POLARIS MOBILITY SURVEY

Executive Summary

September 2021

D'leteren

Our Polaris survey

Towards new challenges for the mobility of tomorrow

As a market leader, D'leteren has always been at the forefront regarding mobility and reinvention of our business. Our mission towards a fluid and sustainable mobility for everyone has been our reason to exist over the years.

In a unique context of change, dominated by a sanitary crisis, economical, societal and environmental challenges, we wanted to reevaluate our strategic vision and our approach to mobility and update our previous 'Magellan' research from 2018.

The Polaris Mobility'survey performed in 2021 is aimed at redefining market trends and new customer behaviours in order to provide them with products and services aligned with their current and future needs.

We want to share those results with all involved mobility stakeholders and hope those insights will be a source of inspiration and innovation for all.

Even if the current society and technological changes we are witnessing are huge and complex, we do share a common goal to tackle them effectively.

José Fernandez, Chief Customer Experience & Marketing Officer

Chapter 1

Methodology

A large qualitative and quantitative market survey…

- Intensive desk research, consumer survey and expert reviews with professional fleet and mobility stakeholders have been deployed in partnership with Profacts and Deloitte for Polaris.

Leverage **existing market insights**, and supplement with desk research

Conduct **interviews with experts** from within & beyond the mobility industry

Organise **focus groups** with different customer segments

Interview HR/fleet managers from key accounts to better understand B2B customer needs

Arrange **customer surveys** with panel representative of BE mobility consumers

… with a focus on both private and professional market

- Our primary research was largely based on gathering insights for both B2C and B2B markets

17 interviews

17 **explorative interviews** with **experts from within and beyond mobility**

Incl. mobility start-up, MaaS provider, public transport operator, mobility consultancy, mobility professor, financial services provider, energy provider, …

Phase 1

8 focus groups

8 **focus groups** aiming to **qualitatively understand mobility needs, decision drivers & desired value propositions**

4 B2C groups (2 FR, 2 NL); 2 B2B groups (1 Large, 1 SME); 1 D'Ieteren Key Account Managers; 1 D'Ieteren Expert Group

Phase 2

3 surveys

Preliminary quantitative survey with 500+ B2C respondents to quantitatively explore BE B2C mobility market in terms of how much & how people move around

In-depth quantitative surveys with **3,800+ B2C consumers** (representative of BE population) **and ~300 B2B** responsible for mobility of **small, medium and large companies** to better **assess and segment consumers**, and **test various concepts**

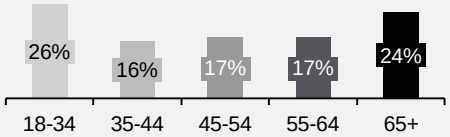
Phases 2-4

Mirroring the Belgian market population

- Socio-demografics : we surveyed a 3,800+ mobility users, representative of the Belgian 18+ population for the quantitative survey*

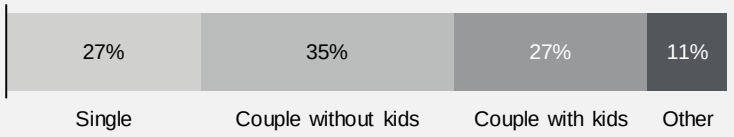
Caveat: We applied soft quotas on age, gender and region, but surveyed the Belgian 18+ population with a drivers' license or planning to get one. Therefore, our sample and insights presented in this document are based on more car owners/users than are present in the general Belgian population (especially for the region of Brussels)

Age distribution



Gender

Family situation

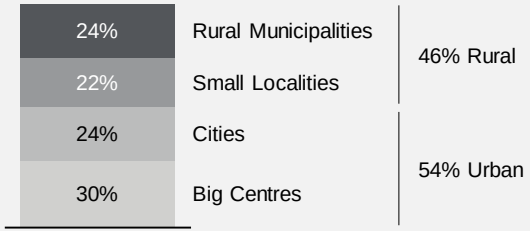


Region

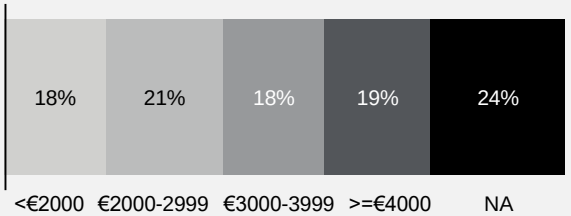
58% Flanders

10% Brussels

32% Wallonia



Income

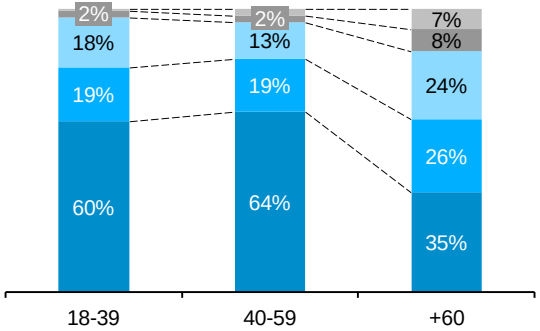


Socio-demographics greatly influence mobility patterns

Age

People **aged 18-59 travel** on average **25% more** than do other people on a daily basis

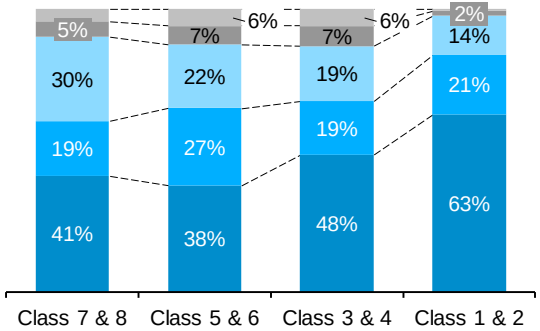
Distribution of trips per age class pre-covid (n=529)



Social class

People of **higher social classes** (1 & 2) **travel** on average **15% more** than do other people on a daily basis

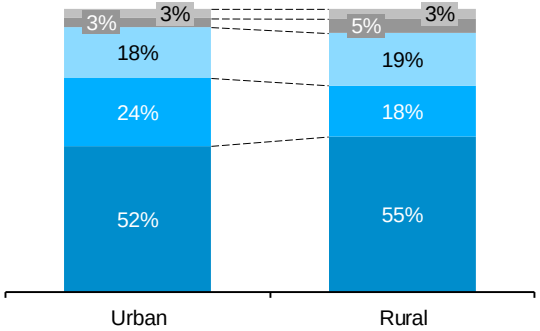
Distribution of trips per social class pre-covid (n=529)



Where people live

People living in **rural areas travel** on average **3% more** than do people based in urban areas on a daily basis

Distribution of trips per living area pre-covid (n=529)



Not often | Less than 5 trips per week | Multiple trips on a weekly basis but not daily | 1 trip per day | Multiple trips on a daily basis

Sources: Polaris core team analysis; Preliminary market survey (March 2021); Q: "How much did you on average move on a weekly basis prior to the pandemic?"; Social classes based on level of education and profession; Urban vs. rural based on CIM and through categorising postal codes based on population density and equipment levels

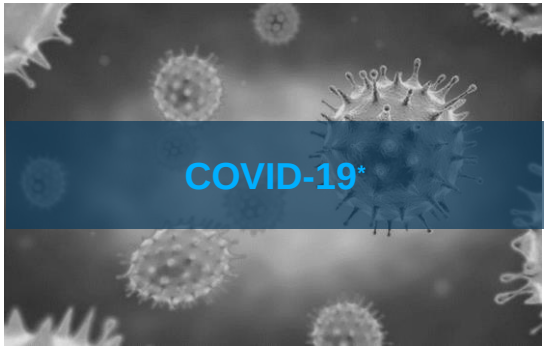
Chapter 2

Major trends & insights

The pressure for change in mobility is increasing with significant societal and economic issues to be addressed…

- Belgium's car-centric mentality makes us **lose more than an entire working week in congestion every year**, a number that is now worse than most other EU countries[1]
- More than **one in seven feel stressed** behind the wheel due to congestion[1]
- More than **3 in 4** employees cite **'not having to commute'** as the **top reason for** claiming **working from home** is easier than working from the office[2]

- **23% of total CO_2 emissions** in Europe come **from transport**; this is the only sector to have increased CO_2 emissions since 1990[3]
- Alongside carbon emissions, the high external costs of mobility (**air pollution**, **noise**, ...) are increasingly being recognised[3]
- More **companies** than ever are defining **sustainability goals** for their organisation, oftentimes also translating sustainability targets into **green mobility programmes**[4]



- **Economic crisis**, strongly impacting automotive sales (-22% in 2020) and people's wallets[5]
- **Restricted freedom to move from A to B** resulting in an unprecedented experiment in **homeworking** for 1 in 2 employees[6]
- Strong rise of **digitisation** and **e-commerce models** (e-commerce worth €11.5 Bn in 2019 & forecasted to grow at 7% CAGR until 2023)[7,8]

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*Source: Polaris core team analysis; [1]Deloitte FoM, "New Deal for Mobility in Belgium" (2019); [2]Deloitte "Remote Working Rules" (2020): [3]European Commission, "Transport emissions";[4]Expert interviews; [5]Febiac (2020); [6]VIAS "1 op de 2 werknemers doet momenteel aan telewerk " (2020); *Please refer to slides 25-26; [7]Sendcloud "De nieuwste e-commerce statistieken 2020" (2021); [8]JPMorgan "E-Commerce Payments Trends Report, Belgium" (2020)*

…and accelerated by stakeholders both within and beyond the mobility space

- Consumers are making **increasingly conscious choices about mobility**, re-evaluating the car as the default transport mode as they seek to balance cost and travel time
- Citizens **expect progress** with regard to **air quality, traffic noise, congestion, infrastructure and road safety** in their towns and cities[1]

- The EU recently stated that for mobility in Europe, we need to **"shift from incremental change to fundamental transformation"**[1]
- Regulators on a local, national and EU level are strongly promoting the move towards more **active, public, shared, and greener transport modes**[2]
- At a local level, **100 European cities** will be **climate neutral by 2030**[3] & there increasingly are local bans on sales/usage of highly emitting vehicles

- Increased **convergence with other sectors** into broader **ecosystem offerings**, like **Telco** (e.g. bringing technology to enable MaaS), **Financial Services & Insurance** (e.g., KBC and Belfius integrating mobility in their offering), and **Energy** (e.g., bringing new EV solutions)[4]
- Both **incumbents** and **new entrants** are fighting for market share

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Source: Polaris core team analysis; [1]EC communication on Smart and Sustainable Mobility (2020): https://ec.europa.eu/transport/sites/transport/files/legislation/com20200789.pdf; [2]Please refer to slides 19-20; [3]EC "100 Climate-neutral Cities by 2030 – by and for the Citizens" (2020); [4]Please refer to slide 66

COVID-19 is expected to drive structural changes in homeworking and e-commerce behaviour

3 MAIN SEGMENTS OF PEOPLE TRIPS

Functional

44%

› Commuting between home-work, home-school[1]

Shopping/Services

26%

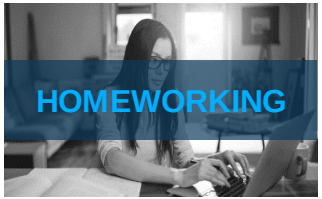
› Trips conducted for shopping and services[1]

Recreational

28%

› Trips related to people's leisure[1]

"PEOPLE WILL MOVE LESS COMPARED TO 2019"



"Increased homeworking will reduce # trips performed by individuals"*

› Remote working expected to have lasting effect beyond pandemic

› Impacting the functional segment, which will decrease in relative importance compared to recreational & shopping segment

"Increased e-commerce will decrease # trips to visit physical retail stores"*

› Decrease in # people trips in shopping segment will be partly offset by increase in # delivery trips → not take away structural challenges on road, but shift from less people to more goods movement

› Potential convergence of movement of people with movement of (small) goods

Assumption: # of trips in the recreational segment to remain stable

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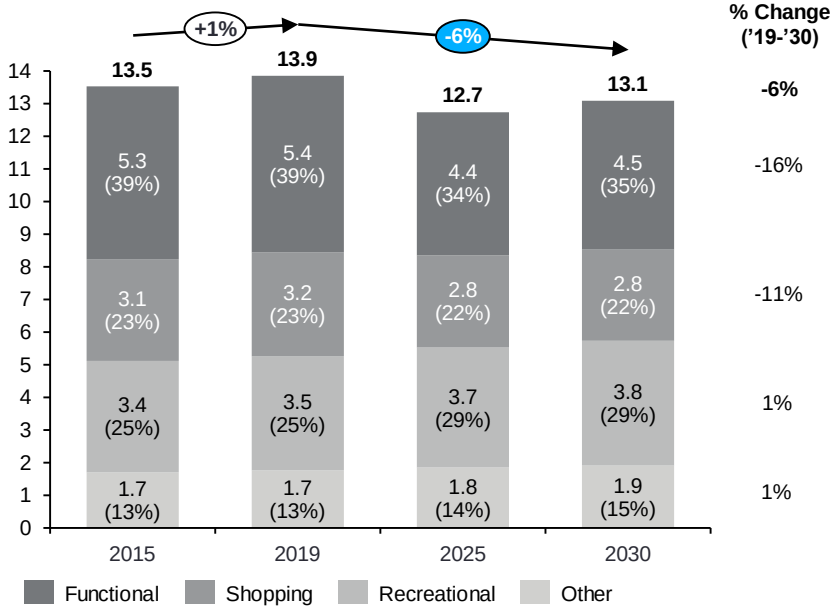
*Sources: Polaris core team analysis; [1]Vlaanderen Mobiliteit & Openbare Werken, "Onderzoek Verplaatsingsgedrag Vlaanderen (2019-2020)", assuming equal distribution on a federal level; *Degree of accuracy will be directionally (rather than being absolute)*

A new normal for mobility where people move less

DIRECTIONAL PROJECTION FOR THE FUTURE

Total # people trips (2015-2030, in Bn)



Though there is no consensus on the amount in which people will travel in the future, we believe that post-covid-19, **# people trips** will increase again, but even in 2030 expected to **remain lower than pre-covid-19 levels** (-6%)

Key assumptions:

- Home-Working: before pandemic ~23% of working population did "work from home" (WFH), during pandemic 49% and post-pandemic 3 main groups will exist (no, occasional, and full-time WFH) resulting in ~32% of the working population doing WFH[1,2] impacting the functional segment
- E-Commerce: shopping & services represent 26% of total trips; e-commerce will obtain a 34% market share in the retail market by 2030 compared to 15% in 2019; 1 functional trip represents 1 e-commerce activity[3,4,5] impacting the shopping segment

Key insights:

- COVID-19 is expected to drive structural changes in homeworking (~16% reduction in commuting) and e-commerce (~10% reduction in shopping trips)
- Combined, this will create a new normal for mobility where people move somewhat less (-6% in 2030 compared to 2019), and goods move somewhat more compared to 2019 baseline

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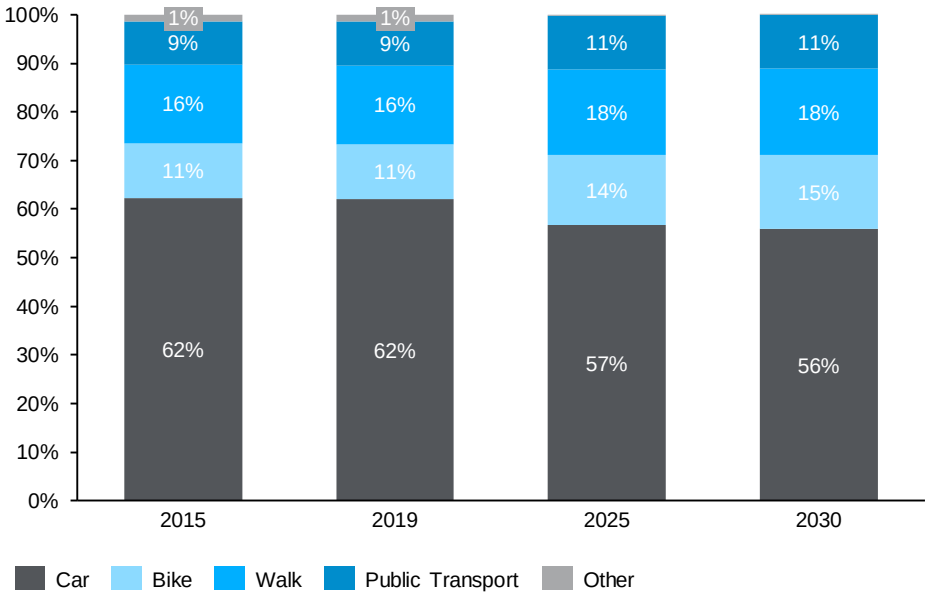
Source: Polaris core team analysis. Simulation based on data provided by federal planning bureau and forecasted until start p andemic assuming population growth taking into account; Deloitte FoM analysis (2021); [1]Deloitte "COVID-19: Mobility in Belgium" (2020); [2]VIAS "1 op de 2 werknemers doet momenteel aan telewerk" (2020); [3]JPMorgan, "E-Commerce Payment Trends Report Belgium (2020); [4]Trading Economics "Belgium Retail Sales Statistics" (2020),[5]Eurostat, "E-commerce statistics" (2020)

Though the car will remain the main individual transport mean, strong uptake of EV*s and (e)bikes

Total # people trips travelled (2015-2030, in Bn)

DIRECTIONAL PROJECTION FOR THE FUTURE



Change ('19-'30)

-1.2 ppt
+2.2 ppt
+1.5 ppt
+3.1 ppt
-5.6 ppt

- Though the **car is expected to remain dominant in people's transport** (-5.6 ppt 2019-2030 to 56% of trips in 2030), in the next decade we will see a strong greenification of the car park: by 2030, **~65% of new car sales** will be **electric** (BEV* + xHEV*)
  - *"We should not underestimate the share of people who will want to continue to own their own car"*
- **Active transport modes** are on the rise, especially in cities
  - By 2030, **+26%** of trips will be done **cycling**, and **+3%** of trips will be done **walking**, compared to 2019
  - In 2030, **33%** of **actively used bikes** will be **electric**
- **Public transport usage decreased** with 33% during pandemic as people preferred avoiding crowded carriages. This usage is expected to increase again post-covid-19 as governments push towards alternative modes of transport

* EV : electric vehicles BEV : battery EV xHEV :hybrid/plug in hybrid

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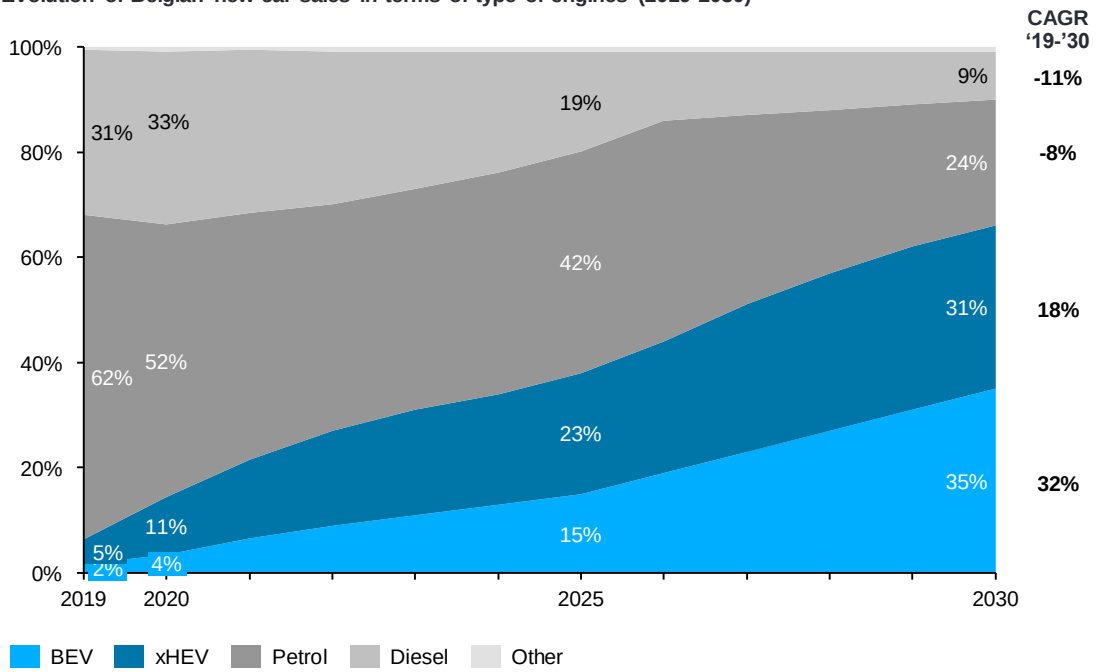
Sources: Polaris core team analysis; Polaris core team expert interviews. Base data: FOD/SPF Mobility and Transport Belgium; Federal Planning Bureau; Scope of analysis: mobility of people within Belgium; "Bikes" includes micromobility, "Other" includes motors, taxis, …; Model: key assumptions: 1) decrease in public transport usage during pandemic based on 2020 GACS, 23% recovery taking into account vaccine roll out and enforcement of wearing a mask, 2) increased usage of bike/walk during pandemic of resp. 10% and 5% , growing with resp. 3% and 1% until '25. Beyond '25, 1% and 0% resp. (in line with bike market growth forecasts).

By 2030, ~66% of the new sales will be electric (BEV+HEV), driven by a push of regulators and OEMs to greenify fleets

Evolution of Belgian new car sales in terms of type of engines (2019-2030)



- By 2030, **~66%** of **new car sales** will be **electric or hybrid**, up from ~7% in 2019
  - **35%** of new car sales will be **BEV** (CAGR of 32% 2019-2030)
  - **31%** of new car sales will be **xHEV** (CAGR of 18% 2019-2030)
- Strong **regulatory push** towards greenification of car parc (e.g., WLTP, zero-emission new company cars, new constructions requiring electric charging infrastructure for EVs)
- Clear **ambition of OEMs**, e.g.:
  - Volvo Cars going fully electric by 2030. *"The days of a new Volvo containing an ICE are numbered"*
  - Porsche AG expects an EV share of 80% in new vehicle sales by 2030
  - VW AG announced that by 2030 it aims for passenger cars & LCVs to lower CO_2 emissions per km driven by 30% compared to 2018

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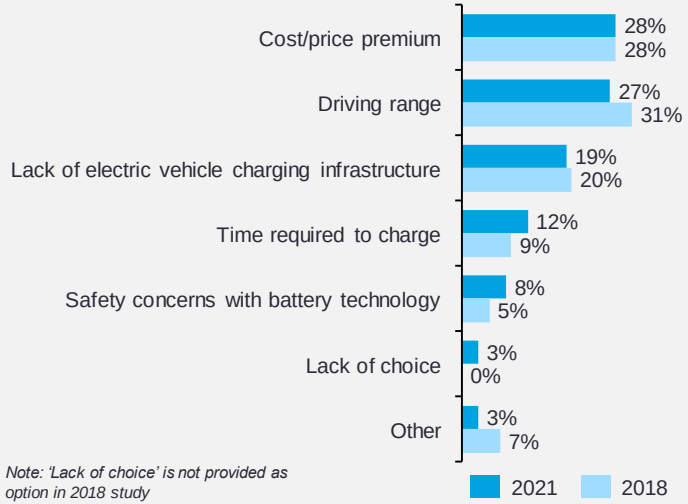
Sources: D'leteren market forecast (June 2020); Polaris core team analysis

…but cost/price premium remains a key concern; two thirds of EV intenders are looking to buy in the sub-€30K range

Range anxiety and **cost/price premium** remain a **key concern for consumers**[1]

Greatest concern regarding all battery-powered electric vehicles



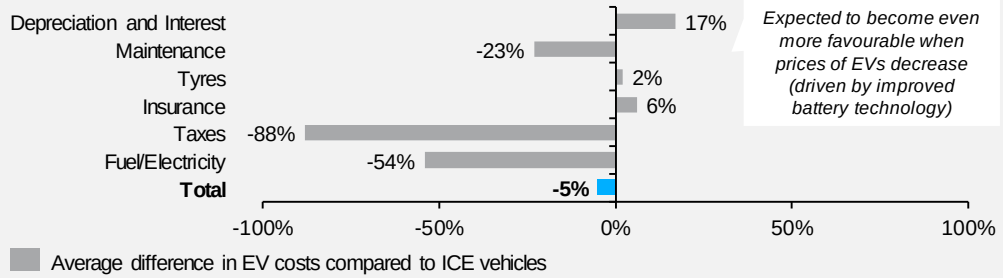
Note: 'Lack of choice' is not provided as option in 2018 study

1 in 3 Belgians is **unwilling to pay anything extra for an alternative engine**, raising questions around near-term demand potential[1]

67% of EV intenders are looking to buy in the **sub-€30K range**, signalling a price threshold for the technology[1]

On average, **B2B TCO of an EV is 5% lower** than for similar ICE vehicle[2]

Average difference in TCO elements of EV and ICE: (-) EV cheaper / (+) EV more expensive (912 scenarios)

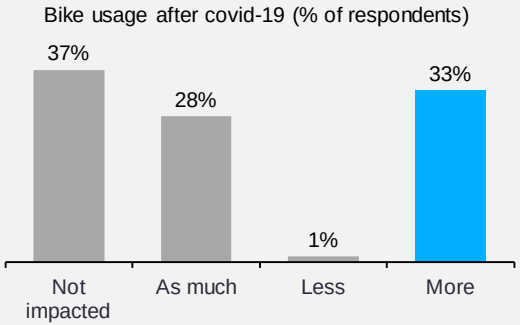


Expected to become even more favourable when prices of EVs decrease (driven by improved battery technology)

Sources: [1]2021 Deloitte Global Automotive Consumer Study, Belgium; [2]LeasePlan "The Total Cost of Ownership of electric vehicles compared to traditional vehicles" (2020), analysis compares 912 scenarios for 13 European countries and 4 different vehicle segments

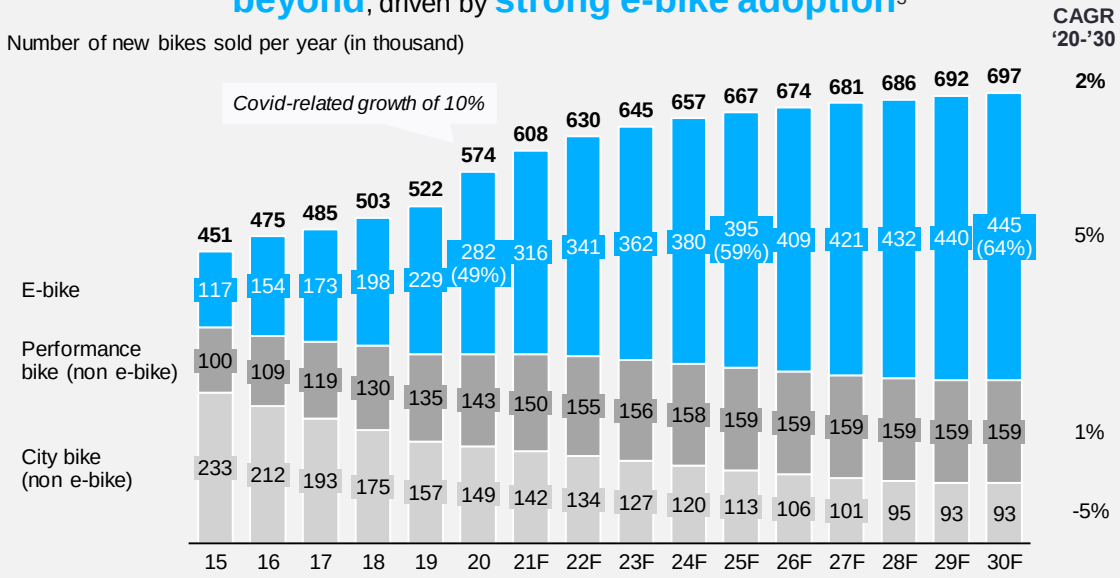
Consumer demand for Bikes will grow…

1 in 3 Belgians say they will increasingly use bikes and scooters post covid-19[1]



1 in 4 of Belgian consumers moving away from Public Transport do so because they **want more exercise**, with 34 % preferring to walk and another 34% preferring to bike[2]

Demand for **new bikes** is forecasted to grow at **3% CAGR 20-25** and **1% beyond**, driven by **strong e-bike adoption**[3]



Sources: [1]Flatten the mobility curve – Espaces-Mobilités/Maestromobile – Analyses et idées pour la mobilité Post-COVID19; [2]2021 Deloitte Global Automotive Consumer Study, Belgium; [3]D'leteren bike market analysis, Cycling industries Europe

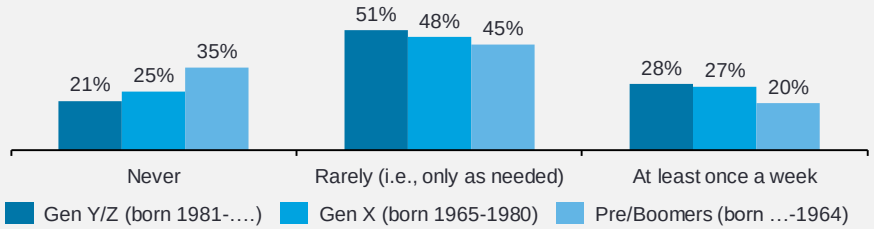
…while demand for multimodal transport will rise

1 in 4

Belgians travel **multi-modal at least once a week**[1]

Younger consumers make multimodal trips **more often** than older generations[2]

Percentage of consumers who use multiple modes of transportation in the same trip, by generation



75% are using **mobility apps but not multi-modality apps**

Waze and Google Maps are most often used to plan trips[3]

> *An increase in mobility supply will **drive efficiencies & enable more multi-modality***
>
> *- Mobility planning professor, Belgian university*

> *We need a **seamless integration between public and private modes** of transport to enable multi-modal transport*
>
> *- Belgian mobility author*

> *Key for adoption of multi-modality are more **convenience** (e.g. constant trains) and **better connection between modes***
>
> *- Chief Marketing Officer, Shared mobility company*

The **awareness** for the top 5 multimodality players **is still very low**[3]

Sources: Polaris core team expert interviews; [1]2020 Deloitte Global Automotive Consumer Study;[2]Deloitte Belgium Internal Analysis "Future of Mobility" (2019); VDFin multimodality survey (2020)

Companies are rethinking the mobility of their employees

3 key concerns **drive** the **corporate mobility transformation**:

Talent **Sustainability** **Cost**

But very different needs & pace of transformation between large companies vs. SMEs

Move from fleet officers to **mobility officers**

More companies than ever are defining **sustainability goals** for their organisation, oftentimes also translating sustainability targets into green mobility programmes

45% of employees have found **working from home easier**

76% mention **not having to commute** as the top reason for claiming working from home is easier than working from the office

84%

of employees want to **continue working remotely** post-COVID-19

Companies are looking for **cost-neutral**, multimodal solutions for their employees, but oftentimes they have no clue what it would cost them to go multimodal tomorrow

- Corp. mobility expert, Glob. consultancy

Sources: Deloitte Belgium – Remote Working Rules (September 2020); Attentia/Skipr (July 2020); Polaris core team expert interviews

Chapter 3

The car and alternative mobility modes B2C market

Mobility plays a key role in people' lives, fulfilling both a functional and emotional role

Mobility is key in people' lives, fulfilling **two core roles**:

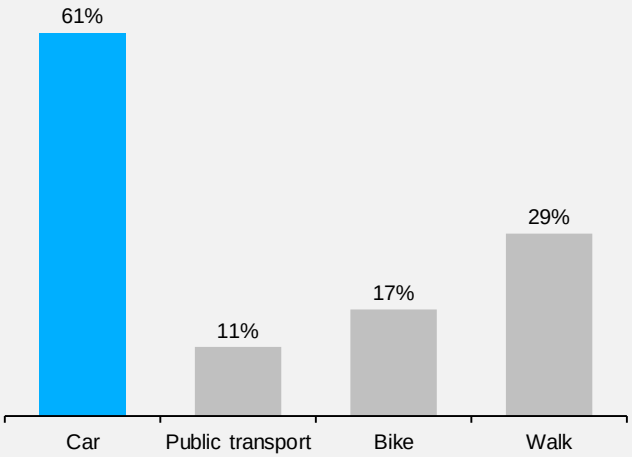
- **Functional**, notably:
  - **Freedom & flexibility:** *"Shared mobility gives me the freedom and flexibility I need while being in the city centre"*
  - **Convenience:** *"Doing groceries is just more convenient with a car"*
  - Efficiency: *"Being stuck in traffic in my car or working on the train – I know how to spend my time more efficiently"*
  - Comfort: *"My personal car still gives me most comfort"*
  - Ability to move from A to B: *"I just need a car to get to my work"*
  - Speed: *"In the city, I am much faster walking than going by car"*
  - Reliability: *"With my car I don't need to worry about late trains etc."*
  - Cost: *"€3 for a bus ticket is really expensive…"*
- **Emotional**, notably:
  - **Peace-of-mind:** *"On the train, I can just read my book and relax"*
  - Me-time: *"My time in the car commuting is 'me-time' - time to think and zone-out"*
  - Enjoyment: *"I just really like driving my bicycle"*
  - Status symbol: *"I like to have a nice car in front of my house"*
  - Social*: travelling is meeting people, have a talk..."*

Sources: Polaris core team analysis; Focus groups (March 2021)

Personal cars is still the main transportation mean

~61% of respondents use the **car** for more than **half of their mobility occasions**

Means of transport used for at least half of mobility occasions, % respondents (n=529)

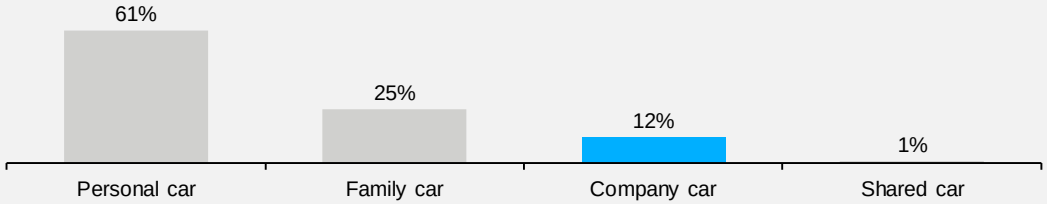


~85% of respondents have **at least 1 car in** their **household** while ~35% own 2 or more cars

cars used per respondent (n=529)

Of people with a car in their household, **~12%** have **at least 1 company car**

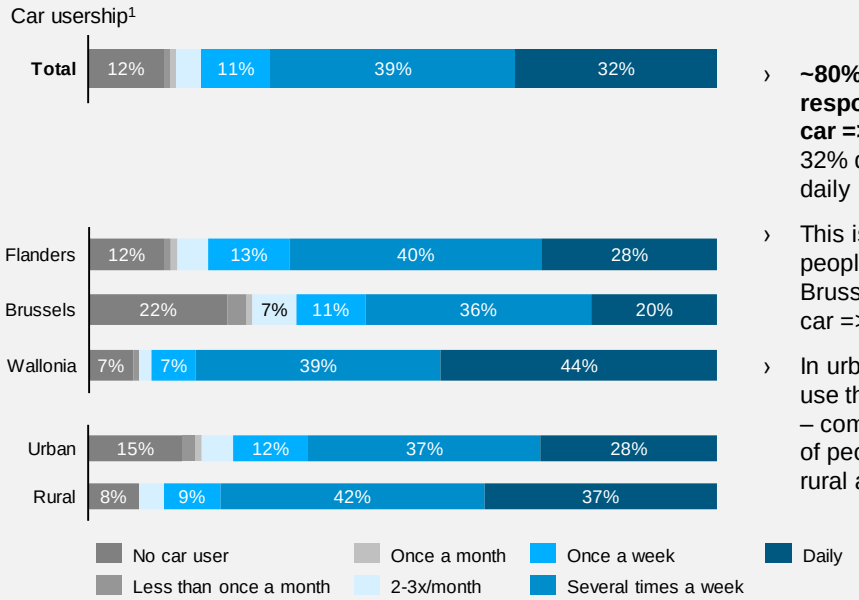
Cars per respondent (n=456)



Sources: Polaris core team analysis; Preliminary market survey (March 2021); Q: "Which of the following modes of transport do you use in more than half of your moves?"; Q: "How much of the following modes of transport does your family own/use, i.e. car(s)?"; Q: "You have indicated that you are using a car. What kind of car is this?"

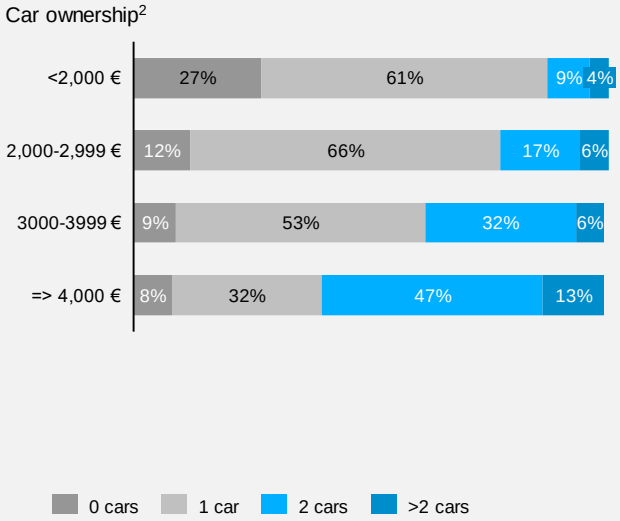
People's car usage is high…

~80% of respondents use the car =>1/week



- **~80% of respondents use the car =>1/week**; nearly 32% drive their car daily
- This is lower for people living in Brussels (~67% using car =>1/week)
- In urban areas, ~77% use the car =>1/week – compared to ~88% of people living in rural areas

People with higher incomes typically own more cars

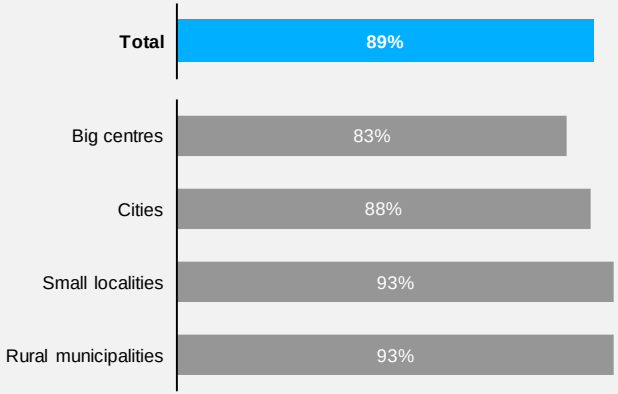


Sources: Polaris core team analysis; Polaris quantitative market survey (2021) In the Belgian population, 16% of households have no car, 51% have 1 car, 27% have 2 cars, and 6% have >2 cars – FOD Mobiliteit & Vervoer "Enquête Monitor Over De Mobiliteit Van De Belgen" (2019) – 53% of people in Brussels have no car, compared to 16% in Flanders and Wallonia – Departement Mobiliteit & Werken Vlaanderen, Onderzoek verplaatsingsgedrag (2019); Statbel (2019); Mobval (2021); [1]"Hoe vaak per maand? / A quelle fréquence sur base mensuelle?" N=3,394; [2]"Hoeveel van de volgende vervoersmiddelen heeft jouw gezin? / Combien des moyens de transport suivants votre ménage compte-t-il?" N=3,814

…and is likely to remain high even in the “post-covid” future

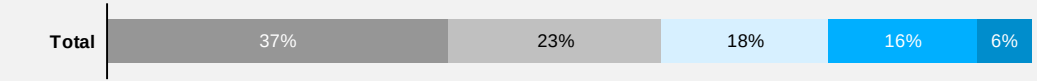
People are not ready to give up their car: ~90% of respondents will continue to use a car post-covid-19

Car usage post-covid-19[1]

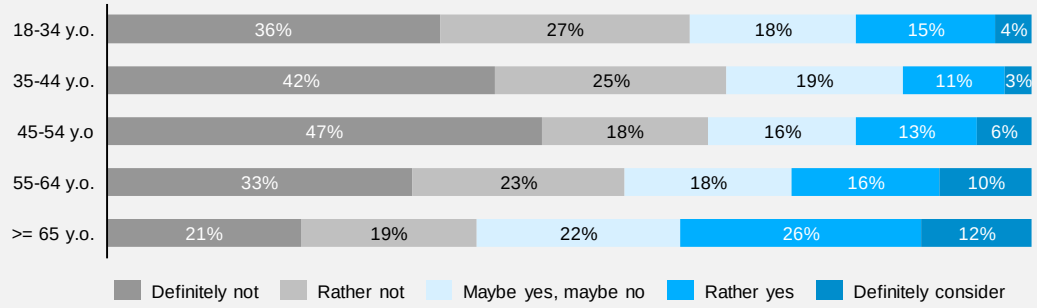


Of people owning =>2 cars, 22% would *consider* keeping only 1 car

Consideration to keep only 1 car[2]



primarily driven by older people no longer needing car(s)



Sources: Polaris core team analysis; Polaris quantitative market survey (2021) In the Belgian population, 16% of households have no car, 51% have 1 car, 27% have 2 cars, and 6% have >2 cars – FOD Mobiliteit & Vervoer “Enquête Monitor Over De Mobiliteit Van De Belgen” (2019) – 53% of people in Brussels have no car, compared to 16% in Flanders and Wallonia – Departement Mobiliteit & Werken Vlaanderen, Onderzoek verplaatsingsgedrag (2019); Statbel (2019); Mobval (2021); [1]“Welke van onderstaande vervoersmiddelen ben je van plan te gebruiken na de coronacrisis? / Lesquels des moyens de transport ci-dessous avez-vous l’intention d’utiliser après la crise du corona?” N=3,814; [2]“Je gaf daarnet aan meerdere wagens te hebben binnen jouw gezin. In welke mate zou je op termijn overwegen om slechts 1 auto over te houden voor jouw gezin? / Vous venez d’indiquer que vous avez plusieurs voitures au sein de votre ménage. Dans quelle mesure envisageriez-vous, à terme, de ne garder qu’une seule voiture pour votre ménage?” N=1,304

Technology changes would drive consumers to (x)EV cars

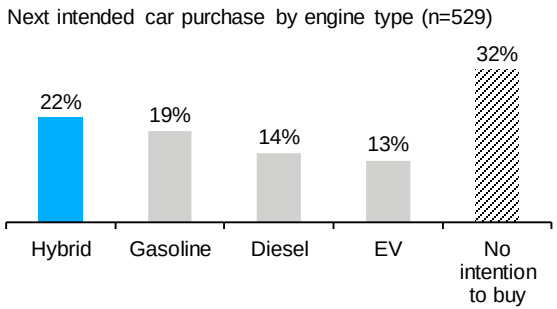
Key survey insights:

- More and more people consider green powertrains, but most are **in the short-term more likely to switch to hybrid cars or stay with ICEs**: **22%** of respondents are **planning to buy hybrid next**, compared to 19% for gasoline and 14% for diesel cars
- Many people see the **shift towards electric** as a **larger step**: **only 13%** indicate that they would buy EV next

Focus groups:

- Focus groups confirmed that for B2C customers we will more likely see a **switch to hybrid** as opposed to electric vehicles:
  - **EVs** are **still perceived** by many **as** (i) **expensive**, (ii) **cumbersome**, and (iii) **unreliable for long distances**
  - **Hybrid** is **considered** by most **as "best of both worlds"**, allowing to drive electric when possible and keep the range/practicality of the ICE for longer & faster routes

~22% of respondents intend to **purchase a hybrid vehicle** next, more than any other engine type. Followed are gasoline car intenders



"I'm looking at greener engine cars, but I'm not sure if that's already going to be my next car"

"From a range point of view, I feel safer driving a hybrid car than an electric one"

"If you compare the prices of electric cars to other engine types, there is still a big difference"

"On top of the price of the EV, you also need to install a charging station at home, pay for electricity, and so on"

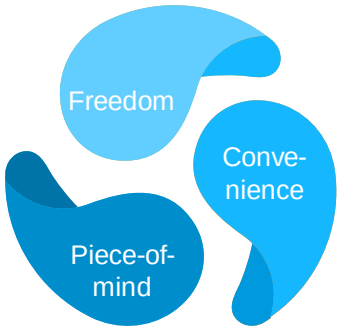
"Electric cars are not necessarily better for the environment…"

Sources: Polaris core team analysis; Preliminary market survey (March 2021); Q: "Which of the following modes of transport are you planning to buy in the coming years?"; Focus groups (March 2021)

Consumers do not see reliable alternatives for cars…

Many people **take owning a car for granted** and find it **hard to imagine a future without personal cars**

The car is today seen by many as the best answer to their search for **freedom, peace-of-mind, and convenience** *(incl. travel time)*



Public transport is seen by many people as **unreliable & inconvenient**, referring to trains running late and subject to strikes, buses not driving frequently enough, sub-optimal connections making long travel times and oftentimes even requiring to be reached by car (especially in rural areas),…

"Public transport is not as reliable, efficient, fast, or clean as my car"

Poor infrastructure & safety are seen by many people as important barriers for more **active mobility**, especially cycling – although we see this evolving, particularly in big cities

"You need to be out of your mind to even dare cycling in the centre of Brussels!"

Most consumers are still **willing to pay** for a car in order **to stay in control**. The biggest argument herein is that your own car is always available: you start and stop wherever and whenever you want. Many people are attached to their car – it's deeply embedded in their mobility habits.

"I don't want to be dependent on others in order to move from A to B"

"I need 100% certainty on other modes of transport before I'm willing to give up my car"

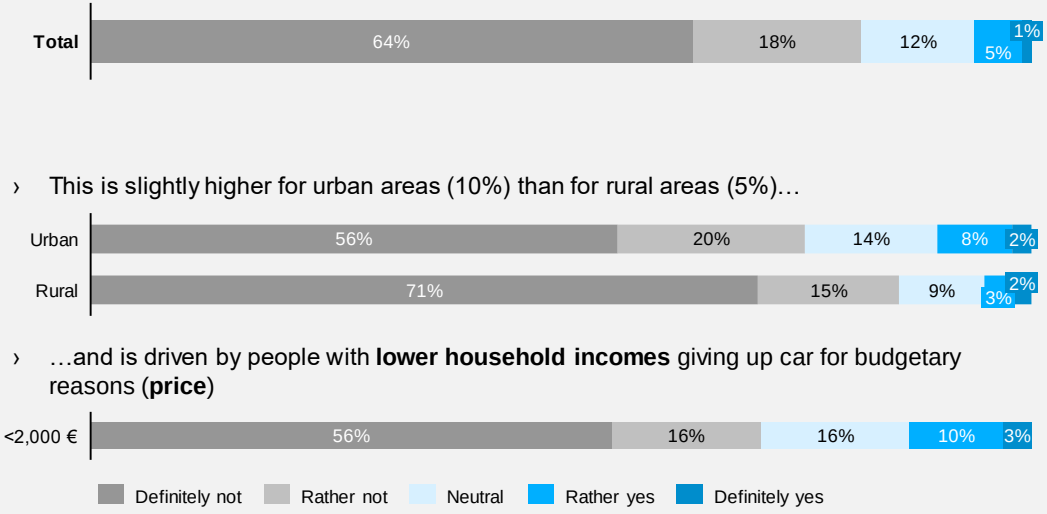
D'leteren

Sources: Polaris core team analysis; Focus groups (March 2021)

… and are not ready to abandon ownership yet

Of people owning =>1 cars, only 6% would *consider* not owning a car anymore

Consideration not to own a car anymore[1]

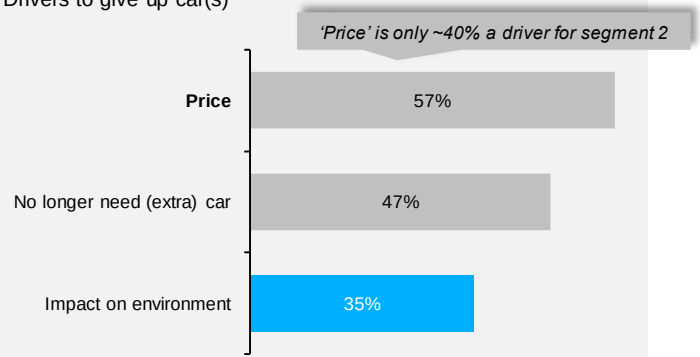


› This is slightly higher for urban areas (10%) than for rural areas (5%)…

› …and is driven by people with **lower household incomes** giving up car for budgetary reasons (**price**)

Environmental concerns only comes 3rd as driver (after price and no longer needing car)

Drivers to give up car(s)[2]



› Environmental concerns is especially a driver for **35-44 y.o., urban customers**

Sources: Polaris core team analysis; Polaris quantitative market survey (2021)[1]"Je gaf daarnet aan één of meerdere wagens te hebben binnen jouw gezin. In welke mate zou je op termijn overwegen om helemaal geen auto meer te hebben binnen jouw gezin? / Vous venez d'indiquer que vous avez une ou plusieurs voitures au sein de votre ménage. Dans quelle mesure envisageriez-vous, à terme, de ne plus avoir de voiture du tout au sein de votre ménage?" N=3,333; [2]"Om welke van onderstaande redenen zou je ervoor kiezen om 1 of meerdere auto's op te geven binnen jouw gezin? / Pour lesquelles des raisons ci-dessous choisiriez-vous de laisser tomber 1 ou plusieurs voitures au sein de votre ménage?" N=489 (people considering dropping 1 or more cars)

Alternative mobility modes seen as *on top of, not replacing* car ownership

Most people are **open to** test and use **other modes**, **but** remain **averse to losing flexibility and control** in their mobility

- Most people want to **keep full flexibility** in being able to decide when and how to travel: *"I want to be able to decide when to leave and come back, and not be bound to others' rules"*
- Most people also want to **feel that they are in control**, and not dependent on others: *"I don't want to be dependent on the rental company to deliver my vehicle as agreed" "I don't want to run in the event where all of a sudden I need to go quite far to get a shared bike, as the ones close to me are already in use"*

The majority of people don't consider a shift from cars to other modes, but **using other modes *on top of* their car**

This leads to an **important distinction between car usage and car ownership**

- As more and more people test and use alternative modes of travel, we are **likely** to see a **shift in car usage**: decreased usage of cars to go from A to B, using smaller cars
- Concurrently, the likely decrease in car usage is in the **short to mid term unlikely** to have a **significant impact on car ownership**, as people (i) see the usage of other modes ***on top of* using the car**, and (ii) are **unwilling to give up their cars** as long as alternatives cannot offer them the same flexibility and convenience
- *Potentially, the impact could be bigger on the 2nd car in multi-car households*

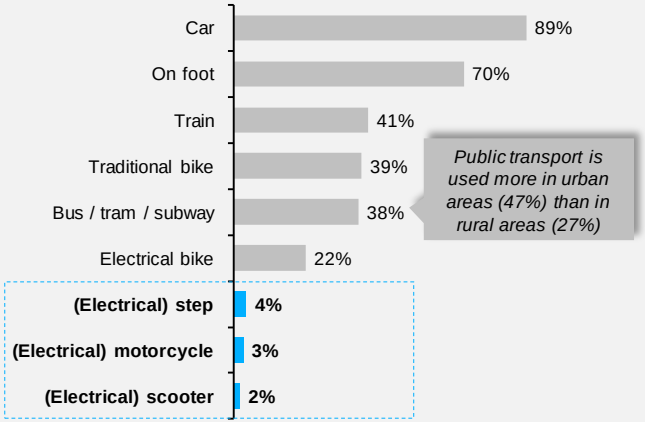
D'leteren

Sources: Polaris core team analysis; Focus groups (March 2021)

Next to cars and public transportation, (electric) bike is the only sizeable mode of transport for the foreseeable future

Other micromobility modes (incl. steps, motorcycles and scooters) **are expected to remain small post covid-19**. This is relatively stable across urbanisation and income levels

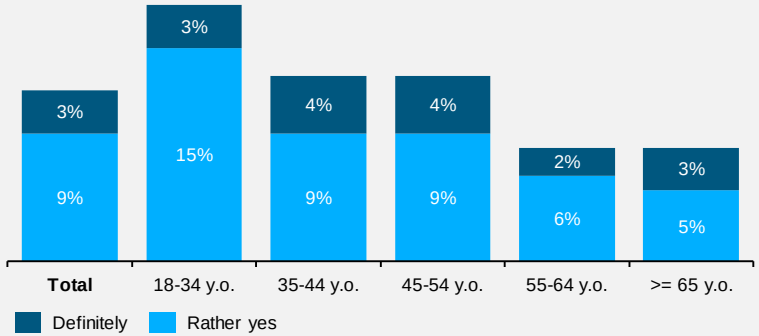
Transport usage post-covid-19[1]



People's minds are not yet set on "sharing"

- **81% never used shared transport**. **Shared transport usage is highest for young people**: of 18-34 y.o., 37% used shared transport – compared to only 9% for 45+ y.o.[2]
- **Only 12% are considering to use shared transport in the future**[3]

Consideration shared transport usage by age group[3]



- Of people living in big centres with no car, 1 in 3 has no idea how close to their home there are shared cars / bikes / steps / scooters

*Sources: Polaris core team analysis; Polaris quantitative market survey (2021);[1]"Welke van onderstaande vervoersmiddelen ben je van plan te gebruiken na de coronacrisis? / Lesquels des moyens de transport ci-dessous avez-vous l'intention d'utiliser après la crise du corona?" N=3,814; [2]"Heb je al eens gebruik gemaakt van deeltransport? / Avez-vous déjà utilisé un transport partagé?" N=3,814 *In our survey, we tested the appetite in terms of # people; not # trips; [3]"In welke mate overweeg je om in de toekomst deeltransport te gebruiken? / Dans quelle mesure envisagez-vous d'utiliser le transport partagé dans le future" N= 3,814*

‘Mobility budget’ not seen yet as a valid alternative …

Most consumers **do not expect the mobility budget (for all) to have a material impact on car ownership** (especially in rural areas), driven primarily by a lack of credible alternatives. A move away from cars to alternatives is more likely to be driven by other, more dissuasive regulatory measures (e.g. taxes, parking, …)

It should be noted that mobility experts and B2B customers see larger potential impact

The mobility budget for all will **drive experimentation with alternative modes** of transport

*“If I have a budget that I have to spend on mobility, I might **more quickly try out alternatives** when I don’t absolutely need my car”*

*“I’m **only interest in** the **mobility budget if** it will **cover all my mobility needs**”*

I.e. receiving the same benefit in kind, or more

*“Under the mobility budget for all, I would still opt for a **car**, but probably a **smaller** one so that I can **on top of that lease a bike and/or take a public transport subscription**”*

*“I **hope** my mobility budget will **not force me to give up my car**. I’m **not ready to fully transition** to other, (potentially shared) mobility modes”*

*“I **don’t know much** about the mobility budget, but I really **hope it won’t make me off worse** than what I have today”*

The mobility budget is harder to evaluate for consumers that don’t fully grasp the concept

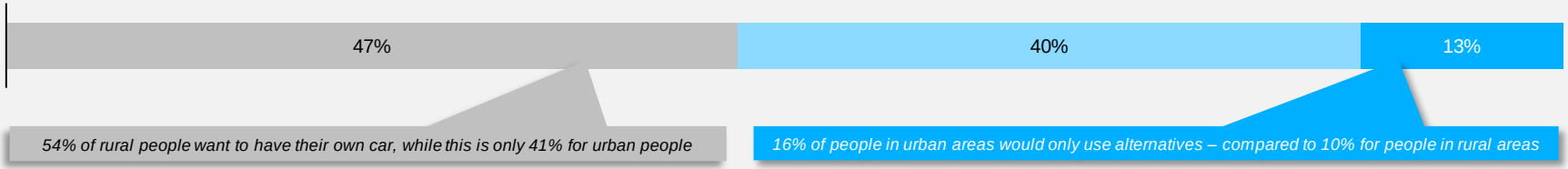
Employers will play an important role in educating employees

Sources: Polaris core team analysis; Focus groups (March 2021)

… with vast majority keeping their car ownership

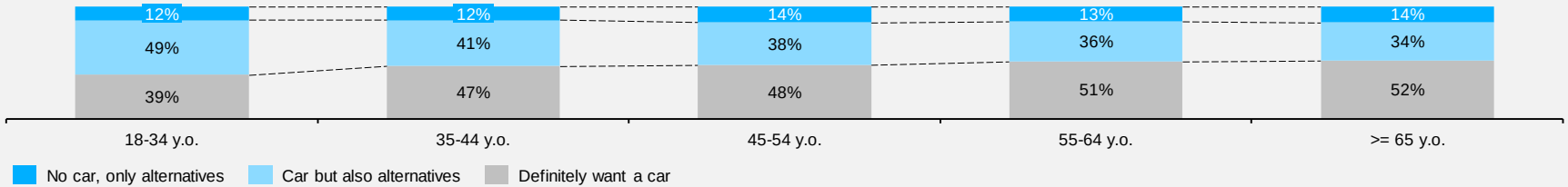
- Even in the imagination that we will have a mobility budget for all, **87%** of respondents indicate they want to keep a car

Impact of the mobility budget for all[1]



› **47% want to have their own car**

› **40% want to have a car plus alternatives** – negative correlation with age:



Other external factors (e.g. strong regulations) may push people away from the car; these were not tested during this survey

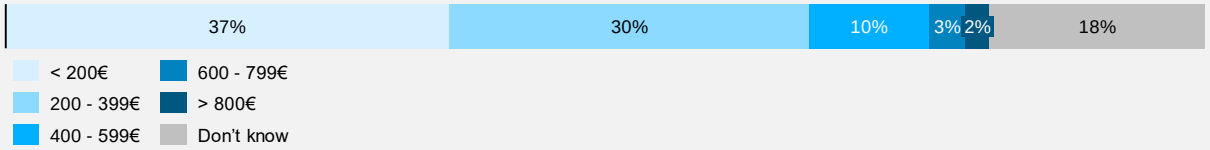
Sources: Polaris core team analysis; Polaris quantitative market survey (2021)[1]"Stel je voor dat je van je werkgever een mobiliteitsbudget krijgt. Binnen dit mobiliteitsbudget kan je kiezen voor… / Supposez que vous receviez un budget mobilité de votre employeur. Dans les limites de ce budget, vous pouvez opter pour…" N=3,814

Consumers have a poor understanding of real costs

- Importantly, people don't know what their car costs; in estimating its budget, only ~40% include the purchase price

~20% of people don't know how much their car costs them (equal for company vs. private car); **another ~40% say their car is costing them <€200/month**

Estimated car budget[1]



This is a potential barrier to making private lease a success

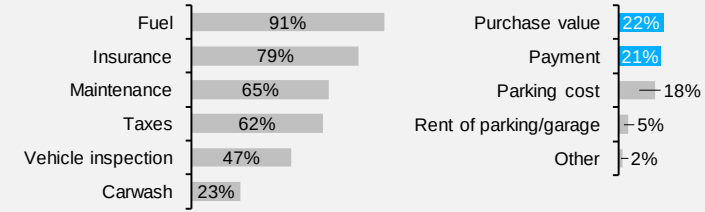
"I have actually never really thought about my monthly mobility spend…"

"I already bought my car two years ago, so my monthly cost is only fuel and insurance"

"I don't want to know how much my car costs me today, otherwise I won't be able to enjoy it as much anymore"

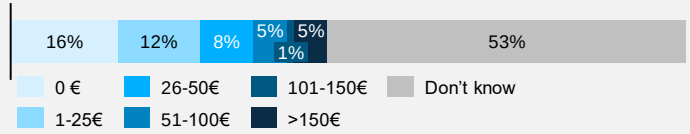
In estimating a car budget, only ~40% include the purchase price or loan payment

Elements included in car budget[2]



>50% of people don't know what they spend on mobility next to their car; an additional 16% say they don't spend anything

Estimated mobility budget (besides car)[3]



Sources: Polaris core team analysis; Polaris quantitative market survey (2021)[1]"Welk budget denk je dat je gemiddeld per maand uitgeeft aan jouw auto, alles inbegrepen?/ Quel budget pensez-vous que vous dépensez en moyenne par mois pour votre voiture, tout compris?" N=3,333; [2]"Welke van onderstaande elementen heb je meegerekend in dat bedrag? / Lesquels des éléments ci-dessous avez-vous inclus dans ce montant?" N=2,752; [3]"Welk budget denk je dat je gemiddeld per maand uitgeeft aan jouw mobiliteit? / Quel budget pensez-vous que vous dépensez en Moyenne par mois pour votre mobilité?" N=3,814

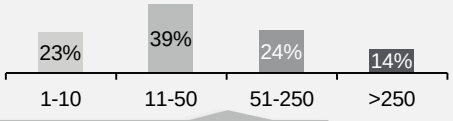
Chapter 4

Companies will drive mobility changes B2B market

Surveying the B2B market

- We surveyed existing business customers (i.e. people in charge of mobility – e.g. CHRO/fleet manager or even CEO at small enterprise)

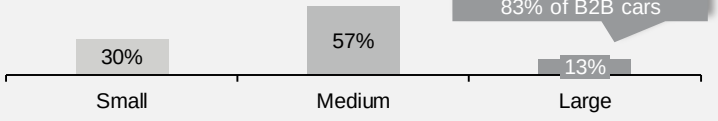
Company size (# employees)[1]



On average 75% white collars[2]

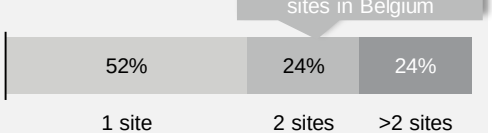
Fleet size (# companies)[3,4]

Large fleet respondents represent 83% of B2B cars



Office sites

Companies surveyed have on average 2.4 sites in Belgium

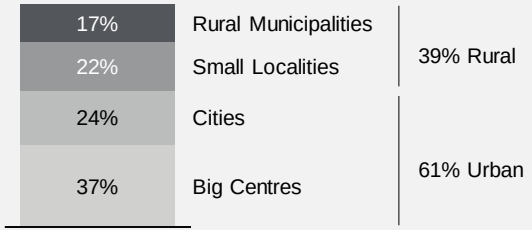


Region[5]

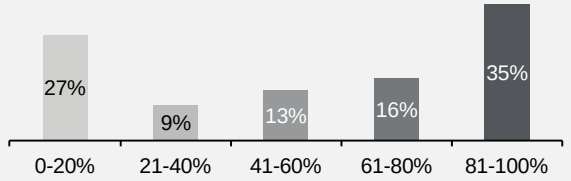
68% Flanders

12% Brussels

20% Wallonia



% salary cars in total fleet[6]



Scope of survey was focused on mobility of people

Sources: Polaris core team analysis; Polaris B2B quantitative market survey (2021); [1]Of companies with employees in the Belgian B2B market, 64% of entities have 1-10 employees, 12% 11-50 employees, 2% 51-250 employees and 21% >250 employees (Statbel & KBO); [2]65% of Belgian workforce are white collars (RSZ & Steunpunt Werk); [3]Based on D'leteren B2B segment definitions; [4]Of companies with employees in the Belgian B2B market, there are on average 4.3 cars per entity (Statbel & Febiac); [5]Based on HQ location; Belgian B2B market has 62% companies located in Flanders, 11% in Brussels, and 26% in Wallonia (Statbel); [6]Distinction was made between salary cars (i.e. cars offered to employees as part of the remuneration package and that can be used for private trips) and functional cars (i.e. cars offered to employees and are solely used for work-related activities)

Mobility behaviour is often positively correlated to fleet size

Companies with larger fleets tend to …	Small (0-5 cars)	Medium (6-100 cars)	Large (>100 cars)
…have a better **view on** their **mobility cost**	77%	84%	92%
…have a better **view on** the **CO_2-impact of their mobility**	52%	60%	84%
…hold a stronger **belief that** their **employees' mobility behaviour will change** over the next couple of years	27%	29%	50%
…be **more attracted to mobility advisory services**	27%	51%	59%
…be **more interested in** the **ability to credit** the **cost of mobility advisory services** when also buying mobility products from D'Ieteren afterwards	66%	69%	72%
…be **more attracted to an all-in-one EV offer**	70%	72%	83%
…be more interested in the **ability to offer** their **employees** to **change** their **EV for another type of car** during holiday trips	76%	82%	86%
…be **more attracted to an all-in-one flexible mobility offer**	47%	51%	68%

Sources: Polaris core team analysis; See detailed questions on slides 19-27

Companies are rethinking the mobility of their employees

3 key concerns **drive** the **corporate mobility transformation**:

Talent

Mobility is seen as an important lever to attract & retail talent

"Our corporate mobility offering has grown organically through employees approaching us with their mobility needs"

"Our company cars are a key driver for our employees to choose to work for us"

Sustainability

Companies are defining their sustainability goals, oftentimes also translating sustainability targets into greener mobility programmes

"We are looking at how our mobility, for example through EVs, can contribute to our corporate sustainability goals"

Cost

Companies seek to balance talent & sustainability goals with (additional) costs

"It remains very important to convince our senior management to roll out new mobility programs, particularly given these oftentimes bring along additional costs"

Mobility is also a **key driver in employers' decision on where to locate**

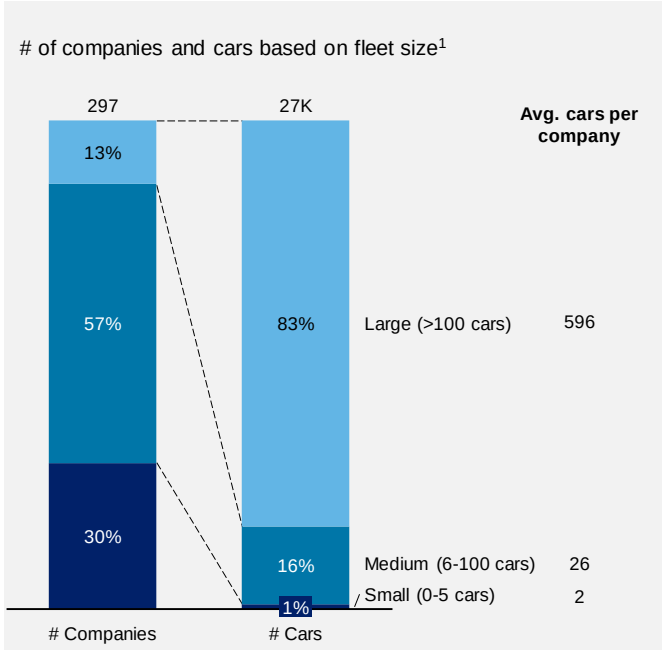
"We are not per se interested in being located in the city, but are looking for places that are easily accessible by multiple modes of transport"

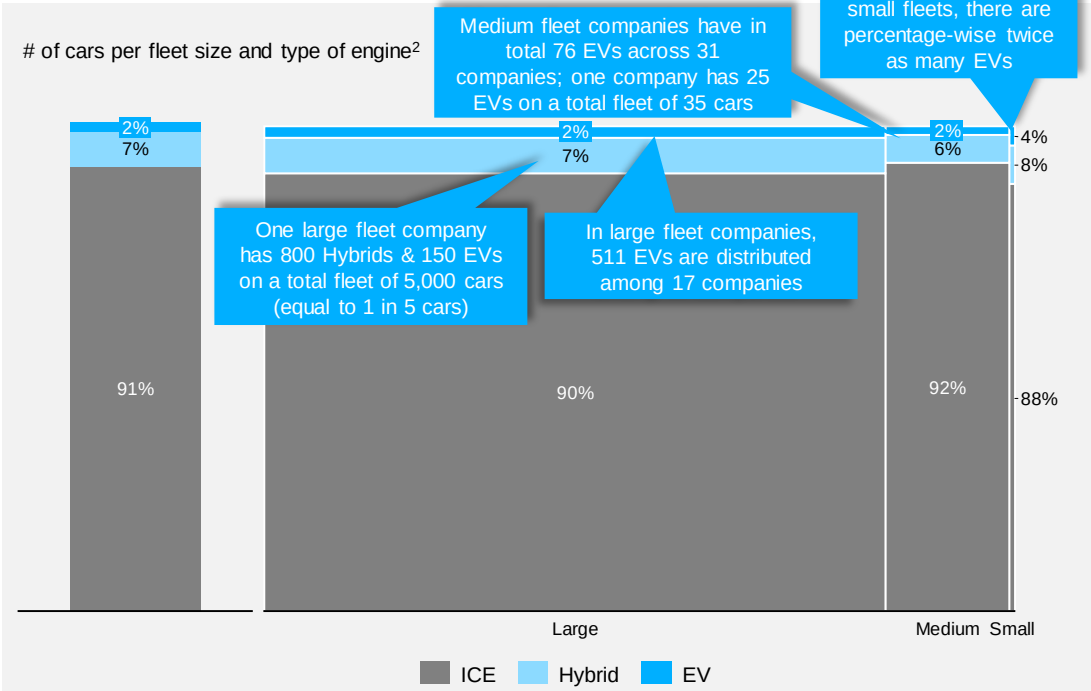
Compared to large companies, SMEs are generally less mature & slower in their transformation pace

"For only 5 employees, I'm not going to spend huge amounts of time designing our mobility vision and offerings… That's just not top-of-mind for me"

Most companies fleets are still ICE dominant

- In the surveyed companies, 90% of company cars are still ICE



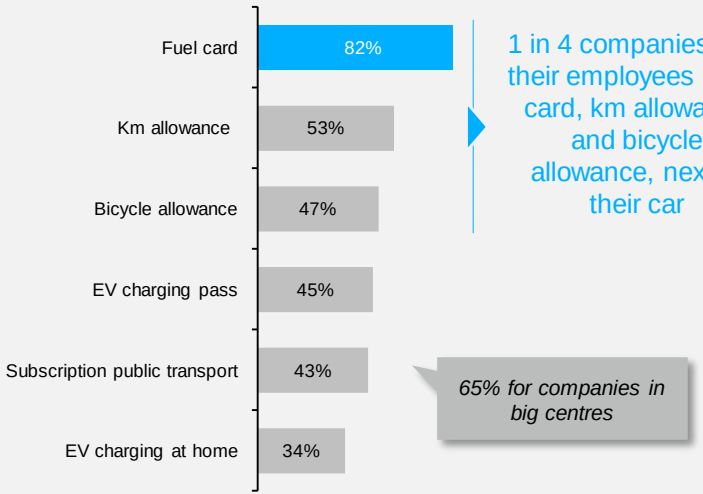


Sources: Polaris core team analysis; Polaris B2B quantitative market survey (2021);[1]"Hoeveel van jullie werknemers hebben vandaag een bedrijfsvoertuig dat tevens voor private doeleinden kan gebruikt worden? / Combien de vos travailleurs disposent-ils aujourd'hui d'une voiture de société qui peut également être utilisé à des fins privées" N = 297; [2]"Welk aandeel (%) van jullie bedrijfswagens zijn elektrische wagens, hybride wagens en wagens op benzine, diesel of gas? / Quel pourcentage (%) de vos voitures de société sont des voitures électriques, des voitures hybrids et des voitures essence, diesel ou gaz?" N=290

Cost (tax) and talent are the main drivers behind corporate mobility offers

In a mobility package, 82% include a fuel card next to offering a company car

Elements companies include in their mobility package besides car[1]

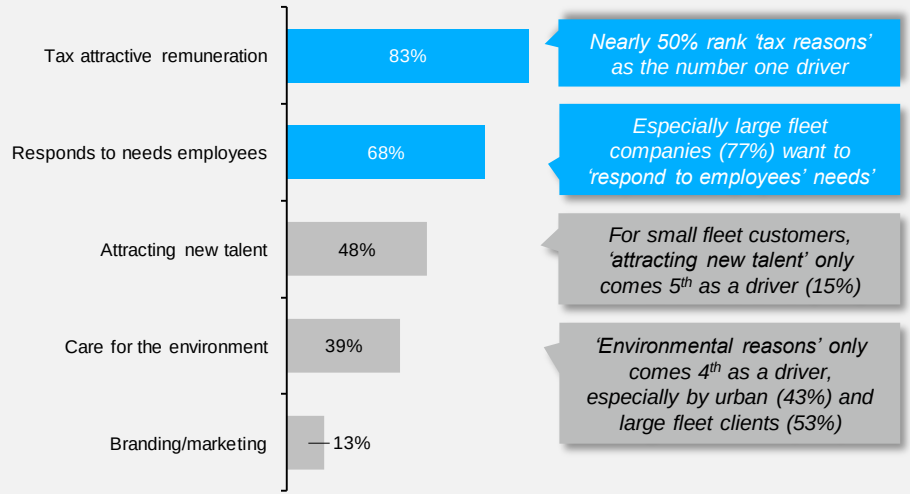


1 in 4 companies offer their employees a fuel card, km allowance and bicycle allowance, next to their car

65% for companies in big centres

Cost (tax) and talent are the main drivers behind corporate mobility offers, according to mobility responsible

Main drivers to build a mobility package[2]



Nearly 50% rank 'tax reasons' as the number one driver

Especially large fleet companies (77%) want to 'respond to employees' needs'

For small fleet customers, 'attracting new talent' only comes 5th as a driver (15%)

'Environmental reasons' only comes 4th as a driver, especially by urban (43%) and large fleet clients (53%)

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Sources: Polaris core team analysis; Polaris B2B quantitative market survey (2021);[1]"Naast eventuele bedrijfswagens, uit welke van onderstaande elementen bestaat jullie mobiliteitsaanbod vandaag? En aan welk aandeel van jullie werknemers wordt elk van deze elementen aangeboden? / Outre d'éventuelles voitures de société, quels éléments ci-dessous votre offer de mobilité comprend-elle aujourd'hui? Et à quel pourcentage de vos travailleurs chacun de ces éléments est-il offert?" N=297; [2]"Hoe wordt het mobiliteitsaanbod binnen jullie bedrijf voornamelijk gedreven? / Quels sont les principals motivations du choix des solutions de mobilité dans votre entreprise?" N=297

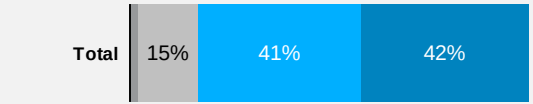
Clear view on TCO, but lower CO2-impact knowledge

- >80% feel they have a clear view on their mobility cost and employee satisfaction; only ~60% know their CO_2-impact

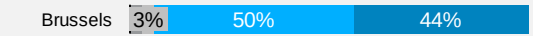
Particularly companies with larger fleets (i.e. >100 cars) have a view on their mobility cost, employee satisfaction and CO_2-impact

83% of employers say they know how much mobility costs them

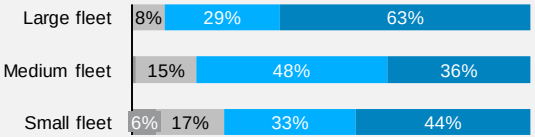
View on total cost of mobility[1]



› **~95% of Brussels** companies know their cost:

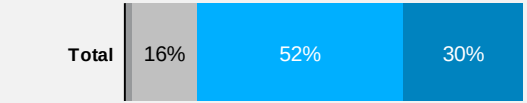


› **>90% of large fleet companies** know their cost:



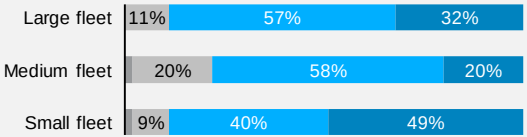
82% indicate they have a view on their employees' satisfaction regarding their mobility offer

View on employee satisfaction[1]



› **~90% of Brussels** companies have a view on their employee satisfaction

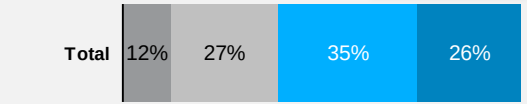
› **90% of large fleet companies** have a view on their employee satisfaction:



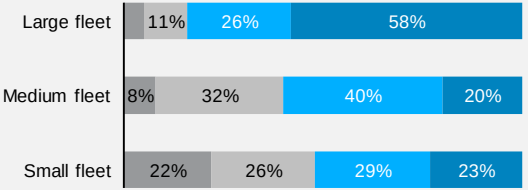
~60% indicate they have a view on the CO_2-impact of their fleet

View on CO_2-impact[1]

This is rising



› **~85% of large fleet companies** have a view on their CO_2-impact:



Absolutely not | Rather not | Rather yes | Definitely

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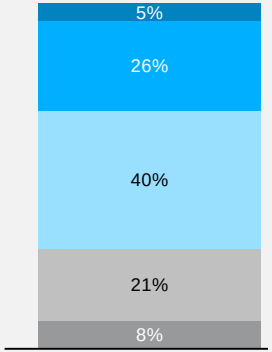
Source: Polaris core team analysis; Polaris B2B quantitative market survey (2021); [1]"In welke mate hebben jullie vandaag de dag een zicht op…? / Dans quelle mesure avez-vous aujourd'hui une idée…?" total N=297, Flanders N=203, Brussels N=36, Wallonia N=58, small fleet N=88, medium fleet N=171, large fleet N=38

Mobility budget will impact marginally company cars…

Overall, **1 in 3 employers believe their employees will change their mobility behaviour in the next couple of years**; this goes up to 50% for companies with big fleets[1]

Intention to change mobility in the future



› **50% of employers with large fleets** believe employees will change behaviour – compared to 28% of smaller fleets

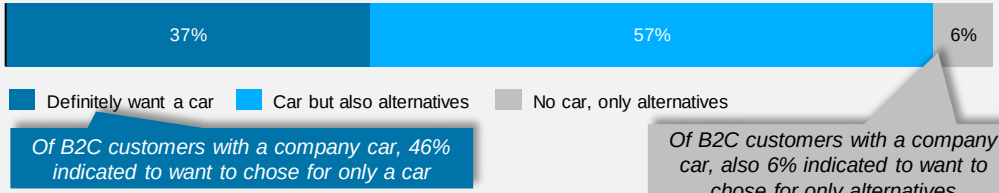
› **~40% of employers located in big centra** believe employees will change behaviour – compared to 26% located in rural areas

97% of medium to large fleets believe employees will continue to choose for a car, while this is 85% for small fleets

2 in 3 want alternatives next to or instead of a car

Even with the introduction of a mobility budget for all, ~95% of employers believe employees will continue to choose for a car[4]

Car inclusion in case of mobility budget for all



Of B2C customers with a company car, 46% indicated to want to chose for only a car

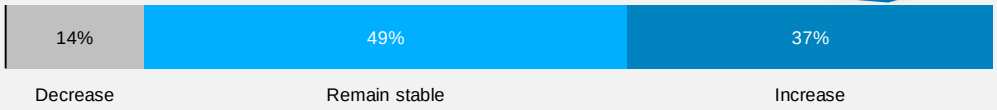
Of B2C customers with a company car, also 6% indicated to want to chose for only alternatives

› No significant differences in level of urbanisation[4]

~35% of employers believe their car fleet will increase over the next couple of years driven by company growth; compared to ~15% who believe this will decrease, due to taxation, budgetary reasons and growth of alternative transport modes[2, 3]

Expected impact on company car fleet

Especially 41% of rural located companies and 43% of medium size fleets



Sources: Polaris core team analysis; Polaris B2B quantitative market survey (2021);[1]"In welke mate denk je dat je werknemers van plan zijn om de komende jaren hun manier van verplaatsing te veranderen? / Dans quelle mesure pensez-vous que vos travailleurs ont l'intention de changer leur manière de se déplacer au cours des prochaines années?" N=297; [2]"Op welke manier denk je dat jullie wagenpark in de komende jaren zal evolueren? / Comment pensez-vous que votre nombre de voitures de société va évoluer au cours des prochaines années?" N=297; [3]"En om welke redenen zal jullie wagenpark in de komende jaren verkleinen/vergroten? / Et pour quelles raisons votre nombre de voitures de société va-t-il se réduire/augmenter?" Decrease N=42, Increase N=110; [4]"Stel je voor dat er morgen een mobiliteitsbudget voor iedereen is waarbinnen iedere werknemer kan kiezen voor… Denk je dat het merendeel van je werknemers dan… / Supposez qu'il existe demain un budget mobilité pour tous dans le cadre duquel chaque travailleur peut opter pour… Pensez-vous alors que la majorité de vos travailleurs…?" N=297

…as they continue to be seen as an important lever to attract and retain talent

Cars enable to attract & retain talent

Many employers see offering company cars as an **important lever to attract & retain talent**. They even mentioned that offering the right car brand & model are drivers for employees to choose one employer over another one

"Our company cars are an important element of why employees choose to work for us over our competitors"

"Our cars are a way for us to do our corporate branding; our employees are proud to drive around in our cars"

Cars offer the best flexibility

Most employers don't see cars playing a less important role in our mobility **as long as other modes** of transport **cannot offer the same flexibility**. Today, they don't see any other mode as even close to being able to offer the same flexibility as can cars

"Cars will not go away as long as other modes of transport cannot offer the same flexibility"

"Employees are not interested in car sharing"

- *"**Cars will continue to play an important integral part of our mobility**. We will, however, see a move from ICE to electric fleets"*
- *"**Even with the mobility budget for all, there will be a continued importance of cars**: the solution will likely be a "smaller car AND bike AND public transport AND …"*

Sources: Polaris core team analysis; B2C focus groups

Conclusions

Key messages & Outcomes for D'Ieteren Automotive

Polaris Mobility Survey

D'ieteren

- The post-Covid economic conditions will affect the mobility market in two major areas :
  the surge of eCommerce and the structural integration of tele/homeworking in people's lives.

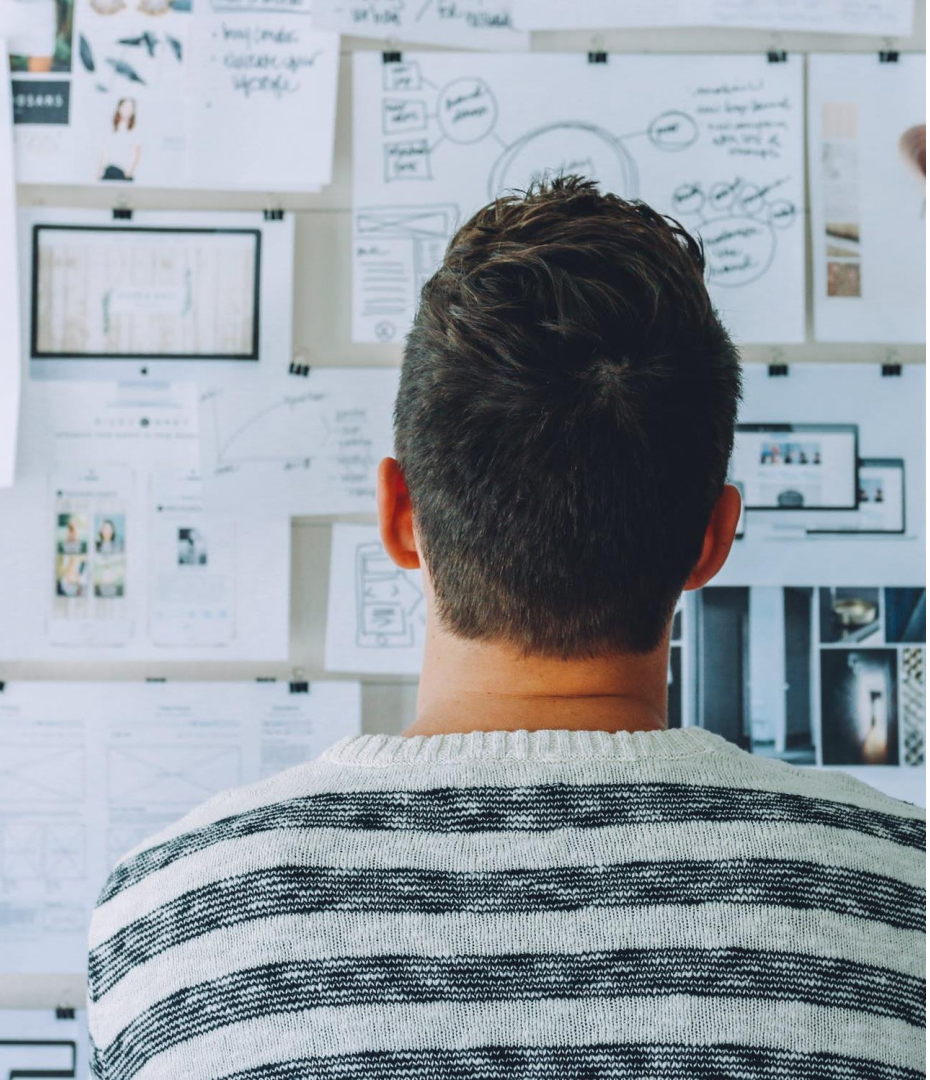
- The reduction in commuting will induce -6% decrease in the total number of trips to commute to work, to shop or for recreational purposes.
  This evolution will require business adaptability but also open new opportunities for a more sustainable, yet flexible approach to mobility needs.

- Cars will remain central to people's mobility, both in B2C and B2B markets and will still represent 56% of total trips by 2030 and only 6% of private car owners would definitively consider not owning one anymore.

- D'leteren's mission to provide our citizens with fluid and sustainable mobility will remain key across our businesses and networks. D'leteren will continuously strive to reduce CO2 impact of cars by promoting (x)EV's through our brands and supporting services such as EDI.

- (x)EV cars will represent 2/3 of new car sales by 2030.
  The future will be electric and customers are looking for guidance.

- Sustainable mobility is a priority for D'Ieteren, as we offer the largest (x)EV car range in the market and facilitate the transition to electric driving with EDI – Electric by D'Ieteren for both private and professional customers.



- While B2C needs and behaviors will be very stable in the coming years, B2B have much more appetite and expectation for change.
  Therefore companies will drive the change towards electrification and multimodal mobility services, in order to address cost, sustainability and talent challenges.

- D’leteren will continue to support this initiative through our dealer network and our fleet & mobility services (GFS, VDFin, MobBox, EDI, Poppy and other LabBox initiatives) transition to EV and multimodality, offering a unique one-stop solution for our B2B clients and prospects.

- Bike mobility is booming and will represent 15% of total trips by 2030, with 2/3 of bikes being electric-battery powered.

- D’leteren will invest in this market segment with the ambition to become a leading player in this market, providing customers in that bikes segment with a state-of-the-art digital and store experience.

- Multimodality will partially benefit from new incentives such as a ‘Mobility budget’, and alternatives like car sharing are considered by 12% of the population, in particular in city centers and specific urban segments.

- D’leteren will continue to develop its car sharing services (Poppy, AudiOnDemand, Camper) in order to provide customers in this market segment with affordable and qualitative alternatives to private ownership.

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