issues. The GRI Content Index is available on p.172.

1.2. THE WAY FORWARD

Building on its mission statement, the Group has defined clear ambitions with regard to sustainability. It acknowledges its role in society by investing in meaningful companies and by supporting its activities to further embed sustainability within their organisations.

To this end, in early-2020 D'Ieteren Group helped its activities to re-assess their materiality analysis. The aim was to extend stakeholder engagement with a view to really meeting the expectations of external stakeholders.

All four activities received support from external sustainability experts to conduct this exercise. A list of priorities was then defined to highlight the most material themes (or themes that should be given priority in order to optimize activities' impact on their stakeholders – internal and external – and ultimately on the environment and society as a whole). As definitions of sustainability are constantly evolving, the definition of material themes will also be subject to modification.

The results of the new materiality analysis will be used as a starting point to formulate a sustainability strategy for each of the activities, with clear priorities for the coming 5 years. It will also form the basis for the Group's next non-financial reporting.

In parallel, D'Ieteren Group aims to improve the quality and reliability of its non-financial information. With this in mind, the Group asked PwC to conduct a readiness assessment in 2019. Implementation of the resulting recommendations should pave the way for some assurance of the 2020 reporting.

2. D'Ieteren Auto

2.1. DESCRIPTION OF THE ACTIVITIES

As part of its 70-year old relationship with the Volkswagen group, D'Ieteren Auto imports and distributes the vehicles, spare parts and accessories of Volkswagen, Audi, SEAT, Škoda, Bentley, Lamborghini, Bugatti and Porsche across Belgium.
The distributed brands represent around 22% of Belgium's new car market. D'Ieteren Auto manages a strong network of independent dealers across the country and owns dealerships on the Brussels-Malines-Anvers axis. Besides distributing vehicles in Belgium, D'Ieteren Auto provides after-sales services, including bodywork and general maintenance. It also sells used vehicles through its own independent network consisting of dedicated My Way centres, Audi Approved Plus outlets and authorized distributors. It provides car financing and long-term car rental services through a joint venture between D'Ieteren and Volkswagen Financial Services. And finally, it distributes Yamaha products in Belgium and the Grand Duchy of Luxembourg through D'Ieteren Sport.
D'Ieteren Auto's business model is currently evolving towards the offer of more fluid, accessible and comfortable mobility solutions as a way of improving the day-to-day lives of citizens. The company is strongly focused on promoting responsible mobility, mainly through the initiatives of the subsidiaries LabBox (a start-up developing new mobility solutions) and EDI (charging solutions for electric cars).

2.2. GENERAL APPROACH TO SUSTAINABILITY

Although mobility is a vector of prosperity and integration, it cannot escape the challenges raised by a range of economic, environmental, social and safety issues. D'Ieteren Auto is aware of this and accepts its share of responsibility. The company's primary commitment is to improve the lives of citizens by offering fluid, accessible and sustainable mobility options. D'Ieteren Auto is also working to build a wide raft of mobility services that will facilitate easier, more sustainable travel for all citizens. It will achieve this through the Lab Box subsidiary, which is deeply involved in creating innovative and flexible mobility services, and through its core business by developing a range of services linked to the use of electric cars.

D'Ieteren Auto also strives to reduce its environmental footprint by transforming its infrastructure and adapting its behaviour. Over recent years, D'Ieteren Immo – which manages D'Ieteren Auto's property assets – has implemented various measures aimed at using energy more efficiently and integrating alternative energy sources.

Another major priority for the company is to offer its people a working environment that is safe and enriching. D'Ieteren Auto has launched multiple initiatives to improve staff welfare, enable their professional development and enhance their working environment and conditions.

Finally, through its Give & Gain patronage programme, D'Ieteren Auto is fully committed to causes that are related to socially-responsible mobility where the company can bring real added value, while simultaneously encouraging its employees to get involved in such causes.

2.3. ENVIRONMENTAL AND SOCIAL THEMES WITH A MATERIAL IMPACT

1) Climate impact/CO_2 emissions
2) Waste management
3) Innovation
4) Sustainable procurement
5) Customer satisfaction
6) Employee development and well-being
7) Employee safety
8) Community engagement
9) Ethical principles
    a. Respect for Human Rights
    b. Zero tolerance for fraud and corruption
    c. Inclusion and diversity

> Climate Impact/CO_2 Emissions

WHY IS IT MATERIAL?

D'Ieteren Auto's main impact on the environment concerns comes from its activity of distributing polluting combustion vehicles. This has created new challenges for D'Ieteren Auto, such as stricter legislation, new forms of taxation on transportation and new regulations related to corporate vehicle fleets. But this trend also creates numerous opportunities for developing innovative new mobility solutions aimed at reducing the number of polluting vehicles on our roads.

In addition to the products it delivers, D'Ieteren Auto's own operations and processes also have an environmental impact.

UN sustainable development agenda

D'Ieteren Auto's distribution activities have a negative impact on the climate. However, the company is trying to reduce this impact by adapting its offer and developing alternative mobility solutions and by producing renewable energy.

MANAGEMENT APPROACH

D'Ieteren Auto is expanding its clean car offer (in 2019, the company sold more than 1,000 fully-electric vehicles). To promote their use, it is providing, through its subsidiary EDI (Electric D'Ieteren Solutions), a pack of smart solutions for battery charging and green energy generation aimed at private and professional customers.

The company also develops alternative mobility solutions, notably through its Lab Box subsidiary (fleet sharing for businesses, including cars, electric scooters, etc, intermodal services that integrate public and private transport, MaaS platforms to facilitate the adoption and management of corporate mobility budgets..)

Internally, it raises employee awareness by promoting working from home, environment-friendly driving habits, or multimodal mobility solutions that combine different modes of transport such as public transport and company cars, cycling or car-pooling with guaranteed parking space.

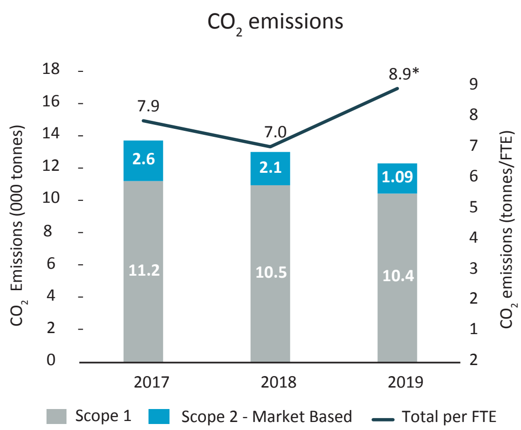
The company adopts D'Ieteren Immo's approach to (renewable) energy management, thereby lowering the energy consumption of its buildings while increasing the share of self-produced renewable energy.

KEY INDICATORS

Case study – D'Ieteren renews showroom concept

In order to adapt its commercial strategy to better cater to customers in search of a high-quality experience, D'Ieteren Auto, in partnership with Škoda and Audi, opened and tested two pop-up stores, one located in a shopping mall in Brussels and the other in central Anvers.

Baptised The Place To -e-, the stores were opened by Audi for a period of 3 months, enabling visitors to discover the concept of electrical mobility and to reserve a test-drive of an Audi e-tron. "D'Ieteren Auto wanted The Place To -e- to inform and inspire Anvers citizens about electrical mobility by offering a wide range of experiences and activities", explains Stefan Kerckhoven, director of Audi Import. The store became something of a hotspot that was used as a backdrop for conferences on themes such as sustainable travel, urban mobility and technology.



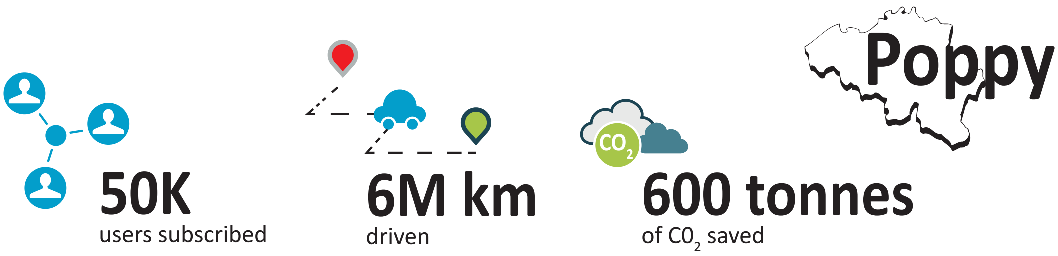
** The 2019 relative KPI (tCO_2e/FTE) increases significantly due to a correction in the boundary for calculating the number of FTEs. The Sopadis FTEs have been excluded as Sopadis is also excluded from the carbon foot-print. In next year's report we will adjust the historical figures to provide a thorough basis for monitoring our climate performance.*

***Scope 1 emissions** are direct emissions from owned or controlled sources.*
***Scope 2 emissions** are indirect emissions from the generation of purchased energy.*
***Scope 3 emissions** are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. (Source: GhG Protocol)*

> Climate Impact/CO_2 Emissions (after)

OUR 2019 ACHIEVEMENTS

Developed by the startup Lab Box, Poppy is a car-sharing solution that helps to reduce overall car emissions. Barely two years after its launch in Anvers, Poppy has also grown in Brussels and around the Zaventem airport. It has a fleet of 550 shareable electric cars, including models such as the Seat e-Mii, the Ibiza CNG and the Škoda Citigo-e. A fleet of e-steps and e-scooters is also available. Poppy integrates these different transport offers in a single application, thereby enabling its 50,000 users to choose the mode most suited to their needs based on the distance and time of a given journey. The startup also enables users to travel within the three zones where Poppy is present.



D'Ieteren Auto is also encouraging the transition to electric transport and the reduction of pollution from traditional vehicles by improving its EDI charging infrastructure. To ensure that its offer is adapted to all available vehicle models and all electrical installations, EDI offers single-phase and three-phase charging stations and a card enabling users to recharge their vehicles at 100,000 public stations in 25 countries across the European Union. For its corporate customers, EDI also offers a split-billing option, which separates the cost of recharging at home and forwards it to the employer. In 2019, EDI added a service facilitating the installation of solar panels.

THE WAY FORWARD

D'Ieteren Auto continues to expand its offer of electric cars and the accompanying infrastructure, notably by exploiting the Volkswagen group's ambitious offensive in e-mobility. EDI now aims at a five-fold increase in sales in 2020 compared to 2019. Lab Box will continue to develop its seven initiatives aimed at the new mobility sector: Poppy, MyMove, Husk, Lizy, Ush, Skpir and Mbrella (see Innovation section p 130)

> Waste Management

WHY IS IT MATERIAL?

Used cars contain many valuable materials that should be reused upon disposal. As resources become scarcer, the recycling of components contributes to the circular economy. In parallel to its products, D'Ieteren Auto also generates waste through its after-sales activities and offices. The company has identified several risks related to waste management, including fines and reputational impact in the event of failure to respect environmental laws.

THE WAY FORWARD

Responsibility for waste recycling is being transferred to each D'Ieteren Auto business unit over the course of 2020. This will enable an approach that is more suited to the specific needs of each site.

UN sustainable development agenda

D'Ieteren Auto has a policy of environmentally sound management of vehicle waste and related chemicals throughout their lifecycle, in accordance with the regulatory framework in force.

MANAGEMENT APPROACH

D'Ieteren Auto has a waste management policy in place. Employees receive training in how to sort and collect waste generated by the offices, workshops, stores and garages (including paper, residual waste, metal, wood, tires and glass) and in how to store harmful materials.

For the disposal and recycling of its waste D'Ieteren Auto works together with waste management firms like Suez (for all waste), Oilco (used oil), Dechamps (metal) and RecupBat (used batteries). A project coordinator of the main waste collector (Suez) performs periodic site visits for the follow-up and optimization of the on-site waste management.

D'Ieteren Auto also facilitates the recycling of used-vehicles, in particular by offering an extra allowance to clients and non-clients returning their vehicles for recycling. The company works with Febelauto, whose mission is to organise and monitor the recycling of used vehicles, in compliance with the existing European Directive. Febelauto currently manages to recycle around 95% of the weight of vehicles within an approved, tightly controlled circuit, making Belgium one of Europe's best performers in this area.

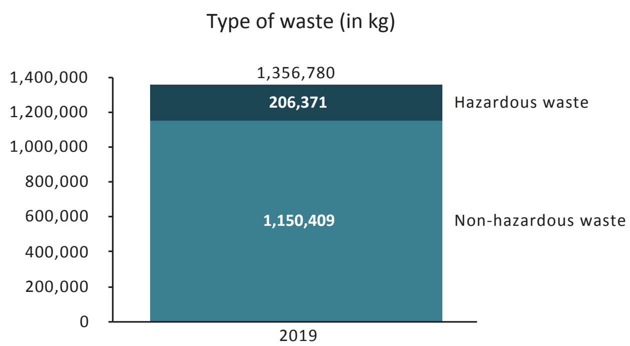
OUR 2019 ACHIEVEMENTS

Since 2019, three Suez employees oversee daily waste management at the Zen Park, Drogenbos and Auto Center Zaventem sites. As waste was already managed by a D'Ieteren employee at Erps Kwerps and Le Mail, this means that each of the company's large sites now have one person responsible for waste management.

KEY INDICATORS

In 2019, 77.8% of the company's waste was recycled (in line with 2018).
This consisted primarily of paper/cardboard, metal, wood, tires, batteries and cars.
Quantity of waste by treatment method:

- Recycling: 262,927 kg
- Waste destined for the cement industry: 24,685 kg
- Incineration with energy recovery: 295,756 kg
- Fermentation/biogas: 4,220 kg



> Innovation

WHY IS IT MATERIAL?

The car of the future is being shaped by technological advances, such as electrification, developments in connectivity and automation, and the introduction of smart, multi-use features.
Societal and economic changes are also transforming the concept of mobility, amid tighter restrictions on cars such as Low Emission Zones (LEZ), new forms of taxation and the shift towards a sharing economy. D'Ieteren Auto wants to use innovation to be at the forefront of tomorrow's mobility markets and thereby ensure the longevity of its business.

Case study: multimodality in action
Launched by Lab Box in September 2018 under the name of Pikaway, then renamed in 2019, Skipr is an app that combines public transport and shared solutions. It helps professional users – companies and employees – to manage their mobility budgets more efficiently.

KEY INDICATOR

D'Ieteren Auto investment in the Lab Box subsidiary
2017: +/- EUR 2.3 million
2018: +/- EUR 6.5 million
2019: +/- EUR 9.5 million

UN sustainable development agenda
D'Ieteren Auto contributes to sustainable cities by looking for solutions for sustainable mobility services.

MANAGEMENT APPROACH

D'Ieteren Auto's business model is to offer more fluid, accessible and sustainable mobility solutions to improve the day-to-day lives of citizens. To support this new approach and integrate it within the business model, D'Ieteren Auto launched in 2018 the Magellan project, which structured the innovation strategy around two arms: EDI (Electric D'Ieteren Solutions) and Lab Box. Through these two bodies, D'Ieteren Auto continues to explore, analyse and develop a range of flexible and innovative mobility services.

OUR 2019 ACHIEVEMENTS

Lab Box made significant progress across a range of initiatives. Poppy, the interactive sharing platform, continued to grow, acquiring the major Brussels mobility player Zipcar, and by transitioning from a platform that shares only cars to one that shares cars and e-scooters (both step-scooters and bikes).
Lab Box also acquired a professional driver platform called CARASAP, now renamed Husk, to develop an on-demand transport offer. It also launched no less than five new initiatives:

- Lizy, the 100% digital used vehicle leasing platform designed for SMEs;
- MyMove, an application that makes it easier for employees to locate, select and open fleet vehicles and manage their mobility budgets;
- Ush, Belgium's first dedicated self-driving vehicle operator, offers vehicle leasing and support for shuttle services run by local authorities, companies and organisations;
- Skipr, an app that enables users to plan, reserve and pay for their journeys to a predefined destination using different modes of transport.
- Mbrella, a B2B supplier offering automated administration of flexible corporate mobility policies.

THE WAY FORWARD

Lab Box will concentrate on its existing initiatives. Poppy is targeting breakeven by the end of 2021 thanks notably to tight cost controls. It will accelerate efforts in B2B sales, notably in the context of corporate mobility spending, where it has one of the best offers in Belgium. It will also pursue international growth at Skipr.

> Sustainable Procurement

WHY IS IT MATERIAL?

As a vehicle importer and distributor, D'Ieteren Auto's main purchase item is cars, making it highly dependent on its partnership with the production plants of the Volkswagen Group. Any problem with direct suppliers can impact D'Ieteren Auto's own reputation.
In addition to the Volkswagen Group, D'Ieteren Auto has other (indirect) suppliers, which it needs to ensure are run as responsible businesses.

KEY INDICATOR

To date, more than 50% of suppliers have signed the public procurement charter (up from more than 20% in 2018).

UN sustainable development agenda

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

D'Ieteren Auto takes into account social, ethical and environmental criteria when selecting products and services.

MANAGEMENT APPROACH

For the car import and distribution activity, D'Ieteren Auto has a solid partnership with the Volkswagen group. The most recent distribution contracts signed between the group's plants and approved D'Ieteren Auto dealers at end-2018 contain a specific clause that requires all members of the distribution network to comply with national and international norms and values – in particular those that concern sustainable development, worker protection and the environment. These norms and values form the basis of the Volkswagen group's economic development and the contract provides the German car maker with an assurance that all partners comply with them.

For indirect operational spending, D'Ieteren Auto has partnered with Spot Buy, a procurement platform that manages all orders, thereby enabling the company to reduce the number of suppliers, ensure traceability and thus have more control over its SME suppliers.
D'Ieteren Auto gives priority to using local suppliers and has adopted a two-pronged policy towards them:

1. Suppliers must sign the procurement charter. In doing so, they commit to the Ten Principles of the UN Global Compact.
2. When selecting indirect operational products and services, on top of the usual quality/price criteria, social, environmental and ethical criteria are also considered.

When renewing contracts, D'Ieteren Auto ensures that its suppliers are constantly seeking to reduce their environmental footprint. For example:

- Proactive waste management
- Optimisation of vehicle parc and of goods transportation
- Reasonable use of business-related travel
- Proactive management of digital communication

OUR 2019 ACHIEVEMENTS

The renewal of contracts with marketing agencies and the rationalisation efforts have enabled D'Ieteren Auto to reduce the number of suppliers and to define a set of KPIs that reflect societal recommendations.

THE WAY FORWARD

D'Ieteren Auto aims for 100% of its indirect suppliers to have signed the public procurement charter.

> Customer Satisfaction

WHY IS IT MATERIAL?

Customer satisfaction is highly important for D'Ieteren Auto, which aims to remain the provider of choice for all its clients. Any failure to achieve this objective can harm the image of the company and the brand in Belgium and lead to a loss of market share.

KEY INDICATOR

A new tool for measuring customer satisfaction will be developed in 2020.

UN sustainable development agenda

D'Ieteren Auto focuses on client welfare and satisfaction through tailored business solutions, thereby achieving high productivity.

MANAGEMENT APPROACH

The Magellan project, launched as part of the Vision 2025 plan, aims to adapt D'Ieteren's strategy and structure to meet the evolving mobility needs of clients. The customer care team is available to answer questions clients may have concerning D'Ieteren Auto's products and services.

OUR 2019 ACHIEVEMENTS

2019 marked the end of the Market Area strategy. D'Ieteren Auto now benefits from a stronger, more autonomous network that will make the company more responsive to client needs. 2019 also saw the implementation of the ambitious Leading the race plan. From 2023, this will lead to the opening of four large, ultra-modern D'Ieteren Car Centers in the Brussels region.

THE WAY FORWARD

At the start of 2020, a new approach was launched, as part of the Magellan project, to provide clients with a 'Best-in-class' experience. The strategy combines a range of projects designed to favour more transparent communication with clients during the buying process or at the after-sales phase, as well as other initiatives such as the offer of digital showrooms.

> Employee Development and Well-Being

WHY IS IT MATERIAL?

In an evolving sector, staff need to be ready to tackle new and future challenges. Preparing for these challenges begins with encouraging a learning mindset among staff and then providing them with the facilities with which to exploit it. D'Ieteren Auto wants to help employees develop their skills and ensure they have job satisfaction. The efficiency of the business ultimately relies on the employees and their commitment to improving both their personal and collective performances.

KEY INDICATOR

Hours and days of training:

- 2017: 39,605 hours or 3 days/employee
- 2018: 41,916 hours or 3.15 days/employee
- 2019: 42,700 hours or 3.20 days/employee

THE WAY FORWARD

New campaigns will promote the training offered by MySkillCamp to help employees to pursue their personal and professional growth. In terms of well-being, new training programmes will include workshops on sleep quality and an introduction to mindfulness. A workshop on load carrying is also under consideration.

MANAGEMENT APPROACH

> Training and personal development

On arriving at the company, new employees are invited to take part in a morning welcome and integration session that offers a fun look at the history and strategy of the company. They are also given practical information about life in the company, their rights and duties and the possibilities for career development.
They also receive specific training on logistics that includes a tour of company buildings and an information session about safety rules.

D'Ieteren Auto encourages the personal and professional development of its employees through appraisals and coaching sessions. Jobs in the car sector rely on very specific technical skills, so the company encourages participation in dedicated training sessions and workshops.

A training programme designed specifically for managers provides an opportunity to revisit the in-house values and to apply them company-wide. In place since 2018, this internal collaboration is helping to build a company culture that is at once innovative and inspiring. D'Ieteren Auto hopes that the process will assist the company's transformation and make it better equipped to meet sector challenges and its own objectives for 2025.

> Careers and succession

The company respects the principles of good governance in terms of equity, transparency and dialogue. In particular, the CaReer Model was set up to improve transparency in terms of employee expectations, skills and results, while offering opportunities for career development within the company. A succession plan is also in place to guarantee a reserve of potential replacements for key positions within the company.

> Burnout prevention

In terms of stress and burnout management, employees can receive external counselling or follow learning programmes (burnout prevention, time management, breathing and relaxation techniques, etc) Individual coaching is provided to help employees coping with psycho-social issues. Close monitoring of long-term illnesses has also been implemented. D'Ieteren Auto uses a case-by-case approach to facilitate the reintegration of personnel who have been absent through sickness or injury.

OUR 2019 ACHIEVEMENTS

MySkillCamp is a learning platform that puts employees in the driving seat of their own personal development, encouraging them to train continuously and autonomously. It offers e-learning sessions (including on LinkedIn), webinars and access to a library containing 10,000 e-books and audio-books.

On the issue of well-being, in addition to workshops on digital detoxing, healthy eating and cardiopulmonary resuscitation techniques (CPR), including how to use an external defibrillator, D'Ieteren Auto has been offering since 2018 a free medical check-up every three years to employees aged 50 and above. In 2019, 75 employees took advantage of the offer.

UN sustainable development agenda

8 DECENT WORK AND ECONOMIC GROWTH

D'Ieteren Auto is committed to the personal and professional development of its employees and the creation of a decent working environment.

> Employee Safety

WHY IS IT MATERIAL?

D'Ieteren Auto operates in the field of car & spare parts distribution and car maintenance and repair. The majority of the work entails the use of potentially dangerous tools, machinery and chemical products and the lifting of heavy loads. Guaranteeing that employees are protected from all hazards in their daily work is a priority. In addition, by promoting safe working practices, D'Ieteren Auto can reduce costs arising from staff injuries and absenteeism.

KEY INDICATORS

Number of workplace accidents
- 2016: 50
- 2017: 43
- 2018: 29
- 2019: 41

Number of lost working days
- 2016: 2,085
- 2017: 776
- 2018: 742
- 2019: 1103

Hours of training on safety
- 2016: 667
- 2017: 530
- 2018: 1,724
- 2019: 3,979

MANAGEMENT APPROACH

Whether it be company employees or outside contractors working on D'Ieteren installations, there is a zero-tolerance policy towards non-respect for safety standards. The prevention department conducts risk assessments, proposes preventive measures and organises workshops on fire prevention and safety.

OUR 2019 ACHIEVEMENTS

The initiatives launched in 2019 include risk assessments of electrical installations, training open to all staff members in the use of automated external defibrillators as well as annual training courses in first aid and fire prevention and control. In 2019, maintenance workshops also trained personnel in the risks related to high-voltage batteries.

THE WAY FORWARD

While recognising that eliminating all risk is an unattainable goal, D'Ieteren Auto aims to get as close possible to zero incidents. The objective is to stay below the overall frequency and average seriousness of accidents in the automobile sector. It also wants to get absenteeism as low as possible and certainly to keep it below the level seen in Belgium's private sector (7% in 2018 in Belgium, according to a survey by Securex).

After a high number of workplace accidents in 2019, D'Ieteren's Health & Safety team plans to analyse the causes and examine the trends in order to take the appropriate measures.

UN sustainable development agenda

D'Ieteren Auto is committed to the safety of its employees and the creation of a decent working environment.

> Community Engagement

WHY IS IT MATERIAL?

D'Ieteren Auto's community engagement programme finances projects that have some connection to its activities with a view to maximising the company's impact and creating value added.

KEY INDICATORS

In 2019, the Give & Gain programme financed more than a dozen projects for a total amount exceeding EUR 55,000.

THE WAY FORWARD

The Give & Gain mobility challenge will hold events throughout 2020 with the aim of encouraging more employees to adopt and support non-profit organisations engaged in projects related to socially-responsible mobility.

MANAGEMENT APPROACH

The main focus of the philanthropic Give & Gain policy is socially-responsible mobility. The company aims to involve its workforce in the charitable projects that it finances.

OUR 2019 ACHIEVEMENTS

In 2019, more than 300 employees walked, ran or pedalled in support of charitable projects linked to socially-responsible mobility. A dedicated app converted the kilometres into euros that went towards supporting more than 12 projects such as the purchase of bicycles and sport wheelchairs, improving access to buildings, the adapting of vehicles for transporting the disabled, the purchase of an electric cargo tricycle and support for disabled artists contributing to an exhibition on the theme of mobility.

In parallel, D'Ieteren Auto's annual call for projects has enabled it to help socially-isolated elderly people, to help young disabled people to take part in sport, raise awareness about sustainable mobility among young people, and support the delivery of food parcels to people in difficulty.

UN sustainable development agenda

11 SUSTAINABLE CITIES AND COMMUNITIES

As a sponsor of long-term programmes closely linked to socially-responsible mobility, D'Ieteren Auto contributes to more accessible transportation systems with special attention to those in vulnerable situations.

ETHICAL PRINCIPLES

D’Ieteren Auto has issued a Code of Ethics called “The Way We Work”, a copy of which is handed to all new employees and is easily accessible in digital form on the company’s Intranet site. The company’s values, best expressed as Honourable, Curious boldness, Enthusiasm, Supportiveness, Perseverance, form the foundation for D’Ieteren Auto’s decision-making and day-to-day actions.

> Respect for Human Rights

WHY IS IT MATERIAL?

Failure to respect human rights or any form of unethical discrimination can have serious repercussions for the reputation of the company and may lead to legal proceedings and lower workplace morale.

KEY INDICATOR

The Code of Ethics was revised in 2018 and published on the company intranet. An updated version is planned for 2020.
In 2019, D’Ieteren Auto’s HR partner Attentia received five requests for informal psychosocial assistance.

MANAGEMENT APPROACH AND RESULT OF THE POLICY

D’Ieteren Auto operates within a strict social and legal framework that covers areas such as working conditions, health and safety standards and regulations concerning collective negotiations. The company is also committed to promoting a work environment that favours mutual respect. There is zero tolerance for harassment, intimidation, oppression, exploitation, discrimination, racism, sexism and homophobia. A reporting procedure will be implemented in 2020 for people who have witnessed or been victims of inappropriate behaviour that goes against the company’s ethical principles. D’Ieteren Auto is also invested in the safety, personal development and job satisfaction of its employees (see previous sections).

Looking beyond its own business activities, D’Ieteren Auto requires its suppliers to adhere to the public procurement charter, which applies the ten principles of the United Nations Global Compact (see previous section on sustainable procurement).

UN sustainable development agenda

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

D’Ieteren Auto makes sure that individual rights are respected throughout the organisation.

> Zero Tolerance for Fraud and Corruption

WHY IS IT MATERIAL?

Corruption, attempted corruption, fraud and money-laundering breach ethical principles and constitute a risk to employees and the company insofar as they can lead to legal proceedings and cause reputational damage.

KEY INDICATOR

No incidents related to fraud or corruption were reported in 2019.

MANAGEMENT APPROACH AND RESULT OF THE POLICY

The company’s Code of Ethics – The Way We Work – clearly states that all employees must respect laws regarding fraud and corruption. Corruption, attempted corruption, fraud and money-laundering are not tolerated within the company. Any gifts and invitations that employees may receive from clients, suppliers or any other partners, or that employees may offer to clients, must comply with commercial practices and anti-bribery legislation.

In 2019, the VW group also set up a training programme for its business partners dealing with how the fight against corruption fits into the group’s code of conduct. D’Ieteren Auto staff and employees in the company’s distribution network will follow the course in 2020.

UN sustainable development agenda

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

D’Ieteren Auto plays its part in collective efforts to prevent corruption and bribery in all their forms.

> Inclusion and Diversity

WHY IS IT MATERIAL?

D'Ieteren Auto is aware that it is responsible for providing its employees with an equitable workplace where all staff benefit from the same opportunities, regardless of their sex, age, culture or physical capacities.

KEY INDICATOR

Trend in number of women in management positions:

- 2016: 20.63%
- 2017: 23.12%
- 2018: 23.18%
- 2019: 24.39%

MANAGEMENT APPROACH AND RESULT OF THE POLICY

As stated clearly in its Code of Ethics, D'Ieteren Auto guarantees equal opportunity in the workplace. Decisions on recruitment, promotion or internal rotation are based solely on an individual's expertise and performance.

UN sustainable development agenda

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

D'Ieteren Auto contributes to SDG 16, which aims, among other targets, to promote and enforce non-discriminatory laws and policies for sustainable development.

3. Belron

3.1. DESCRIPTION OF THE BUSINESS

Belron® is the worldwide leader in vehicle glass repair and replacement (VGRR) operating through wholly owned businesses and a network of franchises in 39 countries, across six continents. Belron owns more than ten well-known brands in the industry including Carglass® across Europe, Autoglass® in the UK and Safelite® Autoglass in the USA and employs just under 30,000 people over half of whom are highly skilled technicians. Building on its existing capability and expertise, Belron has taken an industry-leading position in ADAS (Advanced Driver Assistance Systems) recalibration.

In 2019 the Belron group had 29,121 people, 2,739 service centres and 9,888 mobile units.

Belron exists to “make a difference with real care”, impacting its four stakeholders: its customers, its people, society and its shareholders. This is a clear purpose that is shared by every business and employee wherever they operate.

3.2. THE GENERAL APPROACH TO SUSTAINABILITY

Belron is a signatory to the United Nations Global Compact (UNGC) and its Ten Principles of responsible business. This commits Belron, along with over 10,000 other businesses, to do business responsibly by aligning strategies and operations with ten principles on human rights, labour, environment and anti corruption, and by taking strategic action to advance broader societal goals.

The ten principles are set out in a code of business ethics blueprint, developed by Belron, from which each of its corporate business units develop their own localised code. This approach enables each business to customise and personalise its code of business ethics to include local policies and legislation to resonate with its people, whilst maintaining the core Belron ethical culture. The General Manager in each business is responsible for ensuring that all their people are made aware of the localised ethical framework and how it applies to their role including specific responsibilities, objectives and actions.

3.3. ASSESSING PROGRESS TOWARDS SUSTAINABILITY AMBITIONS

The aim of Belron is to be considered World Class by each of its stakeholders. To measure progress for its corporate responsibility activities, Belron is using an externally assessed sustainability tool provided by Ecovadis. The topics in the assessment are based upon international standards including: UNGC Principles, ISO26000 Framework, the Global Reporting Initiative Standards and the International Labour Organisation conventions. The Belron businesses are assessed on their policies in place, the actions to implement the policies and the results of those actions in four key areas: environment; labour practices & human rights; ethics; and sustainable procurement.

Once the analysis is completed by Ecovadis, each business receives a full scorecard and a rating score between 1 and 100. A score of 37 to 45 results in a Bronze rating, 46-61 Silver and 62+ Gold. The scorecard provides guidance on areas to prioritise in order to make improvements. Each business unit is then responsible for deciding the action plan for improvement, with support from Belron International.

This process also enables Belron and its businesses to benchmark against over 60,000 other organisations from over 150 countries who have been assessed by Ecovadis. World Class is interpreted as being in the top 2% of all businesses assessed, which equates to a score of 70 or above.

18 of the Belron business’ were reassessed in 2019 resulting in a total of 12 being rated Gold and 9 rated Silver. Overall the Belron group has again made good progress towards its target of having each of its corporate businesses Gold rated by the end of 2020.

In terms of overall performance, the average score for the Belron Group has increased from 60.4 in 2018 to 62.9 at the end of 2019, achieving its target of a group average of 62.

During 2019 it was decided to weight the Ecovadis scores by the average number of employees in each country to more clearly show the effect that some of the larger countries have on the overall score for the Group. Recalculating the score in this way changes the overall score at the end of 2018 to 57.0 and at the end of 2019 to 59.3. To achieve the target of all the corporate businesses being gold rated (with a score above 62) by the end of 2020, Belron will look to support the improvement actions of the individual businesses, particularly those who are currently Silver rated. A key focus of this is the significant action being taken to improve the way suppliers are chosen and managed to include ethical, sustainable and environmental criteria, and an added focus across the Group on non-financial results and KPIs.

In Q4 2019/Q1 2020 Belron was part of the materiality analysis carried out by D’Ieteren Group to identify the main impacts Belron has on its wider ecosystem, through a series of interviews and surveys with internal and external stakeholders. The outcome will support the overall sustainability strategy going forward including identifying key non-financial performance indicators, setting targets, and establishing a management review process to track progress and actions for improvement.

The annual CSR Ambassadors Workshop was held in November 2019 with 17 of the Belron businesses represented. They were joined by representatives from Belron Group Support. The main messages included; how to share best practice, priority action around extending the sustainability focus to include the supply chain, and setting clear targets both from the Centre and locally, along with action plans to improve performance.

At the workshop, the businesses in Italy, Germany, the US, France and Portugal were all recognised by Gary Lubner, for their activities and successes in corporate responsibility and sustainability.

01

02

03

04

05

01 Giovanna Forzieri, Carglass Italy, receiving the award for best Ethics Initiative from Gary Lubner
02 Jens Krees, Carglass Germany, receiving the award for joint best Giving Back Initiative from Gary Lubner (ex-aequo)
03 Karen Hamilton, Safelite, receiving the award for joint best Giving Back Initiative from Gary Lubner (ex-aequo)
04 Stephane Contini and Delphine Moracchini, Carglass France, receiving the award for best Environmental Initiative from Gary Lubner
05 Ana Torres and Pedro Soares, Carglass Portugal, receiving the award for Best Societal Impact Budget from Gary Lubner

> Climate Impact / CO_2 Emissions

WHY IS IT MATERIAL?

Being an international company with national businesses in six continents across the world, involving branches, warehouses and fleets, Belron has a direct and indirect impact on climate change.

Non-renewable energy sources, which contribute to climate change and air pollution, represent a risk for Belron due to volatility in pricing of fossil fuels plus the ever increasing burden of carbon and air pollution taxes. Stakeholders are also becoming increasingly concerned about climate change and expect demonstrable action from large companies such as Belron towards the UN climate change target.

It can also represent an opportunity as, in almost all its markets, Belron leads the market in offering a Repair First strategy, which on average reduces the carbon impact by 75% over replacement. Reducing energy consumption will also reduce costs of doing business.

Case:
In 2019 many Belron businesses made big changes to their operating models, with most opening additional low energy consumption branches to bring their service closer to the customer and which reduced mobile activity. In addition stock and delivery frequency was optimised in many countries (with more to come in 2020) which has reduced the number of delivery journeys. Coupled with an increasingly effective use of vehicle tracking, allowing optimised routing and improved driver behaviour, this means a significant reduction in Scope 1, fuel related carbon emissions.

UN Sustainable Development Goals (SDG)

13 CLIMATE ACTION

Belron committed to the principles 7, 8 and 9 of UN Global Compact
Belron works hard to understand, measure and manage its impact on climate change, both locally and globally. In particular, it seeks to limit its emissions through its repair first strategy.

MANAGEMENT APPROACH

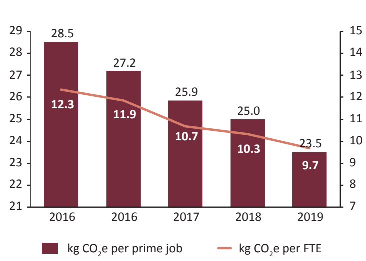
Belron works hard to understand, measure and manage its environmental impacts. It monitors carbon emissions directly in its control, such as those related to the energy consumption of its branches and its fleet, as well as Scope 3 emissions related to travel and subcontracted logistics. Belron has developed and shared a carbon footprint reporting tool across all the corporate business units and supports them in measuring, managing and reducing their carbon footprint.

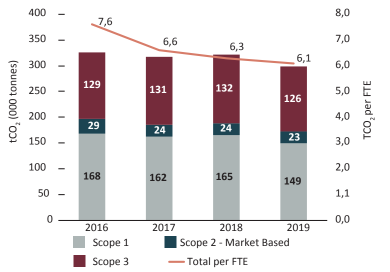
WHAT WAS ACHIEVED IN 2019

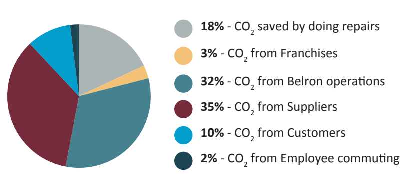
Belron has now included the full Scope 3 impact of its activities in the carbon reporting from each business and this enables Belron to see the total opportunity for reducing carbon emissions with all stakeholders. It also allows the calculation of product related carbon footprint for each business so they can compare the carbon impact of decisions affecting mobile vs branch activity, and repair vs replacement work. In order to ensure that the calculation is in accordance with the international standard for calculating carbon emissions and product carbon footprint, Bureau Veritas was engaged and the model certified to ISO14067. This confirmation of the robustness of the reporting will allow each business unit to verify their product carbon footprint to an internationally recognised standard, to have confidence in setting future reduction targets and to use for external communication.

Belron continues to offset the carbon emissions of its international events such as the Spirit of Belron Challenge held in the UK. Carglass France and Carglass Germany also use carbon offsetting and, in total, 7,019 tonnes of CO_2 emissions were offset across Belron in 2019.

KEY INDICATORS:







The Belron total carbon emissions fell in 2019. This has helped reduce the company's own carbon emission intensity from 28.5kg CO_2 per prime job in 2015 to 23.5kg CO_2 in 2019 representing a 6.0% fall in 2019 and a total reduction over 5 years of 17.6%.

The Belron Repair First Strategy again saved over 140,000 tonnes of CO_2 which represents 17% of total emissions.

Overall, the Ecovadis assessment on the environmental aspect improved from 61.7 in 2018 to 66.2 at the end of 2019, showing significant improvement particularly around the quality of reporting and management review of performance.

WAY FORWARD:

Now that Belron has measured the full impact of its activities in Scopes 1, 2 and 3 it will evaluate the opportunity to formulate a group-wide carbon reduction programme.

> Waste Management

WHY IS IT MATERIAL?

The biggest waste product by weight is the glass taken from the customers’ vehicles. It is a potentially dangerous product if not disposed of responsibly and, while it cannot be reused, there is an opportunity to recycle the glass into other products. Recycling the glass efficiently helps Belron significantly reduce cost associated with waste as well as minimising its environmental impact.

Ensuring that hazardous waste is safely disposed off and minimising the amount of general waste to landfill are two other areas of particular concern for Belron.

Case:
The second windscreen recycling plant on the West coast of the US was brought into production by Safelite in conjunction with its recycling partner, Shark. This increased the potential recycling in Safelite from 70% to 90% with only a few locations not covered. A trial of the use of Supplainers (glass delivery boxes which are common place in Europe) to deliver and collect glass from the branches took place in 2019 which significantly improved the efficiency of glass handling and, when fully implemented, would enable all branches to recycle glass more efficiently.

UN Sustainable Development Goals (SDG)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Belron aims to achieve environmentally sound management of glass and other materials throughout their life cycle, in accordance with agreed international frameworks, in order to minimize their adverse impacts on human health and the environment. In addition, Belron works at substantially reducing waste generation through prevention, reduction, recycling and reuse.

UN Global Compact:
Belron is committed to the principles 7,8, 9 of UN Global Compact

MANAGEMENT APPROACH

The ‘Repair First’ strategy plays a role in the company’s continuous effort to reduce waste by avoiding the need to replace the glass.

However, when repair is not possible, Belron aims to recycle the glass waste and considers innovative approaches and supplier partnerships to achieve this.
Where recycling in its operating countries is not in place or is inadequate, Belron has evaluated alternative options such as reverse logistics and partnering with local recycling companies to increase the percentage of products recycled.
With other waste streams Belron aims firstly to minimise use by setting technical standards for the amount of product needed during each job and secondly, define clearly what to do with specific waste streams to maximise recycling.

WHAT WAS ACHIEVED IN 2019

Recycling glass (the main waste stream) improved from 62% in 2018 to 68% in 2019 with a corresponding drop in glass being landfilled.
The amount of waste saved by the Belron Repair First policy increased from 19% in 2018 to 22% in 2019.

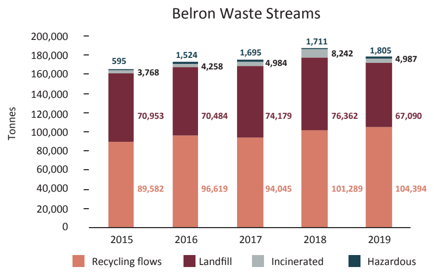
Case: Repair Days at Carglass France
Being the most ‘famous repairer in France’, Carglass felt that they are in a good place to promote the value of repair through its annual Repair Days.

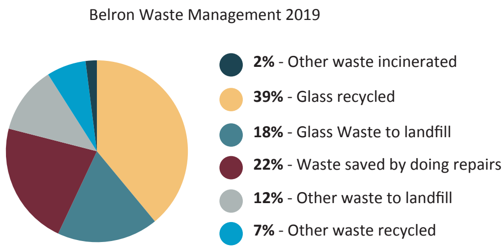
Working with local community organisations Carglass promoted all the good practices of repair that aim to extend an item’s life span and therefore reduce waste.

The Repair Days is a yearly roadshow where Carglass people showcase their activity through demonstrations and workshops. The workshops were a great success, receiving 100% positive feedback on social media.

KEY INDICATOR

The Ecovadis assessment on the Environmental aspect includes both waste management and carbon emissions and as previously stated has improved from 61.7 in 2018 to 66.2 at the end of 2019





WAY FORWARD

Belron will continue to improve its recycling rates and will work with its recycling partners and business units to extend the ability to recycle all glass, particularly toughened glass. There will also be a review across all business units to see how best to support countries with recycling activities, especially those covering large geographic areas and limited windscreen recycling facilities.

> Innovation

WHY IS IT MATERIAL?

Innovation is an important area for Belron and it invests a lot of resources in ensuring that it is at the forefront of glass and vehicle technology in order to be well prepared for changes in the VGRR market. In addition, it focuses on developing new tools and techniques to support the business, helps to ensure that it is operating efficiently and safely both for its customers and its people.

WHAT WAS ACHIEVED IN 2019

In 2019 Belron Technical significantly increased its focus on ADAS recalibration with an updated training and awareness programme rolled out to all branch employees. Testing has been completed on new technology to make ADAS recalibration software available as soon as new vehicles appear on the market.

UN Sustainable Development Goals (SDG)

Belron aims to achieve higher levels of economic productivity through diversification, technological upgrading and innovation

Case

The new Glass Medic repair curing light.

A new repair curing system was launched and replaces the original ultraviolet neon light with LED technology. This allows better tuning of the light frequency to cure the Belron repair resin faster and more effectively. It will also reduce power consumption with a set timer and use rechargeable batteries, making the unit less cumbersome and self-contained. A great example in innovation not only supporting the improvement of customer quality, but also an easier tool to use for the technician, and a benefit to the environment.

MANAGEMENT APPROACH

Maintaining the market leading Glass Medic repair system and HPX resin technology has been important to maximise repair potential, to offer customers high quality, to lower the costs associated with replacing damaged vehicle glass and to reduce the environmental impact by repairing instead of replacing.

Belron has its own dedicated research and development division, Belron Technical. This is a team of innovators and thinkers – all focused on driving technical standards and developing innovations that break new ground in vehicle glass repair and replacement, as well as ADAS recalibration.

Belron also invests in other central functional areas such as purchasing, distribution, operations support, customer insight, marketing, digital and people development.

All of this helps Belron maintain its market leadership position and to offer cutting edge services to its customers.

KEY INDICATOR:

The Belron Technical R&D budget for 2019 GBP 1.8m.

WAY FORWARD

With the increasing adoption of ADAS technology by vehicle manufacturers Belron will focus on improving its service delivery and rolling out the ability to calibrate all vehicles as soon as they appear on the market.

> Sustainable Procurement

WHY IS IT MATERIAL?

Almost 40% of Belron turnover is spent on buying products and services. The majority by value is glass but there are many other products, such as glue, repair resin, trims and mouldings, tools and uniforms. First and foremost, Belron needs to be sure that the suppliers' business ethics reflect its own, as they become part of the value chain delivered to the customer. This requires more diligence and clear evidence that companies like Belron validate how the supplier manages its business and how it sources its products.
In addition, poor financially run or operationally managed suppliers pose a risk to the continuity of the supply chain. From a brand perspective, if suppliers are using unethical practices or sub-suppliers this can reflect negatively on the reputation of Belron.

WAY FORWARD

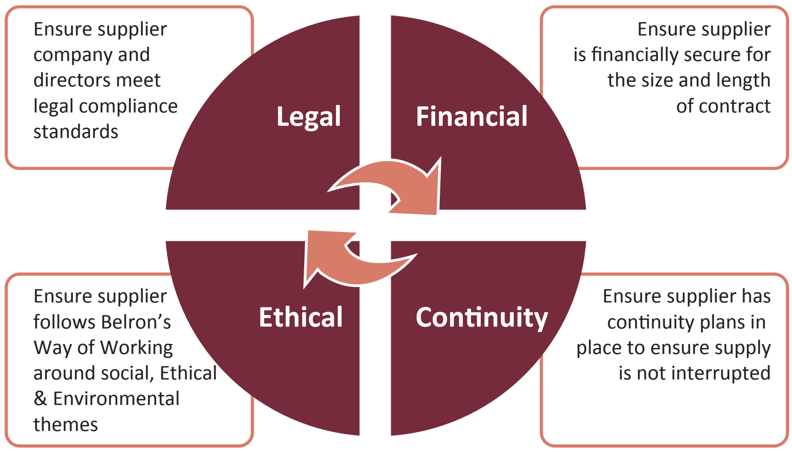
The Belron objective is to have all suppliers (incl. local business unit suppliers) assessed and managed according to their risk profile. Belron International Group Purchasing has also adopted a lead accountability for the procurement of indirect materials as well as direct. This will lead to more consistency in the assessment of sustainable procurement approaches, especially with larger regional or global suppliers.

Belron will also expand the scope of its on-site audits, working in partnership with suppliers for continuous improvement.

UN Sustainable Development Goals (SDG)

Belron seeks to procure quality products from Responsible and sustainable sources and to minimize the environmental and negative social impact of its value chain.

Summary of the Belron Approach to Supplier Risk Management



MANAGEMENT APPROACH:

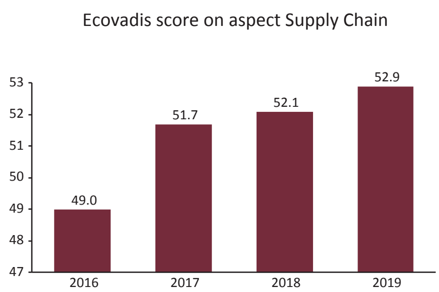
Belron obtains products from almost 100 global supplier locations on a group wide basis, and manages them through a Supplier Management Programme. This programme ensures that all suppliers of Belron are ethically compliant, financially stable, manage their risks, and comply with all legal requirements. This is done through a combination of on-site audits, external assessments, and internal management. This is to ensure that suppliers are fit for purpose and meet high ethical standards.

Each Belron business unit has its own process of managing the risk and sustainability criteria of its local suppliers. This is evaluated through the Ecovadis assessment.

WHAT WAS ACHIEVED IN 2019

During this reporting year, 55% of the Group suppliers (managed by the Group Purchasing Team) completed an Ecovadis assessment, meeting the minimum score requirement. The assessment process was supported with the continued programme of on-site audits.
In-country purchasing teams continued to manage their local suppliers with best practice shared across from the Centre, supporting the acceleration of sustainable practices throughout the supply chain.

KEY INDICATOR



The external assessment of progress in developing a sustainable supply chain has shown incremental increases over the past 4 years from 49.0 in 2016 to 52.9 in 2019.

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> Customer Welfare

WHY IS IT MATERIAL?

The Belron customer sits at the heart of the business and the company’s purpose to, ‘make a difference with real care’. To maintain its position in the market and to grow, Belron needs an experienced, highly trained technician team with the right piece of quality glass at the right time and place, for every job.

Not doing so would impact the customer experience, pose the risk of a breach of fitting standards which could in turn impact customer safety, and reputation of the Belron business.

WAY FORWARD

The new service model continues to be rolled out across the group and the benefits to both Belron and its customers are expected to continue to be delivered in 2020.

UN Sustainable Development Goals (SDG)

By the quality of its service, Belron contributes to reducing the number of global deaths and injuries from road traffic accidents

Belron contributes to achieving higher levels of economic productivity through diversification, technological upgrading and innovation.

MANAGEMENT APPROACH

The company offers an omni-channel experience to its customers; they can make contact by phone, online or by visiting a branch.

When a replacement is required, the work is performed by highly skilled technicians. The products and training are designed to deliver a service which is equivalent to the Original Equipment Manufacturer (OEM) standards. When applicable, the technicians will also carry out the recalibration of the car’s Advanced Driver Assistance Systems (ADAS), which is paramount to ensure the safety of its customers on the roads. Furthermore, the Belron strategy to repair first, saves its customers both time and money.

Belron works in partnership with the insurance companies so that it can provide a seamless service for the motorist by making the vehicle insurance claim on the motorists’ behalf.

It constantly reviews operational quality and monitors how its customers feel about the service they receive, using this to drive even better service. The company commits to respond positively and promptly to customer claims, enquiries and complaints made in good faith.

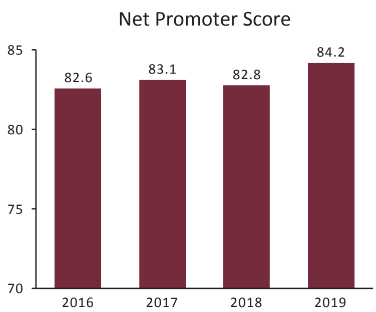
To regularly measure customer satisfaction across each of its business Belron asks customers to rate on a scale of one to ten, “How likely are you to recommend us to a colleague or friend?” (Net Promoter Score). This is measured on a weekly basis in every business unit and the results reviewed to see how Belron can maintain and improve its service to its customers.

WHAT WAS ACHIEVED IN 2019

Customer centred research and analysis continued to drive the business’ understanding of how best to serve its customers. A new service delivery model was launched in 2019. This has helped to balance the mobile service with branch-based service depending on the distance to the customer, and the speed of delivery depending on the customers’ needs, while still maintaining world class levels of customer satisfaction.

KEY INDICATOR

Belron consistently achieves a global NPS score of +80.



> Employee Well-Being and Development

WHY IS IT MATERIAL?

Belron employees are at the very core of the business’ quality of service. Therefore, their well-being and engagement are paramount. Furthermore, fostering employees’ well-being is increasingly relevant in attracting and retaining talent to the business.

Case:
Belron once again celebrated some exceptional people across its business. The Belron Exceptional People Awards (BEPA) recognises, thanks and celebrates the Belron people who are making a big difference to customers and colleagues.

Those people in the business who make a big impact; are highly regarded by colleagues or customers; and perform exceptionally time and time again, are nominated and all nominees are considered by a panel including Gary Lubner.

Winners receive a personalised thank you by a Belron director and are given a bespoke gift or experience that truly means something to them.

In 2019, 77 BEPA winners were recognised from 23 Belron countries.

WAY FORWARD

Belron Technical will continue to roll out the IMI qualification to all trainers across Belron for VGRR, for ADAS recalibration and for dealing with high voltage vehicles (required for working on electric/hybrid vehicles).

As the talent review and succession planning process continues, Belron will have a consistent view of its people and the development of successors, ensuring its People strategy enables the company to achieve sustainable business growth.

MANAGEMENT APPROACH

Belron continues with its aspiration to provide an environment for its people which is “the best place they will ever work”.

Whilst each Belron business has its own policies and procedures in place with regards to its people, the core culture is maintained across the Group. The Spirit of Belron is described in four attributes: Care, Driven, Collaborative and Genuine with the Genuine attribute encompassing the business’ Guiding Principles of Integrity, Respect and Trust.

With just under 30,000 people across the business in different roles, Belron recognises the areas that contribute to an employee’s overall wellbeing:

- feeling valued
- innovation is celebrated
- customer focus is exceptional
- excellent work is recognised
- a genuine commitment to training and development
- a strong ‘giving back’ ethos
- ethics and responsibility are fundamental

For these areas to be meaningful for Belron people, the business units have many programmes in place that include training and development, recognition programmes, flexible working, feedback and community involvement.

KEY INDICATORS

The Belron People Measure survey continues to have a consistent response rate of over 50% which is a key focus as the business wants to hear from as many people as possible. This ‘pulse’ survey is sent out on a monthly basis to between 25% and 100% of employees within each business.

The average score (out of 10) across the business year on year is as follows:

- 2019: 7.5
- 2018: 7.5
- 2017: 7.8
- 2016: 7.5

In addition, the Ecovadis assessment tracks the overall progress of performance in Labour Practices and Human Rights, which has shown continuous improvement. This has reflected in the average scores for this area improving from 61.7 in 2018 to 65.2 in 2019.

WHAT WAS ACHIEVED IN 2019

The Institute of the Motor Industry (IMI), who approves standards of training and accreditation for the automotive industry, has approved Belron International as an IMI Awarding centre for VGRR and ADAS.

This stamp of approval endorses the Belron Way of Fitting (BWoF) as a Quality Assured Programme to an industry standard. Belron is the first global VGRR company to be awarded this, giving independent credibility and a competitive advantage across the automotive industry as well as recognising and benchmarking the skill and development of the technicians.

Belron seeks to create an environment where all its people can thrive and be at their best, recognising that this is integral to the company’s performance. In 2019 the business launched its talent review and succession planning process that will help future proof the business from the leadership team down.

UN Sustainable Development Goals (SDG)

More than offering a decent work environment, the Belron aspiration is for all its employees to feel that it is “the best place they will ever work”. Thereby, it also fosters productive behaviors, customer orientation and strong performance. UN Global Compact: Belron is committed to principles 3, 4, 5, 6 of UN Global Compact

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> Employee Safety

WHY IS IT MATERIAL?

A key component of the Belron culture is the care it has for its people. The company demonstrates this through its focus on health and safety training and overall employee well-being.

One of the core risks identified is injury or harm to an employee whilst they are carrying out their role. This could result in long term absenteeism legal consequences and economic loss as well as distress to the employee and their family.

KEY INDICATOR

Each business is required to report on a monthly basis the number of reportable work-related accidents.

Safety training and accident information is also included in the Labour Practices and Human Rights section of the Ecovadis assessment. Each business collects and reports its own KPI and is responsible for defining improvement actions to minimise the number of accidents. The average score in this area has increased from 61.7 in 2018 to 65.2 in 2019.

MANAGEMENT APPROACH

Belron believes in creating a safe working environment for its people and customers. The business commits to providing everyone with the correct training and skills to feel confident in their role including stringent safety procedures for technicians so that they can deliver the highest technical standards.

Belron developed safety standards which are embedded in the Belron Way of Fitting. This is the method, tools, training and assessments developed and implemented across the group by the technical team of Belron. This includes Quality Starts with Safety - an awareness training of the importance of following the correct process when replacing a windscreen and the consequences of not doing it right 1-2-3-Easy - a training programme on the ergonomics of how technicians can avoid injury while doing their job and the STOP programme - how technicians should look after Self, Tools, Organise the work and use the right Process.

In addition, each business is responsible for implementing the necessary measures to comply with their national requirements and many businesses have dedicated Health and Safety and/or Internal Audit personnel to audit their procedures as well as highly skilled trainers to monitor and update training as needed. This local responsibility also covers Distribution and Warehouse activities and Customer Call Centres and Head Office personnel.

WHAT WAS ACHIEVED IN 2019

The Belron businesses continue to monitor and manage their health and safety incidents, with action plans in place for continuous improvements. To support the local process, Belron has implemented a common measure to be reported at Group level to track incidents across its operations.

WAY FORWARD

In 2020 Belron will collect and monitor monthly KPIs for work related health and safety incidents. This will support Group level and line management governance and enable focus to be brought on sharing best practice.

Belron Technical will update all the core training programmes relating to both customer and technician safety.

8 DECENT WORK AND ECONOMIC GROWTH

UN Sustainable Development Goals (SDG)
Through respecting standards and setting ambitious programmes aimed at increasing its employees safety, Belron contributes to promote labour rights and to ensure a safe and secure working environment for all its workers.

> Community Engagement

WHY IS IT MATERIAL?

Belron believes it has a responsibility to give back to the communities where it operates and in South Africa where the roots of the business lie.

'Giving Back' is a key aspect of the Belron culture, demonstrating the 'Care' attribute of the Spirit of Belron.

By involving its people, through their passion and energy, these activities have a positive impact not only on the communities where the business operates, but also on engagement.

Case:
In October, the Belron business in the US hosted the **Safelite® Autoglass Charity Classic**. This event saw Safelite leaders, business partners and charity representatives come together at the New Albany Country Club, Ohio to raise money for the Safelite Foundation's Impact Grant Programme. The programme provides grants of up to USD 25,000 that enable a charitable organisation to make a significant impact in its community.

Since 2011, the Charity Classic has helped the Safelite Foundation generate and distribute more than USD 3 million through 140 impact grants. In 2019, the event raised a record-breaking USD 1.5 million.

The Safelite® AutoGlass Foundation was created in 2005, aimed at supporting organisations that promote the health and well-being of families through monetary and in-kind contributions, as well as volunteer hours.

MANAGEMENT APPROACH

Belron is committed to making a meaningful impact on society which is why its businesses and people across the world choose their own community initiatives and organisations to support. Each business sets its own 'Giving Back' agenda and through this approach, see a greater sense of personal involvement and achievement amongst its people. Support is provided in many ways including financial donations, volunteering time, sharing resources or participating in sporting events which also benefits the well-being of its people.

KEY INDICATOR

Total fundraising:

Afrika Tikkun

2019	EUR 1.7 million
2018	EUR 1.2 million
2017	€ EUR 1.2 million

Local giving

2019	EUR 3.75 million
2018	EUR 3.45 million
2017	EUR 3.25 million

WHAT WAS ACHIEVED IN 2019

The Belron businesses continued to partner with local charities and organisations. These long-term partnerships enable the businesses and their people to fully understand the needs of the organisation and where they can make a difference. Over 300 charities have benefited from financial or in-kind support from the Belron businesses.

Belron once again hosted a successful Spirit of Belron Challenge. The event in September saw 1,650 Belron people, their families and friends, business partners and suppliers, from 23 of the Belron businesses, swim, cycle and run for the global charity partner, Afrika Tikkun.

The event also recognised and celebrated the 25th anniversary of the charity, setting a fundraising target of ZAR 25 million (approximately EUR 1.5 million). In the true Belron 'spirit', its people and its partners came together and smashed the target.

The Belron people were also joined by four Afrika Tikkun beneficiaries - Tumelo, Njabulo, Puseletso and Fortunate who were chaperoned by Nehwoh, General Manager of the Uthando and Belron Centres. These young people personify for Belron how its support makes a difference every day to thousands of lives in South Africa.

WAY FORWARD

Belron and its businesses will continue to look at ways that it can have a positive impact on the communities in which it operates, as well as continued support for Afrika Tikkun at Group level.

UN Sustainable Development Goals (SDG)

17 PARTNERSHIPS FOR THE GOALS

Through the Belron/Afrika Tikkun partnership the charity is able to support over 17,000 beneficiaries across many programmes in its 'cradle to career' model.

ETHICAL PRINCIPLES

> Respect for Human Right

WHY IS IT MATERIAL?

Human rights are a fundamental pillar of ethics and the Belron Guiding Principles support this. The company has established clear standards for itself and sets expectations of similar standards from its partners.

A breach of these standards not only impacts those involved but could result in a detrimental impact Belron brands caused by adverse publicity.

KEY INDICATOR

The businesses' approach to ensuring that the Human Rights of its people and those within its supply chain are upheld, is measured and evaluated within the Ecovadis sustainability assessment. Within two areas of the assessment - Labour Practices & Human Rights and Sustainable Procurement - each business provides information on its policies, actions and results on topics such as working conditions discrimination and social dialogue.

The overall Group average score for 2019 for Labour Practices & Human Rights was 65.2, up 3.5 points from 2018.

UN Sustainable Development Goals (SDG)

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Belron makes sure that individual rights are respected throughout the organisation within its sphere of influence.

UN Global Compact: Belron is committed to principles 1 and 2 of UN Global Compact

MANAGEMENT APPROACH

Human rights are addressed in the Belron ethics policy and Guiding Principles as well as through the programme in place to assess suppliers. Belron people treat each other with respect and ensure that their activities do not contribute directly or indirectly to human rights abuses. The business adheres to and promotes clear ethical standards for itself, and expects similar standards from all third parties who work with Belron or on its behalf.

In the company's Guiding Principles, it commits to promote a culture of respect and equal opportunity in which individual success depends solely on personal ability and contribution. It also commits to promoting an open and fair recruitment process, hiring and promoting people on the basis of their ability for a role and their appreciation, respect and alignment with the Belron culture.

Belron outlaws the use of child labour in any form. It does not employ anyone below the age of 16 or the local legal minimum employment age should this be different in a country it operates in. It will not use suppliers who use child labour in any manner. All of its employees, contractors and suppliers working conditions are required to be compliant with national legislation and in cases where this is deemed insufficient, with the relevant International Labour Organisation Standards. In no instance will inhumane treatment of its people or those in its supply chain be acceptable including any form of forced or bonded labour, physical punishment or any other abuse.

WHAT WAS ACHIEVED IN 2019

The Belron businesses have been developing and launching their localised codes of conduct. Through the awareness training carried out in the businesses, the best practice communication shared emphasised the importance and responsibility of speaking up. To support this, Belron provides a centrally facilitated Speak Up line through a third-party provider. Whilst Belron encourages concerns to be raised within the local country, the Speak Up line is provided as an additional channel to raise concerns confidentially. Belron is committed to ensuring that those who raise concerns are free from retaliation or reprisals.

During 2019, 33 calls were made to the line with 22 of these being classed as 'Original Incident Reports'. All reports are investigated by the Central Legal team in conjunction with the country contact, to find an appropriate resolution to the issue raised. The Ethics Hotline in the US business (also through a third-party provider) received 43 reports during the reporting year. Eight of these reports were substantiated and appropriate action was taken.

In 2019, the Belron Group Supply Chain Management team formalised its approach to assess and monitor the sustainability activities of its Group suppliers. A key aspect of this approach is auditing of activities using the Ecovadis sustainability assessment as well as site-level audits. The on-site audits include interviews with workers on site. The workers are randomly selected from different departments and ensure a mix of gender representation. The interviews include questions on working conditions such as wages, working hours and health and safety. The output from the interviews is included in the audit report and corrective action plan. The Group Purchasing team works closely with suppliers on all areas of non-compliance or improvement opportunities in order to maintain ongoing development.

> No tolerance for Bribery and Corruption

WHY IS IT MATERIAL?

Belron is explicit in its Guiding Principles that it will not tolerate any forms or attempts of corruption or bribery either towards or by its people or partners regardless of local customs and business practices.

A breach of this could seriously damage the reputation of the business and result in legal consequences.

UN Sustainable Development Goals (SDG)

Belron contributes to reducing corruption and bribery in all their forms
UN Global Compact: Belron is committed to principle 10 of UN Global Compact

MANAGEMENT APPROACH

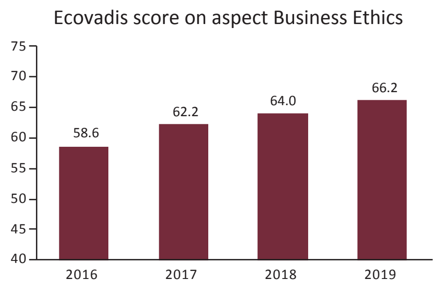
The Belron Guiding Principles are in place and upheld to ensure that offences such as bribery and corruption are not tolerated within the business. Anti-bribery and corruption is one of the compliance matters that the Group Legal team promotes throughout the business. The approach is business unit and market specific and therefore the policies and procedures adopted will depend on a number of factors including the relevant risk and local rules in each business unit country. In higher risk jurisdictions, more stringent measures are put in place to help prevent anti-bribery and corruption.

Training and awareness sessions on anti-corruption law and anti-corruption policies is provided where Belron perceives any material risk, in order to help ensure that each business continues to compete fairly and in compliance with all applicable anti-bribery laws.

KEY INDICATOR

The businesses' approach to anti-bribery and corruption is one of the topics measured within the Fair Business Practices/Ethics section of the Ecovadis sustainability assessment. All the businesses provide information about their policies, actions and results in relation to this topic as well as conflicts of interest, fraud, money laundering; and anti-competitive practices.

In 2019, the overall average score across the Group in this area once again saw an increase, up from 64.0 to 66.2.



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4. Moleskine

4.1. BUSINESS DESCRIPTION

Moleskine is a global, multi-category, multi-channel brand, dedicated to supporting the users in expanding knowledge, creativity and individual expression. Its ecosystem is made of products and services, content and stories, people and partners, places and channels, which combine, enable and nurture creativity and self – expression: notebooks, diaries, journals, bags, writing instruments, reading accessories and hybrid products that migrate content from paper to digital devices and vice versa. They provide open platforms to create, communicate and share ideas.

Moleskine has its fingers on the pulse of contemporary creativity and is present across a network of websites, blogs, online groups and virtual archives, not least within the brand's own online community, myMoleskine.

Moleskine is a creative company enjoying steady growth. It has about 550 employees and a vast network of partners. With its headquarters in Milan, Italy, the Moleskine Group also includes, among others, Moleskine America, Inc. (established in 2008); Moleskine Asia Ltd (2011), which controls Moleskine Shanghai and Moleskine Singapore; Moleskine France (2013) and Moleskine Germany (2013).

The Group designs and sells its products through a multichannel distribution platform in more than 115 countries. The production itself is outsourced to partner suppliers.

4.2. OUR APPROACH TO SUSTAINABILITY

With a mission statement dedicated to supporting our users in expanding knowledge, creativity and individual expression, the question of sustainability has always been at the heart of Moleskine's concerns. Moleskine's most valuable creative capital is of course its own people, for whom it aims to provide a fair and enriching work environment.

In 2019, Moleskine's People Strategy focused primarily on reconnecting and engaging staff with the Company purpose. To pursue this objective, the Leadership Team identified the Corporate culture as the prime motor for embracing and manifesting the Company's purpose in everyday life.
2019 therefore has seen numerous initiatives designed to enrol the entire Group into embodying the core cultural values that are essential to "leading the Moleskine way".

The non-profit Moleskine Foundation was launched in 2017. The Foundation – which is fully aligned with the values and beliefs of the Company – fosters creativity for social change through a number of educational initiatives, with a focus on communities affected by cultural and social deprivation, such as At Work (https://moleskinefoundation.org/initiative/atwork), a Quality Education program carried out in several African countries.

The Company is also aware that its products use natural resources. It therefore seeks to balance economic benefit and environmental protection in its activities, developing them with respect for current environmental regulations while bearing in mind the rights of future generations. As the Company operates primarily as a distributor, most of its environmental footprint comes from the operations of its suppliers. It therefore ensures that its values are respected throughout the supply chain.

To further investigate and develop on sustainability Moleskine built an ECO-Team joining people from different departments and with different perspectives; including both at executive and employees' level. It meets periodically to set up priorities and monitor Moleskine's sustainability ambitions. Moreover, the company is engaging with its stakeholders in order to elaborate further on its materiality analysis and is currently in the process of making a Life Cycle Analysis (LCA) of one of its core products. The results of these analyses will help Moleskine in 2020 further define its priorities and sustainability ambitions.

4.3. MATERIAL ASPECTS:

- Environmental impact of product design
- Sourcing of materials and natural resources
- Energy efficiency and CO_2 emissions
- Social and ethical supply chain
- Innovation
- Employee well-being and satisfaction
- Community engagement
- Ethical principles
- Respect for human rights
- Zero tolerance for corruption and bribery
- Inclusion and Diversity

> Environmental Impact of Product Design and Packaging

WHY IT IS MATERIAL

Moleskine’s business model is based on the conception and creation of consumer goods. Therefore, a substantial part of the environmental impact stems from the design and manufacture of new products. Taking environmental criteria into account and considering the products’ full lifecycle at the design stage is crucial to minimizing waste and increasing the recyclability of materials. This perspective goes beyond the product to include the packaging.

Adapting to the growing demand of clients to reduce the environmental footprint of the products they are using also creates a great business opportunity for Moleskine. Moreover, failure to comply with environmental standards and regulations can lead to additional costs and potentially harm the Company’s reputation.

KEY INDICATOR

- 99.8% of paper products in the 2019 catalogue have a reusable paperband.

UN Sustainable Development Goals (SDG)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Moleskine aims to contribute to reducing waste generation through prevention, reduction, recycling and reuse.

MANAGEMENT APPROACH AND WHAT WAS ACHIEVED IN 2019

In order for Moleskine to understand the environmental impacts of its products along the entire value chain (i.e. from design to production, use and end of life), the company aims to make a life cycle analysis of one its core products. This will enable to capture the possibilities for improving the ecological footprint of its products. Moleskine takes environmental criteria into account when designing new products. In order for Moleskine to understand the environmental impacts of its products along the entire value chain (i.e. from design to production, use and end of life), the company aims to make a life cycle analysis of one its core products. This will enable to capture the possibilities for improving the ecological footprint of its products..

In Moleskine’s sustainable product development process, a significant area of focus is packaging with the aim of reducing the waste:

- designing it for reusability (also in 2019 the Notebook paperbands carry B-side graphics that turn it from paper waste into an object or paper tool to be kept and used);
- looking for new solutions with low environmental impact (i.e. substituting paper bags stuffing with recyclable air bubbles, which allow significant save on weight and volume, both for storage and transportation).

WAY FORWARD

In 2020 the Company will continue working both on packaging and alternative materials for its core products in order to reduce its environmental impact.

> Sourcing of Materials and Natural Resources

WHY IT IS MATERIAL

Moleskine must exercise responsibility when choosing the materials it uses in its products, since such choices will inevitably impact the world's resources. Even though Moleskine does not produce its products, it designs them and initiates their production.
The use of chemicals can also affect the health of end consumers. This can represent a risk for the brand's good reputation as well as costs associated with the non-compliance with standards and regulations.

UN Sustainable Development Goals (SDG)

By ensuring that all its paper products come from responsibly- managed forest, Moleskine contributes to SDG 15 which aims to promote the implementation of sustainable management of all types of forest, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

The Company also contributes to SDG 12 as, by respecting the above-mentioned regulations, Moleskine aims to reduce the impact of the materials it uses on the environment and human health.

MANAGEMENT APPROACH AND WHAT WAS ACHIEVED IN 2019

Moleskine is aware of its responsibility to ensure the resources it uses are sourced with respect for the environment.
The main material used is paper (paper products represent roughly 83% of our net revenues in 2019).
Paper is a sustainable raw material when sourced responsibly. Given current deforestation concerns, Moleskine's policy is to ensure that the paper and wood used comes from sustainably-managed sources. Hence, since 2008 Moleskine is "FSC Chain-of-Custody" certified. The certification is renewed every five years and requires annual audits for validation.
One of Moleskine's priorities is to find a balance between ensuring high product quality and using sustainable materials to make those products. To this end, all its paper is acid-free and ECF (elementary chlorine free). Also, all products and materials comply to major international regulations such as REACH and Proposition 65.

KEY INDICATORS

- Moleskine has obtained and maintained the FSC Chain-of-Custody certification since 2008. All paper products in 2019 were sourced and supplied through the FSC certified supply chain.
- All paper used in Moleskine paper products is acid-free and ECF (Elementary Chlorine-free).
- Moleskine actively ensures that its products are compliant to international regulations in force - such as REACH and Prop65 - at all times, and that they do not contain any SVHCs (Substances of Very High Concern). Regular tests are conducted on finished products and materials, by third party accredited labs.

WAY FORWARD

The way forward is to continue applying the same high standards to all materials used to produce MSK products (paper, cardboard, polypropylene, polyurethane, polyester, nylon, fabrics and textiles, metals, ABS plastic, EVA rubber, real leather).

> Energy efficiency and CO_2 emissions

WHY IT IS MATERIAL

Climate change is one of the biggest risks facing society. Moleskine has a direct and indirect impact on climate change, which results respectively from the greenhouse gases emitted for its own operations (design, distribution) and for the activities of its supply chain, as well as direct emissions from day-to-day use of Moleskine's offices and mobility of Moleskine's employees.

WAY FORWARD

Based on the results of our CO_2 emissions calculations, we will look at the opportunities for further reduction.

UN Sustainable Development Goals (SDG)

By implementing climate change measures, Moleskine contributes to SDG 13, which involves taking action to combat climate change and its effects.

MANAGEMENT APPROACH

Moleskine takes steps to shrink its own–direct - environmental footprint by investing in renewable energy and by promoting sustainable mobility for its employees.
In 2019 the Company has started to reflect on ways to assess Moleskine's global – indirect - environmental impact and decided to start calculating direct CO_2 emissions arising from energy consumption in Moleskine's offices and stores, all over the world (scope 1 and 2 emissions).

WHAT WAS ACHIEVED IN 2019

In line with Moleskine's resolution to invest in renewable energy 60 solar panels covering a total of 97,50 square meters were installed in 2018 on the roof of the Milan headquarter.
In 2019 the electricity meter has been installed to start tracking from 2020 the green energy kWh produced by the solar panels.
Moleskine also reached several agreements with Milan's public transport operators (Azienda Trasporti Milanesi and Trenord), including favourable conditions for Moleskine employees who buy season tickets.
A new Courier service started working in Milan, where Moleskine's headquarter is located: through "bike messengers" it provides a sustainable courier service that tracks CO_2 emissions saved for each trip.

KEY INDICATORS

> 15,000 kWh annual estimated renewable energy production for 2019.

> For the first time Moleskine published its CO_2 emissions

Direct CO_2 emissions	tCO_2e	
Scope 1	183,82	32%
Scope 2 (market based)	394,02	68%
	577,84	

> Social and Ethical Supply Chain

WHY IT IS MATERIAL

Moleskine’s products are sourced entirely by external suppliers. Therefore since the beginning of the development process Moleskine defines with these suppliers a set of social and ethical standards to be applied at all times.

In terms of risk, failure by suppliers to comply with these standards of ethical conduct could have a negative impact on Moleskine’s reputation. Moreover the shutdown of a key supplier, by consequence of non-compliance, could also disrupt business continuity.

UN Sustainable Development Goals (SDG)

Moleskine’s procurement policy contributes to SDG 8, which aims to protect labour rights and to promote safe and secure working environments for all workers.

MANAGEMENT APPROACH

Moleskine has processes in place to ensure their suppliers’ commitment to social well-being.

Moleskine’s aim to reaffirm the Group’s deep-seated commitment, to meet the highest standards of legal and ethical conduct in its commercial dealings, is clear from the General Conditions of Supply which contain a term where Moleskine asks its vendors to comply with the Company’s Code of Ethics.
In addition, Code of Ethics agreed compliance is reminded in the footer of any Purchase Order.

Next to this, Moleskine’s General Conditions of Supply require suppliers to guarantee that every stage of their production chain complies with the SA8000 International Responsibility Standard (or equivalent, such as SMETA or BSCI). This standard applies to all working conditions and covers safety, hygiene, under-age workers and non-voluntary work (exploitation), the legitimacy of employment contracts and the environment. The Company verifies whether suppliers are certified, by asking them copy of the certifications. Moleskine asks companies that are not certified to begin the certification process and monitors their progress.

KEY INDICATOR

In 2019, 91% of purchases (in EUR) from significant suppliers of goods come from companies that are compliant with Moleskine Corporate responsibility guidelines.

WAY FORWARD

In 2020 Moleskine will actively work to ensure that all its significant suppliers of goods reach full compliance with Moleskine Corporate Responsibility Guidelines.

> Innovation

WHY IT IS MATERIAL

Moleskine caters for creative consumers who are open to new ideas and ways of increasing productivity/self-expression. Among Moleskine’s target audiences are digitally-connected professionals, knowledge workers and students who are used to the convenience of digital technology but who still enjoy creating plans and developing ideas on paper first but have come to appreciate the convenience of digital technology. Increasingly Moleskine also caters to the audience delivering digital first or pure digital offerings.
By remaining relevant in both the analog and digital domain, Moleskine seeks to follow the needs of the users, and delivers platforms for creation that can travel and grow with the user over time.

The Pen+ Ellipse seamlessly combines the everyday experience of writing and creating by hand with the digital world.

MANAGEMENT APPROACH

The Company dedicates significant energy to identify areas for innovation across every product category, while also seeking ways to innovate internal processes, the business model and overall corporate culture.
Driven from a solid foundation in company purpose, brand evolution trajectory, technical capabilities, the teams explore emerging consumer needs – seeking to deploy the optimal solution, at any given time, designed to empower personal creativity and productivity.

WHAT WAS ACHIEVED IN 2019

In 2019, the Digital Development and R&D departments sought to identify solutions to bridge the analogue-digital continuum, creating a connection between digital and paper products. In addition the continued focus on digital first and pure digital solutions took form. This resulted in the launch of the Adobe Connected Paper Tablet and the Dropbox Smart Notebook.
2019 saw the full execution of the acquisition of EDO.IO a app services development company, which was identified through the Moleskine Open Innovation program in 2018.
2019 brought to market the third Digital App in the collection – Flow by Moleskine. Flow is a digital notebook that removes all the clutter and long list of choices, enabling the you to stay in your creative flow – giving you the tools to customize your experience to your own preferences. Flow was awarded the 2019 Apple Award for Design and Innovation as well as winning Apple Best App for iPad, 2019.

KEY INDICATOR

In 2019, Moleskine took further steps for strengthen the skills of its innovation team. +20 Employees of Moleskine received a specially designed Innovation Course, delivered by the Politecnico of Milan to be awarded MIP – Masters of Innovation.
In 2019 Moleskine increased its direct investment in the digital category. This was done through direct investments in projects in the innovation pipeline, as well as investment into new ventures. The ventures include the Moleskine Digital Studio JV and the EDO.IO start-up. In total this means a doubling in terms of investment over 2018 into projects that will enter the market throughout 2020 and early 2021.

WAY FORWARD

Moleskine will focus on consumers, deepening its understanding of how Moleskine can provide meaningful innovation. Focusing on both established and emerging segments, the company is laying the ground-work for continued consumer relationships in years to come.

UN Sustainable Development Goals (SDG)

8 DECENT WORK AND ECONOMIC GROWTH

By constantly innovating with the launch of new original products (including its M+ collection), Moleskine contributes to SDG 8, which aims to achieve higher levels of economic productivity through diversification, technological upgrading and innovation.
Part of the product roadmap remains extending the value of Moleskine objects over time, making the objects non-disposable, while still ensuring industry best standards for recycling and materials sourcing.

> Employee Well-Being and Development

WHY IT IS MATERIAL

Strong employees engagement with the corporate culture and goals, and staff retention are crucial to the long-term success of the business.

KEY INDICATORS

- In 2019 Moleskine dedicated more than 370 hours to staff training and development, involving more than 130 people.
- 2 Inspiring Mornings in 2019 in Milan
- 10 Culture workshops in EMEA, 3 in America

WAY FORWARD

An internal survey, to measure the effectiveness of the Culture Workshops showed a high interest and appreciation of the initiatives.
In Italy and in America several spontaneous Culture initiatives have been developed by internal staff.
Roll out of the Culture project in Asia planned for 2020.
Inspiring Mornings will continue also in 2020 across in all the countries.

UN Sustainable Development Goals (SDG)

8 DECENT WORK AND ECONOMIC GROWTH

Moleskine is committed to the development of its employees and wants to contribute to creating a decent working environment.

MANAGEMENT APPROACH

Since 2019, Moleskine took an integrated approach under the “Total Rewards System”. The TRS implies that investment in people is not only related to monetary status (basic salary and variable incentive bonus), but is also related to a more general investment in the corporate well-being of staff (workplace, learning, engagement, work-life balance). In terms of learning, Moleskine provides its employees with professional learning, personal development programmes and technical training. Moleskine is also committed to using internal job rotation before hiring external candidates.

WHAT WAS ACHIEVED IN 2019

- In 2019, Moleskine launched the People&Culture Project to engage our people on the 5 corporate Values “Pillars”: excellence, learning, care, resourcefulness, passion. The roll-out has been organized through many internal workshops, which involved Italy, France, UK, Germany and America teams.
- In 2019 Moleskine launched several learning & development initiatives:
  - Part-time collaboration and co-teaching with MBA International MIP;
  - Retail Experience Training Lab for EMEA Store Managers;
  - Individual coaching for Executive roles;
  - Technical training to enhance basic skills in languages and IT systems/tools;
  - Individual training to empower employee’s soft skills;
  - Training to enhance technical skills in sales approach.
- In 2019 we have launched the Inspiring Mornings, an initiative shared with the Moleskine Foundation: thanks to direct contact with authors with significant personal stories in the contemporary creative scene Moleskine personnel have had an opportunity for personal enrichment on different themes, experiences and points of view, all focused on creativity as an engine of social transformation.

> Community Engagement

WHY IT IS MATERIAL

Moleskine is a cultural icon, a brand that tells a story. A Moleskine object, service, content connects the owner to a heritage in art, literature, cultural and geographical exploration.
It is part of Moleskine's DNA to sustain creativity and critical thinking in the community.
Moleskine believes that community engagement can create opportunities to engage creative people.

MANAGEMENT APPROACH

Moleskine has a twofold approach to community engagement:

- sustaining culture and creativity (Moleskine Cultural Programming and Content): A number of activities aim to nurture the brand's close relationship with leading cultural institutions and their communities. This involves curated events, cultural partnerships and content that take place in its physical and digital spaces. Through content platforms such as FOLD Magazine, we align with the forefront of contemporary culture and inspire personal development and positive social change. We bring our audience closer to emerging and established cultural figures through intimate and inspiring conversations. We create a space of inspiration, shared learning and creative exchange by speaking to thought leaders committed to redefining community by tackling such issues as equality, identity, inclusivity, sustainability, representation in art, etc.
- promoting education and critical thinking in communities affected by cultural and social deprivation (Moleskine Foundation).

The Moleskine Foundation is a non-profit organisation that provides young people with unconventional educational tools and experiences that help foster critical thinking, creativity and life-long learning, with a focus on communities affected by cultural and social deprivation.

The Company has recently strengthened its relationship with the Moleskine Foundation in a joint mission to create co-curated cultural formats that leverage creativity as an engine for positive social change.

WHAT WAS ACHIEVED IN 2019

Among initiatives in 2019 aimed at sustaining creativity within the creative audience, Moleskine estabilished partnerships with London Design Festival, with TEDx Milan, and the Power Station of Art Shanghai.
In its triennial 2018-2020 business plan, Moleskine has approved the yearly designation of a sizeable contribution that will cover the structural costs of the Foundation and allow it to have a sustainable, long-term vision. Henceforth, 100% of the resources received by the Foundation can go directly to creating a positive social impact.

KEY INDICATORS

- 395,000 EUR were given to the Moleskine Foundation in 2019.
- Cultural Partnerships: London Design Festival, TEDx Milan, Asama Photo Festival, Power Station of Art Japan.
- High-profile Cultural Figures Engaged: Ding Yi (world-renowned Chinese artist), Thirza Schaap (Artist known for her role in raising awareness on plastic problems), Alexia Tala (Curator), Giorgia Lupi (world expert on data design), Farshid Moussavi (celebrated architect), Camille Walala (famous designer), Liu Xiaodong (one of the most famous contemporary Chinese artists), etc.

WAY FORWARD

The 10 years of shared value and expertise have allowed Moleskine and the Moleskine Foundation to develop a new innovative partnership model of social engagement that brings together a non-profit organisation and a business to create a more significant social impact on a larger scale. The Moleskine Company is committed to collaborate with the Moleskine Foundation by putting its network, its people and its infrastructure at the disposal of the Foundation.

UN Sustainable Development Goals (SDG)

Through the Moleskine Foundation, Moleskine contributes to SDG 4, which aims to increase the number of youth and adults with relevant skills, including technical and vocational skills, that will create decent employment opportunities and encourage entrepreneurship.

ETHICAL PRINCIPLES

> Respect for Human Rights

WHY IT IS MATERIAL

Moleskine is committed to meet the highest standards of legal and ethical conduct in its employee management and commercial dealings. Non-compliance with standards and regulations can bring costs and reputational damages.

KEY INDICATOR

- In 2019 no Human Rights breaches were registered by the Supervisory Body.

UN Sustainable Development Goals (SDG)

Moleskine makes sure that individual rights are respected throughout the organisation

MANAGEMENT APPROACH AND RESULT OF THE POLICY

The legal and ethical standards that Moleskine adheres to are described in the Company's Code of Ethics, adopted in 2013. All of Moleskine's employees are requested to accept the Code when joining the Company, as the Standard of General conditions of Supply submitted to vendors that supply Finished products contains the acceptance of Moleskine's Code of Ethics.

The Company considers unacceptable any type of violence, harassment or undesirable conduct that violates the dignity of a person. All those who observe or are the victim of any form of harassment (sexual or linked to personal, cultural or religious diversity) are asked to report this to the relevant managers or to the Supervisory Body.

The Company aims to propagate and reinforce a safety culture by developing awareness of risks, and developing knowledge of, and compliance with, current prevention and protection legislation, promoting responsible behaviour on the part of all workers. No employee or contractor may expose others to risks and dangers that might cause harm to their health or physical safety, and each worker is responsible for and must act to ensure effective management of workplace health and safety.

As mentioned above, Moleskine requires its suppliers of Finished products to guarantee that every stage of their chain of production complies with the SA8000 International Social Responsibility Standard (which covers, amongst other points, working conditions, under-age workers and non-voluntary work).

> Zero tolerance for Corruption and Bribery

WHY IT IS MATERIAL

Any forms of attempted or actual corruption and bribes can represent a reputational risk and lead to legal fines.

KEY INDICATOR

In 2019 no cases of corruption or bribery were registered by the Supervisory Body.

UN Sustainable Development Goals (SDG)

Moleskine contributes to global efforts to counter corruption and bribery in the corporate sector

MANAGEMENT APPROACH AND RESULT OF THE POLICY

In 2013, Moleskine implemented the Italian Legislative Decree 231/2001 by adopting the Organizational and Control Model aimed at preventing bribery and the corruption of public authorities and private entities.
It also complies with the Italian Entrepreneurial Association Guidelines (Confindustria Guidelines). A Supervisory Body oversees the efficiency of the Model and must be informed of any possible violation.
The Supervisory Board reports twice a year to the Board of Directors.

> Inclusion and Diversity

WHY IT IS MATERIAL

Moleskine promotes diversity, rejects all forms of discrimination and applies the same standard of treatment toward each employee regardless of their religion, nationality, origin, gender or beliefs. Any episode of discrimination would put Moleskine’s reputation at risk. Furthermore, diversity within the organization greatly benefits the business thanks to the mix of different genders, mindsets, cultural and professional backgrounds.

KEY INDICATOR

In Moleskine’s working environment 57% of the top and middle management are women.

UN Sustainable Development Goals (SDG)

Moleskine contributes to SDG 16, which aims, among other targets, to promote and enforce non-discriminatory laws and policies for sustainable development

MANAGEMENT APPROACH AND RESULT OF THE POLICY

Moleskine rejects all forms of discrimination and applies the same standard of treatment to all employees.

Moleskine recognises the importance of its employees as one of the fundamental factors in achieving corporate objectives, and adopts procedures and techniques for recruiting, development, evaluation and training aimed at providing equal opportunities without discrimination on the basis of gender, age, sexual orientation, religious beliefs or any other factor.

Staff are recruited on the basis of their experience, their attitudes and their skills. Recruitment and internal promotions are based exclusively on the correspondence between expected and required profiles.

5. D’Ieteren Immo

5.1. ABOUT D’IETEREN IMMO

D’Ieteren Immo SA/NV is one of the four subsidiaries of D’Ieteren Group. The company was founded in mid-2016 to look after D’Ieteren Group’s Belgian property interests, which are mainly used for the activities of D’Ieteren Auto. 2019 was the third full year in which various investment projects were completed. Our team pursues investment projects and carries out studies into possible site renovations, while undergoing constant training that enables it to identify and develop potential sources of sustainability, innovation and creativity. D’Ieteren Immo’s team includes 44 permanent employees and 10 freelancers. The company supports dealers of the brands of the Volkswagen Group in Belgium by implementing and following the branding and architectural guidelines of the various brands.

5.2. GENERAL SUSTAINABILITY-BASED APPROACH

5.2.1. Principles

As a real estate company, D’Ieteren Immo wants to lead the way in the transition to a sustainable society. With this aim, in 2019, the company embarked on an intensive, ongoing process of developing a sustainability strategy, with the support of an external sustainability expert, Futureproofed.

Together with internal and external stakeholders, D’Ieteren Immo has defined the key trends and impact areas that determine its sustainability strategy. This intensive exercise has resulted in a materiality matrix. .

A sustainability working group has been set up to provide an internal support. Together with this working group, made up of employees from various departments within D’Ieteren Immo, priority themes and goals have been defined based on interactive sessions and our vision.

This intensive process has resulted in the following comprehensive and ambitious strategy:

D’Ieteren Immo has identified eight themes for which it has formulated specific goals. Together, these form the building blocks for D’Ieteren Immo’s twofold sustainability strategy:

- **D’Ieteren Immo wants to be a top employer and a partner for change**
  - As an employer, D’Ieteren Immo aims to create an inspiring and safe working environment in which employees are encouraged to develop, personally and professionally.
  - D’Ieteren Immo is also convinced that partnerships and relationships with various stakeholders are essential for achieving its goals.

- **D’Ieteren Immo wants to design, build and maintain for the future (portfolio management)**
  - D’Ieteren Immo aims for forward-looking and sustainable management of the existing buildings in its portfolio.
  - The company also wants to lead the way for renovations and the development of new projects by designing and building sustainable and resilient infrastructure that creates the greatest possible value on the long term.

1 For more details, see Section 1.3 ‘Materiality matrix’.

The journey to this sustainability strategy is well underway. The goals set in 2019 will be re-evaluated on a regular basis and refined in the light of the insights gained.

The sustainability working group is developing an action plan for 2020, in which the goals will be translated into specific actions and indicators to enable systematic monitoring of performance.

To measure the social and environmental impact of its activities, D’Ieteren Immo works with an external sustainability expert, Futureproofed, and will develop an evaluation tool. Based on the insights gained, actions will be taken to minimise negative impact and optimise positive impact.

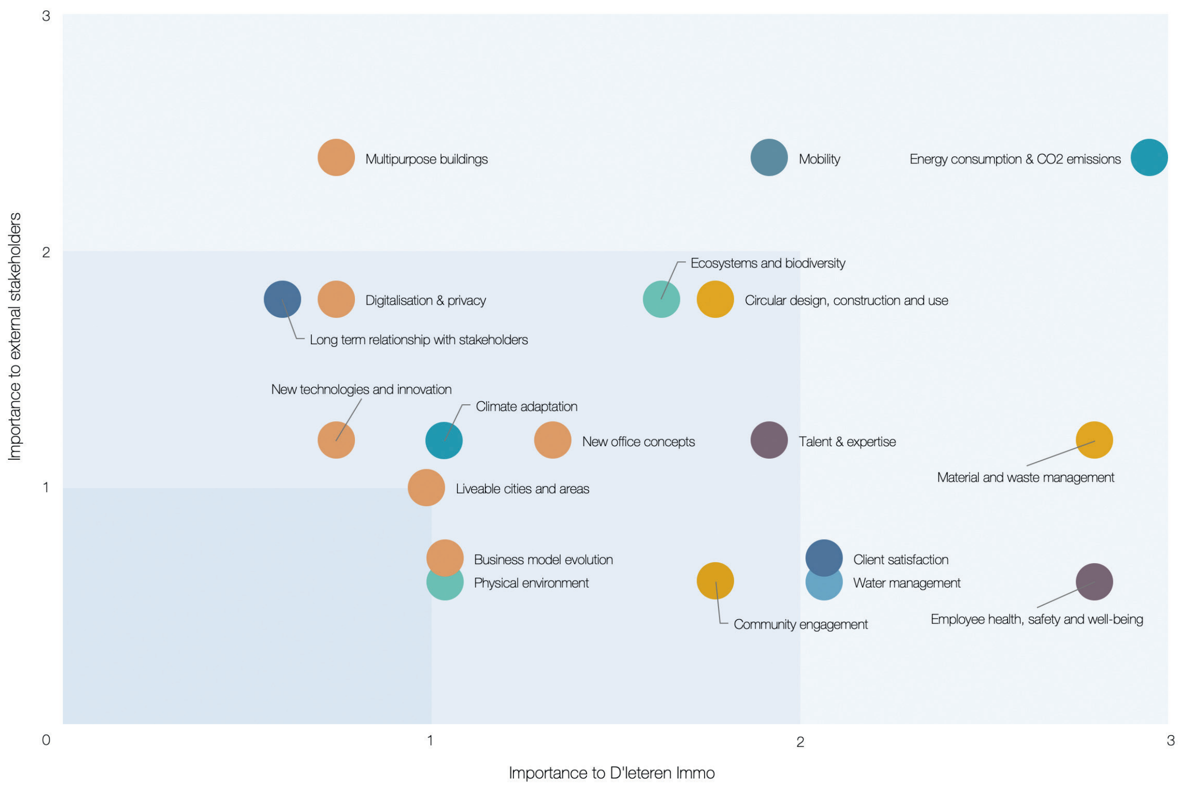
In 2020, D’Ieteren Immo will work with the same partner to develop guidelines, based on the Sustainable Development Goals, for the design and realisation of new, futureproof infrastructure.

5.2.2. Materiality matrix

D’Ieteren Immo is conscious of the impact of its activities on both society and the environment. In order to identify sustainability issues and prioritise the most important ones for its business and stakeholders, the company drew up a materiality matrix in 2019. This involved interviewing various stakeholders, selected based on their relevance (authorities, clients, suppliers, industry associations, etc.). This resulted in subjects which are the most material for D’Ieteren Immo and served as a springboard in formulating a sustainability strategy.

D’Ieteren Immo will review and refine this matrix on a regular basis, in dialogue with its stakeholders.

D'Ieteren Immo materiality matrix 2019



5.3. MATERIAL ECOLOGICAL AND SOCIAL ASPECTS

- Climate-positive buildings
- Natural environment
- Efficient material management
- Smart water management
- Futureproof infrastructure
- Sustainable mobility
- Improved quality of life
- Strong relationships & partnerships

> Climate-Positive Buildings

WHY IS IT MATERIAL?

Buildings and infrastructure are responsible for high energy consumption and are therefore a major source of greenhouse gas emissions. Infrastructure is responsible for around 40% of energy consumption and 36% of CO_2 emissions in the EU . Along with increasing climate awareness, energy requirements for new buildings are becoming stricter and this trend is expected to continue in the coming years. Ultimately, this benefits all parties as energy efficient buildings are more comfortable for users and have a smaller ecological footprint. The higher construction costs of these modern buildings are eventually offset by lower running costs.

WAY FORWARD

- The company will continue its studies around geothermal energy, sewer thermal energy and surface water heat pumps under the Mobilis project and other future projects.
- Each building will be given an energy ID and equipped with sensors to improve the energy efficiency.
- We will opt to switch to green energy suppliers or to generate our own power where possible.
- In future, D'Ieteren Immo will also closely monitor the performance of its buildings in the area of sustainability using the evaluation tool developed in partnership with Futureproofed.

MANAGEMENT APPROACH

To reduce the impact of its buildings on the environment, D'Ieteren Immo works towards the following goals:

- Improving the energy-efficiency of its buildings by raising awareness and implementing smart solutions
- Maximum commitment to producing and storing its own renewable energy
- Promoting a sharp reduction in CO_2 emissions in the design and implementation of projects

Case study - Installation of 500 kW battery storage system on the Kortenberg site
The Kortenberg site uses solar panels to supply power for a large proportion of its consumption. During working hours, the site can use the energy generated there. However, at weekends, all power goes into the grid. To use this electricity more efficiently, the company is considering a solution for storing this energy in a battery container, in partnership with two universities. Thanks to an energy management system, the batteries constantly communicate with the solar panels, the cogeneration unit and the heating system in order to optimise energy performance.

ACHIEVEMENTS IN 2019

- The H2O Project, in partnership with two universities, which studied how energy generated by solar panels could be stored in a battery container (see case study).
- Installation of 6,695 m² of solar panels on various buildings: Erps-Kwerps, Kronos Porsche in Mont-Saint-Guibert and Wilrijk sites.
- Completion of the new Kronos Porsche Centre in Mont-Saint-Guibert, which is a high-performing building in terms of energy and ergonomics. The building is equipped with the latest technology and makes maximum use of renewable energy, with the ultimate goal of meeting 80% of the site's energy requirements with self-generated renewable energy. The building has smart lighting, part of the roof is made of glass for maximum infiltration of daylight, there are solar panels on the roof and solar cells are also integrated into the structure of the building itself.
- Installation of smart meters for electricity, water and gas for better monitoring, for example in the Porsche Centre in Mont-Saint-Guibert and in the buildings on the sites of Porsche Center Antwerpen in Wommelgem, Auto Center Zaventem (below ACZ) and Auto Center Mechelen (below ACM).
- Insulation of the roof of the Volkswagen garage in Kontich.
- Installation of LED lighting and motion sensors instead of light switches in new projects and renovations of office spaces, including in D'Ieteren Immo's offices on its Erps-Kwerps site.

KEY PERFORMANCE INDICATORS (KPI)

At the time of publication of this report, D'Ieteren Immo is defining the performance indicators for 2020. Possible indicators include the total quantity of self-generated renewable energy on sites to gain an insight into D'Ieteren Immo's contribution to the production of renewable energy and/or an overview of the types of energy and their consumption to show from which sources D'Ieteren Immo obtains its power.

UN Sustainable Development Goals (SDG)

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

Buildings and infrastructure are responsible for high energy consumption and have a significant impact on the environment. D'Ieteren Immo is committed to reducing the energy consumption and lowering emissions of its buildings and activities by improving energy efficiency via smart solutions and by raising awareness and maximising the purchase and production of renewable energy.

> Natural Environment

WHY IS IT MATERIAL?

The proliferation of concrete and encroachment on nature is leading to a decline in biodiversity, particularly in cities. There is a growing need for infrastructure incorporating natural elements and allowing for sustainably maintained green spaces. This promotes biodiversity, improves air quality and also offers a healthy and relaxing space for users and employees. Given the size and location of its sites, D'Ieteren Immo can make a real difference here.

KEY PERFORMANCE INDICATORS (KPI)

At the time of publication of this report, D'Ieteren Immo is defining the performance indicators for 2020. Possible indicators include the percentage of green areas compared to the total area of the sites and/or the percentage of green spaces maintained in an ecologically responsible manner.

UN Sustainable Development Goals (SDG)

By incorporating green spaces and natural elements in its projects, D'Ieteren Immo creates calm, comfort and improved air quality and quality of life.

In this way, the company also helps reduce harmful emissions and adapt to climate change more effectively.

By respecting the natural environment in the design, construction and management of its infrastructure and by incorporating green spaces, natural elements and biodiversity in all of its projects, D'Ieteren Immo helps preserve natural ecosystems.

MANAGEMENT APPROACH

To increase the biodiversity of its sites, D'Ieteren Immo works towards the following goals:

- Designing, building and maintaining infrastructure with respect for the natural environment
- Incorporating green spaces and natural elements in its projects
- Promoting biodiversity in its projects to help maintain the natural ecosystem

Porsche Drogenbos

Case study:
Extension of the Seat showroom at Auto Center Mechelen (ACM).
In 2019, ACM extended its Seat Showroom. In this project, D'Ieteren Immo financed the biodiverse creation of new green spaces itself. The dealer committed to maintain the green spaces in an ecologically responsible manner.

ACHIEVEMENTS IN 2019

- D'Ieteren Immo has created biodiverse areas on several sites, in which appropriate vegetation is planted and insect hotels, haystacks, dead hedges and wooden picnic furniture are installed.
- The company has concluded Green Deals for its Kortenberg, Drogenbos garage and Drogenbos bodywork sites to promote biodiversity on these sites.
- The communal garden of Tenbosch Housing's residential building has also been laid out in a biodiverse manner and is maintained in an ecologically responsible manner.
- To keep the green space both biodiverse and visually attractive, in 2018, the company went into partnership with Pro Natura, an organisation active in the social economy sector and specialises in eco-friendly garden design and management.

WAY FORWARD

- D'Ieteren Immo is beginning to implement a biodiversity management plan for its Erps-Kwerps site, including via the re-landscaping of the orchard in partnership with Pro Natura.. In view of its success, the company intends to roll out biodiversity zones on more sites.
- The company also intends to assess what is the best way of preserving its green spaces.
- In parallel to the incorporation of green spaces and biodiversity in its renovation projects, the company also intends to incorporate wadis and other natural elements in all new projects from the design phase.
- For all renovation and new-build projects, D'Ieteren Immo will investigate whether conversion to or installation of green roofs is possible. For example, in the Mobilis project, all green spaces and green roofs will be created 100% biodiverse and maintained in an ecologically responsible manner.
- The company will raise awareness among its clients and encourage them to establish biodiverse green spaces and maintain them in an ecologically responsible manner.

> Efficient Material Management

WHY IS IT MATERIAL?

Rising demand for scarce resources and construction materials is forcing the construction and real estate sector to use and reuse materials efficiently in all phases of the project cycle. Commitment to recycling and reuse can substantially reduce the quantity of waste produced. In addition, growing awareness of the environmental impact and carbon footprint of materials and products is generating rising demand for eco-friendly, low-carbon alternatives.
By limiting the use of new materials where possible, encouraging reuse and considering alternative eco-friendly materials, D'Ieteren Immo helps promote a low-carbon circular economy.

KEY PERFORMANCE INDICATORS (KPI)

At the time of publication of this report, D'Ieteren Immo is defining the performance indicators for 2020. Possible indicators include the percentage of FSC certified wood in projects, monitoring of the quantity of construction waste per project/construction site and/or the percentage of projects based on circularity.

UN Sustainable Development Goals (SDG)

D'Ieteren Immo contributes to the shift to a circular economy by reducing waste and promoting the reuse of materials in the life cycle of its projects. In addition, the company intends to use local, high-quality and eco-friendly products from responsible and sustainable sources in order to reduce the social and environmental impact of its value chain.

MANAGEMENT APPROACH

To speed up the transition to a circular economy and futureproof its materials policy, D'Ieteren Immo works towards the following goals:

- Contributing to a circular economy by reducing waste and encouraging reuse throughout the life cycle of our projects
- Promoting the use of local, high-quality and eco-friendly products and materials
- Maximum commitment to recyclable and removable materials and structures

Case study:
Havana Project
The renovation of an office space at Auto Center Zaventem involves various examples of efficient material management. For example, in this project, D'Ieteren Immo reused insulation material from the previous false ceilings to insulate the new floor. In addition, the original ceiling frame was reused and filled with materials recovered from various sites, such as wood, carpet, etc. Finally, to fit out this office space, furniture and decor from previous offices at the headquarters were reused or purchased second-hand.

ACHIEVEMENTS IN 2019

- When the bodywork activities ceased on the Mail and Centre sites, the paint spraying booths and other equipment were removed and sold as second-hand equipment, instead of scrapping them.
- For the refurbishment of an office space for the Customer & Business Development (CBD) department on the Erps-Kwerps site, D'Ieteren Immo investigated which materials and furniture could be reused. Whatever other furniture was still needed was purchased second hand.
- For the Mobilis project, an analysis and inventory of materials from the existing building is in preparation. In BIM (Building Information Modelling), a powerful 3D model of the building is created, enabling an overview of the quantities and properties of the construction elements present in preparation for the smart dismantling of the existing building.

WAY FORWARD

- D'Ieteren Immo plans to dismantle existing buildings or spaces smartly, as planned for the Mobilis project, for example. In this process, the existing building is taken apart instead of being demolished, so that as many materials as possible can be recycled and reused on the same site or within the circuit of the circular economy. This approach leads to a maximum decrease in the quantity of construction waste and a sharp reduction in the ecological footprint of the construction waste.
- Another planned action in the area of efficient material management is the introduction of a revised waste policy for sites so that D'Ieteren Immo can ensure greater recycling and reuse of materials as a client.
- In addition, the company is committed to use as much 100% FSC certified wood as possible in its projects.
- The company will also investigate how materials can be used 'as a service': light fittings, carpet tiles in office spaces, etc.
- In conjunction with Futureproofed, D'Ieteren Immo will develop guidelines on aspects including the use of materials and products in new build and renovation projects.

> Smart Water Management

WHY IS IT MATERIAL?

In view of the nature of the current activities on the majority of D'Ieteren Immo's sites, a substantial part of the soil is paved over. Due to climate change, periods of heavy rainfall are occurring more frequently. The combination of these two factors means that the risk of flooding and a saturated sewer system is increasing. This can lead to damage and disruption on D'Ieteren Immo's sites and beyond. In addition, it is difficult for groundwater levels to recover in regions short of water such as Flanders, due to a lack of water penetration.

KEY PERFORMANCE INDICATORS (KPI)

At the time of publication of this report, D'Ieteren Immo is defining the performance indicators for 2020. Possible indicators include the percentage of paved surfaces per site, the percentage of sites with systems for the collection and recycling of stormwater and/or the percentage of stormwater compared with total water consumption.

UN Sustainable Development Goals (SDG)

D'Ieteren Immo is committed to minimise its impact on ground and surface water through the installation of systems for the efficient collection and treatment of waste water. In addition, the company can reduce consumption of drinking water and make this more efficient by smart water management through the collection, buffering and recovery of water.

MANAGEMENT APPROACH

In order to reduce water usage and minimise the risk of flooding, D'Ieteren Immo works towards the following goals:

- Ensuring smart water management through collection, delayed drainage and recovery of rainwater
- Reducing water consumption and promoting recycling
- Minimising the impact on ground and surface water by choosing effective collection and treatment systems

Contact Center Volkswagen

ACHIEVEMENTS IN 2019

- In various projects, D'Ieteren Immo studied solutions for more efficient collection and infiltration of stormwater. For instance, during the renovation of the facade and car park of the Volkswagen Contact Center in Kortenberg, grass blocks and wadis were installed.
- On various sites including the new Porsche Center in Mont-Saint-Guibert, ACM in Mechelen and Auto Center Zaventem, smart water meters were installed at strategic locations in the building to monitor water consumption more efficiently and detect unnoticed leaks more quickly.

WAY FORWARD

- For new projects, there will be a strong focus on achieving maximum infiltration of stormwater and the installation of green roofs will also be considered as a way of delaying stormwater runoff.
- As part of the Mobilis project, extra storage is provided for rainwater and studies are analysing the possibilities for using rainwater-based adiabatic cooling in the longer term.
- On the Erps-Kwerps site, a stormwater study is in preparation and we are investigating how the overflow of stormwater from the underground infiltration basin can be disconnected from the sewer system and connected to a nearby stream.
- In addition, D'Ieteren Immo wants to measure consumption of drinking and stormwater on all sites and detect anomalies.
- When a car wash needs to be installed, D'Ieteren Immo will encourage the operator to choose a system with a closed circuit, connected to a biological water treatment unit.
- Finally, the company intends to review its purchasing policy for certain products, and use only biodegradable soaps, for example.

> Futureproof Infrastructure

WHY IS IT MATERIAL?

Due to the constantly changing needs and requirements of society, including new ways of living and working together, demand is growing for multipurpose buildings and projects. In addition, the transition to the sharing economy is making it easier to challenge existing business models. The shift from product to service is also transforming the offering of D’Ieteren Auto, so far the biggest user of infrastructure from D’Ieteren Immo, which is evolving to offering mobility as a service. In turn, this impacts on the use and design of garages and showrooms. For example, city showrooms could become smaller due to increasing digitalisation, so that D’Ieteren Immo has to revitalise buildings which fall vacant due to this trend.

In addition, digitalisation, smart technologies and other innovative solutions are becoming increasingly important in future-oriented design, maintenance and use of buildings. Efficient information gathering about buildings and building materials in the various phases of the project cycle can be a great asset for reducing costs and maximising efficiency, for instance.

KEY PERFORMANCE INDICATORS (KPI)

At the time of publication of this report, D’Ieteren Immo is defining the performance indicators for 2020. Possible indicators include the percentage of projects in which flexible spaces are used and where there is potential for conversion.

UN Sustainable Development Goals (SDG)

By developing sustainable, flexible and attractive infrastructure which meets current and future requirements, and by converting vacant buildings so that they are aligned with the local infrastructure, D’Ieteren Immo can help develop sustainable cities and communities.

The company can also stand out from its competitors by exploring and implementing innovative, sustainable solutions.

MANAGEMENT APPROACH

In order to offer the maximum response to society’s changing needs and requirements, D’Ieteren Immo works towards the following goals:

- Supporting sustainable choices by offering flexible and attractive infrastructure that meets existing and future needs
- Exploring, applying and promoting innovative and sustainable solutions
- Converting vacant buildings so that they are aligned as closely as possible with local infrastructure
- Promoting sustainable use of the infrastructure by tenants

Case study:
Mobilis – The garage of the future

The Mobilis project, to be completed in 2023, is a real model of sustainability in Brussels. D’Ieteren Immo has used this redevelopment to design a project that can serve as an example for future construction projects on all levels. Besides many modern technologies to limit the impact on the environment (zero energy, no use of fossil fuels, solar panels, green roof, green spaces organised to encourage biodiversity and managed in an ecologically responsible manner, etc.), the building is designed to meet the challenges of the future. Although a building is usually costed over 50 years, D’Ieteren Immo wanted to go further and this project allows for a large, primary structure which can serve its purpose for at least 100 years. There is a secondary, removable structure inside the main one. For example, floors and slopes can be easily removed, or levels divided thanks to their height, creating extra storeys. Even the technical facilities within this secondary structure, such as the air conditioning, can be removed and reused. This means that the function of the building can be totally changed in a short space of time and at low cost.

ACHIEVEMENTS IN 2019

- In 2019, D’Ieteren Immo designed the ambitious Mobilis project (see case study on this page)
- The BIM working group was also launched, to prepare for its application to construction and redevelopment projects

WAY FORWARD

- D’Ieteren Immo wants to maintain this momentum and apply BIM to other projects besides the Mobilis project.
- In 2020, the vacant Heyvaert site will temporarily house a project designed to promote the circular economy. The project has been given the fitting name Circularium. Although outdated, the site is still in perfect condition. Pending its redevelopment, we have opted to retain it in full and change its function. This means that the site will be able to accommodate tenants who are connected to one another due to their activities in the context of the circular economy and/ or who produce sustainably or locally. In this way, outdated buildings can be reused for new ideas.
- In converting the vacant buildings, D’Ieteren Immo also wants to allow for future needs and is working with government organisations to identify them.
- In new projects, D’Ieteren Immo wants to pay greater attention to designing modular, flexible buildings and infrastructure, bearing in mind the perspective of existing and future users, and integration with the environment.
- In addition, the company will focus on the use of smart technologies, green innovations and new technologies in the fields of sensors and data management in order to achieve maximum efficiency in both existing buildings and new-build projects.

> Improved Quality of Life

WHY IS IT MATERIAL?

Due to increasing stress in the workplace, besides physical health, increasing importance is being placed on mental health. A good work-life balance is essential. The business world is also changing so fast that the concept of lifelong learning is becoming more and more important for employees. Thanks to training, they keep up to date with aspects such as new technologies, developments and improvements that are essential for them to continue to carry out their tasks effectively. Employers also need to keep up with developments in a modern career, which evolves over time based on employees’ age and changing interests. D’Ieteren Immo believes that employees are a company’s most important asset. The company must therefore pay sufficient attention to the above points so that its employees stay healthy, happy and engaged. In this way, the company can also build a good relationship with its staff.

KEY PERFORMANCE INDICATORS (KPI)

At the time of publication of this report, D’Ieteren Immo is defining the performance indicators for this material aspect. Possible indicators include the percentage of employees who have undertaken training, the average number of training hours per employee, the employee satisfaction rate and/or response rate to the employee satisfaction survey.

UN Sustainable Development Goals (SDG)
D’Ieteren Immo is committed to creating attractive jobs in a safe and healthy environment.

The company does this by giving its employees equal opportunities for personal and professional development and by communicating in a transparent and respectful manner with the organisation.

MANAGEMENT APPROACH

D’Ieteren Immo considers its employees to be the company’s most important asset and therefore prioritises the following goals:

- Providing attractive jobs in a healthy and safe working environment
- Guaranteeing equal access to personal and professional development for all employees
- Developing infrastructure in which the safety, wellbeing and health of users are central
- Promoting open and respectful communication within the compan

D’Ieteren Immo offices located at Erps – Kwerps

ACHIEVEMENTS IN 2019

- D’Ieteren Immo redesigned and reorganised the workspace in renovations or refurbishments of office spaces including the CBD department in Kortenberg, the HR department at the headquarters in Brussels, D’Ieteren Immo’s own offices on the site in Kortenberg or the project Havana (see case study on the subject of efficient material management). This created a pleasant, homely atmosphere. Informal workspaces were also implemented, such as a coffee corner or brainstorming area.
- In addition, an optimal indoor climate was created by optimising the technical installations.
- D’Ieteren Immo’s employees had the opportunity to enjoy a training event during which they were able to develop their personal and professional skills.
- The company has introduced monthly breakfast sessions for all employees. These sessions offer an ideal opportunity to keep informed about key themes and developments within the company. They also allow them to network informally with colleagues from different departments within the organisation.
- A monthly internal newsletter was also produced.
- For the third time, in September 2019, D’Ieteren Immo conducted a survey into employee satisfaction.
- Ties were also strengthened in the sporting area, especially by taking part in Immorun, a popular running event in the property world.

WAY FORWARD

- For the increased comfort of its employees and tenants, the company will optimise the ventilation, lighting and heating in its buildings.
- As part of lifelong learning, D’Ieteren Immo intends to continue to ensure that its employees have equal access to training.

> Sustainable Mobility

WHY IS IT MATERIAL?

The capacity of our road network is under heavy pressure. This not only affects the liveability of our city centres, but also impacts on the well-being of D’Ieteren Immo’s employees. As a result, demand for alternative and shared forms of mobility is on the rise. Since D’Ieteren Immo’s infrastructure is integrated with the urban network, sustainable mobility is of material importance for the company and its employees. In addition, through its infrastructure, D’Ieteren Immo can respond to future traffic flows in the city and support D’Ieteren Auto in developing D’Ieteren Mobility.

Bike to work – Cycle park and cloakrooms for D’Ieteren staff .

Testimonial from Adeline Piret, architect at D’Ieteren Immo:
Since July 2017, I cycle to work every day. After trying out an electric bike, I was immediately sold and got myself one. I believe it’s the best way for short to medium journeys (easily up to 10km) in a busy, hilly city like Brussels. My 5km journey takes 15 minutes, that’s roughly as long as by car without traffic jams.
As an architect, I was lucky enough to design the ‘Bike to work’ project, a cycle park and cloakrooms for D’Ieteren staff. Based on my experience, I was able to work out what elements were needed to make the cycle park convenient and easy to use for cyclists. For example, when you arrive, you can park your bike in a safe and dry place in the locked bike-to-work bike shed. There’s access to lockers to store your cycling accessories (gloves, helmet, vest). The bike-to-work area is also equipped with charging points for your bicycle battery. Finally, there are even tools for maintaining your bike or carrying out minor repairs!
I think it’s amazing that I know exactly what time I’ll get home when I cycle, whereas the same journey by car can often take as long as 45 minutes in the rush hour. That saves me a load of stress about missing an appointment for example or not getting to my children’s school on time.
Because my cycle journeys are short, I don’t use the showers, unless I go running with my colleagues at lunchtime. Everything’s set up for a convenient shower, to keep your gear safe and secure, leave your towels to dry, etc.
All in all, I’m sold on the Bike-to-work concept!

> Sustainable Mobility (after)

KEY PERFORMANCE INDICATORS (KPI)

At the time of publication of this report, D'Ieteren Immo is defining the performance indicators for this material aspect. Possible indicators include the average number of kilometres driven in a company car per employee (km/person).

UN Sustainable Development Goals (SDG)

By promoting the use of sustainable means of transport and reducing the time employees spend in traffic, D'Ieteren Immo is working to improve the quality of life of its staff and reducing the emissions from its fleet.

MANAGEMENT APPROACH

D'Ieteren Immo wants to encourage its employees to make as many journeys as possible by a sustainable means of transport and to choose company cars that have a smaller environmental impact, since the fleet accounts for a significant proportion of the company's emissions. D'Ieteren Immo therefore prioritises the following goals:

- Facilitating sustainable and efficient work-related mobility
- Significantly reducing work-related mobility needs

ACHIEVEMENTS IN 2019

- In the spring of 2019, several employees of D'Ieteren Immo were invited to take part in a pilot project of Lab Box around alternative mobility for private and business journeys. Participants committed to give up their company cars for a month. They were given a mobility budget and used an app enabling the use of different modes of transport (e.g. car sharing, cycling, electric scooters, public transport, etc.).
- Since 2019, D'Ieteren Immo also offers its employees the possibility of leasing e-bikes.

WAY FORWARD

- D'Ieteren Immo is committed to reduce commuting by facilitating teleworking and optimising the meeting culture.
- The company is also investigating possibilities for developing a revised mobility programme for its employees.
- D'Ieteren Immo's new projects also take into account the mobility of future users. Accordingly, the Bike-to-work concept will be applied where possible (see testimonial above). A concrete example is already incorporated in the Mobilis project, with a large, convenient bike shed with 80 places, along with the usual facilities according to the Bike-to-work concept such as convenient showers, large changing rooms, lockers, etc.

> Strong Relationships and Partnerships

WHY IS IT MATERIAL?

Partnerships in the construction and real estate sector tend to be ad hoc and short-term, hindering efficient collaboration. Strong, long-term relationships with users, suppliers and public authorities are essential if we are to lead the way in the area of sustainability as a real estate company. Thanks to the expertise of its teams, D'Ieteren Immo can tackle a variety of challenges in its projects and create a competitive advantage. The company can also get its clients and communities on board by involving them in a project. The company wants to stay a step ahead, by anticipating certain regulations at national, European or even global level, for example. It is also becoming more important to involve the community in every phase of the projects, to match them as closely as possible to their needs and ensure integration. After all, infrastructure is only truly sustainable when users are also part of the story. In short, strong relationships and partnerships are crucial if D'Ieteren Immo is to achieve its goals.

KEY PERFORMANCE INDICATORS (KPI)

At the time of publication of this report, D'Ieteren Immo is defining the performance indicators for this material aspect. Possible indicators include the number of 'show and tells' and/or the number of contracts with businesses from the social economy.

UN Sustainable Development Goals (SDG)

In order to make the transition to a sustainable future, it is essential for D'Ieteren Immo to build long-term partnerships with clients, suppliers and public bodies, and to involve its community and tenants in its projects. This also means sharing its knowledge and expertise, inside and outside the group.

MANAGEMENT APPROACH

It is essential for D'Ieteren Immo to be able to rely on long-term partnerships in the supply chain, with providers, users and public authorities. For this reason, the company is committed to the following goals:

- Building long-term relationships with clients, suppliers and public services and promoting mutual synergies
- Promoting the exchange of knowledge and expertise inside and outside the group
- Promoting the involvement of the community and tenants in new projects and existing buildings
- Leading the way in the area of sustainability in partnerships

Case study:
Partnership with Pro Natura

D'Ieteren Immo wants to create more biodiverse green spaces on its sites and maintain them in an ecologically responsible manner (see the subject of 'Natural environment' for more details). To achieve this as efficiently as possible, in 2017, the company entered into a partnership with Pro Natura for the design of green spaces, biodiverse garden design and eco-friendly maintenance of existing and future green spaces on its sites. This partner has more than 25 years' experience in creating biodiverse natural spaces and offers bespoke professional solutions for local authorities, businesses and individuals. Pro Natura is also a company with a social impact. It is a learning and work experience hub for anyone who has difficulty finding a job. This enables D'Ieteren Immo to learn from a true expert in biodiversity while at the same time offering opportunities to people who have difficulty returning to the job market.

ACHIEVEMENTS IN 2019

- D'Ieteren Immo works with companies from the social economy such as Pro Natura (see case study) and Atelier Groot Eiland in conjunction with carpentry firm Klimop.
- The company has also entered into dialogue with public authorities regarding unique projects such as Mobilis and Circularium.
- D'Ieteren Immo took part in meetings of the learning network for Green Deal Businesses and biodiversity.
- Internally, multidisciplinary working groups have been introduced as a new way of working (for example the BIM, communication, sustainability working groups, etc.).
- A 'Workspace' communication channel has also been launched on which employees can post photos and messages.

FUTURE

- To convey its expectations clearly to participants in selection processes organised by the company, D'Ieteren Immo will draw up project guidelines based on its objectives. In this way, the company will build long-term partnerships.
- In addition, the company will organise a 'show and tell' with internal and external specialists about particular subjects or projects to promote the sharing of knowledge and expertise.
- Employees will also have the opportunity to take part in a 'step into my shoes' programme in which they can go around with a colleague from another department for a day.
- The company will also participate in a learning network meeting for Green Deal via a presentation about its actions around biodiversity.
- In addition, D'Ieteren Immo will promote projects focussing strongly on the circular economy with participation in Be Exemplary and/or Be Circular. These are initiatives of the Brussels-Capital Region to reward real estate projects of an exemplary and innovative nature in and around Brussels.

ETHICAL PRINCIPLES

Besides the eight themes identified, D'Ieteren Immo emphasises that ethical principles are crucial. Three individual aspects of this theme are discussed below. The company plans to lay down formal rules of conduct so that these matters are officially enshrined in the code of conduct for the company and its employees.

> Respect for Human Rights

WHY IS IT MATERIAL?

D'Ieteren Immo only operates in Belgium, within a strict social and legal framework covering aspects such as working conditions, health and safety requirements and rules for collective bargaining.

MANAGEMENT APPROACH

D'Ieteren Immo does its best to promote a working environment in which people respect one another. Behaviour such as bullying, intimidation, oppression, exploitation, discrimination, racism, sexism or homophobia is not tolerated. The company also invests in the safety, development and satisfaction of its employees.

> Zero tolerance for Corruption and Bribery

WHY IS IT MATERIAL?

Corruption, attempted corruption, fraud and money laundering involve risks for both the employee and the company, since they are grounds for criminal prosecution and would have an impact on the company's reputation.

MANAGEMENT APPROACH

Corruption, attempted corruption, fraud and money laundering are not tolerated at D'Ieteren Immo. Gifts and invitations received by employees from clients, suppliers or other partners, or offered by employees to clients, must comply with accepted market practices and anti-bribery legislation.

> Inclusion and Diversity

WHY IS IT MATERIAL?

D'Ieteren Immo is conscious of its responsibility to offer a fair workplace for employees, in which everyone is given the same opportunities, regardless of factors such as gender, age, culture or physical ability.

MANAGEMENT APPROACH

D'Ieteren Immo does its best to offer equal opportunities in the workplace. Skills and performance are the only criteria taken into account when making decisions about recruitment, promotions or job rotation.

UN Sustainable Development Goals (SDG)

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

5 GENDER EQUALITY

D'Ieteren Immo must do business fairly and respectfully to lead the way in the area of sustainability in the real estate sector. In addition, the company is committed to strive for gender equality by offering equal opportunities.

GRI Content Index D'Ieteren – Core

For the first time, D'Ieteren Group is disclosing its non-financial information according to GRI Standards, Core option. As the Group has a number of business activities in different sectors, the general disclosure is focused on the D'Ieteren Group while the specific disclosures concern the material aspects of each business activity. For the 2019 report, D'Ieteren Group has focused on the non-financial disclosures of the business activities that had already issued non-financial reporting in 2018. This currently excludes D'Ieteren Immo, but the aim is to include this activity within the scope of the GRI disclosures as from the 2020 reporting.

GRI 102: GENERAL DISCLOSURES

1. Organizational profile

SRS	Disclosure	Reference	Remark or omission
102-1	Name of the organization	IR: Cover page	
102-2	Activities, brands, products, and services	IR: Our value creation model at a glance, p.10-11	
102-3	Location of the organization's headquarters	IR: Back cover page	
102-4	Number of countries operating	IR: Our value creation model at a glance, p.10-11 FDR: Introduction to non-financial disclosures, D'Ieteren Auto p. 126, Belron p. 138 and Moleskine p. 150	
102-5	Nature of ownership and legal form	IR: Our value creation model at a glance, p. 10-11	
102-6	Markets served	IR: Our value creation model at a glance, p. 10-11	
102-7	Scale of the reporting organization	IR: Our value creation model at a glance, p. 10-11	
102-8	Information on employees and other workers	IR: Our value creation model at a glance, p. 10-11	D'Ieteren's profile as a parent company with different businesses that in turn have different subsidiaries makes it difficult to consolidate data and offer reliable information on "headcounts per contract type, region and gender".
102-9	Supply chain		At the Group level, procurement consists mainly of office supplies, flights & accomodation and energy. The Group also signs contracts with consultants, lawyers and business banks. For the supply chain of the business activities, please refer to the non-financial disclosures, D'Ieteren Auto p. 12631, Belron p. 143 and Moleskine p. 152-154.
102-10	Significant changes to the organization and its supply chain		No significant changes have been made to the structure of D'Ieteren Group. Please refer to each activity report for specific changes in operations or supply chains.
102-11	Precautionary Principle or Approach	FDR: Main risks p. 108	
102-12	External initiatives		D'Ieteren Group endorses Belgium's Corporate Governance Code for listed companies.
102-13	Membership of associations		Membership of associations and organisations are specific to each sector of the D'Ieteren Group's business activities.

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SRS	Disclosure	Reference	Remark or omission
2. STRATEGY			
102-14	Statement from senior decision-maker	IR: Message from the Chairman, p.7 IR: Message from the CEO, p.8-9	
3. ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behavior	IR: Message from the Chairman, p.7	
4. GOVERNANCE			
102-18	Governance structure	IR: Governance, p. 63-65 FDR: Corporate Governance statement, p. 97	
5. STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	IR: Operating model, new impetus for our non-financial approach, p.25 FDR: Disclosure of non-financial information, The D'Ieteren Group, p. 125	
102-41	Collective bargaining agreements		Collective bargaining agreements are specific to each business activity and are highly dependent on national legislation.
102-42	Identifying and selecting stakeholders	FDR: Disclosure of non-financial information, D'Ieteren Group, p. 125	
102-43	Approach to stakeholder engagement	IR: Operating model, new impetus for our non-financial approach, p. 25 FDR: Disclosure of non-financial information, D'Ieteren Group, p. 125	Businesses cannot operate without engaging on a regular basis with their main stakeholders. At the group level, dialogue mostly takes the form of roadshows, calls, shareholders meetings, capital market days, and meetings with other stakeholders, including the 4 business activities. Regarding sustainability, the main stakeholder groups of each business activity were consulted as part of the materiality assessment performed at end-2019/early 2020. This was done using individual interviews and an online survey.
102-44	Key topics and concerns raised		Among the D'Ieteren Group's stakeholders, most of the key questions regarding sustainability were raised by journalists, analysts and students. They related mainly to the Group's ESG approach and performance. Additional questions were also raised about the actions being taken to reduce the footprint of the auto dealership business.

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SRS	Disclosure	Reference	Remark or omission
6. REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	FDR: Notes to the Consolidated Financial Statements	
102-46	Defining report content and topic boundaries	FDR: Disclosure of non-financial information, D'Ieteren Group, p.125 FDR: Disclosure of non-financial information - we refer to each section "Why is it material" for each material aspect of the business activities.	
102-47	List of material topics	FDR: Disclosure of non-financial information, p. 126, 138, 150.	
102-48	Restatements of information		There is no restatement of information unless otherwise specified in the appropriate section.
102-49	Changes in reporting	FDR: Disclosure of non-financial information, D'Ieteren Group, p. 125	The 2019 reporting follows the same structure as 2018.
102-50	Reporting period		1/1/2019 - 31/12/2019
102-51	Date of most recent report		5/2/2019
102-52	Reporting cycle		Annual
102-53	Contact point for questions regarding the report		For questions related to the D'Ieteren Group's report, please contact the Corporate & Financial Communications team (email: financial.communication@dieteren.be)
102-54	Reporting claims with reference to GRI Standards	IR: About this report, p.4 FDR: Disclosure of non-financial information, D'Ieteren Group, p. 125	
102-55	GRI content index	FDR: GRI Table	
102-56	External assurance		PwC stated : "D'Ieteren Group is very committed and eager to strengthen further the non-financial reporting processes, therefore an assurance readiness assessment on the 2019 non-financial reporting processes of these KPIs has been conducted by PwC. D'Ieteren Group has the ambition to obtain assurance by PwC over a set of non-financial / sustainability KPIs to be included in the 2020 annual report."

GRI 103: MANAGEMENT APPROACH

Topic Specific Standards

ECONOMIC

SRS	Disclosure	Reported by	Reference	Remark or omission
> INNOVATION (GRI 203: INDIRECT ECONOMIC IMPACTS 2016)				
203	Management approach disclosures	D'Ieteren Auto Belron Moleskine	FDR: Disclosure of non-financial information, D'Ieteren Auto, Innovation, p. 130 FDR: Disclosure of non-financial information, Belron, Innovation, p. 142 FDR: Disclosure of non-financial information, Moleskine, Innovation, p. 155	
Own indicator	Investments in Innovation, Research and Development	D'Ieteren Auto Belron Moleskine	FDR: Disclosure of non-financial information, D'Ieteren Auto, Innovation, p. 130 FDR: Disclosure of non-financial information, Belron, Innovation, p. 142 FDR: Disclosure of non-financial information, Moleskine, Innovation, p. 155	
> NO TOLERANCE FOR BRIBERY AND CORRUPTION (GRI 205: ANTI-CORRUPTION 2016)				
205	Management approach disclosures	D'Ieteren Auto Belron Moleskine	FDR: Disclosure of non-financial D'Ieteren Auto, No tolerance for corruption and bribery, p. 136 FDR: Disclosure of non-financial information, Belron, No tolerance for corruption and bribery, p. 149 FDR: Disclosure of non-financial information, Moleskine, No tolerance for corruption and bribery, p. 158	
205-3	Confirmed incidents of corruption and actions taken	D'Ieteren Auto Moleskine	FDR: Disclosure of non-financial information, D'Ieteren Auto, No tolerance for corruption and bribery, p.136 FDR: Disclosure of non-financial information, Moleskine, Zero tolerance for corruption and bribery, p. 158	In 2019, there was no legal action concerning corruption against Belron, Moleskine and D'Ieteren Auto and no termination or non-renewal of contracts with business partners of Belron, Moleskine and D'Ieteren Auto due to violations related to corruption.
Own indicator	EcoVadis score on Business Ethics	Belron	FDR: Disclosure of non-financial information, Belron, No tolerance for corruption and bribery, p. 149	
> CUSTOMER WELFARE AND SATISFACTION				
103-1/2/3	Management approach disclosures	D'Ieteren Auto Belron	FDR: Disclosure of non-financial information, D'Ieteren Auto, Customer statisfaction, p. 132 FDR: Disclosure of non-financial information, Belron, Customer welfare, p. 144	D'Ieteren Auto - From 2020, particular emphasis will be placed on the quality of customer service with a new approach to measuring satisfaction.
Own indicator	Net Promoter Score (NPS)	Belron	FDR: Disclosure of non-financial information, Belron, Customer welfare, p. 144	

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SRS	Disclosure	Reported by	Reference	Remark or omission
ENVIRONMENTAL				
> SOURCING OF MATERIAL AND NATURAL RESOURCES AND ENVIRONMENTAL IMPACT OF PRODUCTS AND PACKAGING (GRI 301: MATERIALS 2016)				
301	Management approach disclosures	Moleskine	FDR: Disclosure of non-financial information, Moleskine, Environmental impact of product design and packaging, p. 151 FDR: Disclosure of non-financial information, Moleskine, Sourcing of material and natural resources, p. 152	
Own indicator	Percentage paper products from certified materials	Moleskine	FDR: Disclosure of non-financial information, Moleskine, Environmental impact of product design and packaging, p. 151	
Own indicator	Percentage paper products with re-usable paper-band	Moleskine	FDR: Disclosure of non-financial information, Moleskine, Sourcing of material and natural resources, p.152	
> CLIMATE IMPACT (GRI 305: EMISSIONS 2016)				
305	Management approach disclosures	D'Ieteren Auto Belron Moleskine	FDR: Disclosure of non-financial information, D'Ieteren Auto, Climate Impact / CO_2 emissions, p. 127 FDR: Disclosure of non-financial information, Belron, Climate Impact / CO_2 emissions, p. 140 FDR: Disclosure of non-financial information, Moleskine, Energy efficiency and CO_2 emissions, p. 153	
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	D'Ieteren Auto Belron Moleskine	FDR: Disclosure of non-financial information, D'Ieteren Auto, Climate Impact / CO_2 emissions, p. 127 FDR: Disclosure of non-financial information, Belron, Climate Impact / CO_2 emissions, p. 140 FDR: Disclosure of non-financial information, Moleskine, Energy efficiency and CO_2 emissions, p. 153	
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	D'Ieteren Auto Belron Moleskine	FDR: Disclosure of non-financial information, D'Ieteren Auto, Climate Impact / CO_2 emissions, p. 127 FDR: Disclosure of non-financial information, Belron, Climate Impact / CO_2 emissions, p. 140 FDR: Disclosure of non-financial information, Moleskine, Energy efficiency and CO_2 emissions, p. 153	
305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Belron	FDR: Disclosure of non-financial information, Belron, Climate Impact / CO_2 emissions, p. 140	
305-4	Greenhouse gas (GHG) emissions intensity	D'Ieteren Auto Belron	FDR: Disclosure of non-financial information, D'Ieteren Auto, Climate Impact / CO_2 emissions, p. 127 FDR: Disclosure of non-financial information, Belron, Climate Impact / CO_2 emissions, p. 140	
305-5	Reduction of GHG emissions	D'Ieteren Auto Belron	FDR: Disclosure of non-financial information, D'Ieteren Auto, Climate Impact / CO_2 emissions, p. 127 FDR: Disclosure of non-financial information, Belron, Climate Impact / CO_2 emissions, p. 140	
> WASTE MANAGEMENT (GRI 306: EFFLUENTS AND WASTE 2016)				
306	Management approach disclosures	D'Ieteren Auto Belron	FDR: Disclosure of non-financial information, D'Ieteren Auto, Waste management, p. 129 FDR: Disclosure of non-financial information, Belron, Waste management, p. 141	
306-2	Waste by type and disposal method	D'Ieteren Auto Belron	FDR: Disclosure of non-financial information, D'Ieteren Auto, Waste management, p.129 FDR: Disclosure of non-financial information, Belron, Waste management, p. 141	
> SUSTAINABLE PROCUREMENT (GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016)				
308	Management approach disclosures	D'Ieteren Auto Belron	FDR: Disclosure of non-financial information, D'Ieteren Auto, Sustainable procurement, p. 131 FDR: Disclosure of non-financial information, Belron, Sustainable procurement, p.143	
Own indicator	Ecovadis Score on Supply Chain	Belron	FDR: Disclosure of non-financial information, Belron, Sustainable procurement, p. 143	
Own indicator	Percentage of suppliers that signed the Procurement Charter	D'Ieteren Auto	FDR: Disclosure of non-financial information, D'Ieteren Auto, Sustainable procurement, p. 131	

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SRS	Disclosure	Reported by	Reference	Remark or omission
SOCIAL				
> EMPLOYEE HEALTH & SAFETY (GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016)				
403	Management approach disclosures	D'Ieteren Auto Belron	FDR: Disclosure of non-financial information, D'Ieteren Auto, Employee safety, p. 134 FDR: Disclosure of non-financial information, Belron, Employee safety, p. 146	For this reporting, the GRI standard 2016 has been used. D'Ieteren Group is aware that from 2020, the version 2018 will have to be used. From 2020, health and safety measures will be consolidated at the Belron group.
Own indicator	Number of work accidents	D'Ieteren Auto	FDR: Disclosure of non-financial information, D'Ieteren Auto, Employee safety, p. 134	
Own indicator	Number of lost workdays	D'Ieteren Auto	FDR: Disclosure of non-financial information, D'Ieteren Auto, Employee safety, p. 134	
Own indicator	Hours of safety training	D'Ieteren Auto	FDR: Disclosure of non-financial information, D'Ieteren Auto, Employee safety, p. 134	
Own indicator	EcoVadis score on Labour practice & Human Rights (incl. Health & Safety)	Belron	FDR: Disclosure of non-financial information, Belron, Employee safety, p. 146	
> EMPLOYEE WELL-BEING AND DEVELOPMENT				
404	Management approach disclosures	D'Ieteren Auto Belron Moleskine	FDR: Disclosure of non-financial information, D'Ieteren Auto, Employee development and well-being, p. 133 FDR: Disclosure of non-financial information, Belron, Employee well-being and development, p. 145 FDR: Disclosure of non-financial information, Moleskine, Employee well-being and development, p. 156	
404-1	Average hours of training per year per employee	D'Ieteren Auto Moleskine	FDR: Disclosure of non-financial information, D'Ieteren Auto, Employee development and well-being, p. 133 FDR: Disclosure of non-financial information, Moleskine, Employee well-being and development, p. 156	The activities have not yet implemented the reporting processes that will enable them to capture the average training hours by gender and employee category
Own indicator	Employee satisfaction (BPM: Belron People Measure)	Belron	FDR: Disclosure of non-financial information, Belron, Employee well-being and development, p. 145	
> INCLUSION AND DIVERSITY (GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016)				
405	Management approach disclosures	D'Ieteren Auto Moleskine	FDR: Disclosure of non-financial information, D'Ieteren Auto, Ethical principles | Inclusion and diversity, p. 137 FDR: Disclosure of non-financial information, Moleskine, Ethical principles | Inclusion and diversity, p. 159	
405-1	Diversity of governance bodies and employees	D'Ieteren Auto Moleskine	FDR: Disclosure of non-financial information, D'Ieteren Auto, Ethical principles | Inclusion and diversity, p. 137 FDR: Disclosure of non-financial information, Moleskine, Ethical principles | Inclusion and diversity, p. 159	The breadown by age is not deemed relevant for the 4 activities. The reporting processes currently in place only allow a percentage breakdown by gender of employees in management positions.
> RESPECT FOR HUMAN RIGHTS (GRI 406: NON-DISCRIMINATION 2016)				
406	Management approach disclosures	D'Ieteren Auto Belron Moleskine	FDR: Disclosure of non-financial information, D'Ieteren Auto, Ethical principles | Respect for human rights, p. 136 FDR: Disclosure of non-financial information, Belron, Ethical principles | Respect for human rights, p. 148 FDR: Disclosure of non-financial information, Moleskine, Ethical principles | Respect for human rights, p. 158	
Own indicator	Number of reported cases of ethical misconduct	D'Ieteren Auto Moleskine Belron	FDR: Disclosure of non-financial information, D'Ieteren Auto, Ethical principles | Respect for human rights, p. 136 FDR: Disclosure of non-financial information, Belron, Ethical principles | Respect for human rights, p. 148 FDR: Disclosure of non-financial information, Moleskine, Ethical principles | Respect for human rights, p. 158	

SRS	Disclosure	Reported by	Reference	Remark or omission
SOCIAL				
> COMMUNITY ENGAGEMENT (GRI 413: LOCAL COMMUNITIES 2016)				
413	Management approach disclosures	D'Ieteren Auto Belron Moleskine	FDR: Disclosure of non-financial information, D'Ieteren Auto, Community engagement, p. 135 FDR: Disclosure of non-financial information, Belron, Community engagement, p. 147 FDR: Disclosure of non-financial information, Moleskine, Community engagement, p. 157	
Own indicator	Total donations	D'Ieteren Auto Belron Moleskine	FDR: Disclosure of non-financial information, D'Ieteren Auto, Community engagement, p. 135 FDR: Disclosure of non-financial information, Belron, Community engagement, p. 147 FDR: Disclosure of non-financial information, Moleskine, Community engagement, p. 157	
> SUSTAINABLE PROCUREMENT (GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016)				
414	Management approach to disclosures	D'Ieteren Auto Belron Moleskine	FDR: Disclosure of non-financial information, D'Ieteren Auto, Sustainable procurement, p. 131 FDR: Disclosure of non-financial information, Belron, Sustainable procurement, p. 143 FDR: Disclosure of non-financial information, Moleskine, Social and ethical supply chain, p. 154	
414-1	New suppliers that were screened using social criteria	Belron Moleskine	FDR: Disclosure of non-financial information, Moleskine, Social and ethical supply chain, p. 154	Moleskine is not screening the new suppliers but rather the significant suppliers in terms of procurement spent.
Own indicator	Ecovadis Score on Supply Chain	Belron	FDR: Disclosure of non-financial information, Belron, Sustainable procurement, p. 143	
Own indicator	Percentage of suppliers that signed the Procurement Charter	D'Ieteren Auto	FDR: Disclosure of non-financial information, D'Ieteren Auto, Sustainable procurement, p. 131	

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Share Information

D'Ieteren share

Minimum lot	1 share
ISIN code	BE0974259880
Reuters code	IETB.BR
Bloomberg code	DIE:BB

Stock market indices

On 31 December 2019, the D'Ieteren share had the following weighting in Euronext indices:

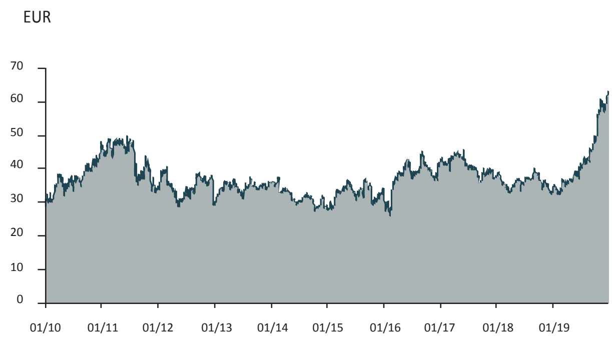
- BEL ALL-SHARE: 0.56%
- BEL CONS SERV: 8.48%
- BEL CONTINUOUS: 0.56%
- BEL MID: 5.39%
- NEXT 150: 1.06%

Evolution of the share price and traded volumes in 2019

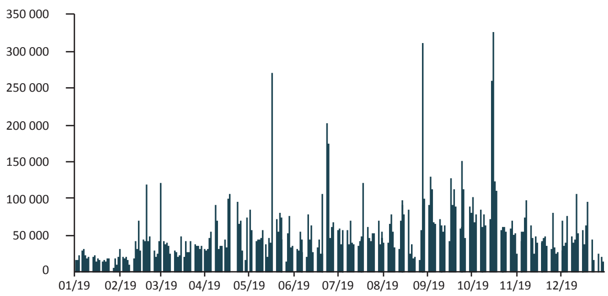
	2019	
Performance	90.2%	
Total shareholder return[1]	93.2%	
Average price (EUR)	43.28	
Maximum price (EUR)	63.10	24/12/2019
Minimum price (EUR)	32.46	01/02/2019
Average volume (in units)	54,800	
Maximum volume (in units)	325,582	16/10/2019
Minimum volume (in units)	6,282	28/01/2019

1 Based on gross dividend

Share price



Nb. of shares traded

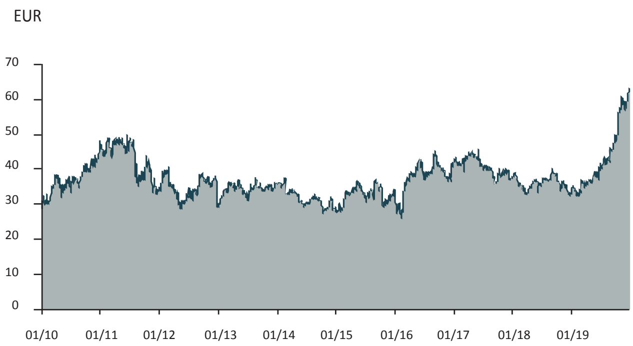


Evolution of the share price over 10 years

	01/01/2010 - 31/12/2019	
Performance	124.3%	
Total shareholder return [1]	162.3%	
Average price (EUR)	37.24	
Maximum price (EUR)	63.10	24/12/2019
Minimum price (EUR)	26.08	11/02/2016
Average volume (in units)	51,090	
Maximum volume (in units)	675,467	29/02/2012
Minimum volume (in units)	5,286	04/12/2012

1 Based on gross dividends

Share price

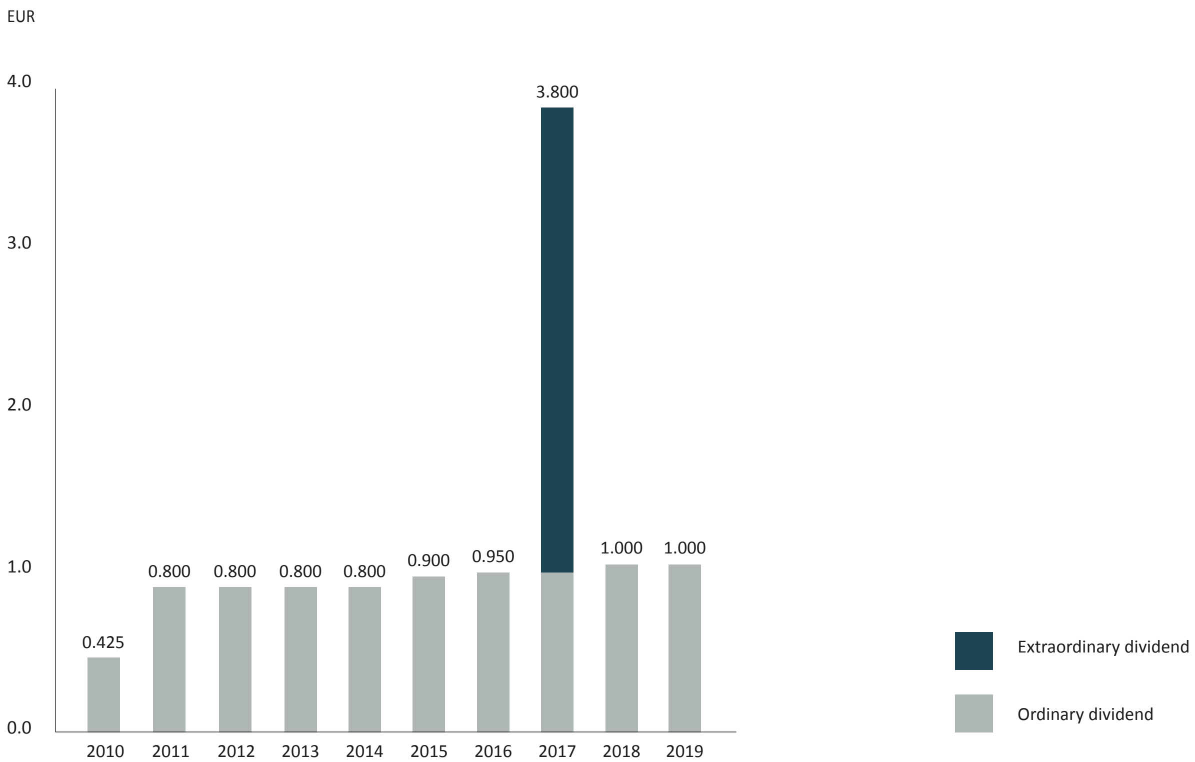


Detailed and historic information on the share price and the traded volumes are available on the website of D'Ieteren (www.dieteren.com).

Dividend

If the allocation of results proposed in Note 21 of this report is approved by the Ordinary General Meeting of 28 may 2020, a gross ordinary dividend of EUR 1.00 per share will be distributed. The dividend will be paid starting on 5 June 2020.

Evolution of the gross dividend per share over 10 year



FINANCIAL CALENDAR

General Meeting & Trading update	28 May 2020
Dividend ex date	3 June 2020
Dividend payment date	5 June 2020
2020 Half-Year Results	27 August 2020

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

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

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David Plas, and Volkswagen, Audi, Lab Box, EDI, Belron and Moleskine photo libraries.

FORWARD-LOOKING STATEMENTS
This Annual Report contains forward-looking information that involves risks and uncertainties, including statements about D'Ieteren'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. 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 does not assume any responsibility for the accuracy of these forward-looking statements.

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