

# TURNING ENERGY INTO INSPIRATION

THIRD QUARTER  
REPORT 2023

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# Company Officers

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## Chairman Emeritus <sup>(1)</sup>

**Chairman Emeritus**

Alberto Bombassei

## Board of Directors <sup>(2)</sup>

**Executive Chairman**

Matteo Tiraboschi <sup>(7)</sup>

**Chief Executive Officer**

Daniele Schillaci <sup>(7)</sup>

**Directors**

Cristina Bombassei <sup>(4) (7)</sup>

Giancarlo Dallerà <sup>(3)</sup>

Elisabetta Magistretti <sup>(3)</sup>

Umberto Nicodano <sup>(6)</sup>

Elizabeth M. Robinson <sup>(3)</sup>

Gianfelice Rocca <sup>(3)</sup>

Michela Schizzi <sup>(3) (5)</sup>

Manuela Soffientini <sup>(3) (8)</sup>

Roberto Vavassori <sup>(7)</sup>

## Board of Statutory Auditors <sup>(9)</sup>

**Chairman**

Fabrizio Riccardo Di Giusto <sup>(5)</sup>

**Acting Auditors**

Stefania Serina

Mario Tagliaferri

**Alternate Auditors**

Giulia Pusterla <sup>(5)</sup>

Alessandra Vaiani

## Independent Auditors

Deloitte & Touche S.p.A. <sup>(10)</sup>

## Manager in Charge of the Company's Financial Reports

Andrea Pazzi<sup>(11)</sup>

## Committees

### Audit, Risk & Sustainability Committee<sup>(12)</sup>

Elisabetta Magistretti **(Chairwoman)**

Michela Schizzi

Manuela Soffientini

### Remuneration & Appointments Committee

Giancarlo Dallerà **(Chairman)**

Elizabeth M. Robinson

Manuela Soffientini

### Supervisory Committee

Giovanni Canavotto **(Chairman)**<sup>(13)</sup>

Elisabetta Magistretti

Matteo Tradii<sup>(14)</sup>

(1) Appointed for an indefinite period.

(2) In office until the Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2025.

(3) Non-Executive and Independent Directors.

(4) The Director also holds the position of Executive Director in charge of the Internal Control and Risk Management System, as well as of Chief CSR Officer.

(5) Director/Statutory Auditor elected from a minority list.

(6) Non-executive Director.

(7) Executive Director.

(8) This Director also holds the position of Lead Independent Director.

(9) In office until the Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2025. This Board holds the role of Internal Control & Audit Committee pursuant to Article 19 of Legislative Decree No. 39/2010.

(10) Appointed by the Shareholders' Meeting of 22 April 2021 for the years from 2022 to 2030.

(11) The appointment remains valid until the expiry of the current Board of Directors' term of office, i.e., until the General Shareholders' Meeting approving the Financial Statements for the year ending 31 December 2025.

(12) This Committee also acts as the Related Party Transactions Committee.

(13) Independent Expert.

(14) Chief Internal Audit Officer.

## Brembo S.p.A.

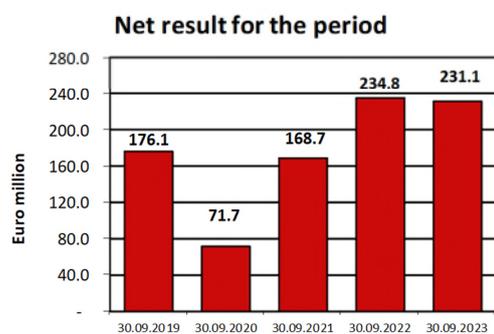
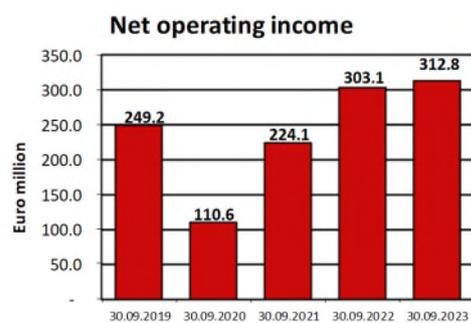
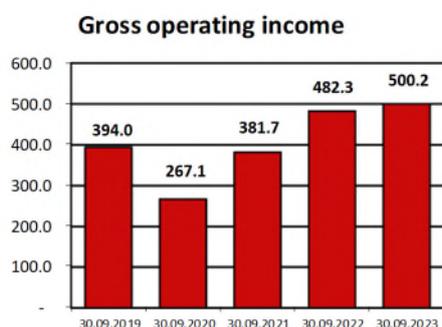
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Registered offices: CURNO (BG) – Via Brembo 25

Share capital: €34,727,914.00 – Bergamo Register of Companies

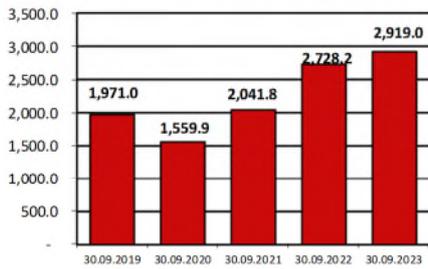
Tax code and VAT Code No. 00222620163

# Summary of Group Results

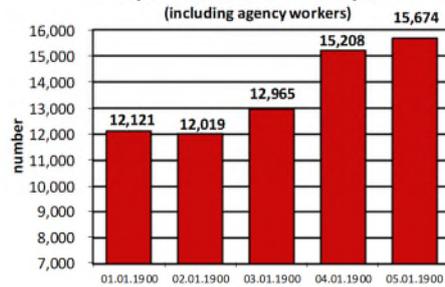


| <b>ECONOMIC RESULTS (euro million)</b>          | <b>30.09.2019</b> | <b>30.09.2020</b> | <b>30.09.2021</b> | <b>30.09.2022</b> | <b>30.09.2023</b> | <b>% 2023/2022</b> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Revenue from contract with customers            | 1,971.0           | 1,559.9           | 2,041.8           | 2,728.2           | 2,919.0           | 7.0%               |
| Gross operating income                          | 394.0             | 267.1             | 381.7             | 482.3             | 500.2             | 3.7%               |
| <i>% of revenue from contract with customer</i> | 20.0%             | 17.1%             | 18.7%             | 17.7%             | 17.1%             |                    |
| Net operating income                            | 249.2             | 110.6             | 224.1             | 303.1             | 312.8             | 3.2%               |
| <i>% of revenue from contract with customer</i> | 12.6%             | 7.1%              | 11.0%             | 11.1%             | 10.7%             |                    |
| Result before taxes                             | 237.1             | 92.5              | 223.5             | 312.4             | 310.1             | -0.7%              |
| <i>% of revenue from contract with customer</i> | 12.0%             | 5.9%              | 10.9%             | 11.4%             | 10.6%             |                    |
| Net result for the period                       | 176.1             | 71.7              | 168.7             | 234.8             | 231.1             | -1.6%              |
| <i>% of revenue from contract with customer</i> | 8.9%              | 4.6%              | 8.3%              | 8.6%              | 7.9%              |                    |

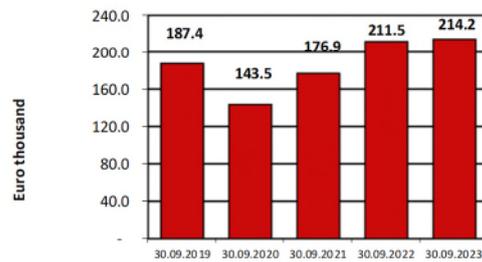
### Revenue from contract with customers



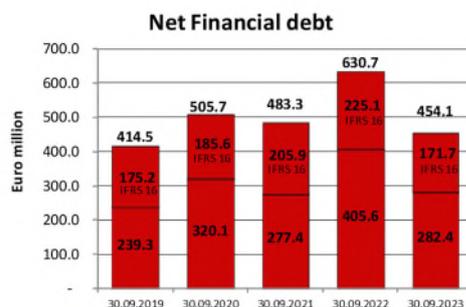
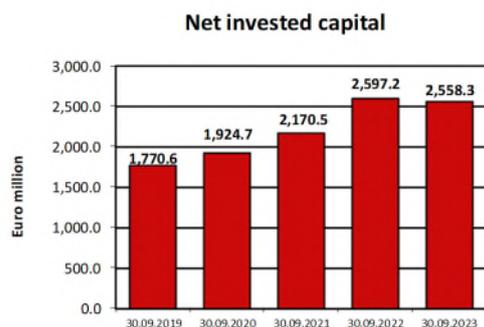
### People at the end of the period



### Turnover per employee



| <b>FINANCIAL RESULTS (euro million)</b>   | <b>30.09.2019</b> | <b>30.09.2020</b> | <b>30.09.2021</b> | <b>30.09.2022</b> | <b>30.09.2023</b> | <b>% 2023/2022</b> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Net invested capital                      | 1,770.6           | 1,924.7           | 2,170.5           | 2,597.2           | 2,558.3           | -1.5%              |
| Equity                                    | 1,330.9           | 1,394.8           | 1,665.3           | 1,943.6           | 2,073.7           | 6.7%               |
| Net financial debt                        | 414.5             | 505.7             | 483.3             | 630.7             | 454.1             | -28.0%             |
| <b>EMPLOYEES AND INVESTMENTS</b>          |                   |                   |                   |                   |                   |                    |
| Employees at end of period (number)       | 10,516            | 10,869            | 11,539            | 12,897            | 13,630            | 5.7%               |
| Turnover per employee (euro thousand)     | 187.4             | 143.5             | 176.9             | 211.5             | 214.2             | 1.2%               |
| Net investments (euro million)            | 142.1             | 105.2             | 140.2             | 201.0             | 237.8             | 18.3%              |
| Increases in leased assets (euro million) | 10.4              | 6.8               | 11.8              | 9.8               | 14.6              | 48.3%              |



| MAIN RATIOS  | 30.09.2019 | 30.09.2020 | 30.09.2021 | 30.09.2022 | 30.09.2023 |
|--|------------|------------|------------|------------|------------|
| Net operating income/Revenue from contract with customers              | 12.6%      | 7.1%       | 11.0%      | 11.1%      | 10.7%      |
| Result before taxes/Revenue from contract with customers               | 12.0%      | 5.9%       | 10.9%      | 11.4%      | 10.6%      |
| Net investments (*)/Revenue from contract with customers               | 7.2%       | 6.7%       | 6.9%       | 7.4%       | 8.1%       |
| Net Financial debt/Equity  | 31.1%      | 36.3%      | 29.0%      | 32.4%      | 21.9%      |
| Adjusted net interest expense(**)/Revenue from contract with customers | 0.6%       | 0.7%       | 0.4%       | 0.4%       | 0.5%       |
| Adjusted net interest expense(**)/Net operating income                 | 4.5%       | 9.3%       | 3.6%       | 3.2%       | 4.8%       |
| ROI  | 18.5%      | 9.3%       | 13.6%      | 14.2%      | 15.3%      |
| ROE  | 17.0%      | 9.2%       | 14.1%      | 14.5%      | 14.0%      |

Notes:

ROI: Net operating income rolling 12 months/Net invested capital.

ROE: Result before minority interests rolling 12 months (net of Result from discontinued operations)/Equity.

(\*) Net investments in property, plant, equipment and intangible assets, calculated as the sum total of increases (net of decreases) of property, plant, equipment and intangible assets.

(\*\*) This item does not include exchange gains and losses.

# Consolidated Financial Statements

## Consolidated Statement of Financial Position

| <i>(euro thousand)</i>                           | 30.09.2023       | 31.12.2022       | Change          |
|--|------------------|------------------|-----------------|
| <b>ASSETS</b>                                    |                  |                  |                 |
| <b>NON-CURRENT ASSETS</b>                        |                  |                  |                 |
| Property, plant, equipment and other equipment   | 1,249,973        | 1,125,711        | 124,262         |
| Right of use assets                              | 170,714          | 242,121          | (71,407)        |
| Development costs                                | 103,021          | 101,658          | 1,363           |
| Goodwill and other indefinite useful life assets | 121,310          | 123,235          | (1,925)         |
| Other intangible assets                          | 76,555           | 75,529           | 1,026           |
| Shareholding valued using the equity method      | 55,936           | 50,671           | 5,265           |
| Investments in other companies                   | 259,692          | 228,079          | 31,613          |
| Derivatives                                      | 35,473           | 65,945           | (30,472)        |
| Other non-current financial assets               | 2,781            | 2,734            | 47              |
| Receivables and other non-current assets         | 18,369           | 23,791           | (5,422)         |
| Deferred tax assets                              | 85,544           | 66,256           | 19,288          |
| <b>TOTAL NON-CURRENT ASSETS</b>                  | <b>2,179,368</b> | <b>2,105,730</b> | <b>73,638</b>   |
| <b>CURRENT ASSETS</b>                            |                  |                  |                 |
| Inventories                                      | 606,238          | 586,034          | 20,204          |
| Trade receivables                                | 698,319          | 594,253          | 104,066         |
| Other receivables and current assets             | 95,550           | 130,345          | (34,795)        |
| Derivatives                                      | 12,480           | 10,678           | 1,802           |
| Other current financial assets                   | 2,278            | 1,888            | 390             |
| Cash and cash equivalents                        | 447,909          | 415,882          | 32,027          |
| <b>TOTAL CURRENT ASSETS</b>                      | <b>1,862,774</b> | <b>1,739,080</b> | <b>123,694</b>  |
| <b>ASSETS FROM DISCONTINUED OPERATIONS</b>       | <b>51</b>        | <b>302</b>       | <b>(251)</b>    |
| <b>TOTAL ASSETS</b>                              | <b>4,042,193</b> | <b>3,845,112</b> | <b>197,081</b>  |
| <b>EQUITY AND LIABILITIES</b>                    |                  |                  |                 |
| <b>GROUP EQUITY</b>                              |                  |                  |                 |
| Share capital                                    | 34,728           | 34,728           | 0               |
| Other reserves                                   | 115,392          | 158,690          | (43,298)        |
| Retained earnings/(losses)                       | 1,659,748        | 1,427,630        | 232,118         |
| Net result for the period                        | 231,079          | 292,833          | (61,754)        |
| <b>TOTAL GROUP EQUITY</b>                        | <b>2,040,947</b> | <b>1,913,881</b> | <b>127,066</b>  |
| <b>TOTAL MINORITY INTERESTS</b>                  | <b>32,749</b>    | <b>33,132</b>    | <b>(383)</b>    |
| <b>TOTAL EQUITY</b>                              | <b>2,073,696</b> | <b>1,947,013</b> | <b>126,683</b>  |
| <b>NON-CURRENT LIABILITIES</b>                   |                  |                  |                 |
| Non-current payables to banks                    | 419,443          | 464,526          | (45,083)        |
| Long-term lease liabilities                      | 149,684          | 152,985          | (3,301)         |
| Other non-current financial payables             | 803              | 1,198            | (395)           |
| Other non-current liabilities                    | 2,787            | 2,359            | 428             |
| Non-current provisions                           | 20,828           | 23,991           | (3,163)         |
| Provisions for employee benefits                 | 30,635           | 24,086           | 6,549           |
| Deferred tax liabilities                         | 36,053           | 33,649           | 2,404           |
| <b>TOTAL NON-CURRENT LIABILITIES</b>             | <b>660,233</b>   | <b>702,794</b>   | <b>(42,561)</b> |
| <b>CURRENT LIABILITIES</b>                       |                  |                  |                 |
| Current payables to banks                        | 339,570          | 241,213          | 98,357          |
| Short-term lease liabilities                     | 21,983           | 88,211           | (66,228)        |
| Derivatives                                      | 2,701            | 3,586            | (885)           |
| Other current financial payables                 | 577              | 601              | (24)            |
| Trade payables                                   | 728,386          | 653,162          | 75,224          |
| Tax payables                                     | 13,842           | 16,128           | (2,286)         |
| Current provisions                               | 2,050            | 1,608            | 442             |
| Contract liabilities                             | 61,728           | 56,547           | 5,181           |
| Other current liabilities                        | 137,427          | 134,249          | 3,178           |
| <b>TOTAL CURRENT LIABILITIES</b>                 | <b>1,308,264</b> | <b>1,195,305</b> | <b>112,959</b>  |
| <b>TOTAL LIABILITIES</b>                         | <b>1,968,497</b> | <b>1,898,099</b> | <b>70,398</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>              | <b>4,042,193</b> | <b>3,845,112</b> | <b>197,081</b>  |

## Consolidated Statement of Income

| <i>(euro thousand)</i>                           | 30.09.2023       | 30.09.2022       | Change         | %            |
|--|------------------|------------------|----------------|--------------|
| <b>Revenue from contracts with customers</b>     | <b>2,918,991</b> | <b>2,728,224</b> | <b>190,767</b> | <b>7.0%</b>  |
| Other revenues and income                        | 23,089           | 19,271           | 3,818          | 19.8%        |
| Costs for capitalised internal works             | 18,383           | 16,836           | 1,547          | 9.2%         |
| Raw materials, consumables and goods             | (1,382,639)      | (1,317,672)      | (64,967)       | 4.9%         |
| Income (expenses) from non-financial investments | 12,854           | 13,658           | (804)          | -5.9%        |
| Other operating costs                            | (589,357)        | (526,326)        | (63,031)       | 12.0%        |
| Personnel expenses                               | (501,137)        | (451,677)        | (49,460)       | 11.0%        |
| <b>GROSS OPERATING INCOME</b>                    | <b>500,184</b>   | <b>482,314</b>   | <b>17,870</b>  | <b>3.7%</b>  |
| <i>% of revenue from contracts with customer</i> | <i>17.1%</i>     | <i>17.7%</i>     |                |              |
| Depreciation, amortisation and impairment losses | (187,413)        | (179,200)        | (8,213)        | 4.6%         |
| <b>NET OPERATING INCOME</b>                      | <b>312,771</b>   | <b>303,114</b>   | <b>9,657</b>   | <b>3.2%</b>  |
| <i>% of revenue from contracts with customer</i> | <i>10.7%</i>     | <i>11.1%</i>     |                |              |
| Net interest income (expense)                    | (14,751)         | 1,424            | (16,175)       | -1135.9%     |
| Interest income (expense) from investments       | 12,074           | 7,835            | 4,239          | 54.1%        |
| <b>RESULT BEFORE TAXES</b>                       | <b>310,094</b>   | <b>312,373</b>   | <b>(2,279)</b> | <b>-0.7%</b> |
| <i>% of revenue from contracts with customer</i> | <i>10.6%</i>     | <i>11.4%</i>     |                |              |
| Taxes  | (77,206)         | (76,744)         | (462)          | 0.6%         |
| Result from discontinued operations              | (59)             | (277)            | 218            | -78.7%       |
| <b>RESULT BEFORE MINORITY INTERESTS</b>          | <b>232,829</b>   | <b>235,352</b>   | <b>(2,523)</b> | <b>-1.1%</b> |
| <i>% of revenue from contracts with customer</i> | <i>8.0%</i>      | <i>8.6%</i>      |                |              |
| Minority interests                               | (1,750)          | (532)            | (1,218)        | 228.9%       |
| <b>NET RESULT FOR THE PERIOD</b>                 | <b>231,079</b>   | <b>234,820</b>   | <b>(3,741)</b> | <b>-1.6%</b> |
| <i>% of revenue from contracts with customer</i> | <i>7.9%</i>      | <i>8.6%</i>      |                |              |
| <b>BASIC/DILUTED EARNINGS PER SHARE (euro)</b>   | <b>0.71</b>      | <b>0.73</b>      |                |              |

## Consolidated Statement of Comprehensive Income

| <i>(euro thousand)</i>  | 30.09.2023      | 30.09.2022       | Change           |
|---|-----------------|------------------|------------------|
| <b>RESULT BEFORE MINORITY INTERESTS</b>   | <b>232,829</b>  | <b>235,352</b>   | <b>(2,523)</b>   |
| <i>Other comprehensive income/(losses) that will not be subsequently reclassified to income/(loss) for the period:</i>      |                 |                  |                  |
| Effect of actuarial gain (loss) on defined-benefit plans  | (982)           | 4,595            | (5,577)          |
| Tax effect  | 243             | (1,118)          | 1,361            |
| Effect of actuarial gain (loss) on defined-benefit plans regarding companies valued using the equity method                 | 4               | 0                | 4                |
| Fair value measurement of investments   | 31,081          | (131,283)        | 162,364          |
| Tax effect  | (373)           | 1,318            | (1,691)          |
| <b>Total other comprehensive income/(losses) that will not be subsequently reclassified to income/(loss) for the period</b> | <b>29,973</b>   | <b>(126,488)</b> | <b>156,461</b>   |
| <i>Other comprehensive income/(losses) that will be subsequently reclassified to income/(loss) for the period:</i>          |                 |                  |                  |
| Effect of hedge accounting (cash flow hedge) of derivatives   | (32,259)        | 80,262           | (112,521)        |
| Tax effect  | 6,382           | (6,588)          | 12,970           |
| Change in translation adjustment reserve  | (10,590)        | 53,196           | (63,786)         |
| <b>Total other comprehensive income/(losses) that will be subsequently reclassified to income/(loss) for the period</b>     | <b>(36,467)</b> | <b>126,870</b>   | <b>(163,337)</b> |
| <b>COMPREHENSIVE RESULT FOR THE PERIOD</b>  | <b>226,335</b>  | <b>235,734</b>   | <b>(9,399)</b>   |
| <b>Of which attributable to:</b>  |                 |                  |                  |
| – Minority Interests  | 417             | 1,548            | (1,131)          |
| – the Group   | 225,918         | 234,186          | (8,268)          |

## Consolidated Statement of Cash Flows

| <i>(euro thousand)</i>  | 30.09.2023       | 30.09.2022       |
|---|------------------|------------------|
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>   | <b>254,013</b>   | <b>471,948</b>   |
| <b>Result before taxes</b>  | <b>310,094</b>   | <b>312,373</b>   |
| Depreciation, amortisation/Impairment losses  | 187,413          | 179,200          |
| Capital gains/losses  | (575)            | (589)            |
| Income/expense from investments, net of dividends received  | (2,712)          | (13,727)         |
| Financial portion of provisions for defined benefits and payables for personnel                                       | 451              | 369              |
| Long-term provisions for employee benefits  | 8,640            | 2,360            |
| Other provisions net of utilisations  | 9,589            | 755              |
| Result from discontinued operations   | (59)             | (277)            |
| <b>Cash flows generated by operating activities</b>   | <b>512,841</b>   | <b>480,464</b>   |
| Current taxes paid  | (65,881)         | (52,855)         |
| Uses of long-term provisions for employee benefits  | (3,796)          | (4,054)          |
| <i>(Increase) reduction in current assets:</i>  |                  |                  |
| inventories   | (31,104)         | (168,474)        |
| financial assets  | (47)             | (543)            |
| trade receivables   | (105,755)        | (284,722)        |
| receivables from others and other assets  | 20,669           | (8,726)          |
| <i>Increase (reduction) in current liabilities:</i>   |                  |                  |
| trade payables  | 75,696           | 114,562          |
| payables to others and other liabilities  | 17,131           | (16,185)         |
| Translation differences on current assets   | 586              | 17,177           |
| <b>Net cash flows from/(for) operating activities</b>   | <b>420,340</b>   | <b>76,644</b>    |
| <i>Investments in:</i>  |                  |                  |
| property, plant and equipment   | (208,655)        | (178,315)        |
| intangible assets   | (29,751)         | (23,739)         |
| financial assets (shareholdings)  | (3,321)          | (561)            |
| Price for disposal or reimbursement value of fixed assets   | 1,194            | 1,661            |
| Amounts (paid)/received for the acquisition/disposal of subsidiaries, net of the associated cash and cash equivalents | 0                | (3,395)          |
| <b>Net cash flows from/(for) investing activities</b>   | <b>(240,533)</b> | <b>(204,349)</b> |
| Dividends paid in the period  | (90,753)         | (87,035)         |
| Acquisition of own shares   | (8,164)          | 0                |
| Dividends paid to minority shareholders in the period   | (800)            | (800)            |
| Change in fair value of derivatives   | (3,974)          | 294              |
| Reimbursement of lease liabilities  | (88,055)         | (23,038)         |
| Loans and financing granted by banks and other financial institutions in the period                                   | 0                | 305              |
| Repayment of long-term loans and other financing  | (48,395)         | (126,918)        |
| <b>Net cash flows from/(for) financing activities</b>   | <b>(240,141)</b> | <b>(237,192)</b> |
| <b>Total cash flows</b>   | <b>(60,334)</b>  | <b>(364,897)</b> |
| Translation differences on cash and cash equivalents  | (2,194)          | (7,097)          |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>   | <b>191,485</b>   | <b>99,954</b>    |

## Consolidated Net Financial Debt

| <i>(euro thousand)</i>   | 30.09.2023      | 31.12.2022      |
|--|-----------------|-----------------|
| Cash   | 447,909         | 415,882         |
| Cash equivalents   | 0               | 0               |
| Other current financial assets   | 14,758          | 12,566          |
| <b>Liquidity (A + B + C)</b>   | <b>462,667</b>  | <b>428,448</b>  |
| Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) | 281,685         | 254,254         |
| Current portion of non-current financial debt  | 83,146          | 79,344          |
| <b>Current financial debt (E + F)</b>  | <b>364,831</b>  | <b>333,598</b>  |
| <b>Net current financial debt (G - D)</b>  | <b>(97,836)</b> | <b>(94,850)</b> |
| Non-current financial debt (excluding current portion and debt instruments)                                      | 551,886         | 596,894         |
| Debt instruments   | 0               | 0               |
| Non-current trade and other payables   | 0               | 0               |
| <b>Non-current financial debt (I + J + K)</b>  | <b>551,886</b>  | <b>596,894</b>  |
| <b>Total financial debt (H + L)</b>  | <b>454,050</b>  | <b>502,044</b>  |

## Consolidated Statement of Changes in Equity

|   | Share Capital | Other Reserves | Retained earnings (losses) | Net result for the period | Group Equity     | Equity of Minority Interests | Equity           |
|---|---------------|----------------|----------------------------|---------------------------|------------------|------------------------------|------------------|
| <i>(euro thousand)</i>  |               |                |                            |                           |                  |                              |                  |
| <b>Balance at 1 January 2022</b>  | <b>34,728</b> | <b>124,093</b> | <b>1,388,238</b>           | <b>215,537</b>            | <b>1,762,596</b> | <b>33,524</b>                | <b>1,796,120</b> |
| Allocation of profit for the previous year  |               |                | 128,087                    | (128,087)                 | 0                | 0                            | 0                |
| Payment of dividends  |               |                |                            | (87,450)                  | (87,450)         | (800)                        | (88,250)         |
| <i>Components of comprehensive income:</i>  |               |                |                            |                           |                  |                              |                  |
| Effect of actuarial income/(loss) on defined benefit plans  |               |                | 3,477                      |                           | 3,477            | 0                            | 3,477            |
|   |               |                | (129,965)                  |                           | (129,965)        | 0                            | (129,965)        |
|   |               | 73,674         |                            |                           | 73,674           | 0                            | 73,674           |
| Change in translation adjustment reserve  |               | 52,180         |                            |                           | 52,180           | 1,016                        | 53,196           |
| Net result for the period   |               |                |                            | 234,820                   | 234,820          | 532                          | 235,352          |
| <b>Balance at 30 September 2022</b>   | <b>34,728</b> | <b>249,947</b> | <b>1,389,837</b>           | <b>234,820</b>            | <b>1,909,332</b> | <b>34,272</b>                | <b>1,943,604</b> |
| <b>Balance at 1 January 2023</b>  | <b>34,728</b> | <b>158,690</b> | <b>1,427,630</b>           | <b>292,833</b>            | <b>1,913,881</b> | <b>33,132</b>                | <b>1,947,013</b> |
| Allocation of profit for the previous year  |               |                | 202,145                    | (202,145)                 | 0                | 0                            | 0                |
| Payment of dividends  |               |                |                            | (90,688)                  | (90,688)         | (800)                        | (91,488)         |
| Acquisition of own shares   |               | (8,164)        |                            |                           | (8,164)          | 0                            | (8,164)          |
| <i>Components of comprehensive income:</i>  |               |                |                            |                           |                  |                              |                  |
| Effect of actuarial income/(loss) on defined benefit plans  |               |                | (739)                      |                           | (739)            | 0                            | (739)            |
| Effect actuarial income/(loss) on defined benefit plans, for companies valued using the equity method |               |                | 4                          |                           | 4                | 0                            | 4                |
| Fair value measurement of investments   |               |                | 30,708                     |                           | 30,708           | 0                            | 30,708           |
| Effect of hedge accounting (cash flow hedge) of derivatives   |               | (25,877)       |                            |                           | (25,877)         | 0                            | (25,877)         |
| Change in translation adjustment reserve  |               | (9,257)        |                            |                           | (9,257)          | (1,333)                      | (10,590)         |
| Net result for the period   |               |                |                            | 231,079                   | 231,079          | 1,750                        | 232,829          |
| <b>Balance at 30 September 2023</b>   | <b>34,728</b> | <b>115,392</b> | <b>1,659,748</b>           | <b>231,079</b>            | <b>2,040,947</b> | <b>32,749</b>                | <b>2,073,696</b> |

# Explanatory Notes to the Financial Statements

## Accounting Standards and Basis of Preparation

The Interim Report at 30 September 2023, which includes the Consolidated Statement of Financial Position, the Consolidated Statement of Income, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and brief related Explanatory Notes, has been prepared in compliance with recognition and measurement criteria provided for by the IFRS endorsed by the European Union, and has been voluntarily made available to the public. For information about the content, timing and methods of additional periodic financial disclosures, reference should be made to the Company's website (<https://www.brembo.com/en/investors/calendar>).

Reference is made to the 2022 Financial Statements for the relevant international accounting standards and criteria adopted by the Group when preparing the above-mentioned Financial Statements. The preparation of the Interim Report requires management to make estimates and assumptions that have an effect on the amounts of recognised revenues, costs, assets and liabilities, and the disclosure of contingent assets and liabilities as of the reporting date. Should in the future such estimates and assumptions, which are based upon the management's best assessment, diverge from actual circumstances, they will be modified accordingly during the period in which such circumstances change.

It should also be noted that certain measurement processes, particularly the most complex ones such as the determination of any impairment of non-current assets, are typically carried out in full only during preparation of the Annual Financial Statements, when all necessary information is available, unless impairment indicators require immediate analysis. Actuarial valuations necessary to determine employee benefits are typically performed during preparation of the Annual Financial Statements. This Interim Report has not been audited.

## Consolidation Area

The Financial Statements at 30 September 2023 include the Financial Statements of the Parent Brembo S.p.A., and the Financial Statements of the companies that Brembo S.p.A. controls as per IFRS 10. Compared to 30 September 2022, the following corporate transactions impacting the Group consolidation area were performed:

- following the prior resolution of the Board of Directors of Brembo S.p.A., the Switzerland-based company Brembo Reinsurance AG was incorporated on 13 January 2023. The objectives of this company include, *inter alia*, improving the conditions and efficiency of the process of financing the Brembo Group's risks through access to the reinsurance market and the possibility of underwriting risks not adequately covered by the insurance market and that cannot be financed through a fund;
- in the first half of 2023, two new companies were incorporated in Poland, i.e., Brembo Poland Manufacturing Sp. Zo.o. and Brembo Poland Heratech Sp. Zo.o., fully owned by Brembo Poland Sp. Zo.o. Once fully operational, they will focus on casting and processing activities on behalf of the said company.

## Notes on the Most Significant Changes in Items of the Consolidated Financial Statements

The Group's **net sales** in the first nine months of 2023 amounted to €2,918,991 thousand, with a 7.0% increase compared to the first nine months of 2022.

The car applications sector, which accounted for 73.1% of the Group's sales, closed the first nine months of 2023 with a +7.9% increase compared to the same period of the previous year. Nearly all other applications recorded a positive trend: applications for commercial vehicles closed at +6.9% and racing applications at +15.3%, whereas motorbike applications declined slightly by -1.0%.

At geographical level, and with specific reference to Europe, Germany grew by 13.8% compared to the first nine months of 2022. The other European countries also reported positive results, with Italy up by 2.2%, France by 7.2% and the United Kingdom by 1.3%. Sales rose by 7.5% in North America and by 30.6% in South America. In the Far East, China declined by 5.3%, whereas India and Japan grew by 6.8% and 3.2%, respectively.

At 30 September 2023, the **cost of sales** and **other net operating costs** amounted to €1,930,524 thousand, with a 66.1% ratio to sales, slightly down compared to 66.3% for the same period of the previous year. Within this item, **costs for capitalised internal works** included in intangible assets amounted to €18,383 thousand compared to €16,836 thousand for the same period of 2022.

**Income (expense) from non-financial investments** totalled €12,854 thousand (€13,658 thousand in 2022) and was attributable to the effects of valuing the investment in associated companies.

**Personnel expenses** amounted to €501,137 thousand, with a 17.2% ratio to sales, increasing compared to the same period of the previous year (16.6%). At 30 September 2023, people numbered 15,674 (14,966 at 31 December 2022 and 15,208 at 30 September 2022).

**Gross operating income** was €500,184 thousand (17.1% of sales) compared to €482,314 thousand in 2022 (17.7% of sales).

**Net operating income** amounted to €312,771 thousand (10.7% of sales) compared to €303,114 thousand in 2022 (11.1% of sales), after depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets of €187,413 thousand, compared to depreciation, amortisation and impairment losses amounting to €179,200 thousand for the same period of 2022.

**Net interest expense** amounted to €14,751 thousand (net interest income of €1,424 thousand in 2022) and consisted of net exchange gains of €300 thousand (€10,994 thousand in 2022) and interest expense of €15,051 thousand (€9,570 thousand for the same period of the previous year).

**Net interest income from investments**, which amounted to €12,074 thousand (€7,835 thousand in 2022), was attributable to the effects of valuing investments in associates using the equity method and dividends received from investees not included in the consolidation area.

**Result before taxes** was positive at €310,094 thousand (10.6% of sales) compared to €312,373 thousand (11.4% of sales) in 2022. Based on tax rates applicable for the year under current tax regulations, estimated **taxation** amounted to €77,206 thousand (€76,744 thousand in 2022). Tax rate was 24.9% compared to 24.6% for the first nine months of

2022.

The **result from discontinued operations**, negative for €59 thousand, was attributable to the contribution of the company Brembo Argentina S.A. in dissolution and winding-up procedure, reclassified to this item following the Group's decision, taken in 2019, to discontinue its industrial operations at the Buenos Aires plant.

The **Group's net result** at 30 September 2023 amounted to €231,079 thousand (7.9% of sales), compared to €234,820 thousand in 2022 (8.6% of sales).

**Net Invested Capital** at the end of the period amounted to €2,558,330 thousand, up by €85,489 thousand compared to €2,472,841 thousand at 31 December 2022.

**Net financial debt** at 30 September 2023 was €454,050 thousand compared to €502,044 thousand at 31 December 2022. The €47,994 thousand decrease for the period was mainly attributable to the combined effect of the following factors:

- the positive effect of gross operating income of €500,184 thousand, with a €39,534 thousand decrease in working capital;
- net investments totalling €237,787 thousand, of which €18,779 thousand (7.9%) for development costs; they were focused in Italy (29.7%), North America (33.1%), Poland (16.1%) and China (10.4%);
- increase in leased assets for €14,576 thousand;
- payment of taxes totalling €65,881 thousand;
- the Parent's payment of the approved dividends in the amount of €90,753 thousand;
- dividends received to €22,207 thousand.

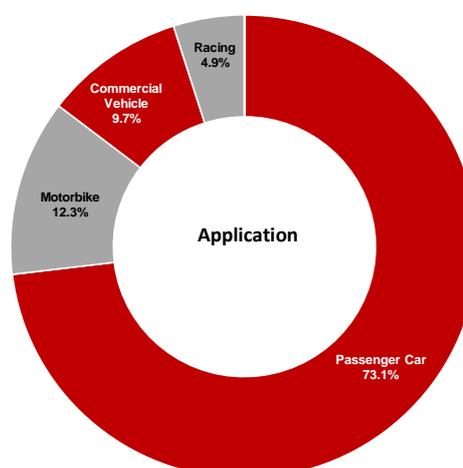
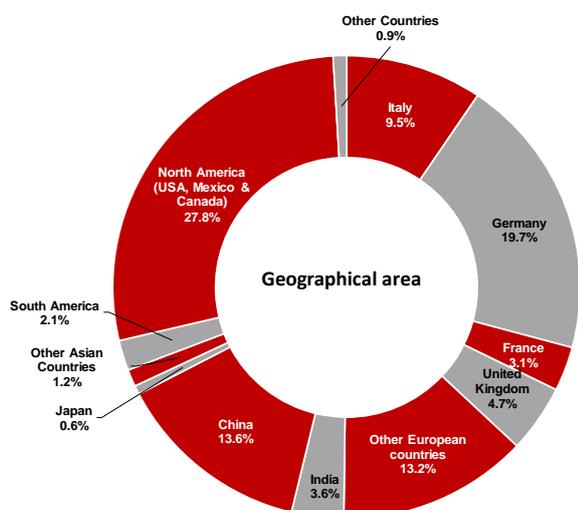
## Sales Breakdown by Geographical Area and Application

The following tables show net sales at 30 September 2023, broken down by geographical area and application.

| <i>(euro thousand)</i>               | 30.09.2023       | %             | 30.09.2022       | %             | Change         | %           |
|--------------------------------------|------------------|---------------|------------------|---------------|----------------|-------------|
| <b>GEOGRAPHICAL AREA</b>             |                  |               |                  |               |                |             |
| Italy                                | 276,962          | 9.5%          | 271,018          | 9.9%          | 5,944          | 2.2%        |
| Germany                              | 576,266          | 19.7%         | 506,375          | 18.6%         | 69,891         | 13.8%       |
| France                               | 91,906           | 3.1%          | 85,705           | 3.1%          | 6,201          | 7.2%        |
| United Kingdom                       | 137,478          | 4.7%          | 135,753          | 5.0%          | 1,725          | 1.3%        |
| Other European countries             | 386,413          | 13.2%         | 333,448          | 12.2%         | 52,965         | 15.9%       |
| India                                | 103,360          | 3.6%          | 96,779           | 3.5%          | 6,581          | 6.8%        |
| China                                | 395,369          | 13.6%         | 417,410          | 15.3%         | (22,041)       | -5.3%       |
| Japan                                | 18,896           | 0.6%          | 18,314           | 0.7%          | 582            | 3.2%        |
| Other Asian Countries                | 34,958           | 1.2%          | 40,833           | 1.5%          | (5,875)        | -14.4%      |
| South America (Argentina and Brazil) | 61,623           | 2.1%          | 47,177           | 1.7%          | 14,446         | 30.6%       |
| North America (USA, Mexico & Canada) | 810,753          | 27.8%         | 754,045          | 27.7%         | 56,708         | 7.5%        |
| Other Countries                      | 25,007           | 0.9%          | 21,367           | 0.8%          | 3,640          | 17.0%       |
| <b>Total</b>                         | <b>2,918,991</b> | <b>100.0%</b> | <b>2,728,224</b> | <b>100.0%</b> | <b>190,767</b> | <b>7.0%</b> |

| <i>(euro thousand)</i> | 30.09.2023       | %             | 30.09.2022       | %             | Change         | %           |
|------------------------|------------------|---------------|------------------|---------------|----------------|-------------|
| <b>APPLICATION</b>     |                  |               |                  |               |                |             |
| Passenger Car          | 2,130,897        | 73.1%         | 1,974,216        | 72.3%         | 156,681        | 7.9%        |
| Motorbike              | 358,937          | 12.3%         | 362,438          | 13.3%         | (3,501)        | -1.0%       |
| Commercial Vehicle     | 284,598          | 9.7%          | 266,225          | 9.8%          | 18,373         | 6.9%        |
| Racing                 | 144,288          | 4.9%          | 125,107          | 4.6%          | 19,181         | 15.3%       |
| Miscellaneous          | 271              | 0.0%          | 238              | 0.0%          | 33             | 13.9%       |
| <b>Total</b>           | <b>2,918,991</b> | <b>100.0%</b> | <b>2,728,224</b> | <b>100.0%</b> | <b>190,767</b> | <b>7.0%</b> |

### RATIO TO SALES



## Foreseeable Evolution

Despite the significant changes in the global geopolitical and macroeconomic scenario and the effects of UAW (United Auto Workers) strikes in the United States, the Company expects a mid-high single digit increase in revenues for the current year and confirms percentage margins in line with the previous year.

# Directors' Report on Operations and Significant Events

## Macroeconomic Context

To correctly assess Brembo's performance in the first nine months of 2023, it is essential to consider the world macroeconomic scenario, specifically for the markets in which the Group operates.

The global economy is facing a new jolt in the global geopolitical scenario. The Middle East crisis and continuous and rising global tensions cause market uncertainty. After a stronger-than-expected start to 2023, helped by lower energy prices and the reopening of China, global growth is expected to moderate. The impact of tighter monetary policy is becoming increasingly visible, business and consumer confidence have turned down, and the rebound in China has faded. All this reflects on the OECD (Organisation for Economic Co-operation and Development) growth estimates, according to which global GDP growth is projected to remain sub-par in 2023 and 2024, at 3% and 2.7% respectively, held back by the macroeconomic policy tightening needed to rein in inflation. "The global economy continues to confront the challenges of elevated inflation, low growth and comparatively weak trade," OECD Secretary-General Mathias Cormann said. "The priority for macroeconomic policy is to reduce inflation and re-build fiscal buffers. In parallel, in order to lay the groundwork for stronger and more sustainable growth longer term, policy action is needed to enhance competition, accelerate investment in low-carbon research and development and reduce rather than increase trade barriers."

As regards the **Eurozone**, in his introduction to the Summer Economic Forecast, prepared by the European Commission and published in August 2023, European Commissioner for Economy Paolo Gentiloni stated: "The EU avoided a recession last winter — no mean feat given the magnitude of the shocks that we have faced. However, the multiple headwinds facing our economies this year have led to a weaker growth momentum than we projected in the spring." According to the summer estimates, the European economy is expected to grow by 0.8% in 2023 (-0.2% compared to the Spring Forecast) and by 1.3% in 2024 (-0.4% compared to the previous estimates). Germany's economy is projected to shrink by 0.4% in 2023. This is a downward revision compared to the 0.2% growth projected in the Spring Forecast. A weak overall outturn for consumption and a decline in construction investment are forecast to negatively impact growth, despite support from an uptick in investment. In 2024, GDP is forecast to rebound by 1.1% driven by a recovery in consumption. This is less than projected in the spring due to a slowdown in the construction sector, as well as to less dynamic exports growth. Thanks to a strong rebound in the second quarter of this year, France's economic growth is expected to reach +1% in 2023 and increase to 1.2% in 2024. After having slowed down significantly in the second half of 2022 and in the first quarter of 2023, on the back of supply bottlenecks and higher energy and commodity prices, GDP growth accelerated to 0.5% in the second quarter of the year. This was significantly more than previously expected. The rebound was driven by exports, while domestic demand remained sluggish. In Spain, the economic expansion is set to be more subdued in the second half of 2023 due to the fading impetus of the tourism sector, weaker economic activity in main trading partners and the impact of tighter financing conditions. GDP growth is expected to reach 2.2% in 2023 (+0.3% compared to the Spring Forecast). In 2024, real GDP growth is forecast to moderate to 1.9%, as the softening of economic activity expected towards the end of the year is set to extend at least into the first half of 2024.

**Italy's** economic growth started slowing down last year, halting the post-pandemic rebound which had lifted growth to 7.0% in 2021 and 3.7% in 2022. After a pick-up in the first quarter of 2023, GDP decreased by 0.4% in the second quarter, driven by falling domestic demand, particularly investment in construction. Some short-term indicators,

including industrial production, that had been worsening for several months levelled off during the summer, suggesting a marginal rebound in the second half of the year. Overall, GDP is forecast to grow by 0.9% in 2023 and 0.8% in 2024, entailing a 0.3pp. downward revision in each year. In Italy, inflation is projected to moderate to 5.9% in 2023 and 2.9% in 2024. According to the September report published by the Confindustria Research Centre, high prices and rates are holding back the Italian economy: inflation is slowly subsiding, rates are still rising, with less credit, less liquidity and higher interest rates. The recovery in services is complete and industry is suffering. With the reduction in domestic demand, exports are also falling, except for an improvement in August.

According to the OECD economists, after 2.1% in the previous year, **US** GDP growth is projected at 2.2% in 2023 (+0.6% on Q2 forecast) and at 1.3% in 2024 (+0.3%). The economy grew even faster than expected in the third quarter, supported by consumption, despite higher interest rates, ongoing inflationary pressures and several other domestic and global headwinds. Consumption, higher inventories, exports, residential investments and government spending contributed to this sharp growth.

After 3% in the previous year, **China's** economy will grow by 5.1% in 2023 (-0.3% compared to the Spring Forecast), stabilising at 4.6% in 2024 (-0.5%). China's economy grew at a faster-than-expected rate in the third quarter, while consumption and industrial activity in September surprisingly decreased, suggesting the recent flurry of policy measures is helping to bolster a tentative recovery. Rapidly weakening growth since the second quarter prompted authorities to step up their support measures.

**India's** extraordinary growth pace is confirmed: after 7.2% last year, OECD estimates forecast GDP growth of 6.3% in 2023 (+0.3% from the previous projection) and 6.0% in 2024. In 2023, India is the fastest growing G20 nation. The Indian economy maintained its growth momentum in the first nine months of 2023, mainly thanks to domestic consumption and supported by a diversified export basket, despite global headwinds. However, rates could potentially remain high for longer than expected due to inflation. According to the Economic Outlook, **Japan** is projected to grow by 1.8% in 2023 (+0.5% compared to the Spring Forecast) and by 1% next year. The Japanese economy gained during the quarter, benefiting from the continued monetary policy support. The 12-month inflation rate, which in Japan excludes fresh food prices but still includes fuel prices, went from 3.3% in June to 3.1% in July and remained unchanged in August. This supported the Bank of Japan's view that price pressures are gradually subsiding. Estimates for **Brazil** improved significantly, from +1.7% in the last report to +3.2% for 2023 and +1.7% for 2024. The Brazilian economy benefited from this year's strength of the agri-food and mining industries, further supported by domestic household demand. Domestic demand is likely to be the economic driving force in the remainder of 2023, with exports also improving. **Russia's** estimates have also been revised upwards: almost two years after the outbreak of the war in Ukraine, GDP is expected to grow by 0.8% in 2023 and by 0.9% in 2024. The expansion is seen as a positive sign by the Central Bank of Russia, pointing to a recovery in domestic demand and foreign trade following the shock caused by Western sanctions.

Overall, commodity prices are projected to fall by 11.6% in 2023 compared to the previous year, with estimates revised downwards compared to the second quarter, whereas they are expected to resume growth in 2024. Energy prices are expected to decline in 2023, above all when compared to 2022. The price in US Dollar of Brent crude, which is currently around USD 88 a barrel, is expected to decrease.

## Currency Markets

**T**he **US dollar** began the first nine months of 2023 appreciating and reaching the low for the period of 1.0500 (6 January). The currency then depreciated until early March, at around 1.10. Afterwards, it appreciated again in March,

to then depreciate to above 1.1000 at the beginning of May. After a further appreciation, the dollar depreciated strongly reaching its high for the period of 1.1255 (18 July). The currency then appreciated until the end of September and closed the first nine months at 1.0594, below the average rate for the period of 1.0835.

The **Chinese yuan/renminbi** began the reporting period by appreciating, reaching the low for the period of 7.2045 (6 January). The currency then began to depreciate constantly until July, when it reached its high for the period of 8.1014 (19 July). At the end of the first nine months, the currency appreciated, closing at 7.7352, above the average rate for the period of 7.6215.

The **Polish zloty** opened the first nine months depreciating slightly and reaching its high for the period of 4.7875 (13 February). Subsequently, the currency began to constantly appreciate until early August, reaching the low for the period of 4.4070 (31 July). At the end of the first nine months, the currency depreciated markedly, closing at 4.6283, above the average rate for the period of 4.5841.

Regarding the currencies of the main markets in which Brembo operates at an industrial and commercial level, the table below shows the average, minimum and maximum closing values for the first nine months of 2023.

|                  | <b>FINAL EXCHANGE RATE</b><br><b>30.09.2023</b> | <b>AVERAGE EXCHANGE RATE</b><br><b>2023</b> | <b>TRADING PRICE</b><br><b>MAXIMUM</b> | <b>TRADING PRICE</b><br><b>MINIMUM</b> |
|------------------|---|---|--|--|
| U.S. Dollar      | 1.0594  | 1.0835                                      | 1.1255                                 | 1.0500                                 |
| Japanese Yen     | 158.1000  | 149.5790                                    | 159.1500                               | 137.9300                               |
| Swedish Krona    | 11.5325   | 11.4751                                     | 11.9872                                | 11.0030                                |
| Danish Krone     | 7.4571  | 7.4486                                      | 7.4609                                 | 7.4370                                 |
| Polish Zloty     | 4.6283  | 4.5841                                      | 4.7875                                 | 4.4070                                 |
| Czech Koruna     | 24.3390   | 23.8290                                     | 24.6050                                | 23.2710                                |
| Mexican Peso     | 18.5030   | 19.2927                                     | 20.8318                                | 18.0507                                |
| Pound Sterling   | 0.8646  | 0.8710                                      | 0.8934                                 | 0.8511                                 |
| Brazilian Real   | 5.3065  | 5.4255                                      | 5.7758                                 | 5.1860                                 |
| Indian Rupee     | 88.0165   | 89.2437                                     | 92.3350                                | 86.4210                                |
| Argentine Peso   | 370.8149  | 265.7337                                    | 382.3813                               | 187.9366                               |
| Chinese Renminbi | 7.7352  | 7.6215                                      | 8.1014                                 | 7.2045                                 |
| Russian Rouble   | 102.0787  | 89.6537                                     | 107.4191                               | 72.5216                                |
| Swiss franc      | 0.9669  | 0.9776                                      | 1.0056                                 | 0.9524                                 |
| Thai Bath        | 38.6790   | 37.3936                                     | 38.9500                                | 34.4550                                |

## Operating Structure and Reference Markets

In the first nine months of 2023, Brembo's consolidated net sales amounted to €2,918,991 thousand, up 7.0% compared to €2,728,224 thousand for the same period of 2022.

Information on the performance of the individual applications and their related markets — as available to the Company at the reporting date — is provided under the following headings.

### Passenger Cars

In the first nine months of 2023, the global light vehicle market showed a 10.2% increase in sales.

The Western European market (EU14+EFTA+United Kingdom) closed the first nine months of 2023 with a +17.0% in car registrations compared to the first nine months of 2022. All key markets closed the first nine months on a positive note: Italy (+20.5%), France (+15.9%), Spain (+18.5%), Germany (+14.5%) and the UK (+20.2%).

Eastern Europe (EU 12) also reported a positive trend in car registrations, up 28.4% compared to the same period of 2022. In the first nine months of 2023, light vehicle registrations in Russia grew by 42.8%.

In the United States, the first nine months of 2023 showed growth, with light vehicle sales increasing by 14.3% overall

compared to the same period of 2022. The Brazilian market also closed the first nine months of the year with sales up by 8.3% overall.

In Asian markets, China closed the first nine months of 2023 with an increase in light vehicle sales of +6.9% compared to the first nine months of 2022. Japan also closed the reporting period positively, with a 15.8% increase in sales.

Within this context, Brembo's net sales of car applications at 30 September 2023 amounted to €2,130,897 thousand, accounting for 73.1% of the Group's turnover, up 7.9% compared to the first nine months of 2022.

## Motorbikes

Europe, the United States and Japan are Brembo's three most important markets in the motorbike sector.

In Europe, the top motorbike markets in terms of registrations are: Italy, Germany, France, Spain and the United Kingdom. In the first nine months of 2023, sales of motorbikes and scooters in the five main European countries grew by 4% compared to the same period of the previous year, whereas they increased by 12.0% when considering registrations of motorbikes and scooters with displacements over 500cc alone.

In the United States, registrations of motorbikes, scooters and ATVs (All Terrain Vehicles, quadricycles for recreation and work) increased by 1.5% in the first nine months of 2023 compared to the same period of 2022. ATVs alone declined by 7.1%, while motorbikes and scooters together increased by 4.4%.

In the first nine months of 2023, the Japanese market, considering displacements over 50cc overall, showed a 22.9% increase.

The Indian market (motorbikes and scooters) increased by 5.4% in the first nine months of 2023, and Brazil reported a 19.6% growth in registrations.

In the first nine months of 2023, Brembo's net sales of motorbike applications amounted to €358,937 thousand, down 1.0% compared the same period of 2022.

## Commercial and Industrial Vehicles

In the first nine months of 2023, the European commercial vehicles market (EU+EFTA+United Kingdom) — Brembo's reference market — showed a 17.0% increase in registrations compared to the same period of 2022.

In detail, sales of light commercial vehicles (up to 3.5 tonnes) increased overall by 14.3% in Europe. All the main European markets by sales volume grew compared to the same period of 2022: Italy (+16.7%), France (+18.2%), Spain (+20.5%), Germany (+18.2%) and the UK (-20.7%).

The segment of medium and heavy commercial vehicles (over 3.5 tonnes) increased in Europe in the first nine months of 2023, closing at +23.0% compared to the same period of the previous year. Germany is the No. 1 country in terms of sales volumes, with a 31.2% increase. Other important EU markets also increased significantly: Spain (+23.8%), Italy (+17.0%) and France (+15.6%).

At 30 September 2023, Brembo's net sales of applications in this segment amounted to €284,598 thousand, up 6.9% compared to 30 September 2022.

## Racing

In the racing sector, where Brembo has maintained undisputed supremacy for years, the Group operates through three leading brands: Brembo Racing (braking systems for race cars and motorbikes), AP Racing (braking systems and clutches for race cars), Marchesini (magnesium and aluminium wheels for racing motorbikes).

In the first nine months of 2023, Brembo's net sales of racing applications amounted to €144,288 thousand, up by 15.3% compared the same period of 2022.

## Significant Events During the Reporting Period

Following the prior resolution of the Board of Directors of Brembo S.p.A., the Switzerland-based company Brembo Reinsurance AG was incorporated on 13 January 2023. The objectives of this company include, *inter alia*, improving the conditions and efficiency of the process of financing the Brembo Group's risks through access to the reinsurance market and the possibility of underwriting risks not adequately covered by the insurance market and that cannot be financed through a fund.

On 28 February 2023, Brembo S.p.A. and Next Investment S.r.l., together with the parent Nuova FourB S.r.l. (hereinafter jointly referred to as "Brembo"), and Camfin S.p.A., together with its parent Marco Tronchetti Provera & C. S.p.A. (hereinafter jointly referred to as "MTP/Camfin"), signed a shareholder agreement that entails Brembo's commitment to aligning its vote with that of MTP/Camfin, following their prior consultation on the matters included in the agenda of ordinary and/or extraordinary shareholder meetings of Pirelli & C. S.p.A.

The General Shareholders' Meeting of the Parent Brembo S.p.A. held on 20 April 2023 approved the Financial Statements for the financial year ended 31 December 2022, allocating net income for the year amounting to €164,919,102.16 as follows:

- to the Shareholders, a gross ordinary dividend of €0.28 per ordinary share outstanding, excluding own shares;
- the remaining amount carried forward.

On 20 June 2023, the Board of Directors of Brembo S.p.A. resolved to submit to the Shareholders' Meeting called on 27 July 2023 (Extraordinary Shareholders' Meeting) the proposal to transfer the Company's registered office to The Netherlands, adopting the legal form of a public company with limited liability N.V. (*naamloze vennootschap*), governed by the laws of The Netherlands. Brembo will retain its tax residence in Italy and its shares will continue to be listed on Borsa Italiana's Euronext Milan ("Euronext Milan"). The transaction allows Brembo to strengthen its international drive and have a solid basis for its further development at global level, while retaining its Italian identity and its historic presence in Italy.

This will allow Brembo to benefit from a legal framework capable of enhancing the Group's global business dimension. In detail, Brembo will offer its shareholders a strengthened increased voting right mechanism compared to the current one, thus ensuring an even more solid shareholder base and higher flexibility in pursuing growth opportunities through acquisitions that can be made through the issue of new shares.

## Opt-out from the Obligations to Publish Disclosure Documents

The Company has adopted the opt-out system envisaged by Article 70, paragraph 8, and Article 71, paragraph 1-*bis*, of the Rules for Issuers (Board's Resolution dated 17 December 2012), thus opting out from the obligation to publish the required disclosure documents in the case of significant mergers, de-mergers, capital increase by way of contributions in kind, acquisitions and disposals.

## Buy-back and Sale of Own Shares

The General Shareholders' Meeting held on 20 April 2023 passed a new plan for the buy-back and sale of own shares with the following objectives:

- undertaking any investments, directly or through intermediaries, including aimed at containing abnormal movements in stock prices, stabilising stock trading and prices, supporting the liquidity of the Company's stock on the market, so as to foster the regular conduct of trading beyond normal fluctuations related to market

- performance, without prejudice in any case to compliance with applicable statutory provisions;
- carrying out, in accordance with the Company's strategic guidelines, share capital transactions or other transactions which make it necessary or appropriate to swap or transfer share packages through exchange, contribution, or any other methods;
  - buying back own shares as a medium-/long-term investment.

The maximum number of shares that may be purchased is 8,000,000 that, with the 10,035,000 own shares already held (3.005% of share capital), represents 5.401% of the Company's share capital.

Own shares can be bought back up to a maximum of €144 million:

- at a minimum price which must be no lower than the closing price of the shares during the trading session on the day before each transaction is undertaken, reduced by 10%;
- at a maximum price which must be no greater than the closing price of the shares during the trading session on the day before each transaction is undertaken, increased by 10%.

With reference to the disposal of own shares, the Board of Directors will define, from time to time, in accordance with applicable legislation and/or allowed market practices, the criteria to set the relevant consideration and/or methods, terms and conditions to use own shares in portfolio, taking due account of the realisation methods applied, the price trend of the stock in the period before the transaction and the best interest of the Company.

The authorisation to buy back own shares is valid for a period of 18 months from the date of the resolution by the General Shareholders' Meeting.

In the first nine months of the year, Brembo bought back 629,557 own shares (€8,164 thousand), which, together with the 10,035,000 own shares already held, represent 3.194% of the Company's share capital.

## Significant Events After 30 September 2023

**N**o significant events occurred after the end of the first nine months of 2023 and until 7 November 2023.

Attestation Pursuant to Article 154-*bis*, Paragraph 2, Part IV, Title III, Chapter II, Section V-*bis*, of Italian Legislative Decree No. 58 of 24 February 1998: "Consolidated Law on Finance Pursuant to Articles 8 and 21 of Italian Law No. 52 of 6 February 1996"

RE: Interim Report at 30 September 2023, approved on 7 November 2023.

I, the undersigned, Andrea Pazzi, the Manager in charge of the financial reports of BREMBO S.p.A. hereby

**DECLARE**

in accordance with Article 154-*bis*, paragraph 2, part IV, title III, chapter II, section V-*bis*, of Italian Legislative Decree No. 58 of 24 February 1998, that to the best of my knowledge, the Interim Report at 30 September 2023 corresponds with the documented results, books and accounting records.

**Andrea Pazzi**

Manager in Charge of  
the Company's Financial Reports

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**BREMBO S.p.A.**

Registered offices: CURNO (BG) – Via Brembo 25

Share capital: €34,727,914.00

Tax Code (VAT Code) - Bergamo Register of Companies No. 00222620163