



**SIX
MONTHLY
REPORT
2023**

Brembo S.p.A.

Registered offices: CURNO (BG) – Via Brembo 25 – Italy
Share capital: €34,727,914.00 – Bergamo Register of Companies
Tax code and VAT Code No. 00222620163

**SIX
MONTHLY
REPORT
2023**

Translation from the original version issued in Italian. PDF courtesy copy.



THE PERFECT FIGURE

Changing one's own essence.
A transformation embodied in the perfection
of the circle, the symbol of balance
and expansion, of continuity and movement.



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COMPANY OFFICERS

Chairman Emeritus ⁽¹⁾

Alberto Bombassei

Board of Directors ⁽²⁾

EXECUTIVE CHAIRMAN

Matteo Tiraboschi ⁽⁷⁾

CHIEF EXECUTIVE OFFICER

Daniele Schillaci ⁽⁷⁾

DIRECTORS

Cristina Bombassei ^{(4) (7)}
Giancarlo Dallerà ⁽³⁾
Elisabetta Magistretti ⁽³⁾
Umberto Nicodano ⁽⁶⁾
Elizabeth M. Robinson ⁽³⁾
Gianfelice Rocca ⁽³⁾
Michela Schizzi ^{(3) (5)}
Manuela Soffientini ^{(3) (8)}
Roberto Vavassori ⁽⁷⁾

Board of Statutory Auditors ⁽⁹⁾

CHAIRMAN

Fabrizio Riccardo Di Giusto ⁽⁵⁾

ACTING AUDITORS

Stefania Serina
Mario Tagliaferri

ALTERNATE AUDITORS

Giulia Pusterla ⁽⁵⁾
Alessandra Vaiani

Independent Auditors

Deloitte & Touche S.p.A. ⁽¹⁰⁾

Manager in Charge of the Company's Financial Reports

Andrea Pazzi ⁽¹¹⁾

Committees

AUDIT, RISK & SUSTAINABILITY COMMITTEE ⁽¹²⁾

Elisabetta Magistretti (Chairwoman)
Michela Schizzi
Manuela Soffientini

REMUNERATION & APPOINTMENTS COMMITTEE

Giancarlo Dallera (Chairman)
Elizabeth M. Robinson
Manuela Soffientini

SUPERVISORY COMMITTEE

Giovanni Canavotto (Chairman) ⁽¹³⁾
Elisabetta Magistretti
Matteo Tradii ⁽¹⁴⁾

(1) Appointed for an indefinite period.

(2) In office until the Shareholders' Meeting called to approve the Financial Statements for the year ended 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 the 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.

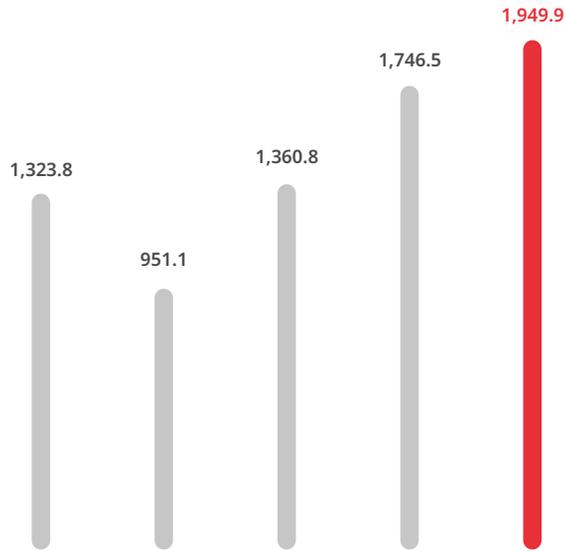
(14) Chief Internal Audit Officer.



SUMMARY OF GROUP RESULTS

REVENUE FROM CONTRACTS WITH CUSTOMERS

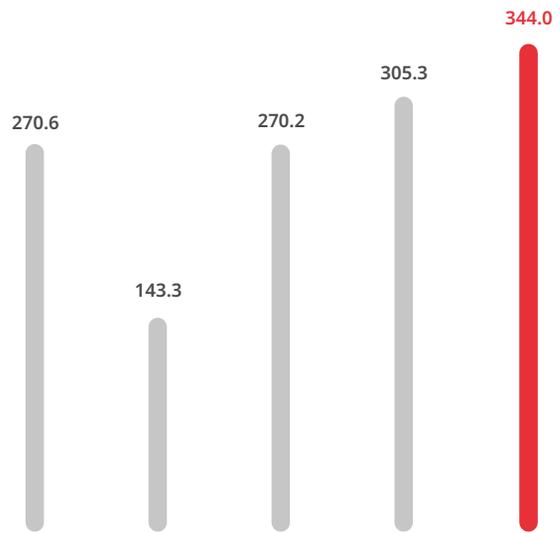
(euro million)



30.06.2019 30.06.2020 30.06.2021 30.06.2022 30.06.2023

GROSS OPERATING INCOME

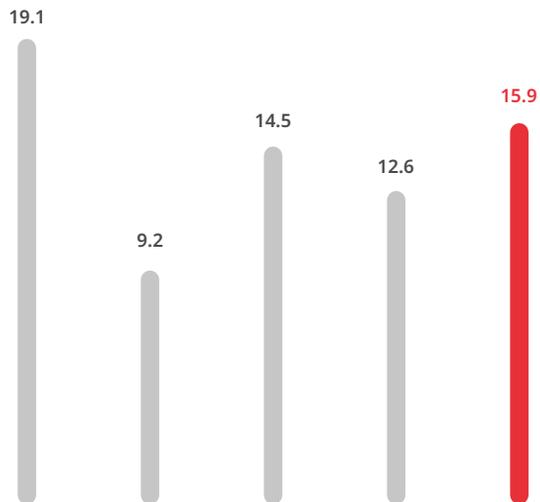
(euro million)



30.06.2019 30.06.2020 30.06.2021 30.06.2022 30.06.2023

ROI

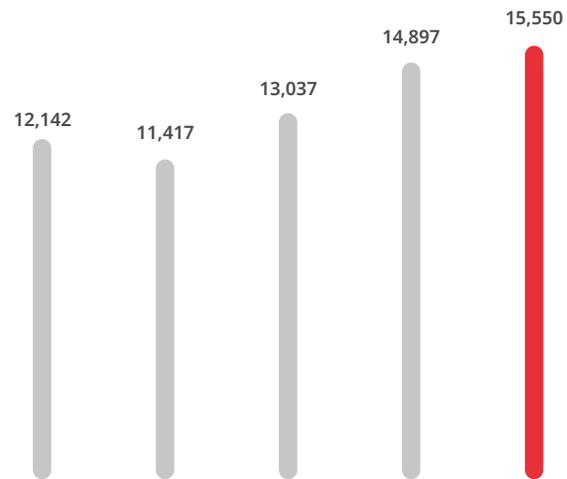
(percentage)



30.06.2019 30.06.2020 30.06.2021 30.06.2022 30.06.2023

PEOPLE AT END OF PERIOD

(number, including agency workers)



30.06.2019 30.06.2020 30.06.2021 30.06.2022 30.06.2023

ECONOMIC RESULTS

(EURO THOUSAND)	30.06.2019	30.06.2020	30.06.2021	30.06.2022	30.06.2023	% 2023/2022
Revenue from contracts with customers	1,323,840	951,113	1,360,789	1,746,471	1,949,875	11.6%
Gross operating income	270,582	143,291	270,215	305,338	344,037	12.7%
<i>% on revenue from contracts with customers</i>	20.4%	15.1%	19.9%	17.5%	17.6%	
Net operating income	174,455	38,791	165,797	187,512	217,913	16.2%
<i>% on revenue from contracts with customers</i>	13.2%	4.1%	12.2%	10.7%	11.2%	
Result before taxes	167,875	24,678	168,237	198,249	223,423	12.7%
<i>% on revenue from contracts with customers</i>	12.7%	2.6%	12.4%	11.4%	11.5%	
Net result for the period	123,448	19,958	126,938	148,928	167,773	12.7%
<i>% on revenue from contracts with customers</i>	9.3%	2.1%	9.3%	8.5%	8.6%	

FINANCIAL RESULTS

(EURO THOUSAND)	30.06.2019	30.06.2020	30.06.2021	30.06.2022	30.06.2023	% 2023/2022
Net invested capital	1,743,190	1,994,850	2,120,187	2,454,268	2,606,373	6.2%
Equity	1,288,478	1,373,132	1,601,244	1,837,958	2,015,517	9.7%
Net financial debt	434,477	597,499	496,936	595,101	562,288	-5.5%

EMPLOYEES AND INVESTMENTS

(EURO THOUSAND)	30.06.2019	30.06.2020	30.06.2021	30.06.2022	30.06.2023	% 2023/2022
Employees at end of period (No.)	10,579	10,731	11,402	12,797	13,533	5.8%
Turnover per employee	125.1	88.6	119.3	136.5	144.1	5.6%
Net investments	87,610	68,841	92,213	112,758	154,292	36.8%
Increases in leased assets	14,250	4,533	7,690	8,794	10,931	24.3%

MAIN RATIOS

	30.06.2019	30.06.2020	30.06.2021	30.06.2022	30.06.2023
Net operating income/Revenue from contracts with customers	13.2%	4.1%	12.2%	10.7%	11.2%
Income before taxes/Revenue from contracts with customers	12.7%	2.6%	12.4%	11.4%	11.5%
Net investments ^(*) /Revenue from contracts with customers	6.6%	7.2%	6.8%	6.5%	7.9%
Net financial debt/Equity	33.7%	43.5%	31.0%	32.4%	27.9%
Adjusted net interest expense ^(**) /Revenue from contracts with customers	0.6%	0.7%	0.4%	0.3%	0.5%
Adjusted net interest expense ^(**) /Net operating income	4.4%	17.0%	3.2%	3.2%	4.6%
ROI	19.1%	9.2%	14.5%	12.6%	15.9%
ROE	17.9%	9.4%	15.3%	13.0%	15.5%

Notes:

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

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

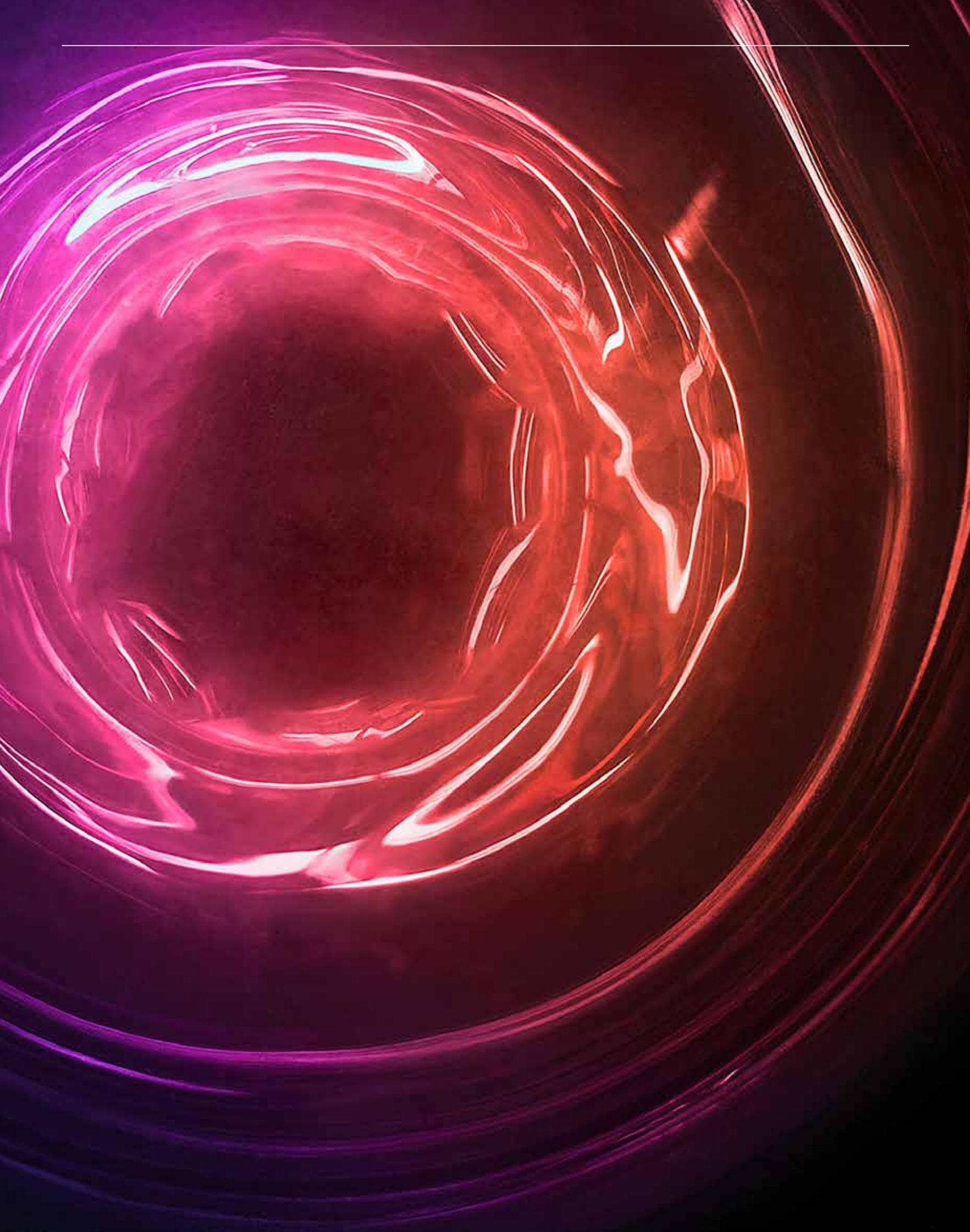
(*) Net investments in property, plant, equipment and intangible assets, calculated as the sum total of increases (net of decreases) of property, plant and equipment and intangible assets.

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



UNSTOPPABLE ENERGY

Turning energy into tangible inspiration,
unafraid of what has never before been seen or tried.
Constantly expanding knowledge and horizons
to stand alongside each of our partners, from the first step.



1. DIRECTORS' REPORT ON OPERATIONS

BREMBO AND THE MARKET

MACROECONOMIC CONTEXT

To correctly assess Brembo's performance for the first half of 2023, a detailed analysis of the current macroeconomic context is given here below.

The global economy is finally recovering after the difficult period caused by the Covid-19 pandemic and the geopolitical scenarios of recent years. Despite this, the road to achieve strong, sustainable and lasting growth is still long and challenging. The trend in global GDP slowed significantly throughout 2022, although many of the factors that had a negative impact are gradually weakening. The fall in energy prices and in overall inflation combined with the easing of supply chain bottlenecks at the same time as the reopening of the Chinese economy are contributing to a general improvement in the global socio-economic situation.

All this reflects positively on the OECD (Organisation for Economic Co-operation and Development) growth estimates, which do, however, predict a weak recovery compared to past levels. According to the June 2023 OECD Economic Outlook, global growth is projected to be 2.7% in 2023, with a modest pick-up to 2.9% in 2024 – both well below the average growth rate in the decade preceding the COVID-19 pandemic. "This projected recovery, while almost unchanged from our interim projections in March, maintains the slightly more optimistic outlook," OECD Secretary-General Mathias Cormann said.

With reference to the Eurozone, the most recent data is included in the Spring Document, prepared by the European Commission and published in May 2023, according to which "The EU economy has continued to show remarkable resilience in a challenging environment marked by Russia's invasion of Ukraine. The EU has successfully reduced its dependence on Russian fossil fuels, contained the adverse impact on economic activity and entered 2023 on a better footing than expected. Rebounding from the stagnation experienced in late 2022, GDP growth is set to strengthen over the course of 2023 thanks to significantly lower wholesale gas prices and continued resilience in the labour market. Nonetheless, high inflation continues to affect the purchasing power of households, especially among more vulnerable groups, leading to higher risks of poverty and weighing on European competitiveness, notably since energy prices remain significantly higher than in the rest of

the world. Furthermore, the external environment marked by rising protectionism and geostrategic competition further underlines the need to safeguard the competitiveness and the open strategic autonomy of the EU economy." According to the estimates of recent months, European economy is expected to grow by 1.0% in 2023 (+0.8% compared to the previous forecasts) and by 1.7% in 2024 (+1.6% previously estimated).

Within a substantially positive European scenario, Germany's GDP stands out: the economy is projected stagnate in 2023 and then grow by 1.3% in 2024. High inflation is reducing real incomes and savings, damping private consumption. France's GDP is projected to grow by 0.8% in 2023 and 1.3% in 2024. The Russia-Ukraine war, supply chain disruptions and elevated energy prices have dented the economic prospects of the country. Spain's GDP growth is projected to slow to 2.1% in 2023 and 1.9% in 2024, after two years of strong post-COVID growth of 5.5%. Lower inflation and a resilient labour market will support households' consumption.

Italy's GDP growth is projected to decline from 3.8% in 2022 to 1.2% in 2023 and 1.0% in 2024 as high inflation is eroding real incomes, according to the Economic Outlook published last June. Given subdued wage growth, financial conditions are tightening, and exceptional fiscal support related to the energy crisis is gradually being withdrawn, weighing on private consumption and investment. In any case, accumulated household savings remain large, which may support a more rapid rebound of domestic demand than currently expected. The June report prepared by the Confindustria Study Centre indicates a second quarter of 2023 marked by growth, albeit at a moderate pace, driven by services, whereas industry is proving resilient. As expected, inflation is persistent, interest rates are rising and loans are falling. There are signs in both directions for consumption, while investment is on the rise, albeit only slightly. There are not many resources available to manufacturing companies for investment, also given the reduced operating margins.

Turning to the US situation, according to OECD economists, following last year's +2.1%, GDP is projected to grow by 1.6% in 2023 and by 1.0% in 2024. Growth in private consumption and investment is expected to moderate in response to the tightening in monetary and financial conditions and as savings are further depleted. As demand slows, employment is expected to fall and the unemployment rate is projected to gradually rise towards 4.0% in 2024 (currently at +3.7%) — among the worst in the past thirty years. Nonetheless, the economic outlook could worsen if rising interest rates expose further financial fragilities. On the upside, faster-than-anticipated disinflation could allow an earlier easing of monetary policy that supports economic growth.

China's economic growth will rebound to 5.4% in 2023, after a 3.0% in 2022, and 5.1% in 2024. Lifting zero-COVID restrictions has released pent-up demand for services, increasing revenues in services industries hard hit by lockdowns such as tourism or entertainment. Easing of housing-related prudential regulations and lower mortgage costs have stabilised property sales. Carryover of sizeable infrastructure projects from the previous year will fuel a construction boom. Export growth will be tempered by weak global demand. Consumer price inflation will remain benign due to a moderate recovery of domestic demand. According to OECD estimates, in India, weak global demand and the effect of monetary policy tightening to manage inflationary pressures will limit an exponential economic growth in 2023. GDP is estimated to grow by 6.0% in 2023, compared to 7.2% in 2022 and 9.1% in 2021. Moderating inflation and monetary policy easing in the second half of 2024 will help discretionary household spending regain

momentum. This, along with improved global conditions, will help economic activity to accelerate, with growth of 7.0% in GDP in FY 2024-2025.

According to the Economic Outlook published last June, Japan's GDP is projected to grow by 1.3% in 2023 and 1.1% in 2024, mainly driven by domestic demand. Government support to help households cope with the energy price shock and increased defence spending will boost consumption and investment. Core inflation (excluding energy and food) will increase towards 2.0% as wage growth gains momentum and spreads to SMEs in 2024. The unemployment rate is expected to edge down to 2.4% in 2024, compared to the current 2.8%.

The OECD Outlook also provides estimates regarding Brazil, where economic activity is slowing due to weaker private consumption and exports. Exports will be affected by lower commodity prices and subdued global demand. Inflation has declined markedly over 2022 but will remain above the target band during 2023. According to this year's estimates, GDP is projected to grow by 1.7% in 2023 and 1.2% in 2024, following an encouraging 3.0% in 2022.

Russia's GDP continues to decline as a result of the ongoing war in Ukraine, mainly due to the 43% drop in crude oil revenues and tensions with Western countries. Despite this, there appears to be an upward trend. Following -2.1% in 2022, the OECD estimates GDP at -1.5% in 2023 and -0.4% for 2024.

Overall, commodity prices are expected to fall by 21% in 2023 compared to the previous year, while energy prices are expected to drop by 26%. The price of Brent crude is expected to decrease by 16% compared to 2022, with an average of USD 84 a barrel.

CURRENCY MARKETS

In the first half of 2023, the US dollar began the reporting period appreciating and reaching the half-year low 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 reaching the high for the period of 1.1074 (4 May). Near the end of the half-year period, the US dollar appreciated to about 1.07 and then depreciated once again, closing at 1.0866, above the half-yearly average rate of 1.0811.

The Chinese yuan/renminbi began the period by appreciating, reaching the low for the half-year of 7.2045 (6 January).

The currency then entered a steady depreciation trend that lasted throughout the half-year period, reaching the high for the period of 7.9262 (28 June) to then close at 7.8983, above the half-yearly average rate of 7.4898.

The Polish zloty opened the period depreciating slightly and reaching the half-year high of 4.7875 (13 February). Subsequently, the currency began a period of constant appreciation that lasted throughout the half-year period, reaching the half-year low of 4.4238 (23 June), to then stabilise and close at 4.4388, below the half-yearly average rate of 4.6259.

		EXCHANGE RATE AT 30.06.2023	2023 AVERAGE EXCHANGE RATE	HIGH FOR THE PERIOD	LOW FOR THE PERIOD
U.S. Dollar	USD	1.0866	1.0811	1.1074	1.0500
Japanese Yen	JPY	157.1600	145.7527	157.8200	137.9300
Swedish Krona	SEK	11.8055	11.3314	11.8175	11.0030
Danish Krone	DKK	7.4474	7.4464	7.4538	7.4370
Polish Zloty	PLN	4.4388	4.6259	4.7875	4.4238
Czech Koruna	GBP	23.7420	23.6801	24.1760	23.2710
Mexican Peso	MXN	18.5614	19.6550	20.8318	18.5614
Pound Sterling	GBP	0.8583	0.8766	0.8934	0.8527
Brazilian Real	BRL	5.2788	5.4833	5.7758	5.2177
Indian Rupee	INR	89.2065	88.8775	90.5495	86.4210
Argentine Peso	ARS	278.5022	229.1383	279.9204	187.9366
Chinese Renminbi	CNY	7.8983	7.4898	7.9262	7.2045
Russian Rouble	RUB	93.8731	83.3454	96.9810	72.5216
Swiss Franc	CHF	0.9788	0.9856	1.0056	0.9683

GROUP ACTIVITIES AND REFERENCE MARKET

Brembo is the world leader and acknowledged innovator in the development of braking solutions for automotive vehicles. It currently operates in 16 countries on 3 continents, through its production and business sites, and employs over 15,000 people worldwide. Manufacturing plants are located in Italy, Poland (Częstochowa, Dąbrowa Górnicza, Niepołomice), the United Kingdom (Coventry), the Czech Republic (Ostrava-Hrabová), Germany (Meitingen), Denmark (Svendborg), Spain (Barcelona), Mexico (Apodaca and Escobedo), Brazil (Betim), China (Nanjing, Langfang, Jiaying), India (Pune) and the United States (Homer). Other companies located in Spain (Zaragoza), Sweden (Göteborg), Germany (Leinfelden-Echterdingen), China (Qingdao), Japan (Tokyo), the USA (Huntersville) and Russia (Moscow) carry out distribution and sales activities, whereas the Group's reinsurance company is based in Switzerland (Zurich). Brembo's reference market is represented by the most important manufacturers of cars, motorbikes, commercial vehicles and racing cars and motorbikes. Constant focus on innovation, as well as technological and process development — factors that have always been fundamental to Brembo's philosophy — have earned the Group a strong international leadership position in the research, design and production of high-performance braking systems for a

wide range of road and racing vehicles. Brembo operates in both the original equipment market and the aftermarket. Brembo's range of products for car and commercial vehicle applications includes brake discs, brake calipers, the side-wheel module and, increasingly often, the complete braking system, including integrated engineering services. All of these back the development of new models produced by vehicle manufacturers. In addition to brake discs and brake calipers, motorbike manufacturers are also offered brake master cylinders, light-alloy wheels, brake hoses and complete braking systems. In the car aftermarket, Brembo offers in particular brake discs, in addition to pads, drums, brake shoes, drum-brake kits and hydraulic components: a vast and reliable range of products allows the Company to meet the needs of nearly all European vehicles.

In the first half of 2023, Brembo's consolidated net sales amounted to €1,949,875 thousand, up 11.6% compared to €1,746,471 thousand for the same period of 2022.

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

PASSENGER CARS



In the first five months of 2022, the global light vehicle market showed a 10.5% increase in sales compared to the same period of 2022.

The Western European market (EU14+EFTA+ United Kingdom) closed the first five months of 2023 with a +16.3% rise in car registrations compared to the same period of 2022. All key markets closed the first five months on a positive note: Italy (+26.1%), France (+16.3%), Spain (+26.9%), Germany (+10.2%) and the UK (+16.8%). Eastern Europe (EU 12) also reported a positive trend in car registrations, up 16.4% compared to the first five months of 2022. By contrast, light vehicle registrations in Russia closed the first five months of 2022 with a 26.0% reduction in sales compared to the same of the previous year.

In the United States, light vehicle sales grew by 11.6% overall in the first five months of 2023 compared to the same period of 2022. In the same period, sales in Brazil and Argentina also rose by 7.6% and 8.7%, respectively.

In Asian markets, China closed the first five months of 2023 on a positive note with light vehicle sales up +10.5% compared to the first five months of 2022. Japan also closed the reporting period positively, with a 17.5% increase in sales.

Within this scenario, Brembo's net sales of car applications in the first half of 2023 amounted to €1,406,724 thousand, accounting for 72.1% of the Group's turnover, up 12.4% compared to €1,251,236 thousand for the same period of 2022.

MOTORBIKES



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

In Europe — where the top markets in terms of motorbike registrations are Italy, Germany, France, Spain and the United Kingdom — registrations increased by 4.0% in the first five months of 2023 compared to the same period of 2022. Sales of motorbikes and scooters in Italy rose by 23.0% overall compared to the same period of 2022 (motorbikes: +15.3%; motorbikes with displacements over 500cc alone: +24.3%; scooters: +31.5%).

In the United States, registrations of motorbikes, scooters and ATVs (All Terrain Vehicles, quadricycles for recreation and work) declined by 5.8% in the first three months of 2023 compared to the same period of 2022. ATVs alone decreased by 16.3%, while motorbikes and scooters together fell by 2.1%.

In the first five months of 2023, the Japanese market showed a 15.2% increase, considering displacements over 50cc overall, whereas the figure for motorbikes with displacements over 125cc alone was -15.4%.

The Indian market (motorbikes and scooters) increased by 17.4% in the first five months of 2023, whereas Brazil reported a 23.9% growth in registrations.

Brembo's net sales of motorbike applications in the first half of 2023 amounted to €247,271 thousand, up 3.7% compared to €238,464 thousand for the same period of 2022.

COMMERCIAL AND INDUSTRIAL VEHICLES



In the first five months of 2023, the European commercial vehicles market (EU+EFTA+United Kingdom) — Brembo's reference market — showed a 10.7% 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 10.1% in Europe. All the main European markets by sales volume grew in the first five months of 2023: +32.2% in Spain, +12.1% in Germany, +1.2% in France and +0.2% in Italy.

The segment of medium and heavy commercial vehicles (over 3.5 tonnes) also rose in Europe in the first five months of 2023, closing at +13.4% compared to the same period of the previous year. Among the main European markets by sales volume, growth was recorded in Germany (+22.7%), France (+5.1%) and Spain (+8.0%), whereas Italy showed a slight decrease (-0.8%).

In the first half of 2023, Brembo's net sales of applications in this segment amounted to €196,093 thousand, up by 12.6% compared to €174,126 thousand for the first half of 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 half of 2023, Brembo's net sales of applications in this segment amounted to €99,507 thousand, up by 20.6% compared to €82,488 thousand for the first half of 2022.

SALES BREAKDOWN BY GEOGRAPHICAL AREA AND APPLICATION

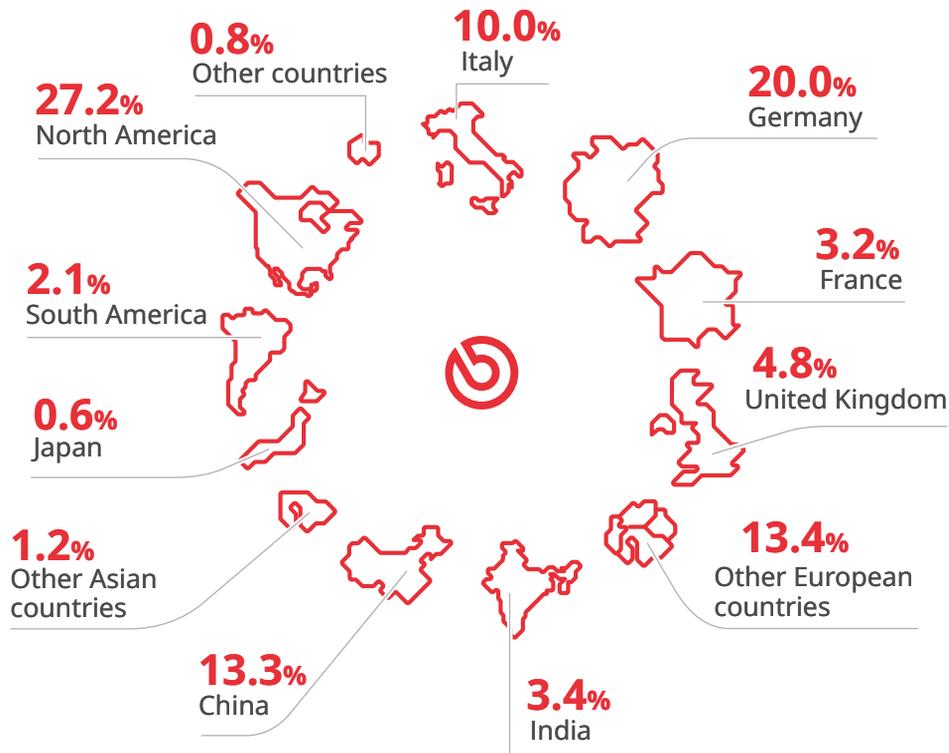
GEOGRAPHICAL AREA

(EURO THOUSAND)	30.06.2023	%	30.06.2022	%	CHANGE	%
Italy	194,542	10.0%	189,434	10.8%	5,108	2.7%
Germany	389,339	20.0%	326,666	18.7%	62,673	19.2%
France	61,751	3.2%	52,050	3.0%	9,701	18.6%
United Kingdom	94,476	4.8%	92,472	5.3%	2,004	2.2%
Other European countries	261,939	13.4%	219,719	12.6%	42,220	19.2%
India	66,626	3.4%	61,010	3.4%	5,616	9.2%
China	259,916	13.3%	253,314	14.5%	6,602	2.6%
Japan	12,358	0.6%	11,676	0.7%	682	5.8%
Other Asian countries	22,969	1.2%	26,462	1.5%	(3,493)	-13.2%
South America (Argentina and Brazil)	40,000	2.1%	27,517	1.6%	12,483	45.4%
North America (USA, Mexico and Canada)	530,853	27.2%	471,830	27.1%	59,023	12.5%
Other countries	15,106	0.8%	14,321	0.8%	785	5.5%
Total	1,949,875	100.0%	1,746,471	100.0%	203,404	11.6%

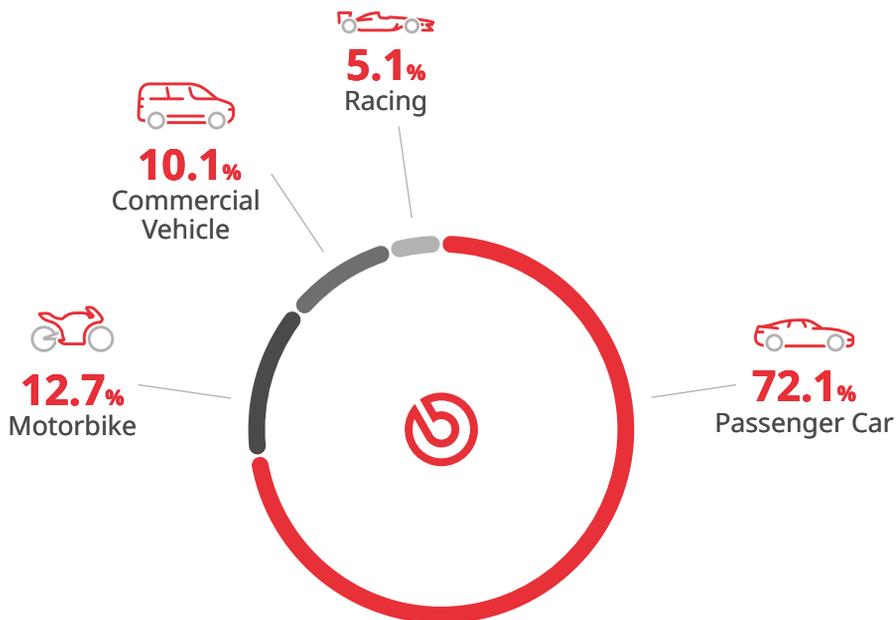
APPLICATION

(EURO THOUSAND)	30.06.2023	%	30.06.2022	%	CHANGE	%
Passenger Car	1,406,724	72.1%	1,251,236	71.6%	155,488	12.4%
Motorbike	247,271	12.7%	238,464	13.7%	8,807	3.7%
Commercial Vehicle	196,093	10.1%	174,126	10.0%	21,967	12.6%
Racing	99,507	5.1%	82,488	4.7%	17,019	20.6%
Miscellaneous	280	0.0%	157	0.0%	123	78.3%
Total	1,949,875	100.0%	1,746,471	100.0%	203,404	11.6%

NET SALES BREAKDOWN BY GEOGRAPHICAL AREA



NET SALES BREAKDOWN BY APPLICATION



BREMBO'S CONSOLIDATED RESULTS

CONSOLIDATED STATEMENT OF INCOME

(EURO THOUSAND)	30.06.2023	30.06.2022	CHANGE	%
Revenue from contracts with customers	1,949,875	1,746,471	203,404	11.6%
Cost of sales, operating costs and other net charges/income (*)	(1,279,002)	(1,148,520)	(130,482)	11.4%
Income (expense) from non-financial investments	9,412	9,136	276	3.0%
Personnel expenses	(336,248)	(301,749)	(34,499)	11.4%
GROSS OPERATING INCOME	344,037	305,338	38,699	12.7%
<i>% on revenue from contracts with customers</i>	<i>17.6%</i>	<i>17.5%</i>		
Depreciation, amortisation and impairment losses	(126,124)	(117,826)	(8,298)	7.0%
NET OPERATING INCOME	217,913	187,512	30,401	16.2%
<i>% on revenue from contracts with customers</i>	<i>11.2%</i>	<i>10.7%</i>		
Net interest income (expense) and interest income (expense) from investments	5,510	10,737	(5,227)	-48.7%
RESULT BEFORE TAXES	223,423	198,249	25,174	12.7%
<i>% on revenue from contracts with customers</i>	<i>11.5%</i>	<i>11.4%</i>		
Taxes	(54,950)	(48,981)	(5,969)	12.2%
Result from discontinued operations	(121)	(150)	29	-19.3%
RESULT BEFORE MINORITY INTERESTS	168,352	149,118	19,234	12.9%
<i>% on revenue from contracts with customers</i>	<i>8.6%</i>	<i>8.5%</i>		
Minority interests	(579)	(190)	(389)	204.7%
NET RESULT	167,773	148,928	18,845	12.7%
<i>% on revenue from contracts with customers</i>	<i>8.6%</i>	<i>8.5%</i>		
BASIC AND DILUTED EARNINGS PER SHARE (in euro)	0.52	0.46		

(*) The item is obtained by adding the following items of the Consolidated Statement of Income: "Other revenues and income", "Costs for capitalised internal works", "Raw materials, consumables and goods" and "Other operating costs".

In the first half of 2023, Brembo's net sales amounted to €1,949,875 thousand, up 11.6% compared to the first half of 2022.

The car applications sector, which accounted for 72.1% of the Group's sales, closed the first half of 2023 with a 12.4% increase compared to the same period of the previous year. Similarly, all other applications recorded an uptrend compared to the first half of 2022: applications for commercial vehicles closed at +12.6%, racing applications at +20.6%, and motorbike applications at +3.7%.

At geographical level, and with specific reference to Europe, Germany grew by 19.2% compared to the first half of 2022. All other European countries reported positive results, with Italy up by 2.7%, France by 18.6% and the United Kingdom by 2.2%. Sales also rose by 12.5% in North America and by 45.4% in South America. In the Far East, China grew by 2.6%, India by 9.2% and Japan by 5.8%.

In the first half of 2023, the **cost of sales and other net operating costs** amounted to €1,279,002 thousand, with a ratio to sales of 65.6%, slightly down on 65.8% for the first half of 2022. Within this item, development costs capitalised under intangible assets amounted to €12,723 thousand compared to €11,343 thousand for the first half of the previous year.

Income (expense) from non-financial investments amounted to €9,412 thousand and was chiefly attributable to the effects of valuing the investment in the BSCCB Group using the equity method (€9,136 thousand in the first half of 2022).

Personnel expenses amounted to €336,248 thousand, with a ratio to sales of 17.2%, decreasing slightly compared to the same period of the previous year (17.3%). At 30 June 2023, people numbered 15,550 (14,966 at 31 December 2022 and 14,897 at 30 June 2022), including agency workers, amounting to 2,017 (2,010 at 31 December 2022 and 2,100 at 30 June 2022).

Gross operating income was €344,037 thousand compared to €305,338 thousand for the first half of 2022, with a 17.6% ratio to sales (17.5% for the same period of 2022).

Net operating income amounted to €217,913 thousand (11.2% of sales), compared to €187,512 thousand (10.7% of sales) for the first half of 2022, after depreciation, amortisation and impairment losses of €126,124 thousand, compared to depreciation, amortisation and impairment losses amounting to €117,826 thousand for the same period of 2022.

Net interest expense amounted to €6,648 thousand (net interest income of €2,933 thousand in the first half of 2022) and consisted of net exchange gains of €3,274 thousand (€8,950 thousand in the first half of 2022) and interest expense of €9,922 thousand (€6,017 thousand for the same period of 2022).

Net interest income from investments, which amounted to €12,158 thousand (€7,804 thousand in the first half of 2022), was attributable to the effects of valuing investments

in associates using the equity method and dividends received by investees not included in the consolidation area.

Result before taxes was a profit of €223,423 thousand, compared to €198,249 thousand for the first half of 2022. Based on the tax rates applicable under current tax regulations in force in each country, estimated taxation amounted to €54,950 thousand, with a tax rate of 24.6% compared to 24.7% for the same period of the previous year.

The result from discontinued operations, negative for €121 thousand (€150 thousand in the first half of 2022), 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** for the first half of 2023 amounted to €167,773 thousand (8.6% of sales), up compared to €148,928 thousand for the first half of 2022 (8.5% of sales).

STATEMENT OF FINANCIAL POSITION

The Group's Statement of Financial Position reflects reclassifications of consolidated accounting statements, as described in the following pages. In detail:

- "Net financial assets" include the following items: "Investments" and "Other financial assets";
- the item "Other receivables and non-current liabilities" is made up of the following items: "Receivables and other non-current assets", "Deferred tax assets" and "Other non-current liabilities";
- "Net financial debt" includes current and non-current payables to banks and other financial liabilities (including lease liabilities), net of cash and cash equivalents and current financial assets.

Net Invested Capital at the end of the first half of 2023 amounted to €2,606,373 thousand, up by €133,532 thousand compared to €2,472,841 thousand at 31 December 2022.

Net financial debt at 30 June 2023 was €562,288 thousand, compared to €502,044 thousand at 31 December 2022. The €60,244 thousand increase for the period was mainly attributable to the combined effect of the following factors:

- the positive effect of gross operating income of €344,037 thousand, with a €105,505 thousand decrease in working capital;
- net investments totalling €154,292 thousand and increases in leased assets for €10,931 thousand;
- payment of taxes totalling €43,457 thousand;
- the Parent's payment of the approved dividends in the amount of €90,117 thousand;
- dividends received by the associate BSCCB S.p.A. totalling €7,500 thousand.

The Explanatory Notes to the Condensed Consolidated Six Monthly Financial Report provide detailed information on the financial position and its assets and liabilities items.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EURO THOUSAND)	30.06.2023	31.12.2022	CHANGE
Property, plant and equipment	1,398,002	1,367,832	30,170
Intangible assets	295,699	300,422	(4,723)
Financial assets/liabilities	333,461	325,614	7,847
Other receivables and non-current liabilities	98,825	87,688	11,137
Fixed capital	2,125,987	2,081,556	44,431
			2.1%
Inventories	628,371	586,034	42,337
Trade receivables	718,582	594,253	124,329
Other receivables and current assets	126,442	130,345	(3,903)
Current liabilities	(940,692)	(860,086)	(80,606)
Provisions/deferred taxes	(52,317)	(59,248)	6,931
Hedging assets/liabilities	0	(13)	13
Net working capital	480,386	391,285	89,101
			22.8%
Net invested capital from discontinued operations	0	0	0
NET INVESTED CAPITAL	2,606,373	2,472,841	133,532
			5.4%
Equity	2,015,517	1,947,013	68,504
Employees' leaving entitlement and other personnel provisions	28,636	24,086	4,550
Medium/long-term financial debt	561,526	596,894	(35,368)
Short-term net financial debt	762	(94,850)	95,612
Net financial debt	562,288	502,044	60,244
			12.0%
Net financial debt from discontinued operations	(68)	(302)	234
COVERAGE	2,606,373	2,472,841	133,532
			5.4%

STATEMENT OF CASH FLOWS

(EURO THOUSAND)	30.06.2023	30.06.2022
NET FINANCIAL POSITION AT BEGINNING OF PERIOD (*)	(502,044)	(411,837)
Net operating income	217,913	187,512
Depreciation, amortisation and impairment losses	126,124	117,826
Gross operating income	344,037	305,338
Investments in property, plant and equipment	(136,764)	(96,554)
Investments in intangible assets	(17,881)	(16,761)
Increases in leased assets	(10,931)	(8,794)
Investments in financial assets	(3,234)	(61)
Disposals	353	559
Net investments	(168,457)	(121,611)
Change in inventories	(51,273)	(157,880)
Change in trade receivables	(124,683)	(221,645)
Change in trade payables	81,576	133,519
Change in other liabilities	(2,138)	(26,130)
Change in receivables from others and other assets	(3,869)	7,508
Translation reserve not allocated to specific items	(5,118)	6,213
Change in working capital	(105,505)	(258,415)
Change in provisions for employee benefits and other provisions	9,777	19,940
Operating cash flows	79,852	(54,748)
Interest income and expense	(6,422)	10,824
Result from discontinued operations	(121)	(150)
Current taxes paid	(43,457)	(37,366)
Dividend paid in the period to minority shareholders	(800)	(800)
Interest (income)/expense from investments, net of dividends received	(1,872)	(9,076)
Dividends paid in the year	(90,117)	(87,139)
Net cash flows	(62,937)	(178,455)
Effect of translation differences on net financial position	2,693	(4,809)
NET FINANCIAL POSITION AT END OF PERIOD (*)	(562,288)	(595,101)

(*) See Note 13 of the Explanatory Notes to the Consolidated Financial Statements for a reconciliation with financial statements data.

ALTERNATIVE PERFORMANCE MEASURES

Brembo's Directors have identified some alternative performance measures ("APMs") in the previous paragraphs, in order to provide a better understanding of the Brembo Group's operating and financial performance. These indicators are also tools that help the Directors to identify operating trends and take decisions about investments, allocation of resources and other operating decisions.

The following points enable a correct interpretation of the above-mentioned APMs:

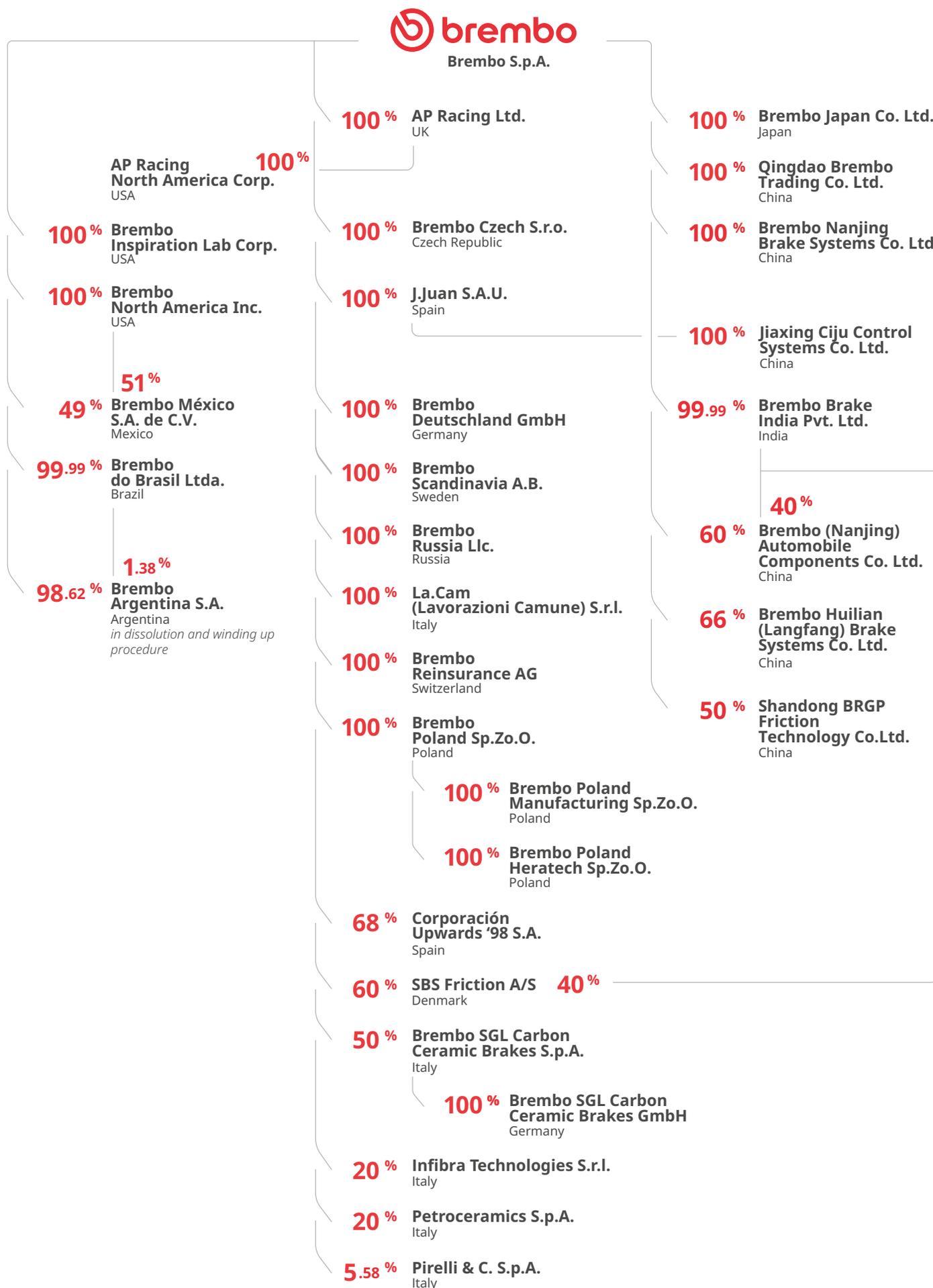
1. these indicators are constructed starting from the Group's historical data only and are not indicative of the Group's future performance;
2. the APMs are not laid down by the IFRS and are not subject to audit, although they are taken from the Group's Consolidated Financial Statements;
3. the APMs must not be considered to replace the indicators provided for by the IFRS;
4. the APMs are to be read together with the Group's financial information, taken from the Brembo Group's Consolidated Financial Statements;
5. the definitions used by the Group may not match those adopted by other companies/groups, therefore they are not comparable, since they are not derived from reference accounting standards;
6. the APMs used by the Group are applied on an ongoing basis and are consistently defined and represented for all the periods for which financial information is included in these Financial Statements.

The APMs indicated below have been selected and represented in the Directors' Report on Operations since the Group deems that:

- Net Financial Debt, combined with other indicators such as Investments/Revenue from contracts with customers, Net Financial Debt/Equity, Net interest expense (less exchange gains or losses)/Revenue from contracts with customers and Net interest expense (less exchange gains or losses)/Net operating income, allow a better assessment of the overall level of debt, capital solidity and debt payment capacity;
- Fixed Capital — and thus net investments in property, plant, equipment and intangible assets, calculated as the sum total of increases (net of decreases) of property, plant and equipment and intangible assets — Net Working Capital, and Net Invested Capital allow a better assessment of both the ability to meet short-term trade commitments through current trade assets, and the consistency between the structure of the use and that of the sources of financing over time;
- Gross Operating Income (EBITDA) and Net Operating Income (EBIT), combined with other relative profitability indicators, allow changes in operating performance to be illustrated and provide useful information on the Group's capacity to sustain debt; these indicators are also commonly used by analysts and investors in the sector to which the Group belongs to evaluate company performance.



GROUP STRUCTURE



PERFORMANCE OF BREMBO COMPANIES

The following figures were taken from the accounting situations at 30 June 2023 prepared by the companies in accordance with IAS/IFRS and approved by the respective Boards of Directors.

BREMBO S.P.A.

Curno (Italy)



Activities: analysis, design, development, application, production, assembly and sale of braking systems, light alloy castings for various sectors, including the car and motorbike industries.

The first half of 2023 closed with revenue from contracts with customers of €665,646 thousand compared to €596,105 thousand for the first half of 2022. The item "Other revenues and income" amounted to €33,945 thousand compared to €26,724 thousand for the same period of 2022, whereas capitalised development costs for the half-year totalled €9,123 thousand compared to €8,388 thousand for the first half of 2022.

Gross operating income was €115,243 thousand (17.3%

of sales) compared to €97,069 thousand (16.3% of sales) for the first half of 2022. Net operating income, after depreciation, amortisation and impairment losses of property, plant, equipment and intangible assets amounting to €39,431 thousand, closed at €75,812 thousand compared to €63,867 thousand for the same period of the previous year. Net interest expense from financing activities amounted to €3,644 thousand compared to €290 thousand for the first half of 2022. Income from investments totalled €21,591 thousand and was attributable to the distribution of dividends by some subsidiaries. In addition, a provision for current taxes and deferred tax assets and liabilities was made in the amount of €18,370 thousand.

In the reporting period, net income amounted to €75,389 thousand compared to €60,691 thousand for the same period of 2022.

At 30 June 2023, employees numbered 3,280, increasing by 159 compared to 3,121 at the end of the first half of 2022.

COMPANIES CONSOLIDATED ON A LINE-BY-LINE BASIS

AP RACING LTD.

Coventry (United Kingdom)



Activities: production and sale of braking systems and clutches for road and racing vehicles.

AP Racing is the market leader in the production of brakes and clutches for racing cars and motorbikes.

The company designs, assembles and sells cutting-edge, high-tech products throughout the world for the main F1, GT, Touring and Rally teams. It also produces and sells original equipment brakes and clutches for prestige car manufacturers.

Net sales for the first half of 2023 amounted to GBP 31,016 thousand (€35,382 thousand) compared to GBP 23,790 thousand (€28,248 thousand) for the first half of 2022. In the reporting period, net income amounted to GBP 2,541 thousand (€2,898 thousand) compared to GBP 1,883 thousand (€2,236 thousand) for the same period of 2022.

At 30 June 2023, employees numbered 155, increasing by 6 compared to the end of June 2022.

AP RACING NORTH AMERICA CORP.

Wilmington, Delaware (USA)



Activities: technical and sales services on the US market.

Established in 2022 and wholly controlled by AP Racing Ltd., the company specialises in developing and simplifying communications between the parent and the US-based customers, throughout the different phases of project planning and management.

The company did not generate net sales at 30 June 2023, whilst reporting a net income of USD 9 thousand (€9 thousand) compared to a net loss of USD 13 thousand (€12 thousand) at 30 June 2022.

At 30 June 2023, the company had one employee.

BREMBO BRAKE INDIA PVT. LTD.

Pune (India)

**Activities: development, production and sale of braking systems for motorbikes.**

The company is based in Pune, India, and was originally set up in 2006 as a joint venture held in equal stakes by Brembo S.p.A. and the Indian company Bosch Chassis Systems India Ltd. Since 2008, the company has been wholly owned by Brembo S.p.A.

In the first half of 2023, net sales totalled to INR 6,750,021 thousand (€75,947 thousand), with a net income of INR 715,153 thousand (€8,047 thousand). In the same period of 2022, net sales had amounted to INR 5,817,222 thousand (€69,814 thousand), with a net income of INR 546,323 thousand (€6,557 thousand).

At 30 June 2023, employees numbered 1,217 compared to 1,057 at the end of the first half of 2022.

BREMBO CZECH S.R.O.

Ostrava-Hrabová (Czech Republic)

**Activities: casting, production and sale of braking systems for cars.**

The company was formed in 2009 and started its production activity in 2011. It carries out the casting, processing and assembly of brake calipers and other aluminium components.

In the first half of 2023, net sales amounted to CZK 3,686,581 thousand (€155,683 thousand) compared to CZK 3,443,816 thousand (€139,786 thousand) in the first half of 2022. Net loss for the reporting period was CZK 217,749 thousand (€9,195 thousand) compared to a net loss of CZK 122,709 thousand (€4,981 thousand) for the first half of 2022.

At 30 June 2023, employees numbered 945 compared to 976 at the end of the first half of 2022.

BREMBO DEUTSCHLAND GMBH

Leinfelden-Echterdingen (Germany)

**Activities: purchase and resale of vehicles, technical and sales services, as well as promotion of the sale of car brake discs.**

The company, which is 100% owned by Brembo S.p.A., was

formed in 2007. It specialises in buying cars for tests and encouraging and simplifying communications between Brembo and its German customers in the various phases of project planning and management. It also promotes the sale of brake discs for the car aftermarket only.

At 30 June 2023, net sales amounted to €1,500 thousand (€1,618 thousand for the first half of 2022), with a net income of €969 thousand (€681 thousand for the first half of 2022).

Employees numbered 12, increasing by three compared to the end of June 2022.

BREMBO DO BRASIL LTDA.

Betim (Brazil)

**Activities: production and sale of brake discs for the original equipment market.**

The company is headquartered in Betim, Minas Gerais, and specialises in the manufacturing and sale of car brake discs in the South American OEM market.

Net sales for the first half of 2023 amounted to BRL 209,167 thousand (€38,146 thousand), with a net income of BRL 19,283 thousand (€3,517 thousand). In the same period of 2022, net sales had amounted to BRL 143,550 thousand (€25,828 thousand), with a net income of BRL 6,114 thousand (€1,100 thousand).

At 30 June 2023, employees numbered 209 compared to 200 at the same date of the previous year.

BREMBO HUILIAN (LANGFANG) BRAKE SYSTEMS CO. LTD.

Langfang (China)

**Activities: casting, production and sale of brake discs for the original equipment market.**

In 2016, Brembo S.p.A. acquired a 66% stake in Brembo Huilian (Langfang) Brake Systems Co. Ltd. (formerly Asimco Meilian Braking Systems (Langfang) Co. Ltd.), a Chinese company that owns a foundry and a plant for the manufacturing of cast-iron brake discs. This company supplies local car manufacturers, mainly including joint ventures among Chinese firms and European and U.S. top players. The remaining 34% of the share capital continued to be owned by the public company Langfang Assets Operation Co. Ltd., controlled by the Municipality of Langfang.

Net sales for the first half of 2023 amounted to CNY 253,053 thousand (€33,786 thousand) and net income to CNY 8,425

thousand (€1,125 thousand). In the first half of 2022, net sales had amounted to CNY 241,087 thousand (€34,039 thousand) and net income had been CNY 2,754 thousand (€389 thousand).

At 30 June 2023, employees numbered 479 compared to 517 for the first half of 2022.

BREMBO INSPIRATION LAB CORP.

Wilmington, Delaware (USA)



Activities: strengthening expertise in software development, data science and artificial intelligence.

The company — Brembo's first centre of excellence — is based in the Silicon Valley (California, USA). It is an experimental lab mainly focused on strengthening the Company's expertise in software development, data science and artificial intelligence for the benefit of the development of Brembo's future braking solutions. The new centre of excellence will also be a point of reference for the technological and commercial development of Brembo's relationships with customers in the Silicon Valley.

In the first half of 2023, the company did not generate net sales, reporting a net income of USD 63 thousand (€59 thousand); in the first half of 2022 as well, the company had not generated net sales, reporting a net income of USD 7 thousand (€7 thousand).

At 30 June 2023, employees numbered 10 compared to three for the same period of 2022.

BREMBO JAPAN CO. LTD.

Tokyo (Japan)



Activities: sale of braking systems for the racing sector and original equipment for cars.

Brembo Japan Co. Ltd. is Brembo's commercial company that handles the Japanese racing market. Through the Tokyo office, it provides primary technical support to the OEM customers in the area. It also renders services to the other Brembo Group companies operating in Japan.

Net sales for the first half of 2023 amounted to JPY 597,444 thousand (€4,099 thousand) compared to JPY 534,923 thousand (€3,983 thousand) for the first half of 2022. Net income for the reporting period was JPY 76,914 thousand (€528 thousand) compared to JPY 61,968 thousand (€461 thousand) for the first half of 2022.

At 30 June 2023, employees numbered 23 employees, two less than in the first half of 2022.

BREMBO MÉXICO S.A. DE C.V.

Apodaca (Mexico)



Activities: casting, production and sale of braking systems for cars and commercial vehicles and car brake discs for original equipment and the aftermarket.

As a result of the merger with Brembo México Apodaca S.A. de C.V. in 2010, the company is now 51% owned by Brembo North America Inc. and 49% owned by Brembo S.p.A.

In the first half of 2023, net sales amounted to USD 289,115 thousand (€267,430 thousand), with a net income of USD 15,669 thousand for the period (€14,494 thousand). In the first half of 2022, net sales had amounted to USD 248,274 thousand (€226,947 thousand), with a net income for the period totalling USD 19,330 thousand (€17,670 thousand). At 30 June 2023, employees numbered 1,846, increasing compared to 1,774 at the same date of the previous year.

BREMBO (NANJING) AUTOMOBILE COMPONENTS CO. LTD.

Nanjing (China)



Activities: casting, processing and assembly of braking systems for cars and commercial vehicles.

The company, which is 60% owned by Brembo S.p.A. and 40% owned by Brembo Brake India Pvt. Ltd., was set up in 2016 and carries out casting, processing and assembly of braking systems for cars and commercial vehicles.

In the first half of 2023, net sales amounted to CNY 804,233 thousand (€107,377 thousand), with a net income of CNY 112,804 thousand (€15,061 thousand); in the first half of 2022, net sales had amounted to CNY 732,915 thousand (€103,479 thousand) and net income had been CNY 95,744 thousand (€13,518 thousand).

At 30 June 2023, employees numbered 617 compared to 456 at the same date of the previous year.

BREMBO NANJING BRAKE SYSTEMS CO. LTD.

Nanjing (China)

**Activities: development, production and sale of OEM brake discs for cars.**

The company, a joint venture between Brembo S.p.A. and the Chinese group Nanjing Automobile Corp., was formed in 2001. The Brembo Group acquired control over the company in 2008. In 2013, the Brembo Group acquired full control from the Chinese partner Donghua Automotive Industrial Co. Ltd.

In 2017, the merger of Brembo Nanjing Foundry Co. Ltd. into Brembo Nanjing Brake Systems Co. Ltd. Ltd. The transaction aimed at developing an integrated industrial hub, including foundry and manufacture of brake discs for the car OEM.

At 30 June 2023, net sales amounted to CNY 543,690 thousand (€72,591 thousand) and net income was CNY 62,699 thousand (€8,371 thousand); in the first half of 2022, net sales had amounted to CNY 574,476 thousand (€81,109 thousand) and net income had been CNY 49,588 thousand (€7,001 thousand).

At 30 June 2023, employees numbered 629 compared to 587 at the end of the first half of 2022.

BREMBO NORTH AMERICA INC.

Wilmington, Delaware (USA)

**Activities: development, casting, production and sale of brake discs for car original equipment market and the aftermarket, and braking systems for cars, motorbikes and the racing sector.**

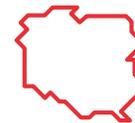
Brembo North America Inc. is based in Homer, Michigan. It produces and sells OEM and aftermarket brake discs, as well as high-performance car braking systems. A Research and Development Centre has been operating at the facility in Plymouth (Michigan) since 2010 to develop and market new solutions in terms of materials and designs for the U.S. market.

At 30 June 2023, net sales amounted to USD 229,196 thousand (€212,006 thousand); in the same period of the previous year, net sales had amounted to USD 228,219 thousand (€208,615 thousand). Net income was USD 19,728 thousand (€18,248 thousand) at 30 June 2023, compared to net income of USD 7,226 thousand (€6,605 thousand) for the first half of 2022.

At the end of the period, employees numbered 688, an increase of 29 compared to the end of the first half of 2022.

BREMBO POLAND SPOLKA ZO.O.

Dąbrowa-Górnica (Poland)

**Activities: development, casting, production and sale of brake discs and braking systems for cars and commercial vehicles.**

The company produces OEM braking systems for cars and commercial vehicles in the Częstochowa plant. In the Dąbrowa-Górnica plant, it has a foundry for the production of cast-iron discs destined for use in its own production plant or by other Group companies. The Niepołomice plant processes steel disc hats to be assembled onto the light discs manufactured at the Group's plants located in China, in the United States, and in the Dąbrowa-Górnica plant as well.

Net sales amounted to PLN 1,655,505 thousand (€357,875 thousand) in the first half of 2023 compared to PLN 1,472,645 thousand (€317,869 thousand) in the first half of 2022. Net income at 30 June 2023 was PLN 89,585 thousand (€19,366 thousand) compared to a net income of PLN 113,046 thousand (€24,401 thousand) for the same period of the previous year.

At the end of the period, employees numbered 2,346, an increase compared to 2,239 at the end of the first half of 2022.

BREMBO REINSURANCE AG

Zurich (Switzerland)

**Activity: reinsurance company.**

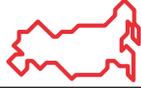
Incorporated in 2023 with headquarters in Zurich and fully owned by Brembo S.p.A., the company aims at improving the conditions and efficiency of the process of financing the Brembo Group's risks through access to the reinsurance market and the possibility of underwriting risks not adequately covered by the insurance market and that cannot be financed through a fund.

In the first half of 2023, the company did not generate net sales, reporting a net loss amounted to €156 thousand.

At 30 June 2023, the company had one employee.

BREMBO RUSSIA LLC.

Moscow (Russia)

**Activities: promotion of the sale of car brake discs.**

Founded in 2014, the Moscow-based company is wholly owned by Brembo S.p.A. It deals with promoting the sale of car brake discs for the aftermarket only.

In the first half of 2023, net sales amounted to RUB 15,174 thousand (€182 thousand) and net loss was RUB 25 thousand (€0.3 thousand); in the first half of 2022, net sales had amounted to RUB 19,740 thousand (€226 thousand) and net loss had been RUB 16,611 thousand (€191 thousand).

At 30 June 2023, employees numbered 3, unchanged compared to the same period of the previous year.

BREMBO SCANDINAVIA A.B.

Göteborg (Sweden)

**Activities: promotion of the sale of car brake discs.**

The company promotes the sale of brake discs for the car sector, destined exclusively for the aftermarket.

Net sales for the period amounted to SEK 4,811 thousand (€425 thousand), with a net income of SEK 2,135 thousand (€188 thousand), compared to net sales of SEK 5,200 thousand (€496 thousand) and net income of SEK 2,048 thousand (€196 thousand) for the first half of 2022.

At 30 June 2023, employees numbered 2, unchanged compared to 30 June 2022.

CORPORACIÓN UPWARDS '98 S.A.

Zaragoza (Spain)

**Activities: sale of brake discs and drums for cars, distribution of the brake shoe kits and pads.**

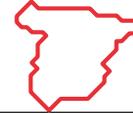
The company carries out sales activities exclusively for the aftermarket.

Net sales amounted to €17,571 thousand in the first half of 2023 compared to €16,358 thousand in the first half of 2022. Net income was €1,594 thousand compared to a net income of €1,229 thousand in the first six months of 2022.

At 30 June 2023, employees numbered 65, unchanged compared to the end of June 2022.

J.JUAN S.A.U.

Barcelona (Spain)

**Activities: development, production and sale of braking systems for motorbikes.**

In November 2021, Brembo acquired the 100% stake in the J.Juan Group, a Spanish company specialising in the development and production of motorbike braking systems. Founded in 1965, J.Juan is based in Gavà (Barcelona) and has three plants in Spain and one in China, manufacturing especially brake hoses.

In 2022, the merger of the companies J.Juan Brake Systems S.A.U. and Montajes y Acabados S.L.U. into J.Juan S.A.U. was launched and completed, with accounting effects as of 1 January 2022.

Net sales amounted to €40,013 thousand at 30 June 2023, while net income was €2,166 thousand.

At 30 June 2023, employees numbered 462.

JIAXING CIJU CONTROL SYSTEMS CO. LTD.

Jiaxing (China)

**Activities: development, production and sale of braking systems for motorbikes.**

On 4 November 2021, Brembo acquired the 100% stake in the J.Juan Group, a Spanish company specialising in the development and production of motorbike braking systems, to which Jiaxing Ciju Control Systems Co. Ltd. belongs.

Net sales amounted to CNY 158,180 thousand (€21,119 thousand) at 30 June 2023 compared to CNY 155,049 thousand (€21,891 thousand) for the first half of 2022; net income was CNY 30,883 thousand (€4,123 thousand) compared to CNY 25,326 thousand (€3,576 thousand) at 30 June 2022.

At 30 June 2023, employees numbered 207, decreasing by 7 compared to the same period of 2022.

LA.CAM (LAVORAZIONI CAMUNE) S.R.L.

Stezzano (Italy)

**Activities: precision mechanical processing, lathe work, mechanical component production and similar activities, on its own account or on behalf of third parties.**

The company was incorporated by Brembo S.p.A. in 2010.

In the same year, it leased from an important Group's supplier two companies specialising in processing aluminium, steel and cast-iron pistons for brake calipers intended for use in the car, motorbike and industrial vehicle sectors, and in the production of other types of components, including small high-precision metallic parts and bridges for car brake calipers, as well as aluminium caliper supports for the motorbike sector, chiefly produced for the Brembo Group. In 2012, La.Cam. acquired the business units of both companies.

Net sales, which were almost entirely to Brembo Group companies, amounted to €31,000 thousand in the first half of 2023, with a net income of €1,535 thousand. In the same period of the previous year, net sales had been €27,150 thousand, with a net income of €1,831 thousand.

At 30 June 2023, employees numbered 173 compared to 170 at 30 June 2022.

QINGDAO BREMBO TRADING CO. LTD.

Qingdao (China)



Activities: logistics and marketing activities in the economic and technological development hub of Qingdao.

Formed in 2009 and fully controlled by Brembo S.p.A., the company carries out logistics and marketing activities within the Qingdao technological hub for the aftermarket only. In the first half of 2023, net sales amounted to CNY 340,828 thousand (€45,506 thousand) compared to CNY 235,897

thousand (€33,306 thousand) for the same period of the previous year.

The company closed the period with a net income of CNY 18,192 thousand (€2,429 thousand) compared to CNY 11,907 thousand (€1,681 thousand) for the first half of 2022. At 30 June 2023, employees numbered 49 compared to 45 at 30 June 2022.

SBS FRICTION A/S

Svendborg (Denmark)



Activities: development, production and sale of brake pads for motorbikes.

On 7 January 2021, Brembo acquired SBS Friction A/S, a Danish company based in Svendborg, Denmark, that develops and manufactures brake pads for motorbikes using particularly innovative and eco-friendly sintered organic materials. The investment is 60% held by Brembo S.p.A. and 40% by Brembo Brake India Pvt. Ltd.

In the first half of 2023, net sales amounted to DKK 117,559 thousand (€15,787 thousand) compared to DKK 104,688 thousand (€14,071 thousand) for the same period of the previous year. The company closed with a net income of DKK 6,075 thousand (€816 thousand) compared to DKK 8,132 thousand (€1,093 thousand) for the first half of 2022. At 30 June 2023, employees numbered 114 compared to 112 at 30 June 2022.

COMPANIES VALUED USING THE EQUITY METHOD

BREMBO SGL CARBON CERAMIC BRAKES S.P.A.

Stezzano (Italy)



Activities: design, development, production and sale of carbon ceramic brake discs.

As a result of the joint venture agreements finalised in 2009 between Brembo and SGL Group, the company is 50% owned by Brembo S.p.A. and in turn controls 100% of the German company Brembo SGL Carbon Ceramic Brakes GmbH. Both companies carry out design, development, production and sale of braking systems in general, and particularly of OEM carbon ceramic brake discs for top-performance cars, as well as research and development activities

concerning new materials and applications.

Net sales at 30 June 2023 were €48,071 thousand compared to €34,176 thousand for the same period of 2022. Net income for the reporting period was €15,333 thousand compared to a net income of €4,505 thousand for the first half of 2022.

At 30 June 2023, employees numbered 177, increasing by 12 compared to the same date of the previous year.

BREMBO SGL CARBON CERAMIC BRAKES GMBH

Meitingen (Germany)

**Activities: design, development, production and sale of carbon ceramic brake discs.**

The company was formed in 2001. In 2009, in executing the joint venture agreement between Brembo and SGL Group, Brembo SGL Carbon Ceramic Brakes S.p.A. acquired 100% of the company.

Net sales for the first half of 2023 were €93,445 thousand compared to €87,508 thousand for the previous year. At 30 June 2023, net income was €12,340 thousand compared to €13,848 thousand for the same period of the previous year. At 30 June 2023, employees numbered 468, increasing by 43 compared to the same date of the previous year.

PETROCERAMICS S.P.A.

Milan (Italy)

**Activities: research and development of innovative technologies for the production of technical and advanced ceramic materials, geomaterial processing and rock mass characterisation.**

Brembo S.p.A. acquired 20% of this company by subscribing a capital increase in 2006.

Net sales amounted to €958 thousand in the first half of 2023 compared to net sales of €1,290 thousand in the same period of the previous year. The company closed the reporting period with a net loss of €280 thousand compared to a net income of €228 thousand for the same period of 2022.

INFIBRA TECHNOLOGIES S.R.L.

Milan (Italy)

**Activities: development, design, industrialisation, manufacturing, installation and marketing of fibre optic sensors systems.**

In 2020, Brembo acquired a 20% stake in Infibra Technologies S.r.l. for a consideration of €800 thousand. The company is specialised in the development, design, industrialisation, manufacturing, installation and marketing of fibre optic sensors systems and photonic subsystems for sensing and communications. The agreement with the current shareholders envisages Brembo's right to exercise a call option on the remaining 80% interest in the second half of 2024.

Net sales amounted to €152 thousand in the first half of 2023 compared to net sales of €341 thousand in the same period of the previous year. The company closed the reporting period with a net income of €20 thousand compared to €72 thousand for the same period of 2022.

SHANDONG BRGP FRICTION TECHNOLOGY CO. LTD.

Shandong (China)

**Activities: large-scale manufacturing of innovative aftermarket brake pads for the car and commercial vehicle segments.**

On 25 July 2022, Brembo signed a 50/50 Joint Venture agreement with Shandong Gold Phoenix Co. Ltd., a Chinese company listed on Shanghai Stock Exchange, leader in designing, testing, manufacturing and marketing braking system and pads/friction material for the original equipment market and aftermarket. The agreement provides for the formation of the new company — Shandong BRGP Friction Technology Co. Ltd. — that will be fully dedicated to the large-scale manufacturing of innovative aftermarket brake pads for the car and commercial vehicle segments.

In the first half of 2023, net sales amounted to CNY 23,292 thousand (€3,173 thousand), with a net loss of CNY 8,090 thousand (€1,102 thousand).

At 30 June 2023, employees numbered 198.

INVESTMENTS

In the first half of 2023, Brembo's investment management policy continued in line with the guidelines followed to date, with the aim of strengthening the Group's presence not only in Italy, but also at the international level.

Brembo has launched an investment plan of approximately €500 million to consolidate its global industrial footprint, particularly in Mexico, China and Poland, where new plants are expected to be built with a view to digital transformation and sustainability.

In Mexico, Brembo is completing the expansion of its plant specialising in the manufacturing of brake calipers located in Escobedo, in the Nuevo León State. Once fully operational, the plant will enable to double the Group's production capacity in the country.

With regard to China, Brembo's plan calls for the expansion of the brake system manufacturing plant in Nanjing to strengthen its production capacity in the country. The investment also provides for the renewal of the R&D centre within the said site, with the aim of creating an advanced centre supporting the development of the new technologies required by the Chinese market. Works will begin in the second half of 2023 and the project is expected to be completed by the first half of 2025.

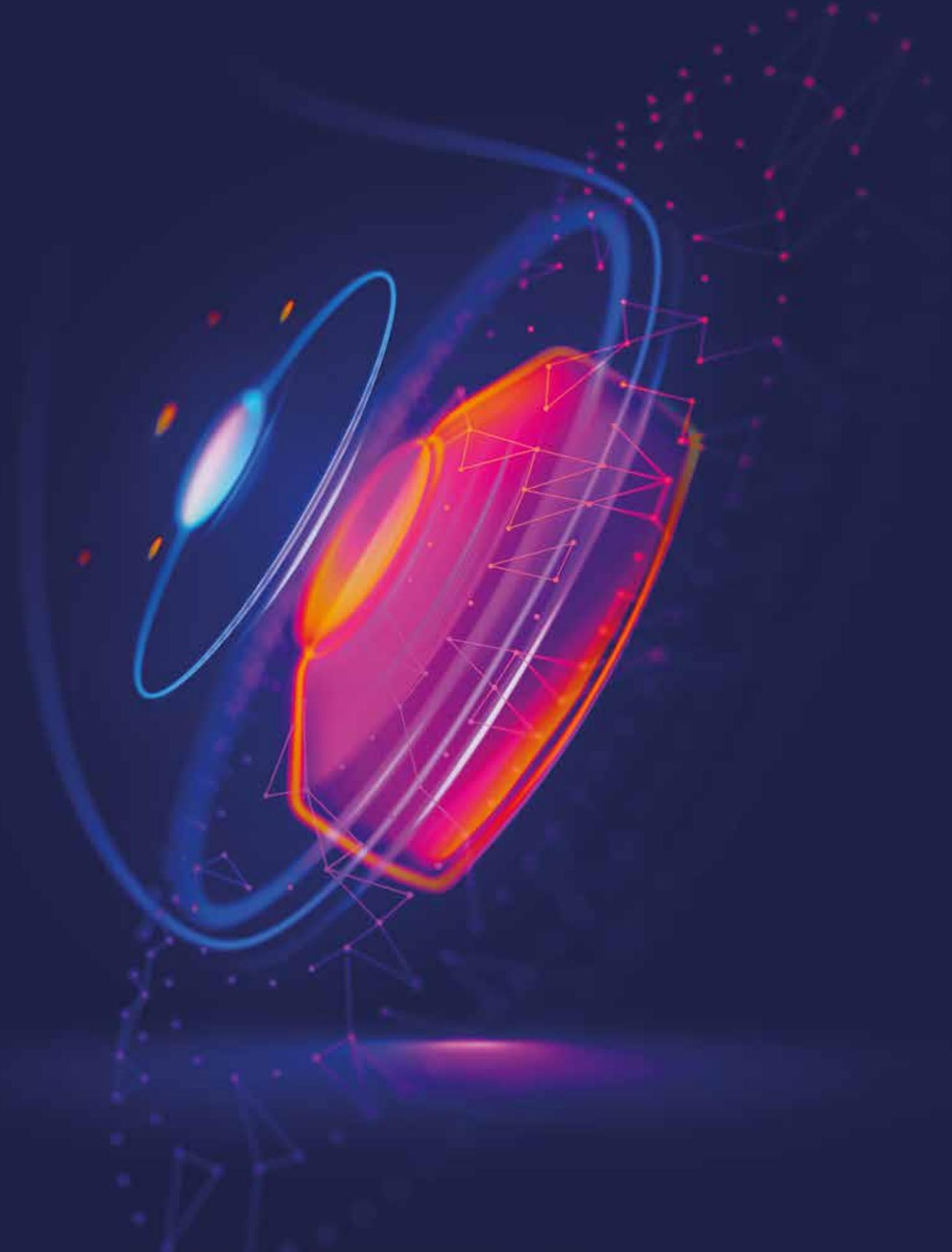
In Poland, Brembo decided to build another cast iron foundry in Dąbrowa Górnicza. The investment will create the Group's most innovative foundry at global level, which will be endowed with cutting-edge technology, also in

terms of sustainability. The first pouring of the foundry is expected in the first half of 2025

These projects are in addition to the already announced acquisition of the Italcementi property at Kilometro Rosso in Stezzano (Bergamo), which will allow Brembo to expand its headquarters in Italy.

The other investments in property, plant and equipment made by the Group primarily related to purchases of plant, machinery and equipment to increase the level of production automation and constantly improve the mix and quality of factories.

Group's total net investments undertaken in the first half of 2023 at all operations amounted to €154,292 thousand, of which €136,411 thousand was invested in property, plant and equipment and €17,881 thousand in intangible assets. The most significant investments were concentrated in North America (37.1%), Italy (28.9%) and Poland (12.5%). With regard to investments in intangible assets, development costs for the first half of 2023 amounted to €12,952 thousand (8.4% of the Group's total net investments). In the same period, increases in leased assets amounted to €10,931 thousand.



RESEARCH AND DEVELOPMENT

Innovation, sustainability and the mobility of the future. Brembo has always been committed to researching and developing cutting-edge technological solutions that not only stand out for their focus on performance, comfort and style, but are also aimed at preserving the environment.

The vehicles of the future are increasingly oriented towards the green model, electrification, overall efficiency and reduced emissions. The focus is on an integrated, complementary brake system in which caliper, disc, pad, suspension and control unit are in synergy with the new vision of mobility, where technology and the environment can coexist in constant equilibrium.

For many years, Brembo has been conducting specific research on mechatronic products, which are increasingly widespread in the automotive sector, thus honing skills that for some time have been applied to systems such as electric parking brakes systems and Sensify™.

After an initial phase of pure research, Brembo is introducing increasingly green products on the market, with a particular focus on carbon neutrality and improvement of the environmental impact of products in use. Since the market requires increasingly shorter time to market, the Group strongly concentrates its efforts and resources on implementing cutting-edge simulation methods, in which new virtual reality and augmented reality technologies are increasingly applied, in addition to designing uniform development processes at Brembo's Technical Centres based in Italy, Poland, Denmark, Spain, the United Kingdom, North America, China and India.

In the first half of 2023, R&D activities mainly focused on the following aspects.

BRAKE DISCS FOR CARS AND COMMERCIAL VEHICLES

In the area of brake discs for cars and commercial vehicles, in the first half of 2023 the strategic priority was the development of solutions to meet the criteria of the new Euro 7 standard.

In fact, in November 2022, the European Commission published the proposal for the new Euro7 standards on pollutant emissions from cars and commercial vehicles, which for the first time also regulates emissions of particulate matter from braking systems. The entry into force of the new standard could take place in July 2025 for all newly approved cars and commercial vehicles and in 2027 for all heavy vehicles.

The Group has been active for years in the development of

solutions for the reduction of particulate emissions from brakes. As early as in 2020 Brembo had presented its Greentive® disc — the result of the experience it had acquired in the field of brake systems, as well as of the know-how and expertise gained through the European LowBraSys project. The Greentive® disc is characterised by an innovative coating applied to the cast-iron braking ring that ensures very low wear and tear, extends disc life and, thanks to the combination with the specifically developed friction material, also reduces particulate emissions during braking, thus limiting the impact on the environment.

Relying on the expertise gained through the Greentive® disc, over the years Brembo has forged ahead with research, development and testing of advanced solutions to be applied to cast-iron discs through the study of materials and the adoption of technologies and surface treatments never used before for brake disc applications.

In the first half of 2023, activities mainly focused on application developments with all the major European market players. Attention was particularly drawn to the product industrialisation phase. In-depth study of the application processes for these unconventional new brake disc technologies has become in fact essential to ensure high quality standards even on high production volumes.

Equally important is Brembo Friction's concurrent development of brake pads that can markedly contribute to creating an ideal combination with the brake disc.

Thinking of the single component — disc or pad — as an independent unit fails to address the problem of emissions in its entirety. The development of a friction module, consisting of disc and pad, designed for each of these new types of disc therefore becomes essential for achieving emission targets without compromising performance, thus managing to offer Brembo customers solutions consistent with the Group's vision and its guidelines: low emissions, high performance and best driving experience.

Considerable attention is being devoted to the new needs of hybrid and electric vehicles, which use regenerative braking and thus introduce new requirements for brake discs, instrumental to solving issues relating to disc resistance to corrosion.

All the new solutions, which aim to reduce environmental impact and improve aesthetics and corrosion resistance, are meeting with strong interest among Brembo's main clients.

In this regard, the development phases with major car manufacturers continued, while in Europe production of discs that will adopt one of these technologies began for a major electrical vehicle manufacturer.

According to precise guidelines applied throughout the automotive sector and all of Brembo's development activities, considerable attention is also paid to new solutions that are able to reduce disc weight: a lower weight translates into a greater driving range for electric vehicles and lower fuel consumption of internal combustion vehicles, and consequently into a reduced environmental impact. This aspect will become even more important due to the entry into force of the new European Regulation setting stricter limits on polluting emissions generated by cars and commercial vehicles.

In car applications, after having worked with a major German customer to develop the concept for the light brake disc installed in its new platform of core vehicles, Brembo will also extend the supply of this product — which enables a reduction in weight of up to 15% compared to a conventional disc due to the combination of two different materials (cast iron for the braking ring and a thin steel laminate for the disc hat) — to a new generation of fully electric vehicles, whose application development phase is underway. The lightweight disc was also successfully developed for other major car manufacturers, which already use it to equip some of their models, attracting the interest of other Brembo customers, especially in the Far East market and among the new players entering the electric vehicle market.

Application development activity on discs for heavy commercial vehicles — a segment which is of particular interest to Brembo — continued with major European clients with solutions aimed at improving performance and reducing weight.

In the second half of 2023, guidelines will also be defined for the development of new products that comply with the requirements for pollutant emissions in transport (Euro 7) that the European Commission will define shortly.

MOTORBIKES

In the first half of 2023, the design strategy activity continued, which, in addition to defining the style of all new motorbike products, aims to increase the ability to meet customer needs through greater product customisation using modular production lines. This strategy is taking shape both with the technical approval of the new top-of-the-line monobloc front caliper and with a new front brake master cylinder for which the design phase is expected to be completed by July 2023.

Thanks to the acquisitions of SBS Friction and the J.Juan Group, the technical skills and research and innovation capabilities of the motorbike team increased, qualifying the GBU as a system supplier for its customers, not only on Brembo's traditional market segments. New European and Indian application projects are thus being developed that will give Brembo the opportunity to increase its footprint in both the thermal engine and electric propulsion scooter market.

The search for new high performance markets in the two-wheel field is focusing on green mobility. After a benchmark activity carried out on competitors' currently mass-produced braking systems, a co-development contract was signed with a first potential customer defining the requirements of a first braking system.

As part of the methodology, the development of a tool for the thermomechanical analysis of stainless steel motorbike discs was completed.

Two digital projects are fully up and running with the aim of reducing the time for designing motorbike brake products and defining their "mission profile". In April 2023, automation was completed on the first motorbike product — a floating caliper — which showed a 25% reduction in design times. This methodology will be extended to the main products within the next two years. With regard to the definition of the "mission profile", the process of receiving and processing data has been defined. This will allow Brembo to have, by the end of 2023, an initial usage profile for the motorbike fleet circulating in Italy. In 2024, data collection will also be extended to Europe and other continents.

Moreover, the product roadmap of the Motorbike GBU has been updated in line with the following three targets: low emissions, high performance and best driving experience. Updates were made taking into account the continuous improvement of existing products, development of new concepts for products in the range and creation of new technologies and products not currently in the portfolio.

RACING

Brembo Performance's activity (Formula 1, Le Mans Hypercar, IRL, Formula E, Super Formula and GT Car) is constantly focused on the following development areas:

- production of carbon/carbon discs and pads at the new factory in Curno for all racing applications;
- search for new solutions in terms of the basic structure of the disc and pad to be used in future automotive and motorbike world championships;
- development of new carbon ceramic discs for extreme road applications for both cars and motorbikes.

The new latest generation carbon/carbon disc and pad have been used since the first Formula 1 race in 2022. Both products have been produced and engineered completely at the new dedicated plant in Curno (Italy), which is able to guarantee performance and production consistency at the highest levels.

Towards the end of the 2022 Formula 1 season, testing took place of the latest version of the carbon/carbon disc with greater mechanical strength, so that it can also be used with drag systems other than the classic Brembo system.

The new Formula 1 cars of 2023 immediately demonstrated that they have higher aerodynamic loads than those of 2022, which brought braking torque levels to values never seen in this championship. This figure, as well as the disc development, represent the starting point in view of the 2024 season, which will see a further increase in cars' braking power.

Starting from July 2023, during race weekends, a Brembo Formula 1 customer will use a new version of the "intelligent" caliper concept with a sophisticated fixing system to obtain an estimate of braking torque.

For years, Brembo has used another type of system capable of processing braking torque starting from the system's friction maps that are regularly provided to Formula 1 teams together with the products. Therefore, this is the first time that the torque braking level obtained from friction maps through virtual sensing is compared with a real torque measurement directly on the car and not only on the Group's dynamic benches.

Innovation activities that are already looking to 2024 have also begun. Brembo is focusing on the introduction of new caliper concepts with amplified force, which are more efficient and lighter than the amplified calipers already used for several years and typical of the racing world, both for cars and motorbikes. Other new products have also been offered to the Formula 1 teams, including electro-hydraulic brake-by-wire systems, made with innovative production technologies.

With regard to carbon ceramic discs intended for road

applications, the validation of the new CCMR-L disc has been completed with an important Brembo customer. This disc features a ceramic layer that has further improved its performance also in terms of running-in. In the next 12 months, production of this type of disc is expected to start for four important customers with the introduction of a new ventilation concept on the front axle to further enhance the ceramic disc characteristics.

For the first time, a customer will use a new brake caliper concept that is being designed at the Curno plant. This new concept will be used on a track car with a carbon/carbon system and on a road car with CCMR-L carbon ceramic disc. Still in the field of carbon ceramic discs, development has begun of a disc — and related system — for motorbike sports applications.

In the second half of 2023, the testing of carbon/carbon and carbon ceramic racing braking systems will continue at a Brembo development partner, with the aim of quantifying their emissions. These are probably the last activities required to achieve the correct scenario with all the information needed to manage future developments in the racing field, as well as on the road application of the CCMR-L carbon ceramic disc.

In the mechatronic and smart systems area, both production and tenders have begun for two new electromechanical brake-by-wire systems to be used in two different championships. In the first of these, Brembo is the exclusive supplier of all 22 participating cars, which for 15 weekends compete with the brake-by-wire systems on the car's front axle. In the other championship, Brembo is the exclusive supplier of a team that also has the latest version of an electromechanical braking system controlled by an electronic control unit, also based on the layout of the vehicle and its regenerative capacity.

The application development of these electromechanical brake-by-wire projects began in 2018 with the introduction of safety concepts already used in Formula 1 and, above all, with the introduction of the 48 Volt power supply on all Brembo systems.

These projects are being currently extended to the motorbike and mechatronic-digital fields and will be destined for normal commercial usage in a time frame of about three years.

Huge effort is being dedicated to the development of the future braking systems to be used on high-performance and racing cars with an electric powertrain, which is therefore no longer based on internal combustion. The Brembo Performance division has analysed the requirements of electric motors and batteries to better integrate them into Brembo's current braking systems and, above all, to define their subsequent developments. Collaboration with universities and dedicated partners are in place for this pro-

ject. The first concept phase involves also the creation of a demonstration prototype at the "wheel corner" level of the regenerative braking system, defined BRB, in the first part of the second half of 2023.

As regards the simulation field, testing is continuing of new calculation methodologies for the structural part and thermal properties of the disc, for the thermoelastic and fatigue calculation, as well as for integrating the calculation within the customer wheel unit — in other words, mechanical and thermal calculations with computational fluid dynamics (CFD) solutions.

Continuing with an internal project of constant fine-tuning on testing benches and in simulations that began some years ago, several testing and simulation methods were refined and further enhanced. Advanced integration of testing and calculation has made it possible, for several years now, to use various virtual sensors obtained through the calculation model and/or models obtained from the database.

The work on integrating experimentation and simulation has also been extended to the production of Formula 1 discs. Brembo is able to couple the discs during the customer delivery stage with specific neural network algorithms, ensuring a more consistent performance when using the system. The Group will complete this activity between the world of simulation and the world of experimentation by integrating tests on customer vehicle simulators and at Milan Polytechnic.

Specific research activities in the mechanical, aeronautical, chemical and electronic/control fields are currently underway with Milan Polytechnic and are an integral part of the developments taking place at Brembo.

FRICITION

The vehicles of the future are increasingly oriented towards the green concept and, consequently, the development of new materials for brake pads has to keep pace with the two current revolutions specifically impacting them: the introduction of hybrid and electric vehicles and the inclusion, for the first time, in the Euro 7 standard also of braking system emissions.

Friction is therefore strategic for electric cars to expand braking materials that allow them to maintain high performance, ensuring braking safety and paying increasing attention to both the aesthetic aspect and component corrosion, without neglecting driving comfort with the absence of noise and vibrations, as well as developing expertise that can also be applied in systems such as the Electric Parking Brake and Sensify™.

On this basis, dedicated work continues on developing a friction material aimed at increasingly innovative discs. In fact, new coatings and treatments require pads designed and produced specifically to reduce PM10 emissions. This development is made possible by the support of cutting-edge internal testing, a top-tier laboratory, and collaboration with university centres. These allow the new approach for obtaining the best results to be defined synergistically, every time, and thus enable the expertise acquired in the field of passenger cars to be extended to commercial vehicles as well.

The AFFIDA project also continued to reduce volatile organic compound (VOC) emissions, with important positive effects for the environment. This is a natural extension of the COBRA project (part of the European Life+ project) which aims to bring to the OE market the innovative technology of organic binders.

All this without neglecting the consolidated expertise on friction materials for the development of pads combined with carbon ceramic discs for high-performance cars, through the subsidiary BSCCB (Brembo SGL Carbon Ceramic Brakes).

The strong collaboration with SBS Friction, a recently acquired company specialised in the development and production of brake pads from sintered and organic materials, allows to expand the range of products and further advance expertise also in the motorbike sector. This is also supported by the recent joint venture with Gold Phoenix that led to the creation of Brembo's first production site entirely dedicated to the large-scale production of innovative brake pads for the aftermarket, thus confirming the Group's intention to continue to consolidate its knowledge and leadership in the brake pad field.

The Life Cycle Assessment study allows the potential impacts on the environment and human health to be quantified, already in the design phase, in terms of resource consumption and CO2 emissions and is guiding the development for a green push in global research. In addition, regarding the carbon neutrality challenge, Brembo is focusing on the use of recyclable and recycled raw materials with a low environmental impact, as well as on the reduction of greenhouse gas generation during the production process. To this end, Brembo Friction avails of data-driven methods capable of optimising the formulations of friction materials and identifying the raw materials that most influence their chemical and physical properties.

Moreover, the integration with the new mechatronic systems thanks to the constant technological evolution in the automotive field has paved the way for the development of a brake pad concept with embedded sensors that aims to make the braking system increasingly integrated within new vehicles.

CAR AND COMMERCIAL VEHICLE SYSTEMS

With regard to Car and Commercial Vehicle Systems, all products are developed in accordance with the Group's vision and pursue the following three guidelines: low emissions, high performance and best driving experience.

The main example of the focus on these three guidelines is Sensify™, the revolutionary Brembo's braking system already presented to the European, Chinese and U.S. press and to be presented to the Japanese press in the third quarter of 2023.

Sensify™ is an ecosystem in which artificial intelligence, software and sensors manage the braking of each wheel independently. The application development and industrialisation phases for Sensify™ are still ongoing, whereas launch into production with the first manufacturers will take place in 2025. Moreover, in keeping with Brembo's strategic priorities, the promotional phase for Sensify™ is fully underway for both Group clients and new players entering the electric vehicles market.

With the Sensify™ ecosystem, individual components undergo important changes: the addition of sensors to brake caliper becomes fundamental and the collection of the resulting data yields an evolution of the entire brake system, which can thus be calibrated to the actual use of the vehicle, with the consequent benefits in terms of weight.

With reference to mechatronics — which is no longer a mere advanced research area, but also an application field — the promotional phase for electric parking brakes, in various configurations, for both cars and commercial vehicles up to 7.5 tonnes, is ongoing.

The guideline referring to low emissions, i.e., aimed at contributing to the reduction of vehicle consumption and the resultant CO₂ and fine particulate emissions through braking systems, requires Brembo to adopt methods designed to minimise caliper mass, while maintaining performance, through the reduction of the residual torque by formulating new characteristics of coupling between seals and pistons, in addition to optimising a pad sliding system based on a new concept.

In addition, again within the low emission guideline, two different recycled aluminium alloys have been developed for the production of brake calipers with the aim of reducing CO₂ emissions during the entire life cycle of the aluminium.

The product and process improvement work is constantly ongoing in the same way as the search for solutions to reduce mass, optimise performance and improve styling. Examples of this are the Dyadema™ caliper, designed with the goal of considerably reducing track operating temperatures, the Flexira™ caliper, developed to meet the needs of several new market segments, and a new type of caliper

conceived using a methodology that allows the mass to be reduced by 5% to 10%, which is scheduled to enter into production by the fourth quarter of 2024.

The development of friction materials also pursues low-emissions and high-performance objectives. In the case of the former, materials paired with coated discs are being developed, whereas, in the case of the latter, materials under development are paired with all types of carbon ceramic discs.

The ongoing evolution of simulation methodologies is focused on aspects linked to brake system comfort and caliper functionality. Brembo's objective is to increase the simulation capacity of the entire braking system, including friction material. From this standpoint, the ability to rely on the know-how and installed capacity within the Brembo Friction project represents a strength for the Group, which can position itself as a supplier of solutions for complete brake systems.

On the other hand, the development of a methodology for simulating caliper functionality is aimed at establishing, during the design stage, the caliper characteristics that influence a constant performance over time, the reduction of the residual torque and the car's pedal feel.

PRODUCT DEVELOPMENT METHODOLOGIES

Digitalisation of the Brembo product life cycle is ensured by the Product Development Methods function that, with the Global Business Units (GBUs) and Global Central Functions (GCFs), provides methodological and operational support for managing data and project flows.

Product Development Methods support and guide the GBUs/GCFs in adopting Product Lifecycle Management (PLM) throughout the phases of product development, seeking to combine the data from the various departments (digital thread) unambiguously and indissolubly, ensuring that it is traceable and distributing it securely to all internal stakeholders.

PLM is used to share design documents, development phases, the various technical bases and CAD drawings employed for numerical simulations. The simultaneous distribution of information through PLM promotes collaborative product development, resulting in reduced project development times.

Particular attention is paid to the development of parametric CAD models shared between multiple business functions to reduce development times and facilitate the parallelisation of design activities and to the reduction of low value-added human operations in traditional, error-prone and non-standardised design phases through the internal

development of automated procedures directly linked to CAD models.

The state of the art of simulation of products and physical processes is constantly monitored — through dialogue with qualified suppliers and participation in conferences and university research projects — both to update the Company's technological and methodological content and to realise virtual models that are increasingly representative of the reality that they seek to reproduce (multiphysics digital twin), thus making them more efficient and predictive.

To this end, particular emphasis is placed on simulation process automation, which translates the routine manual operations performed by simulation analysts into automatic digital flows, with the goal of condensing into procedures the know-how gained in implementing simulations, reducing errors relating to manual performance of such simulations and also making them available to a broader audience.

The adoption of industrial process simulation using the "discrete event" method will also allow the optimisation of time and resources of industrial production flows by acting on the design of production lines within plants.

The most modern additive manufacturing and generative design techniques are also constantly monitored and tested to increase the final innovative content of the product under development.

GLOBAL DATA SCIENCE, AI & HPC

In the first half of 2023 as well, on the basis of the know-how consolidated during the previous three years, the global Data Science, Artificial Intelligence & High Performance Computing team continued its five-year upgrade process. The process focuses on constantly broadening the resources dedicated to achieving the Company's digital transformation through the application of artificial intelligence and machine learning to big data. In addition to the operating unit in the Brembo Inspiration Lab Center of Excellence in Silicon Valley, California, the team now also has a new operating unit in China focused on the on-site collection and analysis of new data sources to feed all Brembo innovation processes. Brembo Inspiration Lab's mission is part of the digital transformation plan. This is an operational and coordinated unit, stemming from the contribution of AI and Data Science, Advanced Product Technologies (in collaboration with the R&D GCF), Process Technologies and Business Development. The team is tasked with researching and executing rapid proofs of concept for new technologies enabling smart mobility, smart products and smart processes, in the infrastructure and in the cloud. This allows the building of relationships dedicated to innovation that offer venture capital and M&A opportunities.

The team carries out, *inter alia*, the following activities:

- developing mobile technologies for gathering data from multiple internal and external sources;
- assembling, analysing and enriching big data through virtual sensing;
- developing inferential and predictive models;
- industrial application of artificial intelligence, with a particular focus on product quality;
- digital automation techniques for office and production processes;
- development of software applications that implement the algorithms and solutions described above;
- development of apps for mobile devices (smartphones) and the related APIs (Application Programming Interfaces);
- construction of a patent portfolio for certifying know-how.

All the solutions developed in this context with a strong "continuous improvement" character are validated by the Group's business and subsequently become part of the Brembo Solutions portfolio, so that they can be offered to the external market in accordance with the "solution provider" mission.

Acting as a competence centre for all GBUs and GCFs, the

team operates within a multi-disciplinary ecosystem that brings together the expertise of Data Scientists, Big Data Engineers, Domain Experts and Project Managers, developed and constantly renewed through an intense internal training programme to ensure the spread of "Data Culture" according to Brembo.

INNOVATION & ADVANCED R&D

Advanced R&D activities constantly monitor the evolution of vehicles, in line with key general trends: electrification and fuel cells, advanced driver assistance systems (ADAS), autonomous driving, low environmental impact, and connectivity. The high level of integration will bring the brake system into dialogue with other vehicle systems, such as electric-drive motors and new suspension/steering concepts. Such integration will allow for increased active safety and the optimisation of functions, such as regenerative braking.

Brembo is continuing to develop and refine the Sensify™ system, whose peculiarity lies in its "decentralised" architecture, in which each wheel side has its own electro-mechanical actuator for generating and controlling the required braking force. This evolution will lead Sensify™ to be increasingly integrated into the vehicle system in accordance with the development of its architecture.

Brembo continued to conduct R&D activities with the aim of constantly seeking out new solutions to apply to brake discs and calipers, in terms of new materials, innovative technologies and mechanical and electronic components. The constant need to reduce product weight is leading the research function to evaluate the use of unconventional materials or treatments, such as technopolymers or reinforced light metal alloys, to produce structural components. This is also necessary to further improve product sustainability, extending ecodesign and life cycle assessment methodologies to new projects and using them as a lever to developments increasingly geared towards sustainability and circularity.

New developments are also taking place in collaboration with universities and international research centres. Developments continued with investees such as Infibra Technologies, a spin-off of the Sant'Anna School of Advanced Studies in Pisa, and PhotonPath, a spin-off from Milan Polytechnic, in the field of development of photonic sensors. This will allow to speed up the study and fine-tuning of new solutions for the digitalisation of braking systems, a path undertaken with the launch of the new Sensify™ intelligent braking system.

The AppLogger project continued, in collaboration with

the Digital & Innovation area. Developed in 2021 and continued throughout 2022, this project led to an application created 100% by Brembo, able to collect braking data in a reliable, constant, continuous and anonymous way, with absolute respect for privacy. After the release in 2022 of a new version that allows data collection in the Brembo cloud, in 2023 the application will be available not only in EU countries, but also to Brembo employees in the rest of the world. The study is also underway of new features (for instance, the activation of personal statistics) that will allow further developments, also with a view to creating internal challenges and reward programmes.

Given the growing importance attached to particulate emissions, Brembo is also working on several fronts to assess the emissions of its braking systems, through special test benches and with various research projects funded at European level.

Some of these projects aim to reduce fine particulate emissions, such as the MODALES project (MODify Drivers' behaviour to Adapt for Lower EmissionS) involving Brembo's as a development partner, whose aim is to understand the variability due to user (driver) behaviour and that due to vehicular emissions from powertrain, brakes and tyres. In addition, this project also aims to modify users' behaviour also through specific training.

The LIFE RE-BREATH project aims instead at demonstrating and measuring the reduction of PM10 emissions related to the braking system of buses, as well as at modelling a concentration map for pollutants emitted by brake wear and a map of the exposure risk to pedestrian health, using two fleets of 10 buses in two European cities, Bergamo and Bratislava, located in regions having the highest declared concentrations of PM (2.5 and 10).

The VERA project intends to develop, optimise and show innovative tailpipe retrofit solutions for particle (sub-23nm) and NO_x emissions from petrol and natural gas road vehicles that travel high mileages within the city (taxis, delivery vans, buses).

The nPETS (nano Particle Emissions from the Transport Sector) project received funding from the European Union's Horizon 2020 in order to understand and mitigate the effects on public health of unregulated nanoparticle emissions. The aim is to evaluate the impact of particles with dimensions below 100nm on humans and animals. The nPETS consortium aims to improve knowledge of exhaust and non-exhaust nanoparticle emissions generated by all modes of transport, their impact on health and, ultimately, how new government policies can reduce these emissions and their impacts.

The amount of particulate matter emitted by the braking system can be measured by performing specific tests, as required by Euro 7 regulations, on test benches that allow the



collection of particles emitted during braking and subsequently analysed in the laboratory. During the second half of 2023, as was the case in the first half of the year, more and more test benches will be equipped with this tools to be fully compliant with the regulations.

With regard to R&D, an activity is currently underway regarding the virtualisation of tests traditionally performed on the vehicle. This increases the efficiency of the development phase, reducing the number of tests performed on the vehicle only to high value added tests, where the driver's actual perception is fundamental. The activities carried out on R&D vehicle simulators are of great support. These

allow different test conditions to be easily recreated by modifying the simulator set-up and providing the user with a similar perception to that experienced on the vehicle.

The first half of 2023 also saw the start of the globalisation of innovation processes at the Brembo Inspiration Lab, with the launch of the new Advanced Technology Center (ATC) in Silicon Valley. Product innovation takes place in the ATC in synergy with the integration of new methodologies and algorithms linked to data science, making use of the research centres, institutions and universities within the local innovation ecosystem.

RISK MANAGEMENT POLICY

Effective risk management is a key factor to protect the Group's value in a historical period featuring great volatility and uncertainty at global level. In particular, within the framework of its Corporate Governance system, Brembo defined an Internal Control and Risk Management System (ICRMS) consistent and compliant with the provisions of Article 6 of the "Internal Control and Risk Management System" of the Corporate Governance Code (2020 edition) and, more generally, with national and international best practices.

The Internal Control and Risk Management System (ICRMS) represents the set of organisational structures, rules and procedures that allows the main business risks within the Group to be identified, measured, managed and monitored, while helping the Company to be run in a manner that is sound, correct and in line with the objectives defined by the Board of Directors, favouring the adoption of informed decisions consistent with the risk profile, as well as dissemination of a proper understanding of risks, lawfulness and corporate values.

The Board of Directors is tasked with defining the general guidelines of the ICRMS, so that the main risks pertaining to Brembo S.p.A. and Group subsidiaries are properly identified, as well as adequately measured, managed and monitored. It shall also set criteria to ensure that such risks are compatible with sound and proper management of the Company. The Board of Directors is aware that the control processes cannot provide absolute assurances that the company objectives will be achieved and the intrinsic risks of business prevented, in particular in a period characterised by strong volatility, uncertainty within the macro-economic context and growing geopolitical risks. However, it believes that the ICRMS may reduce and mitigate the likelihood and impact of risk events associated with human error, wrong decisions, fraud, violations of laws, regulations and company procedures, as well as unexpected events such as, for instance, the conflict in Ukraine in 2022 and previously the global pandemic.

The ICRMS is subject to regular examination and controls, taking account of developments in the Company's operations and reference context, as well as national and international best practices.

The Board of Directors has identified the other main corporate committees/functions relevant for risk management purposes by defining their respective duties and responsibilities within the ICRMS scope. In detail:

- the Audit, Risk & Sustainability Committee, tasked with supporting the Board of Directors on internal control, risk management and sustainability issues;
- the Executive Director in charge of the Internal Control and Risk Management System, tasked with identifying

the main corporate risks by executing risk management guidelines and verifying their adequacy;

- the Head of Risk Management, responsible for supporting the management team in identifying, assessing and mitigating risks relating to the performance of corporate activities, with a view to managing the Company in line with strategic objectives;
- the Managerial Risk Committees, tasked with defining and monitoring risk management plans with respect to company projects and/or specific risks.

Brembo's general risk-management principles and the bodies charged with risk evaluation and monitoring are included in Brembo's Corporate Governance Code (approved on 17 December 2021), under "Policies for the implementation of the Internal Control and Risk Management System", in its latest edition issued at year-end 2021, in the Risk Management Procedure, the Organisational, Management and Control Model (as per Legislative Decree No. 231/2001) and in the reference layout for preparing accounting documents (as per Article 154-bis of TUF), to which the reader is referred. In particular, the new Policies for the implementation of the Internal Control and Risk Management System identify the overall design of Brembo's Internal Control and Risk Management System, taking into account the changes made to Brembo's Corporate Governance Manual, the evolution of Brembo's organisational structure with new second-tier and first-tier control roles, the new company strategy and sustainability goals, changes in the legislative and regulatory framework, as well as international best practices adopted by Brembo.

The Internal Audit function evaluates the effectiveness and efficiency of the overall Internal Control and Risk Management System on a regular basis and reports the results to the Executive Chairman, the Chief Executive Officer, the Board of Statutory Auditors, the Audit, Risk & Sustainability Committee and the Supervisory Committee of Brembo S.p.A. with reference to specific risks connected with compliance with Legislative Decree No. 231/2001. At least on an annual basis, it also reports to the Board of Directors.

The Executive Director in charge of the Internal Control and Risk Management System fully enforces the risk man-

agement guidelines based on principles of prevention, cost effectiveness and continuous improvement, as approved by the Board of Directors. The Chief Executive Officer, in addition to coordinating the risk mitigation actions implemented by the competent management team, has a key role in the management of potential corporate "crisis" events, including for example the global pandemic and most recently the conflict in Ukraine, in relation to which he directly takes on the direction of the Crisis Management Committee, in accordance with the provisions of the company Guidelines for crisis management.

In order to provide the organisation with the instruments for defining the risk categories to which attention should be drawn, starting from risk classes broken down by type, Brembo has developed a model which identifies and classifies risk classes based on the managerial level or corporate function from which they originate or that is responsible for monitoring and managing them.

The list of the main risks and related scenarios regarding the Group is mapped within the ERM (Enterprise Risk Management) risk register, which is updated at least annually together with the register of risks relating to the Environmental, Social and Corporate Governance (ESG) areas. Risks are monitored at regular meetings, where results, opportunities and risks are analysed for the business unit and geographical area in which Brembo operates. At these meetings, further necessary actions are also defined to mitigate new internal or external risks emerged in the performance of corporate activities.

The first-tier risk families in which the risks mapped within the risk register are catalogued are identified on the basis of the Risk Management Procedure and are listed below:

- a) external risks;
- b) strategic risks;
- c) operating risks;
- d) financial risks.

Brembo's top risks for each of the above-mentioned risk families are discussed below. The order in which they are discussed does not imply classification in terms of probability of occurrence or possible impact.

EXTERNAL RISKS

Country Risk

Due to its international footprint and the increasing geopolitical tensions at global level, Brembo is exposed to the Country risk, which is however mitigated by the adoption of a policy of business diversification by product and geographical area, so that the risk can be balanced at Group level.

In order to take possible measures suited to mitigating the potential risks, Brembo constantly monitors the development of political, financial and security risks associated with the countries in which the political and economic context could prove unstable in the future. Examples of this include Taiwan, in the event of a potential escalation of the tension between China and the United States, and the Countries exposed to the possible economic effects arising from the crisis in Ukraine and/or associated with the Covid-19 emergency. With specific regard to risk management and the assessment of the effects associated with the conflict in Ukraine, please refer to the dedicated paragraph.

Risks Associated with Macroeconomic and Demand Changes

In the second half of 2022 and in the first half of 2023, the global economy recorded a level of inflation that had not been seen in 20 years. The International Monetary Fund therefore reviewed the global growth outlook for 2023 downward, with a risk of recession for some EU countries. The automotive market could therefore be negatively impacted by the possible resulting decline in demand. Brembo's focus on the top-premium market and its geographical diversification translate into a lower Group overall exposure to such potentially recessionary effects.

In 2022, the automotive industry, like other sectors, continued to suffer the effects associated with the global microchip shortage, in addition to the effects of the shortage of specific components (such as, for instance, cables) following the conflict in Ukraine. In 2022, demand for the Brembo Group's products was not affected by these issues and there are currently no indicators that support the projection of an increase in the risk associated with a component shortage in 2023.

In order to align its production and sales forecasts and monitor the risks associated with macroeconomic and demand changes, Brembo keeps constant control of its order portfolio, the performance of the automotive market in the various countries in which it operates and the related macroeconomic indicators.

Covid-19 Risk

Brembo has managed carefully developments relating to the spread of the pandemic since its outbreak, establishing a dedicated task force and promptly adopting the necessary measures to prevent, monitor and contain the virus at all of its locations worldwide, with the aim of protecting the health of employees and contractors (rearrangement of production layouts, sanitisation of the premises, personal protective equipment, temperature measurement, heat scans, blood tests, hygiene rules and social distancing, remote working, etc.), while ensuring production continuity as much as possible.

In 2022, although the world had put the pandemic crisis behind it, the Group's facilities in China periodically suffered direct and indirect limitations of their production capacity associated with the lockdowns imposed by the local authorities. Assessments call for a further risk reduction 2023. The situation is however monitored by production managers (at the local and central level), the functions responsible for the safety of personnel and top managers.

STRATEGIC RISKS

Innovation

Brembo is exposed to risks associated with the evolution of technology, in other words, the risk that competing products will be developed that are technically superior because they are built based on innovative technologies and/or more efficient processes. In order to maintain its competitive edge, Brembo invests sizeable resources in R&D, conducting applied and basic research on both existing and newly applied technologies, such as those associated with digital innovation, in addition to mechatronics, including based on the Company's mission. For additional information, see the "Research and Development" section in this Directors' Report on Operations. Product and process innovations — those currently being used, as well as those that may be used for production in the future — are patented to protect the Group's technological leadership. A specific function within the Legal and Corporate Affairs GCF, called IPR – Intellectual Property Rights, is responsible for managing patents and, more generally, all aspects associated with protecting the Group's intellectual property.

Market

Brembo targets the top-end segments of the automotive sector and, in terms of geography, generates most of its sales in Europe, North America and China. In order to reduce the risk of segment/market saturation in the coun-

tries where it operates, the Group has forged ahead with its strategy aimed at geographically diversifying sales and is gradually broadening its product range, also by focusing on the mid-premium segment. In addition, the Group is also developing new solutions and/or services for its customers, in line with its corporate mission statement.

Investments

Investments in certain countries may be influenced by major modifications of the local regulatory framework, which could result in changes in the economic conditions existing at the time of the investment. For this reason, before investing in foreign countries, Brembo assesses the country risk carefully in the short, medium and long term. In general, M&A activities are accurately coordinated in all their aspects in order to mitigate any investment risks. Within the context of this assessment, the risks associated with climate change, such as the physical risks connected with the effects of catastrophic natural events, are also taken into account.

Corporate Social Responsibility

Brembo continues to engage in ongoing development aimed at strengthening its Sustainability Model and fulfilling its legal non-financial disclosure requirements under Legislative Decree No. 254/2016 and periodically updates its ESG risk assessment system, using measurement criteria in line with the Group's risk assessment and management methodologies, among which the following should be highlighted:

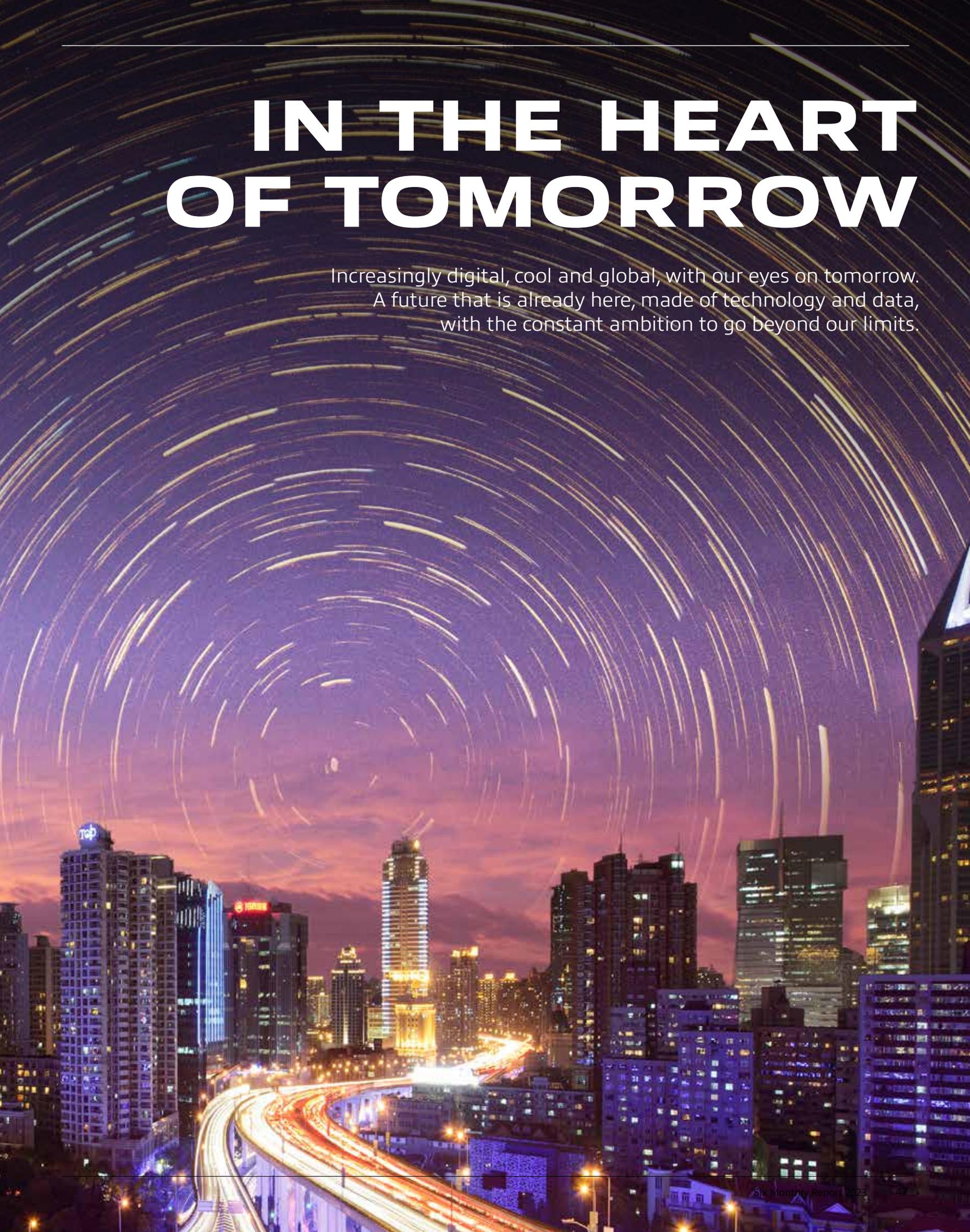
- the use of water resources, which is a risk issue managed at production sites by diversifying supply sources, as well as the risks linked to the pollution of waterbodies due to any contamination;
- health and safety in the workplace, which is a priority, where the relevant risks are assessed and managed by the competent functions, as described in the related chapter;
- the supply chain, which is increasingly global and strategic, and within which suppliers are asked to operate in compliance with the sustainability standards defined by the Group, with particular reference to environment protection and working conditions.

In 2022, Brembo identified the main sustainability topics of its corporate strategy, anticipating the methodology provided for by the Corporate Sustainability Reporting Directive, i.e., taking into account the sustainability risks and opportunities that may have a positive or negative impact on the Company's future cash flows and therefore creating



IN THE HEART OF TOMORROW

Increasingly digital, cool and global, with our eyes on tomorrow.
A future that is already here, made of technology and data,
with the constant ambition to go beyond our limits.



or reducing the company's value in the short, medium and long term, by influencing its development, performance, and positioning. Within this context, Brembo manages and monitors the achievement of the internal sustainability targets and compliance with any regulatory requirements, including for instance the net zero target. For further details, please refer to the latest Consolidated Disclosure of Non-Financial Information (NFI).

Climate Change

Brembo is strongly committed to responding to the challenges posed by climate change to improve the Group's resilience and seize the opportunities arising from the transition to a low-carbon economy. A key element to achieve this objective is the active management of climate-related risks and opportunities and their impacts. In this context, with the help of an external consultant, Brembo conducted a Climate Change Risk Assessment (CCRA) on all relevant business activities and departments, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The project was launched at the end of 2020 and provided the scenario analysis and the qualitative-quantitative assessment of the main risks and opportunities. The updating activity launched in the fourth quarter of 2022 and still ongoing also provides for the preparation of the management model. For further details, please refer to the latest Consolidated Disclosure of Non-Financial Information (NFI).

OPERATING RISKS

The main operating risks inherent in the nature of the business are associated with the supply chain, the unavailability of production facilities, product marketing, IT, issues involving health, job safety and the environment and, to a lesser extent, the regulatory framework of the countries in which the Group operates.

Supply Chain

The main risks associated with the supply chain include dependence on single suppliers, which in the event of disruption of the relevant supply relationships could jeopardise the production process and the ability to fill orders

for clients in a timely manner. In response to this risk, the Purchasing GCF identifies, where possible, alternate suppliers as potential replacements (Supplier Risk Management Program) for goods and services deemed strategic, whereas the Quality GCF monitors and ensures the robustness and stability of the supply chain in providing products that meet the requirements of Brembo and its customers.

The supplier monitoring process has been reinforced for the purpose of prevention, particularly as regards their financial solidity and the availability of production capacity even in the face of sudden demand fluctuations — aspects that, following the pandemic emergency and the conflict in Ukraine, have taken on growing importance. In addition, feasibility analysis activities were intensified to enable adequate management of technical risks from the initial phases of development, thereby ensuring product durability.

In 2022, the unprecedented commodity price increases were partially neutralised by passing such increases on to sales prices and thanks to the solutions indicated in the section on commodities risk.

With regard to risks relating to logistics and associated with the continuity and the prices of transport of raw materials and finished products, Brembo's mitigation actions focus on a strategy for diversifying methods of transport and the relevant operators, in addition to constantly monitoring them.

Business Interruption

Natural or accidental events (e.g., earthquakes or fires), malicious behaviour (e.g., acts of vandalism) or malfunctioning of systems may result in damage to assets, the unavailability of production facilities and discontinuity of operation of such facilities. Brembo therefore reinforced its risk mitigation process, through the planning of loss prevention engineering. The aim of this process was to reduce risk factors in terms of probability of occurrence and to implement protective measures aimed at limiting the impact of this risk and maintaining the operating continuity levels of the Group's production facilities.

Following the outbreak of the conflict in Ukraine, Brembo conducted analyses to assess and mitigate the effects associated with continuity of utility supplies, with particular regard to the supply of gas to its European facilities. This project resulted, for example, in the conversion back from natural gas to LPG of several furnaces installed in various European plants.

Product Quality

Brembo considers the risk relating to the marketing of its products, in terms of their quality, safety and traceability, to be of fundamental importance. The Group has always been committed to mitigating this risk through robust and efficient quality management, both at its own plants and at suppliers. As part of this process, it has instituted a worldwide Supplier Quality Assurance function, specifically dedicated to quality control of components, in addition to constantly optimising prevention activities, such as for instance the Failure Mode & Effect Analysis (FMEA).

In addition, the Quality GCF bears global responsibility for properly managing binding requirements and the safety behaviour of products, with particular regard to the risk of recall from the market, for which specific company procedures have been set up.

Information Technology

Brembo considers the operating continuity of its IT systems to be a significant priority and it has implemented a framework for managing cyber risks aimed at business continuity and the availability, integrity and confidentiality of data, while also ensuring compliance with the European GDPR and the national legislation applicable in the various EU member states. These issues are growing in importance also in light of the start of the Group's smart factory (Industry 4.0) process and the implementation of the strategic pillars associated with the new corporate mission.

In 2020, the Group's three Italian companies were certified according to the ISO 27001 international standard, which sets the requirements and defines the methods for proper, secure management of information within the Company. In 2022, certification was extended to Poland, the Czech Republic and North America. A Security Operations Center (SOC), reporting to the Group's Head of Information Security, was also established to ensure real-time monitoring of cyber events in order to prevent and promptly react to any cyber attacks.

Environment, Safety and Health

The Group's primary risks relating to health, job safety and the environment can be of the following types:

- inadequate protection of employee health and safety, which can lead to serious accidents or work-related illnesses;
- environmental pollution resulting from sources such as uncontrolled emissions, inadequate waste disposal or the spreading of dangerous substances onto the ground;
- partial compliance or non-compliance with laws and

regulations governing the sector, also in light of the changing legal framework of some countries.

The occurrence of these events could result in criminal penalties or pecuniary fines against Brembo, the entity of which could be material in the case of sanctions related to Legislative Decree No. 231/01. Brembo manages this type of risks by carrying out ongoing and systematic evaluations of its exposure to specific risks and reducing or eliminating those considered unacceptable. This procedure is organised within a Management System that covers job health and safety, as well as environmental aspects, and that is compliant with the international ISO 45001 and ISO 14001 standards, respectively, and certified by an independent body.

In summary, although accidents and mistakes can happen, the Group has implemented systematic rules and management procedures that allow it to minimise the number of accidents, as well as the impact they may have. A clear-cut assignment of responsibility at all levels, the presence of independent internal control bodies that report to the Company's highest officers and the application of the highest international management standards are the best way to guarantee the Company's commitment to health, job safety and the environment.

Legal & Compliance

Brembo is exposed to risks arising from the failure to rapidly comply with changing laws and new regulations in the sectors and markets in which it operates. To mitigate this risk, each compliance function stays abreast of the relevant legal and regulatory developments, with the assistance of outside consultants, where necessary, through a constant process of legal and regulatory updates and research.

With reference to the risk of non-compliance with tax laws and regulations, or of operating in conflict with the principles or spirit of the systems in the jurisdictions in which the Group operates, in accordance with the guidelines laid down in the Global Tax Strategy and the Brembo S.p.A.'s Tax Strategy adopted in 2019, Brembo pursues the goal of proactively managing the tax risk by ensuring that such risk is timely recognised, properly measured, monitored and contained through the Tax Control Framework.

In the area of personal data processing compliance risk, the Group is supported by the Data Protection Officer and other dedicated functions, such as the Privacy Supervisory Board and the Privacy Reference Persons identified in sensitive company areas.

Among compliance-related risks, attention should be drawn to the risk associated with breaches of national, in-

ternational and industry regulations, and unethical professional behaviour in breach of the Company's ethics policy that expose it to vicarious administrative liability, in addition to undermining the Group's reputation on the market. The mitigating measures taken by the Group are regarded as sufficient to significantly reduce its exposure to cases of risk and are aimed at ensuring the global spread of a culture of compliance through the establishment of specific principles of ethics and conduct, in addition to constant monitoring of legal changes. For further details, reference should be made to Brembo's Corporate Governance and Ownership Structure Report available on the Group's website (www.brembo.com, section Company, Corporate Governance, Corporate Governance Reports), specifically to the paragraph relating to the 231 Model and other compliance tools.

The application of the provisions and preventive measures continued constantly and successfully, owing in part to the training activity carried out and the progressive monitoring conducted within the framework of ordinary legal activities.

With reference to litigation, the Legal and Corporate Affairs GCF periodically monitors the progress of existing and potential litigations and determines the strategy to be applied and the most appropriate steps to take in managing them, involving specific corporate functions, when needed. The Administration and Finance GCF is responsible for the appropriate checks or assessments related to such risks and their economic effects.

Planning and Reporting

The same ERP (Enterprise Resource Planning) software has been implemented at nearly all Group companies in order to prepare accurate and reliable financial reporting for the Group, while also improving the Internal Control and Risk Management System and the quality, timeliness and comparability of the data provided by the various consolidated companies. It should be noted that, as part of the Digital Transformation Programme, the Group is expected to be gradually migrated to the new ERP IT programme, according to the project timelines centrally defined at global level.

FINANCIAL RISKS

In conducting its business, the Brembo Group is exposed to various financial risks, including market, liquidity and credit risks. Financial risk management is the responsibility of the Parent's Treasury & Credit Department, which, together with the Group's Finance Department, evaluates the main financial transactions and related hedging policies. With regard to the commodity risk management, in light of the high volatility which characterised 2022, in order to optimise risk management strategies and guarantee the stability of the Group's operating and financial results a task force has been established led by the Purchasing function, involving the Treasury Department, the Group Financial Department, the Industrial Operations function and the Business Units.

The various risk management strategies adopted by the Group are illustrated in greater detail here below.

Market Risk

Interest rate risk management

The second half of 2022 and the first half of 2023 were marked by a significant upward trend of the interest rates applied by the various central banks at global level. Since the Group's financial debt is partly subject to variable interest rates, it is exposed to the risk of interest-rate fluctuations. To reduce this risk, the Group has entered into several medium/long-term fixed-rate loan agreements, as well as specific hedging contracts (IRS) which account — including lease liabilities — for approximately 53% of gross financial position.

The objective is to eliminate the variability of the borrowing costs associated with a portion of debt and benefit from sustainable fixed rates. The Group's Central Treasury & Credit Department constantly monitors rate trends in order to evaluate in advance the need for any changes to the financial indebtedness structure.

Exchange rate risk management

Since Brembo operates in international markets, it is exposed to exchange rate risks. To mitigate this risk, the Group uses natural hedging (offsetting receivables and payables) and hedges only net positions in foreign currency, using mostly, and where advisable, forward contracts in order to reduce exchange rate risk exposure.

Commodity Risk

Through a dedicated task force, the Brembo Group closely analyses and monitors the course of the risk associated with fluctuations in the prices of raw materials and commodities, also in light of the fluctuations due to the Russia-Ukraine conflict. In particular, as of 2021 Brembo has undertaken specific financial transactions to hedge against the risk of energy price fluctuation and a financial hedge aimed at mitigating aluminium price fluctuation.

Moreover, it bears recalling that fixed prices are set in supply contracts with certain commodities suppliers for a given period of time and that the contracts in place with the main customers also provide for automatic periodic indexing on the basis of commodities prices. Both these approaches mitigate the risk of fluctuations in commodities prices.

Liquidity Risk

Liquidity risk can arise from Brembo's inability to obtain the financial resources necessary to guarantee its operation. The Central Treasury & Credit Department implements the main measures indicated below in order to minimise such risk:

- it constantly assesses financial requirements to ensure that appropriate measures are taken in a timely manner (obtaining additional credit lines, capital increases, etc.);
- it obtains adequate credit lines;
- it optimises liquidity, where feasible, through cash-pooling arrangements;
- it ensures that the composition of net financial debt is adequate for the investments carried out;
- it ensures a proper balance between short- and medium-/long-term debt.

Credit Risk

Credit risk is the risk that a customer or one of the parties to a financial instrument will cause a financial loss by failing to perform an obligation. Exposure to credit risk arises, in particular, in relation to trade receivables. In this sense, it should be noted that the parties with whom Brembo has commercial dealings are primarily leading car and motorbike makers with a high credit standing. The current mac-

roeconomic context, and in particular the presence of new customers in the electric vehicle sector, has made continuous credit monitoring increasingly important, so that situations where there is a risk of insolvency or late payment with respect to contractual terms can be anticipated.

RISK MANAGEMENT PROCESS: RISK FINANCING

Following on from the above mitigation measures, and in order to minimise the volatility and financial impact of any detrimental event, under its Risk Management Policy, Brembo has provided for the residual risks to be transferred to the insurance market, where insurable.

Brembo's changing needs through the years have been specifically reflected in its personalised insurance coverage, which has been optimised to significantly decrease the Company's exposure to intrinsic risks related to the type of activities carried out by Brembo. Thanks to international programmes, all Brembo Group companies are currently covered against the following key strategic risks: property all risks, general liability, general product liability, product withdrawal/recall and environmental responsibility. Additional coverage has been arranged locally based on the specific requirements of local legislation or collective labour contracts and/or corporate agreements or regulations. Insurance analysis and transfer of the risks to which the Group is exposed are conducted in collaboration with a leading insurance broker, which supports this process with its international organisation and is responsible for the compliance and management of Group insurance programmes at global level.

In the first half of 2023, Brembo set up its own captive reinsurance company Brembo Reinsurance AG based in Zurich, Switzerland, in order to be able to reinsure, starting from the third quarter of 2023, a portion of the risks transferred to the insurance market, such as liability and product withdrawal/recall risks. This transaction, also supported by the expansion of the Brembo Group's business, stems from the strategic need to increase the Group's level of autonomy with respect to insurance market trends, characterised in recent years by a hard market phase that has also pushed other companies, in the automotive and non-automotive sectors, to set up their own captive reinsurance company.

HUMAN RESOURCES AND ORGANISATION

In the first half of 2023, Brembo's organisation, driven by continuous interaction with the external environment, continued to evolve to support the Company's vision and mission, improving effectiveness, efficiency and adaptability to a changing context and stimulating innovation and intragroup cooperation. Together with the adoption of structures, strategies and work systems instrumental for ensuring flexibility and dynamism, Brembo continued to invest in new technologies and solutions to be increasingly competitive.

In January 2023, Brembo Inspiration Lab Corp. USA, the Group's centre of excellence based in Silicon Valley (California, USA) and focused on strengthening the Company's expertise in data science, artificial intelligence and software development, adopted a structure based on three expertise areas.

In the first half of 2023, Brembo launched Brembo Solutions, a brand new unit of the Group that provides clients with digital solutions derived from its direct experience in applying artificial intelligence to the world of industry.

In March 2023, the IT and ICT GCF organisational areas were integrated within the Transformation GCF. Accordingly, the new global organisation of the IT area was set up, consisting of four areas: Regional Business Relationship Management, Global Architecture & Governance, Global Information Security and Global IT Operations.

In light of the increasing complexity of the Motorbike BU, the Motorcycle Operations area revised its organisational structure, creating the Motorcycle Manufacturing Performance & Footprint area.

In addition, given the increasingly strategic nature of the management of environmental and energy issues at a global level, the Environment & Energy area in the Industrial Operations GCF also reorganised its structure.

Numerous training initiatives were provided in the first half of 2023.

The first global project managed in partnership with one of the world's most prestigious business schools is the Learning & Development Program for Brembo Global Executives dedicated to over 30 Group executives recently appointed or newly hired from the external market. The course, structured into three modules, combines skills related to the global scenario of Brembo's reference business — deepening the Solution Provider approach — with managerial and organisational competencies that are fundamental for developing corporate strategies and managing people, as well as for managing complexities and growing challenges. Another international project launched in the first half of 2023 consists of the Regional Training and Development Hubs, which aim to extend guidelines, models and methodologies, tools and corporate training courses to the differ-

ent Regions, ensuring an increasingly global and inclusive dissemination of knowledge and organisational behaviour. The second edition of the Brembo-Global Induction Program (B-GIP) was also organised, dedicated to white-collar and managers hired by the Group in the last six months: a journey into Brembo's organisation and business through the words of GBU and GCF managers.

Regarding blue-worker training, mention should be made of the resumption in May 2023 of the HUB for LifeLong Learning training, with which Brembo brings all Italian personnel to the classroom as part of initiatives for continuous training and periodic refresher activities.

The company also continued its process of certifying Domain Experts: Brembo employees with the critical skills needed to ensure that their knowledge is transferred within the Group through internal teaching and the drafting of specific technical manuals.

Investments also continued in corporate Academies managed by Brembo Academy certified internal teachers and the first Disc Academy programme was launched.

The Culture of Data programme was redesigned to bring the training proposal in line with business needs, segment the programme by learning levels and content complexity and ensure an inclusive approach involving the entire Group.

The projects regarding the three strategic Pillars — Digital, Global and Cool — continued with the involvement of more than 120 staff with a different provenance, gender and professional background in various project activities. Within the Digital Pillar, the Ishango Digital Transformation global programme, launched in 2021, is being implemented. It focuses on the implementation of digital platforms integrated into the existing ecosystem and the adoption of new ways of working and digital solutions. In particular, the Journey 10 People & Change Management saw new releases on the HCM – Human Capital Management system. After the Performance module, which includes performance evaluation and MBO, both the Competence Assessment and Recruiting modules were launched.

In February 2023, the annual Brembo Yearly Review (BYR) processes for all white-collar and managerial staff were launched globally, namely the individual 2022 Performance

Review and the assignment of 2023 performance targets (BYR Goal Plan Setting 2023). In the first half of 2023, the data relating to the Group Talent Portfolio and Succession Planning 2022 were analysed and evaluated, followed by dedicated development plans for the people involved.

The pilot project for the competence assessment process at an Italian plant took place between April and May 2023. This will be followed by individual feedback and the subsequent definition of development actions. This process will then be extended to the other Italian plants and Group plants.

The first half of 2023 also saw the launch of the last step of the global Skill Factory development project in the ICT field, with structured feedback from HR and managers and with the definition of an individual development plan.

The second rotation of the LIFT Program, Brembo's Graduate Program, began in March 2023. The programme pro-

vides for participants to rotate over three different organisational areas and geographies every nine months, for a total of 27 months. In this rotation, half of the participants were allocated to foreign sites.

Also in March, the third edition of the Gen Z Forum project was launched. The Forum is an ideas incubator that makes use of the contribution of the new generations to promote innovation through the birth of ideas to be transformed into business opportunities. With the Gen Z Forum, about 30 selected young people of the Group have the opportunity to dialogue with the CEO and to be "challenged" on the different ideas proposed in dedicated meetings.

As part of its people listening initiatives, in April 2023 Brembo carried out a Pulse Survey on engagement and enablement indices involving the white-collar population of some countries, which will be followed by a second Pulse Survey on other organisational perimeters by the end of 2023.



ANTICIPATING THE FUTURE

An unparalleled personalised driving experience starts with data.
A constant, unstoppable flow that is studied,
understood and transformed, to glimpse into the future.



ENVIRONMENT, SAFETY AND HEALTH

Brembo's commitment to environmental sustainability and safety continues to be an increasingly strategic and essential factor for developing the Group's business.

ENVIRONMENT AND ENERGY

In line with previous years, the first half of 2023 was also marked by Brembo customers' growing interest in ESG matters, which have now become a constant topic that the Group is addressing in accordance with the strategies defined in the past. In addition to the topics on which stakeholders have long been asking Brembo to take concrete action, such as the fight against climate change and the sustainable use of water, new areas of interest are emerging, including the Circular Economy and the understanding and quantification of the environmental impact of products throughout their entire life cycle (LCA).

To achieve the decarbonisation target and become Net-Zero by 2040, the Group has also defined for 2023 the annual targets for reducing its own CO₂ emissions and limiting energy consumption. This last aspect, in addition to supporting emission reduction, has contributed significantly to mitigating the negative consequences for energy costs that have been recorded, especially in Europe, as a result of geopolitical crises.

The main areas of focus with regard to environmental issues for the first half of 2023 are set out below.

Energy Management: in 2023, the energy consumption monitoring platform, which has been operating in Brembo since 2018, will continue to ensure an increasingly widespread continuous control of energy consumption, gradually integrating it with water consumption control.

With regard to energy efficiency, for 2023 the Group has planned the launch of projects to reduce consumption by 2.71%, calculated as the reduction in consumption achieved thanks to energy efficiency projects compared to 2022 consumption.

The energy management system compliant with the ISO 50001 standard continued to be extended. In 2023, this process provides for the certification of eight plants, increasing

the percentage of Brembo Group plants certified to 50%.

Life Cycle Assessment: LCA initiatives continued aimed at understanding the environmental impact of Brembo products throughout their entire life cycle. The work carried out in the first half of 2023 focused mainly on the environmental assessment of soon-to-be-built products that will have better environmental performance than current products as they are designed to meet the new emission requirements imposed by future environmental regulations in the automotive sector.

Circular economy: Brembo has launched a project to measure its business circularity. This project, which will be developed in the second half of 2023, involves the Group's Environment and Energy area and the Research and Development area, and has set itself the following objectives: defining a circularity measurement model consistent with the reference regulations, understanding the current level of circularity, and identifying useful actions to improve circularity.

Sustainability and energy efficiency objectives: sustainability and energy efficiency objectives for 2023 were set at the beginning of the year in order to pursue the Group's medium- and long-term targets; they were established in accordance with the instructions given in the 2015 Paris Agreement on climate. The sustainability goal, calculated as a percent reduction in CO₂ emissions with respect to the 2022 emissions achieved through improvement projects, has been set at 19%. The energy efficiency goal, calculated as a percent reduction in energy consumption compared to 2022 achieved through improvement projects, has been set at 2.71%.

WORKPLACE SAFETY

The first six months of 2023 saw a continuation of the previous year with regard to the activities described below.

WCM (World Class Manufacturing): the process of implementing the WCM programme continued in the first half of 2023. The main activities carried out by the sites concerned the implementation of improvement projects, especially in the model areas, and the analysis of events using a new accident analysis model. Worker engagement was also increased, both through visual tools/signage and through the request for a greater number of near misses, unsafe actions and objective conditions to be reported.

Ergonomics: the first half of 2023 saw the start of the operational training activity on ergonomic analysis methods for Central Technologies and Plant Industrialisation, using the Curno site as a pilot area. The aim is to develop the competencies needed to evaluate and design production lines and workstations, optimising and improving them ergonomically early in the design stages and minimising post-installation improvements, as well as designing lines that satisfy ergonomic criteria fully.

At the same time, Brembo started the experimentation phase on the use of exoskeletons in the plant aimed at alleviating the musculoskeletal load on the operator where, due to product/process constraints, a different process optimisation is not possible.

It is with this vision in mind that Brembo is participating, with other parties, in an investment in Agade, a start-up that is a spin-off from Milan Polytechnic specialised in exoskeleton design. An innovative high-tech start-up founded in 2020, Agade specialises in the design, prototyping, testing, production and marketing of exoskeletons for industrial applications and has already started an experimentation activity with Brembo. The operational phase for use

in the field is scheduled for September 2023, when Agadexo Shoulder will be tested. This is the first semi-active upper-limb exoskeleton capable of assisting operators who perform manual load handling tasks with different weights and sizes. The research and testing activities will also involve other Group Regions (Poland and North America).

Safe Behaviours project: incidents due to unsafe behaviour remain the majority. As a result, this project, aimed to involve site prevention personnel, team leaders, department heads and shift managers — as both observers of the behaviours and “trainers” in the proper behaviours to be adopted —, not only continued in 2023, but was extended to more plants. The audit system developed through the Layered Process Audit project, also aimed at improving behaviours in workplace safety terms, was integrated into the WCM methodology and will be disseminated to all Group sites as the programme is developed. The aim is to identify unsafe actions and objective conditions that are then analysed so as to implement countermeasures aimed at their elimination or reduction.

Communication campaign: in the first half of 2023, work started on the second internal communication campaign focused on workplace health and safety (“I AM SAFETY”/“IO SONO LA SICUREZZA”), resuming the 2018-2019 campaign. The first personnel engagement activities took place at the Italian sites with the aim of raising awareness and collecting contributions from the greatest number of people in order to identify the contents of the second phase of the campaign. Visuals (cubes depicting the main messages collected) were also produced and displayed inside the various factories. The next phase of the campaign will again be based on the results obtained, with the aim of extending it worldwide at a later stage.

RELATED PARTY TRANSACTIONS

In compliance with Consob Regulation introduced with Resolution No. 17221 of 12 March 2010, as amended, Brembo S.p.A. adopted the Related Party Transactions Procedure.

The procedure was approved for the first time by the Board of Directors of Brembo S.p.A. during the meeting held on 12 November 2010, after receiving the favourable opinion of the Audit, Risk & Sustainability Committee, which also acts as Related Party Transactions Committee since it meets the requirements set out by the above-mentioned regulations. Said procedure was constantly updated to comply with the regulatory provisions in force from time to time, as well as with the existing practices. The procedure aims to ensure the full transparency and propriety of Related Party Transactions.

On 10 May 2021, the Board of Directors — after receiving the favourable opinion of the Audit, Risk & Sustainability Committee, which also acts as Related Party Transactions Committee and passed this resolution at the presence of

all its members — approved unanimously the alignment of the Related Party Transaction Procedure with the new provisions regarding related party transactions adopted by Consob with Resolution No. 21624 of 10 December 2020. The updated Procedure, effective 1 July 2021, was published on the Company's website (www.brembo.com, section Company, Corporate Governance, Governance Documents).

Detailed information on the Company's Related Party Transactions is provided in the Explanatory Notes to the Consolidated Six Monthly Financial Report. During the reporting period, no atypical or unusual transactions were carried out with Related Parties. Furthermore, commercial transactions with Related Parties, also other than the Group companies, were carried out at fair market conditions. The financing transactions undertaken during the year with Related Parties are also discussed in Explanatory Notes to the Consolidated Six Monthly Financial Report.

FURTHER INFORMATION

SIGNIFICANT EVENTS DURING THE SIX-MONTH 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 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 its 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 a more solid shareholder base and higher flexibility in pursuing growth opportunities through acquisitions that can be made through the issue of new shares.

No other significant events occurred in the first quarter of 2023.

PLANS FOR THE 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 ses-

sion 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.

Brembo has neither bought back nor sold own shares during the reporting period.

SUBSIDIARIES FORMED UNDER AND GOVERNED BY THE LAW OF COUNTRIES NOT BELONGING TO THE EUROPEAN UNION – OBLIGATIONS UNDER ARTICLES 36 AND 39 OF MARKET REGULATIONS

In accordance with the requirements of Articles 36 and 39 of the Market Regulations (adopted with Consob Resolution No. 16191 of 29 October 2007 and amended with Resolution No. 16530 of 25 June 2008), the Brembo Group identified six subsidiaries based in four countries not belonging to the European Union that are of significant importance, as defined under paragraph 2 of the same Article 36, and therefore fall within the scope of application of the Regulations.

The Brembo Group believes that its current administrative, accounting and reporting systems are adequate to ensure that the Parent's management and auditing firm regularly receive any information regarding Statement of Income, Statement of Financial Position and Cash Flow figures, as necessary for preparing the Consolidated Financial Statements.

For all companies included in the consolidation area, the Parent Brembo S.p.A. already has a copy of the By-laws and the composition and powers of the Corporate Bodies.

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.

SIGNIFICANT EVENTS AFTER 30 JUNE 2023

On 27 July 2023, the Shareholders' Meeting approved 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.

No other significant events occurred after the end of the first half of the year and up to 27 July 2023.



FORESEEABLE EVOLUTION

The orders backlog for the coming months remains robust at global level; barring significant changes in the macro-economic and geopolitical context, for the current year Brembo confirms a revenue growth of about 10%, with percentage margins in line with the previous year.

Stezzano, 27 July 2023

On behalf of the Board of Directors

The Executive Chairman
Matteo Tiraboschi

BREMBO S.P.A. STOCK PERFORMANCE

Brembo's stock closed the first half of 2023 at €13.58, up 30.0% compared to 31 December 2022, reaching its high for the period on 28 February (€14.92) and its low on 2 January 2023 (€10.49).

The FTSE MIB index closed the period on a positive note at 19.1%, whereas the BBG EMEA Automobiles Parts index rose by 14.8%.

The year 2023 is impacted by the central banks' restrictive

policies undertaken to mitigate inflation. Accordingly, real growth projections have been revised downwards for the second half of 2023, forecasting higher recession risks in 2024.

An overview of stock performance of Brembo S.p.A. at 30 June 2023 is given below and compared with that at 31 December 2022.

(EURO THOUSAND)	30.06.2023	31.12.2022
Share capital (euro)	34,727,914	34,727,914
No. of ordinary shares	333,922,250	333,922,250
Equity (excluding net income for the period) (euro)	798,166,304	697,611,430
Net income for the period (euro)	75,389,401	164,919,102
Trading price (euro)		
<i>Minimum</i>	10.49	8.14
<i>Maximum</i>	14.92	13.38
Year-end	13.58	10.45
Market capitalisation (euro million)		
<i>Minimum</i>	3,503	2,718
<i>Maximum</i>	4,982	4,468
Year-end	4,535	3,489
Gross dividend per share	N/A	0.28 (*)

(*) Approved by the General Shareholders' Meeting of 20 April 2023.

Further information and updates regarding stock performance and recent corporate information are provided on Brembo's website: www.brembo.com - Investors section.

Investor Relations Manager: Laura Panseri





Testo intro

A DIFFERENT MINDSET

A combination of lives and journeys, knowledge and culture for ongoing innovation and expansion. It is diversity and contrasts that generate the ability to think outside the box and be bold.



2. CONDENSED CONSOLIDATED SIX MONTHLY FINANCIAL REPORT AT 30 JUNE 2023

CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(EURO THOUSAND)	NOTES	30.06.2023	OF WHICH WITH RELATED PARTIES	31.12.2022	OF WHICH WITH RELATED PARTIES	CHANGE
NON-CURRENT ASSETS						
Property, plant, equipment and other equipment	1	1,222,920		1,125,711		97,209
Right of use assets	1	175,082		242,121		(67,039)
Development costs	2	102,311		101,658		653
Goodwill and other indefinite useful life assets	2	119,974		123,235		(3,261)
Other intangible assets	2	73,414		75,529		(2,115)
Shareholdings valued using the equity method	3	54,988		50,671		4,317
Investments in other companies	4	257,541		228,079		29,462
Derivatives	4	35,497		65,945		(30,448)
Other non-current financial assets	4	2,805		2,734		71
Receivables and other non-current assets	5	18,638		23,791		(5,153)
Deferred tax assets	6	82,934		66,256		16,678
TOTAL NON-CURRENT ASSETS		2,146,104		2,105,730		40,374
CURRENT ASSETS						
Inventories	7	628,371		586,034		42,337
Trade receivables	8	718,582	2,378	594,253	1,706	124,329
Other receivables and current assets	9	126,442		130,345		(3,903)
Derivatives	10	12,971		10,678		2,293
Other current financial assets	10	1,896		1,888		8
Cash and cash equivalents	11	305,745		415,882		(110,137)
TOTAL CURRENT ASSETS		1,794,007		1,739,080		54,927
ASSETS FROM DISCONTINUED OPERATIONS		68		302		(234)
TOTAL ASSETS		3,940,179		3,845,112		95,067

EQUITY AND LIABILITIES

(EURO THOUSAND)	NOTES	30.06.2023	OF WHICH WITH RELATED PARTIES	31.12.2022	OF WHICH WITH RELATED PARTIES	CHANGE
GROUP EQUITY						
Share capital	12	34,728		34,728		0
Other reserves	12	124,255		158,690		(34,435)
Retained earnings/(losses)	12	1,657,704		1,427,630		230,074
Net result for the period	12	167,773		292,833		(125,060)
TOTAL GROUP EQUITY		1,984,460		1,913,881		70,579
TOTAL MINORITY INTERESTS		31,057		33,132		(2,075)
TOTAL EQUITY		2,015,517		1,947,013		68,504
NON-CURRENT LIABILITIES						
Non-current payables to banks	13	425,983		464,526		(38,543)
Long-term lease liabilities	13	152,116		152,985		(869)
Derivatives	13	0		0		0
Other non-current financial liabilities	13	797		1,198		(401)
Other non-current liabilities	14	2,747	125	2,359	105	388
Non-current provisions	15	21,180		23,991		(2,811)
Employee benefits	16	28,636	1,480	24,086	2,822	4,550
Deferred tax liabilities	6	28,956		33,649		(4,693)
TOTAL NON-CURRENT LIABILITIES		660,415		702,794		(42,379)
CURRENT LIABILITIES						
Current payables to banks	13	296,439		241,213		55,226
Short-term lease liabilities	13	21,652		88,211		(66,559)
Derivatives	13	2,708		3,586		(878)
Other current financial liabilities	13	575		601		(26)
Trade payables	17	734,738	15,755	653,162	10,117	81,576
Tax payables	18	15,030		16,128		(1,098)
Current provisions	15	2,181		1,608		573
Contract liabilities	19	61,479		56,547		4,932
Other current liabilities	19	129,445	3,121	134,249	3,726	(4,804)
TOTAL CURRENT LIABILITIES		1,264,247		1,195,305		68,942
TOTAL LIABILITIES		1,924,662		1,898,099		26,563
TOTAL EQUITY AND LIABILITIES		3,940,179		3,845,112		95,067

CONSOLIDATED STATEMENT OF INCOME

(EURO THOUSAND)	NOTES	30.06.2023	OF WHICH WITH RELATED PARTIES	30.06.2022	OF WHICH WITH RELATED PARTIES	CHANGE
Revenue from contracts with customers	20	1,949,875	233	1,746,471	290	203,404
Other revenues and income	21	19,478	2,237	13,872	1,924	5,606
Costs for capitalised internal works	22	12,723		11,343		1,380
Raw materials, consumables and goods	23	(925,092)	(37,094)	(833,325)	(28,198)	(91,767)
Income (expense) from non-financial investments	24	9,412		9,136		276
Other operating costs	25	(386,111)	(6,112)	(340,410)	(6,574)	(45,701)
Personnel expenses	26	(336,248)	(2,979)	(301,749)	(3,001)	(34,499)
GROSS OPERATING INCOME		344,037		305,338		38,699
Depreciation, amortisation and impairment losses	27	(126,124)		(117,826)		(8,298)
NET OPERATING INCOME		217,913		187,512		30,401
<i>Interest income</i>	28	71,945		61,473		10,472
<i>Interest expense</i>	28	(78,593)		(58,540)		(20,053)
Net interest income (expense)	28	(6,648)	81	2,933		(9,581)
Interest income (expense) from investments	29	12,158	12,164	7,804	7,726	4,354
RESULT BEFORE TAXES		223,423		198,249		25,174
Taxes	30	(54,950)		(48,981)		(5,969)
Result from discontinued operations	32	(121)		(150)		29
RESULT BEFORE MINORITY INTERESTS		168,352		149,118		19,234
Minority interests		(579)		(190)		(389)
NET RESULT FOR THE PERIOD		167,773		148,928		18,845
BASIC/DILUTED EARNINGS PER SHARE (euro)	31	0.52		0.46		

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EURO THOUSAND)	30.06.2023	30.06.2022	CHANGE
RESULT BEFORE MINORITY INTERESTS	168,352	149,118	19,234
<i>Other comprehensive income/(losses) that will not be subsequently reclassified to income/(loss) for the period:</i>			
Effect of actuarial income/(loss) on defined benefit plans	(987)	4,641	(5,628)
Tax effect	244	(1,267)	1,511
Effect of actuarial income/(loss) on defined benefit plans, for companies valued using the equity method	4	0	4
Fair value measurement of investments	29,016	(106,632)	135,648
Tax effect	(348)	1,280	(1,628)
Total other comprehensive income/(losses) that will not be subsequently reclassified to income/(loss) for the period	27,929	(101,978)	129,907
<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	(31,264)	49,912	(81,176)
Tax effect	6,083	(4,271)	10,354
Change in translation adjustment reserve	(11,108)	37,307	(48,415)
Total other comprehensive income/(losses) that will be subsequently reclassified to income/(loss) for the period	(36,289)	82,948	(119,237)
COMPREHENSIVE RESULT FOR THE PERIOD	159,992	130,088	29,904
Of which attributable to:			
– Minority Interests	(1,275)	1,099	(2,374)
– the Group	161,267	128,989	32,278

CONSOLIDATED STATEMENT OF CASH FLOWS

(EURO THOUSAND)	30.06.2023	30.06.2022
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	254,013	471,948
Result before taxes	223,423	198,249
Depreciation, amortisation/impairment losses	126,124	117,826
Capital gains/losses	(412)	(616)
Income/expense from investments, net of dividends received	(1,856)	(9,174)
Financial portion of provisions for defined benefits and payables for personnel	217	185
Long-term provisions for employee benefits	5,712	1,601
Other provisions net of utilisations	6,686	21,301
Result from discontinued operations	(121)	(150)
Cash flows generated by operating activities	359,773	329,222
Current taxes paid	(43,457)	(37,366)
Uses of long-term provisions for employee benefits	(2,621)	(2,962)
<i>(Increase) reduction in current assets:</i>		
inventories	(51,273)	(157,880)
financial assets	(71)	(313)
trade receivables	(124,683)	(221,645)
receivables from others and other assets	(13,102)	(10,699)
<i>Increase (reduction) in current liabilities:</i>		
trade payables	81,576	133,519
payables to others and other liabilities	2,299	(22,468)
Translation differences on current assets	(3,929)	7,047
Net cash flows from/(for) operating activities	204,512	16,455
<i>Investments in:</i>		
property, plant and equipment	(136,764)	(96,554)
intangible assets	(17,881)	(16,761)
financial assets	(3,234)	(61)
Price for disposal or reimbursement value of fixed assets	765	1,175
Net cash flows from/(for) investing activities	(157,114)	(112,201)
Dividends paid in the period	(90,117)	(87,139)
Dividend paid to minority shareholders in the period	(800)	(800)
Change in fair value of derivatives	(1,581)	(3,349)
Reimbursement of lease liabilities	(79,270)	(15,356)
Loans and financing granted by banks and other financial institutions in the period	0	123
Repayment of long-term loans and other financing	(41,579)	(119,753)
Net cash flows from/(for) financing activities	(213,347)	(226,274)
Total cash flows	(165,949)	(322,020)
Translation differences on cash and cash equivalents	(656)	(434)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	87,408	149,490

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
Balance at 1 January 2022	34,728	124,093	1,388,238	215,537	1,762,596	33,524	1,796,120
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			3,374		3,374	0	3,374
Fair value measurement of investments			(105,352)		(105,352)	0	(105,352)
Effect of hedge accounting (cash flow hedge) of derivatives		45,641			45,641	0	45,641
Change in translation adjustment reserve		36,398			36,398	909	37,307
Net result for the period				148,928	148,928	190	149,118
Balance at 30 June 2022	34,728	206,132	1,414,347	148,928	1,804,135	33,823	1,837,958
Balance at 1 January 2023	34,728	158,690	1,427,630	292,833	1,913,881	33,132	1,947,013
Allocation of profit for the previous year			202,145	(202,145)	0	0	0
Payment of dividends				(90,688)	(90,688)	(800)	(91,488)
<i>Components of comprehensive income:</i>							
Effect of actuarial income/(loss) on defined benefit plans			(743)		(743)	0	(743)
Effect of actuarial income/(loss) on defined benefit plans, for companies valued using the equity method			4		4	0	4
Fair value measurement of investments			28,668		28,668	0	28,668
Effect of hedge accounting (cash flow hedge) of derivatives		(25,181)			(25,181)	0	(25,181)
Change in translation adjustment reserve		(9,254)			(9,254)	(1,854)	(11,108)
Net result for the period				167,773	167,773	579	168,352
Balance at 30 June 2023	34,728	124,255	1,657,704	167,773	1,984,460	31,057	2,015,517

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED SIX MONTHLY FINANCIAL REPORT AT 30 JUNE 2023

BREMBO'S ACTIVITIES

In the vehicle industry components sector, the Brembo Group is active in the research, design, production, assembly and sale of disc braking systems, wheels and light alloy and metal casting, in addition to mechanical processes in general.

The extensive product range consists of high-performance brake calipers, brake discs, wheel-side modules, complete braking systems and integrated engineering services, supporting the development of new models placed on the market by vehicle manufacturers. Brembo's products and services are used in the automotive industry, for light commercial and heavy industrial vehicles, motorbikes and racing competitions.

Manufacturing plants are located in Italy, Poland (Częstochowa, Dąbrowa Górnicza, Niepołomice), the United Kingdom (Coventry), the Czech Republic (Ostrava-Hrabová), Germany (Meitingen), Denmark (Svendborg), Spain (Barcelona), Mexico (Apodaca and Escobedo), Brazil (Betim), China (Nanjing, Langfang, Jiaying), India (Pune) and the United States (Homer). Other companies located in Spain (Zaragoza), Sweden (Göteborg), Germany (Leinfelden-Echterdingen), China (Qingdao), Japan (Tokyo), the USA (Huntersville) and Russia (Moscow) carry out distribution and sales activities.

FORM AND CONTENT OF THE CONDENSED CONSOLIDATED SIX MONTHLY FINANCIAL REPORT AT 30 JUNE 2023

INTRODUCTION

The Condensed Consolidated Six Monthly Financial Report at 30 June 2023 has been prepared in accordance with Article 154-ter of Legislative Decree No. 58/98 and applicable Consob provisions, as well as the provisions of IAS 34 – *Interim Financial Reporting*, and has been subjected to a limited audit according to the criteria recommended by Consob. In further detail, the Financial Report for the period ended 30 June 2023 has been prepared in condensed form and does not contain all the information and notes required for the consolidated annual financial statements. Consequently, the Report should be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2022.

The Condensed Consolidated Six Monthly Financial Report comprises 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 these Explanatory Notes; it includes the situation at 30 June 2023 of Brembo S.p.A., the Parent, and of the companies controlled by Brembo S.p.A. pursuant to IFRS 10. The Group has prepared the financial statements on the assumption that it will continue as a going concern, in the belief that there is no material uncertainty that might give rise to significant doubt with regard to this assumption. The Directors believe that there is a reasonable expectation that the Group possesses adequate resources to continue to operate in the near future and for a period of no less than 12 months from the reporting date.

On 27 July 2023, the Board of Directors approved the Condensed Consolidated Six Monthly Financial Report and requested that it be made available to the public and Consob, within the terms and according to the procedures provided for by applicable laws and regulations.

BASIS OF PREPARATION AND PRESENTATION

The accounting standards adopted to prepare the Condensed Consolidated Six Monthly Financial Report comply with those used to prepare the Consolidated Financial Statements at 31 December 2022, without prejudice to the adoption of the new standards in effect from 1 January 2023. Their adoption had no impact on the information or the amounts indicated in these Financial Statements. The Group did not opt for early adoption of any standard, interpretation or amendment that has been issued but has not entered into force yet.

IFRS 17 and Amendments to IFRS 17 – Insurance contracts

The objective of the new standard is to ensure that an entity provides relevant information that accurately represents the rights and obligations arising from the insurance contracts issued. To this end, the IASB has developed a standard to eliminate inconsistencies and weaknesses in existing accounting policies, providing a single principle-based approach that takes into account all types of insurance contracts, including the reinsurance contracts held by an insurer. Therefore, under

the new standard, an insurance contract is measured on the basis of a general model or a simplified version of it, called Premium Allocation Approach ("PAA").

The new standard also includes presentation and disclosure requirements to improve comparability between entities belonging to this sector.

The IASB has also published an amendment to IFRS 17 providing for a transition option for comparative information on financial assets presented at the date of initial application of IFRS 17.

Amendments to IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Estimates

The amendments are intended to improve disclosure of the accounting policies applied in order to provide more useful information to investors and other primary users of the financial statements, as well as to help companies distinguish changes in accounting estimates from changes in accounting policies.

Amendments to IAS 12 – Income Taxes – Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction

On 7 May 2021, the IASB published an amendment clarifying how deferred taxes on certain transactions that may give rise to equal amounts of assets and liabilities, such as leases and decommissioning obligations, are to be accounted for.

The Condensed Consolidated Six Monthly Financial Report has been prepared on the basis of the half-yearly financial statements at 30 June 2023 drawn up by the Board of Directors of the relevant consolidated companies.

Due to the type of business, data included in the Condensed Consolidated Six Monthly Financial Report are not influenced by material seasonal or cyclical effects, compared to full year data.

The Condensed Consolidated Six Monthly Financial Report has been prepared in accordance with the general principle of providing a true and fair presentation of the Group's assets and liabilities, financial position, statement of income results and cash flows, based on the following general assumptions: going concern, accrual accounting, consistency of presentation, materiality and aggregation, prohibition of offsetting, and comparative information.

The Condensed Consolidated Six Monthly Financial Report is presented in euro, which is the functional currency of the Parent, Brembo S.p.A., and all amounts are rounded to the nearest thousand unless otherwise indicated.

DISCRETIONARY VALUATIONS AND SIGNIFICANT ACCOUNTING ESTIMATES

Preparing financial statements in compliance with the applicable accounting standards requires management to make estimates that may have a significant effect on the items reported in the accounts. Estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the current circumstances and given the information available at the reporting date. Actual results may differ from these estimates. Estimates and associated assumptions are reviewed on an ongoing basis. Revisions of estimates are recognised in the period in which such estimates are revised. Management's decisions that have a significant impact on the financial statements and estimates, and have a significant risk of material adjustments to the book value of assets and liabilities in the next accounting period, are discussed in the notes to the individual financial statement entries.

The main estimates are used to recognise the capitalisation of development costs, recognition of taxes (including the estimate of any tax liabilities associated with tax litigation, underway or that is likely to occur), impairment of non-financial assets and the actuarial assumptions used in the valuation of defined benefit plans. Other estimates relate to provisions for contingencies, product warranties, inventory obsolescence, useful lives of certain assets, the designation of lease contracts and the determination of the fair value of financial instruments, including derivatives.

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 evaluations necessary to determine net employee benefits are conducted in complete form when preparing the Annual Financial Statements and in simplified form when preparing the Condensed Six Monthly Financial Report.

CONSOLIDATION AREA

The list of consolidated subsidiaries, associates and joint ventures that are accounted for using the equity method, along with information regarding their registered offices and the percentage of share capital held, is included in the paragraph "Information About the Group" of these Explanatory Notes.

Compared to the first half of 2022, the following corporate transactions impacting the Group consolidation area were performed:

- on 25 July 2022, Brembo signed a 50/50 Joint Venture agreement with Shandong Gold Phoenix Co. Ltd., a Chinese company listed on Shanghai Stock Exchange, leader in designing, testing, manufacturing and marketing braking system and pads/friction material for the original equipment market and aftermarket. The agreement provides for the formation of the new company — Shandong BRGP Friction Technology Co. Ltd. — that will be fully dedicated to the large-scale manufacturing of innovative aftermarket brake pads for the car and commercial vehicle segments. As part of the transaction, the two companies will make a total investment of approximately €35 million over the next three years;
- 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 Production Manufacturing Spółka Zo.o. and Brembo 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.

The following table shows the exchange rates used in the translation of six monthly accounting statements denominated in currencies other than the functional one (euro).

EURO AGAINST OTHER CURRENCIES	30.06.2023	2023 AVERAGE	30.06.2022	2022 AVERAGE
US Dollar	1.086600	1.081084	1.038700	1.093973
Japanese Yen	157.160000	145.752715	141.540000	134.298713
Swedish Krona	11.805500	11.331396	10.730000	10.475335
Danish Krone	7.447400	7.446372	7.439200	7.440168
Polish Zloty	4.438800	4.625926	4.690400	4.632870
Czech Koruna	23.742000	23.680077	24.739000	24.636354
Mexican Peso	18.561400	19.655018	20.964100	22.174690
Pound Sterling	0.858280	0.876617	0.858200	0.842186
Brazilian Real	5.278800	5.483318	5.422900	5.557837
Indian Rupee	89.206500	88.877510	82.113000	83.324846
Argentine Peso	278.502200	229.138302	129.898400	122.453854
Chinese Renminbi	7.898300	7.489776	6.962400	7.082728
Russian Rouble	93.873100	83.345435	57.064000	87.167910
Swiss Franc	0.978800	0.985565	0.996000	1.031964

GROUP ACTIVITIES, SEGMENTS AND FURTHER INFORMATION

SEGMENT REPORT

Based on the IFRS 8 definition, an operating segment is a component of an entity:

1. that engages in business activities from which it may earn revenues and incur expenses;
2. whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
3. for which discrete financial information is available.

In light of such definition, the Brembo Group's operating segments are five Global Business Units: Discs, Systems, Motorbikes, Performance Group, Aftermarket.

Each Global Business Unit Director reports to the top management and periodically discusses with them operating activities, financial statements results, forecasts or plans.

The Group thus aggregated the operating segments as follows for the purposes of financial reporting:

1. Discs – Systems – Motorbikes;
2. Aftermarket – Performance Group.

The segments that are included in each aggregate are similar in terms of:

- a) the nature of products (braking systems);
- b) the nature of production processes (melting process, subsequent processing for finishing and assembly);
- c) the type of customers (manufacturers for Group 1 and distributors for Group 2);
- d) the methods used to distribute the products (targeted to manufacturers for Group 1 and through distribution chains for Group 2);
- e) the economic characteristics (gross manufacturing margin percentage for Group 1 and gross operating income for Group 2).

Transfer prices applied to transactions between segments for the exchange of goods and services are settled according to usual market conditions.

In light of the requirements of IFRS 8 in terms of revenues earned from major customers, where a single customer is defined as all companies that belong to a given Group, Brembo had one customer in the first half of 2023 who accounted for over 10% of consolidated net revenues; also considering the individual car manufacturers that compose such groups, only one of them slightly exceeded this threshold.

The following table shows segment information on operating data at 30 June 2023 and 30 June 2022:

(EURO THOUSAND)	TOTAL		DISCS/SYSTEMS/ MOTORBIKES		AFTERMARKET/ PERFORMANCE GROUP		INTERDIVISION		NON-SEGMENT DATA	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Sales	1,986,937	1,766,509	1,682,418	1,499,555	336,895	294,826	(3,252)	(3,005)	(29,124)	(24,867)
Allowances and discounts	(43,912)	(31,989)	(9,354)	(4,407)	(34,557)	(27,582)	0	0	(1)	0
Net sales	1,943,025	1,734,520	1,673,064	1,495,148	302,338	267,244	(3,252)	(3,005)	(29,125)	(24,867)
Transport costs	12,053	15,336	6,958	9,847	5,074	5,475	0	0	21	14
Variable production costs	1,255,240	1,125,357	1,095,129	975,320	190,823	176,995	(3,246)	(2,997)	(27,466)	(23,961)
Contribution margin	675,732	593,827	570,977	509,981	106,441	84,774	(6)	(8)	(1,680)	(920)
Fixed production costs	254,859	234,566	239,498	215,769	14,484	15,226	0	0	877	3,571
Production gross operating income	420,873	359,261	331,479	294,212	91,957	69,548	(6)	(8)	(2,557)	(4,491)
BU personnel costs	126,377	105,984	77,223	64,917	37,781	31,170	(6)	(8)	11,379	9,905
BU gross operating income	294,496	253,277	254,256	229,295	54,176	38,378	0	0	(13,936)	(14,396)
Costs for Central Functions	87,572	80,457	67,056	59,042	9,330	8,418	0	0	11,186	12,997
Operating income (loss)	206,924	172,820	187,200	170,253	44,846	29,960	0	0	(25,122)	(27,393)
Extraordinary costs and revenues	2,686	4,416	0	0	0	0	0	0	2,686	4,416
Financial costs and revenues	4,772	9,954	0	0	0	0	0	0	4,772	9,954
Income (expense) from investments	9,396	9,234	0	0	0	0	0	0	9,396	9,234
Non-operating costs and revenues	(476)	1,675	0	0	0	0	0	0	(476)	1,675
Result before taxes	223,302	198,099	187,200	170,253	44,846	29,960	0	0	(8,744)	(2,114)
Taxes	(54,950)	(48,981)	0	0	0	0	0	0	(54,950)	(48,981)
Result before minority interests	168,352	149,118	187,200	170,253	44,846	29,960	0	0	(63,694)	(51,095)
Minority interests	(579)	(190)	0	0	0	0	0	0	(579)	(190)
Net result	167,773	148,928	187,200	170,253	44,846	29,960	0	0	(64,273)	(51,285)

A reconciliation between the Consolidated Six Monthly Financial Report data and the above operating data is provided below:

(EURO THOUSAND)	30.06.2023	30.06.2022
Revenue from contracts with customers	1,949,875	1,746,471
Scrap sales (in the segment report they are subtracted from "Variable production costs")	(13,988)	(14,739)
Differences between internal and statutory reports relating to developments activities	4,895	1,881
Capital gains on sale of equipment (in the Consolidated Financial Statements they are included in "Other revenues and income")	239	1,040
Effect of adjustment of transactions among consolidated companies	(528)	(38)
Miscellaneous recharges (in the Consolidated Financial Statements they are included in "Other revenues and income")	592	1,221
Other	1,940	(1,316)
Net sales	1,943,025	1,734,520

(EURO THOUSAND)	30.06.2023	30.06.2022
NET OPERATING INCOME	217,913	187,512
Differences between internal and statutory reports relating to developments activities	4,287	1,096
Other differences between internal and statutory reports	(3,792)	(3,812)
Income (expense) from non-financial investments	(9,412)	(9,136)
Claim compensation and subsidies	(2,476)	(3,299)
Capital gains/losses on disposal of assets (in the segment report they are included in "Non-operating costs and revenues")	(341)	(48)
Different classification of banking expenses (in the segment report they are included in "Financial costs and revenues")	719	586
Reclassification of Brembo Argentina	(85)	(51)
Other	111	(28)
OPERATING RESULT	206,924	172,820

The breakdown of Group sales by geographical area of destination and by application is provided in the Directors' Report on Operations.

Segment information on Statement of Financial Position data at 30 June 2023 and 31 December 2022 is provided in the following table:

(EURO THOUSAND)	TOTAL		DISCS/SYSTEMS/ MOTORBIKES		AFTERMARKET/ PERFORMANCE GROUP		INTERDIVISION		NON-SEGMENT DATA	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022
Property, plant and equipment	1,398,002	1,367,832	1,276,654	1,242,819	70,939	76,777	5	5	50,404	48,231
Intangible assets	193,388	198,765	172,172	178,360	19,257	19,056	0	0	1,959	1,349
Financial assets and other non-current assets/liabilities	101,629	90,422	367	369	0	0	0	0	101,262	90,053
Total fixed assets (A)	1,693,019	1,657,019	1,449,193	1,421,548	90,196	95,833	5	5	153,625	139,633
Inventories	630,581	585,573	472,823	424,242	156,804	160,467	0	0	954	864
Current assets	859,097	749,765	602,513	529,383	135,106	80,023	(17,490)	(20,349)	138,968	160,708
Current liabilities	(956,975)	(884,791)	(599,373)	(548,619)	(161,831)	(137,413)	17,490	20,349	(213,261)	(219,108)
Provisions for contingencies and charges and other provisions	(49,817)	(55,047)	(34)	0	0	0	0	0	(49,783)	(55,047)
Net working capital (B)	482,886	395,500	475,929	405,006	130,079	103,077	0	0	(123,122)	(112,583)
NET INVESTED OPERATING CAPITAL (A + B)	2,175,905	2,052,519	1,925,122	1,826,554	220,275	198,910	5	5	30,503	27,050
Extraordinary components	430,468	420,322	0	0	0	0	0	0	430,468	420,322
NET INVESTED CAPITAL	2,606,373	2,472,841	1,925,122	1,826,554	220,275	198,910	5	5	460,971	447,372
Group equity	1,984,460	1,913,881	0	0	0	0	0	0	1,984,460	1,913,881
Minority interests	31,057	33,132	0	0	0	0	0	0	31,057	33,132
Equity (D)	2,015,517	1,947,013	0	0	0	0	0	0	2,015,517	1,947,013
Provisions for employee benefits (E)	28,636	24,086	0	0	0	0	0	0	28,636	24,086
Medium/long-term financial debt	561,526	596,894	0	0	0	0	0	0	561,526	596,894
Short-term financial debt	694	(95,152)	0	0	0	0	0	0	694	(95,152)
Net financial debt (F)	562,220	501,742	0	0	0	0	0	0	562,220	501,742
COVERAGE (D + E + F)	2,606,373	2,472,841	0	0	0	0	0	0	2,606,373	2,472,841

The following should be noted in regard to the non-segment data:

- intangible assets mainly consist of development costs;
- financial assets mainly refer to the value of shareholdings in associates or other companies;
- current assets and liabilities mainly consist of trade receivables and payables;
- provisions for contingencies and charges and other provisions are not allocated.

FINANCIAL RISK MANAGEMENT

The Brembo Group is exposed to market, commodity, liquidity and credit risks, all of which are tied to the use of financial instruments. For a description of each type of risk, the reader is referred to the Consolidated Financial Statements for the year ended 31 December 2022, as no significant changes have occurred in the reporting period.

Financial risk management is the responsibility of the central Treasury & Credit Department of Brembo S.p.A., which, together with the Group Finance Department, evaluates the main financial transactions and related hedging policies.

Fair Value Measurement

With regard to the disclosure on financial risks, the following information is provided:

a) the fair value hierarchy for the Group's assets and liabilities:

(EURO THOUSAND)	30.06.2023				31.12.2022			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Financial assets measured at fair value through profit or loss:								
Current derivatives	0	1,404	0	1,404	0	737	0	737
Hedging derivatives:								
Current derivatives	0	11,567	0	11,567	0	9,941	0	9,941
Non-current derivatives	0	17,369	18,128	35,497	0	21,815	44,130	65,945
Total financial assets measured at fair value	0	30,340	18,128	48,468	0	32,493	44,130	76,623
Financial liabilities measured at fair value:								
Current derivatives	0	(2,708)	0	(2,708)	0	(3,514)	(59)	(3,573)
Hedging derivatives:								
Current derivatives	0	0	0	0	0	(13)	0	(13)
Non-current derivatives	0	0	0	0	0	0	0	0
Total financial liabilities measured at fair value	0	(2,708)	0	(2,708)	0	(3,527)	(59)	(3,586)
Assets (liabilities) for which fair value is indicated:								
Current and non-current payables to banks	0	(526,746)	0	(526,746)	0	(565,002)	0	(565,002)
Current and non-current lease liabilities	0	(173,768)	0	(173,768)	0	(241,196)	0	(241,196)
Other current and non-current financial liabilities	0	(1,372)	0	(1,372)	0	(1,799)	0	(1,799)
Total assets (liabilities) for which fair value is indicated	0	(701,886)	0	(701,886)	0	(807,997)	0	(807,997)

Movements for the period of Level 3 were as follows:

(EURO THOUSAND)	30.06.2023	31.12.2022
Opening value	(59)	130
Movements in Statement of Income – increases/(decreases)	59	(189)
Closing value	0	(59)

- b) a reconciliation between the classes of financial assets and liabilities identified in the Group's Statement of Financial Position and the types of financial assets and liabilities identified based on the requirements of IFRS 7:

(EURO THOUSAND)	30.06.2023	31.12.2022
Financial assets		
Financial assets at fair value through profit or loss		
Other financial assets at fair value through profit or loss	0	0
Current derivatives	1,404	737
Financial assets at amortised cost		
Other non-current receivables	20,179	24,400
Current trade receivables	718,582	594,253
Other current receivables	101,612	80,416
Cash and cash equivalents	305,745	415,882
Financial assets measured at fair value through other comprehensive income (FVOCI)		
Other financial assets at fair value through other comprehensive income	255,958	226,942
Hedging derivatives		
Current derivatives	11,567	9,941
Non-current derivatives	35,497	65,945
Total financial assets	1,450,544	1,418,516
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Current derivatives	(2,708)	(3,573)
Non-current derivatives	0	0
Financial liabilities measured at amortised cost		
Non-current payables to banks and other financial institutions (excluding lease payables)	(426,780)	(465,724)
Other non-current payables	(2,747)	(2,359)
Current payables to banks and other financial institutions (excluding lease payables)	(297,014)	(241,815)
Trade payables	(734,738)	(653,162)
Other current payables	(129,445)	(134,249)
Lease payables		
Long-term lease liabilities	(152,116)	(152,985)
Current lease payables	(21,652)	(88,211)
Hedging derivatives		
Non-current derivatives	0	0
Current derivatives	0	(13)
Total financial liabilities	(1,767,200)	(1,742,091)

The approach used to calculate fair value is the present value of the future cash flows expected to derive from the instrument being measured, determined by discounting the scheduled instalments at a rate equal to the forward rate curve applicable to each account payable. In detail:

- loans and payables to other lenders with a duration of more than 12 months were measured at fair value determined by applying the forward rates curve to the residual duration of the loan;
- receivables, trade payables, held-to-maturity financial assets, payables and receivables to and from banks due within 12 months were measured at their carrying amounts, inasmuch as this is believed to approximate fair values;
- the fair value of derivatives was determined on the basis of valuation techniques that take into account market parameters other than the prices of the financial instrument.

RELATED PARTIES

The Group carries out transactions with parents, subsidiaries, associates, joint ventures, directors, key management personnel and other related parties. The Parent Brembo S.p.A. is a subsidiary of Nuova FourB S.r.l., which holds 53.563% of its share capital. Brembo did not engage in dealings with its parent in the first half of 2023.

Information pertaining to the fees paid to Directors and Statutory Auditors of Brembo S.p.A. and of other Group companies and additional information required is reported below:

(EURO THOUSAND)	30.06.2023		30.06.2022	
	DIRECTORS	AUDITORS	DIRECTORS	AUDITORS
Emoluments and other incentives for the office held	2,808	97	3,275	99
Participation in committees and specific tasks	78	0	78	0
Salaries and other incentives	2,383	0	2,027	0

The item "Salaries and other incentives" includes the estimate of the cost of the 2022-2024 three-year plan reserved for the Company's top managers and accrued in the reporting period, remuneration paid as salaries for the employee function and provisions for bonuses still to be paid.

INFORMATION ABOUT THE GROUP

The key figures of Group companies are commented upon in the sections of the Directors' Report on Operations "Group Structure" and "Performance of Brembo Companies".

COMPANY	HEADQUARTERS		SHARE CAPITAL	STAKE HELD BY GROUP COMPANIES	
Brembo S.p.A.	Curno (Bergamo)	Italy	Eur 34,727,914		
AP Racing Ltd.	Coventry	United Kingdom	Gbp 135,935	100%	Brembo S.p.A.
Brembo Czech S.r.o.	Ostrava-Hrabová	Czech Republic	Czk 605,850,000	100%	Brembo S.p.A.
Brembo Deutschland GmbH	Leinfelden-Echterdingen	Germany	Eur 25,000	100%	Brembo S.p.A.
Brembo Inspiration Lab Corp.	Wilmington, Delaware	USA	Usd 300,000	100%	Brembo S.p.A.
Brembo Japan Co. Ltd.	Tokyo	Japan	Jpy 11,000,000	100%	Brembo S.p.A.
Brembo Nanjing Brake Systems Co. Ltd.	Nanjing	China	Cny 492,030,169	100%	Brembo S.p.A.
Brembo North America Inc.	Wilmington, Delaware	USA	Usd 33,798,805	100%	Brembo S.p.A.
Brembo Poland Spolka Zo.o.	Dąbrowa Górnicza	Poland	Pln 144,879,500	100%	Brembo S.p.A.
Brembo Russia LLC	Moscow	Russia	Rub 1,250,000	100%	Brembo S.p.A.
Brembo Scandinavia A.B.	Göteborg	Sweden	Sek 4,500,000	100%	Brembo S.p.A.
J.Juan S.A.U.	Barcelona	Spain	Eur 150,260	100%	Brembo S.p.A.
La.Cam (Lavorazioni Camune) S.r.l.	Stezzano (Bergamo)	Italy	Eur 100,000	100%	Brembo S.p.A.
Qingdao Brembo Trading Co. Ltd.	Qingdao	China	Cny 1,365,700	100%	Brembo S.p.A.
Brembo Reinsurance AG	Zurich	Switzerland	Eur 3,035,208	100%	Brembo S.p.A.
Brembo Argentina S.A. <i>in dissolution and winding up procedure</i>	Buenos Aires	Argentina	Ars 62,802,000	98.62%	Brembo S.p.A.
				1.38%	Brembo do Brasil Ltda.
Brembo (Nanjing) Automobile Components Co. Ltd.	Nanjing	China	Cny 226,565,500	60%	Brembo S.p.A.
				40%	Brembo Brake India Pvt. Ltd.
SBS Friction A/S	Svendborg	Denmark	Dkk 12,001,000	60%	Brembo S.p.A.
				40%	Brembo Brake India Pvt. Ltd.
Brembo México S.A. de C.V.	Apodaca	Mexico	Usd 20,428,836	49%	Brembo S.p.A.
				51%	Brembo North America Inc.
Brembo Brake India Pvt. Ltd.	Pune	India	Inr 140,000,000	99.99%	Brembo S.p.A.
Brembo do Brasil Ltda.	Betim	Brazil	Brl 159,136,227	99.99%	Brembo S.p.A.
Corporación Upwards '98 (Frenco S.A.)	Zaragoza	Spain	Eur 498,043	68%	Brembo S.p.A.
Brembo Huilian (Langfang) Brake Systems Co. Ltd.	Langfang	China	Cny 170,549,133	66%	Brembo S.p.A.
Brembo SGL Carbon Ceramic Brakes S.p.A.	Stezzano (Bergamo)	Italy	Eur 4,000,000	50%	Brembo S.p.A.
Shandong BRGP Friction Technology Co. Ltd.	Shandong	China	Cny 82,800,000	50%	Brembo S.p.A.
Petroceramics S.p.A.	Milan	Italy	Eur 123,750	20%	Brembo S.p.A.
Infibra Technologies S.r.l.	Pisa	Italy	Eur 53,133	20%	Brembo S.p.A.
AP Racing North America Corp.	Wilmington, Delaware	USA	Usd 300,000	100%	AP Racing Ltd.
Brembo SGL Carbon Ceramic Brakes GmbH	Meitingen	Germany	Eur 25,000	100%	Brembo SGL Carbon Ceramic Brakes S.p.A.
Jiaxing Ciju Control Systems Co. Ltd.	Jiaxing	China	Cny 16,309,640	100%	J.Juan S.A.U.
Brembo Poland Manufacturing Sp. Zo.o.	Dąbrowa Górnicza	Poland	Pln 50,000,000	100%	Brembo Poland Spolka Zo.o.
Brembo Poland Heratech Sp. Zo.o.	Częstochowa	Poland	Pln 5,000	100%	Brembo Poland Spolka Zo.o.

COMMITMENTS

Contractual commitments for investments in property, plant and equipment and intangible assets already entered into with third parties at 30 June 2023 and not yet recognised in the Condensed Consolidated Six Monthly Financial Report amounted to €337 million.

POSITION OR TRANSACTIONS FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

Pursuant to Consob Notice No. 6064293 dated 28 July 2006, it is hereby specified that during the first half of 2023 the Company did not carry out any atypical and/or unusual transactions, as defined by the said Notice.

SIGNIFICANT EVENTS AFTER 30 JUNE 2023

On 27 July 2023, the Shareholders' Meeting approved 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.

No other significant events occurred after the end of the first half of the year and up to 27 July 2023.

ANALYSIS OF EACH ITEM

STATEMENT OF FINANCIAL POSITION

1. PROPERTY, PLANT AND EQUIPMENT

Property, plant, equipment and other equipment

The changes in property, plant and equipment are shown in the table below and described in this section.

(EURO THOUSAND)	LAND	BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL AND COMMERCIAL EQUIPMENT	OTHER ASSETS	ASSETS IN COURSE OF CONSTRUCTION AND PAYMENTS ON ACCOUNT	TOTAL
Historical cost	37,074	450,345	1,625,330	278,172	83,703	78,047	2,552,671
Accumulated depreciation	0	(165,658)	(1,042,425)	(236,991)	(58,937)	0	(1,504,011)
Write-down provision	0	(14)	(1,232)	(18)	(14)	(123)	(1,401)
Balance at 1 January 2022	37,074	284,673	581,673	41,163	24,752	77,924	1,047,259
Changes:							
Translation differences	1,065	9,572	13,641	328	680	2,529	27,815
Reclassification	0	2,039	28,909	2,845	173	(38,609)	(4,643)
Acquisitions	0	1,830	34,525	4,589	1,261	54,349	96,554
Disposals	0	(1)	(267)	(199)	(90)	0	(557)
Depreciation	0	(9,282)	(64,824)	(8,744)	(3,469)	0	(86,319)
Impairment losses	0	0	0	0	2	0	2
Total changes	1,065	4,158	11,984	(1,181)	(1,443)	18,269	32,852
Historical cost	38,139	466,481	1,718,352	284,290	85,083	96,313	2,688,658
Accumulated depreciation	0	(177,636)	(1,123,492)	(244,290)	(61,763)	0	(1,607,181)
Write-down provision	0	(14)	(1,203)	(18)	(11)	(120)	(1,366)
Balance at 30 June 2022	38,139	288,831	593,657	39,982	23,309	96,193	1,080,111
Historical cost	37,789	467,765	1,767,495	298,789	86,515	138,809	2,797,162
Accumulated depreciation	0	(184,504)	(1,168,763)	(252,216)	(63,692)	0	(1,669,175)
Write-down provision	0	0	(2,128)	(18)	(10)	(120)	(2,276)
Balance at 1 January 2023	37,789	283,261	596,604	46,555	22,813	138,689	1,125,711
Changes:							
Translation differences	(227)	(1,003)	(1,869)	294	(917)	(1,206)	(4,928)
Reclassification	0	10,486	19,012	4,063	860	(35,556)	(1,135)
Acquisitions	3,990	4,148	22,260	6,526	1,731	98,109	136,764
Disposals	0	(3)	(199)	(46)	(105)	0	(353)
Reclassification from leased assets to property, plant and equipment	11,052	50,087	0	0	0	0	61,139
Depreciation	0	(9,734)	(68,963)	(9,809)	(3,513)	0	(92,019)
Impairment losses	0	(6)	(1)	0	0	(2,252)	(2,259)
Total changes	14,815	53,975	(29,760)	1,028	(1,944)	59,095	97,209
Historical cost	52,604	531,593	1,801,770	309,790	85,893	197,911	2,979,561
Accumulated depreciation	0	(194,357)	(1,232,935)	(262,189)	(65,014)	0	(1,754,495)
Write-down provision	0	0	(1,991)	(18)	(10)	(127)	(2,146)
Balance at 30 June 2023	52,604	337,236	566,844	47,583	20,869	197,784	1,222,920

In the first half of 2023, investments in tangible fixed assets amounted to €136,764 thousand, including €98,109 thousand in fixed assets in course of construction.

As already noted in the Directors' Report on Operations, the Group continued its international development programme. This involved significant investments in North America, Italy and Poland.

Net disposals amounted to €353 thousand and refer to the normal cycle of machinery replacement, as it becomes unusable in production processes.

Total depreciation charges for the first half of 2023 amounted to €92,019 thousand (€86,319 thousand at 30 June 2022).

Right of use assets

The following table shows the movements in item "Right of use assets":

(EURO THOUSAND)	LAND	BUILDINGS	PLANT AND MACHINERY	OTHER ASSETS	TOTAL
Historical cost	4,970	249,900	441	35,461	290,772
Accumulated depreciation	(450)	(44,479)	(128)	(18,241)	(63,298)
Balance at 1 January 2022	4,520	205,421	313	17,220	227,474
Changes:					
Translation differences	116	4,420	0	62	4,598
New contracts/leases for the period	0	6,791	0	2,003	8,794
Unwinding of lease contract	0	0	0	(2)	(2)
Depreciation	(48)	(9,381)	(68)	(4,050)	(13,547)
Total changes	68	1,830	(68)	(1,987)	(157)
Historical cost	5,100	262,151	441	36,630	304,322
Accumulated depreciation	(512)	(54,900)	(196)	(21,397)	(77,005)
Balance at 30 June 2022	4,588	207,251	245	15,233	227,317
Historical cost	4,862	288,679	441	36,426	330,408
Accumulated depreciation	(533)	(63,877)	(264)	(23,613)	(88,287)
Balance at 1 January 2023	4,329	224,802	177	12,813	242,121
Changes:					
Translation differences	(219)	(838)	1	145	(911)
Reclassification from leased assets to property, plant and equipment	0	(63,672)	0	(6)	(63,678)
New contracts/leases for the period	0	8,681	0	2,250	10,931
Unwinding of lease contract	0	(317)	0	(86)	(403)
Depreciation	(46)	(9,006)	(68)	(3,858)	(12,978)
Total changes	(265)	(65,152)	(67)	(1,555)	(67,039)
Historical cost	4,609	220,336	441	37,108	262,494
Accumulated depreciation	(545)	(60,686)	(331)	(25,850)	(87,412)
Balance at 30 June 2023	4,064	159,650	110	11,258	175,082

The item "Reclassification from leased assets to property, plant and equipment" refers to the acquisition by Brembo México S.A. de C.V. of two buildings dedicated to the casting, processing and assembly of braking systems for cars and commercial vehicles. Note 13 provides information on the Group's financial commitment with respect to leased assets.

2. INTANGIBLE ASSETS (DEVELOPMENT COSTS, GOODWILL AND OTHER INTANGIBLE ASSETS)

Development costs, goodwill and other intangible assets

The changes in this item are shown in the table below and described in this section.

(EURO THOUSAND)	DEVELOPMENT COSTS	GOODWILL (A)	INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (B)	SUB-TOTAL (A + B)	INDUSTRIAL PATENTS AND SIMILAR RIGHTS (C)	OTHER INTANGIBLE ASSETS (D)	TOTAL OTHER INTANGIBLE ASSETS (C + D)	TOTAL
Historical cost	262,828	119,771	11,342	131,113	46,328	182,200	228,528	622,469
Accumulated amortisation	(156,264)	0	0	0	(34,119)	(114,405)	(148,524)	(304,788)
Write-down provision	(5,435)	(12,335)	(3)	(12,338)	(2,589)	0	(2,589)	(20,362)
Balance at 1 January 2022	101,129	107,436	11,339	118,775	9,620	67,795	77,415	297,319
Changes:								
Translation differences	907	2,974	13	2,987	(15)	1,067	1,052	4,946
Reclassification	0	0	0	0	781	491	1,272	1,272
Acquisitions	11,505	0	0	0	518	4,738	5,256	16,761
Amortisation	(10,287)	0	0	0	(925)	(6,480)	(7,405)	(17,692)
Impairment losses	(270)	0	0	0	0	0	0	(270)
Total changes	1,855	2,974	13	2,987	359	(184)	175	5,017
Historical cost	276,578	122,488	11,354	133,842	47,567	189,818	237,385	647,805
Accumulated amortisation	(167,889)	0	0	0	(34,999)	(122,207)	(157,206)	(325,095)
Write-down provision	(5,705)	(12,078)	(2)	(12,080)	(2,589)	0	(2,589)	(20,374)
Balance at 30 June 2022	102,984	110,410	11,352	121,762	9,979	67,611	77,590	302,336
Historical cost	287,214	123,591	11,332	134,923	48,591	193,028	241,619	663,756
Accumulated amortisation	(178,967)	0	0	0	(36,047)	(127,454)	(163,501)	(342,468)
Write-down provision	(6,589)	(11,686)	(2)	(11,688)	(2,589)	0	(2,589)	(20,866)
Balance at 1 January 2023	101,658	111,905	11,330	123,235	9,955	65,574	75,529	300,422
Changes:								
Translation differences	(184)	(3,232)	(29)	(3,261)	33	(1,379)	(1,346)	(4,791)
Reclassification	0	0	0	0	469	586	1,055	1,055
Acquisitions	12,952	0	0	0	453	4,476	4,929	17,881
Amortisation	(10,218)	0	0	0	(1,068)	(5,685)	(6,753)	(16,971)
Impairment losses	(1,897)	0	0	0	0	0	0	(1,897)
Total changes	653	(3,232)	(29)	(3,261)	(113)	(2,002)	(2,115)	(4,723)
Historical cost	299,612	120,749	11,303	132,052	49,697	195,322	245,019	676,683
Accumulated amortisation	(188,816)	0	0	0	(37,266)	(131,750)	(169,016)	(357,832)
Write-down provision	(8,485)	(12,076)	(2)	(12,078)	(2,589)	0	(2,589)	(23,152)
Balance at 30 June 2023	102,311	108,673	11,301	119,974	9,842	63,572	73,414	295,699

Development costs

The item "Development costs" includes costs for development, internal and external, for a gross historical cost of €299,612 thousand. They refer to development projects — of which the Group regularly monitors the progress and profitability perspectives —, agreed upon with end customers and confirmed, that at the reporting date have neither been suspended or cancelled. During the reporting period, this item changed due to higher costs incurred in the first half of 2023 for development orders received both during the half-year period and in previous periods, for which additional development costs were incurred; amortisation amounting to €10,218 thousand was recognised for development costs associated with orders regarding products that have already entered production.

The gross amount includes development activities for projects underway totalling €46,363 thousand. The total amount of costs for capitalised internal works charged to the Statement of Income in the item "Costs for capitalised internal works" in the reporting period amounted to €12,723 thousand (first half of 2022: €11,343 thousand).

Impairment losses totalled €1,897 thousand (€270 thousand in the first half of 2022) and are recognised in the Statement of Income under "Amortisation, depreciation and impairment losses." Impairment losses refer to development costs incurred mainly by the Parent, Brembo S.p.A., in relation to projects that, consistent with the desire of the customer or Brembo, were not completed or underwent changes in terms of their end destination.

Goodwill

The item "Goodwill" arose from the following business combinations:

(EURO THOUSAND)	30.06.2023	31.12.2022
Discs - Systems - Motorbikes:		
Brembo North America Inc. (Hayes Lemmerz)	15,709	16,003
Brembo México S.A. de C.V. (Hayes Lemmerz)	956	974
Brembo Nanjing Brake Systems Co. Ltd.	886	951
Brembo Brake India Pvt. Ltd.	7,382	7,468
Brembo Huilian (Langfang) Brake Systems Co. Ltd.	42,625	45,754
SBS Friction A/S	20,719	20,749
J.Juan group	6,296	6,296
After Market - Performance Group:		
Corporación Upwards '98 (Frenco S.A.)	2,006	2,006
AP Racing Ltd.	12,094	11,704
Total	108,673	111,905

The change compared to 31 December 2022 was attributable to the change in consolidation differences.

CGUs are typically identified as the business being acquired and therefore tested for impairment. If the asset being tested for impairment refers to businesses operating in multiple business lines, it is attributed to all business lines in existence at the date of acquisition; this approach is consistent with valuations carried out at the acquisition date, which are typically based on the estimated recoverable amount of the entire investment.

Intangible assets with indefinite useful lives

This item includes €1,030 thousand related to the Villar trademark, owned by the subsidiary Corporación Upwards '98 S.A., €1,318 thousand for the SBS Friction trademark, €8,585 thousand for the J.Juan trademark and €368 for the trademark LF of Brembo Huilian (Langfang) Brake Systems Co. Ltd.

Impairment test

The Group conducts an impairment test at year-end and whenever there are indicators of impairment losses. The Group's impairment test on goodwill and intangible assets with indefinite useful lives is based on value in use; the key assumptions used to determine the recoverable amount of invested capital for the various CGUs have been set out in the Consolidated Financial Statements for the year ended 31 December 2022.

Among the various indicators of impairment losses, the Group considers the relationship between its market capitalisation and equity, which at 30 June 2023 did not show any indicators of impairment losses. In the first half of 2023, no external indicators emerged other than those identified at the end of the previous year.

With regard to the identification of internal indicators, an internal impairment indicator was considered to be the occurrence of a simultaneous deterioration in both the final results for the first six months of 2023 compared to the budget and the annual 5+7 forecasts compared to the 2023 budget.

The Group assessed the performance of the CGUs that showed internal impairment loss indicators using the 2023 5+7 forecast data and the 2024-2026 Plan approved by the Board of Directors on 22 June 2023, updating the estimate of the Group discount rate (Group WACC) to 9.55% (9.15% in 2022) and maintaining the growth rate (g-rate), used to determine the terminal value, at 1.5% without the need to make any write-down.

After carrying out the base tests, starting from the calculation for each CGU subject to impairment, sensitivity analyses were performed, varying the WACC from 9.55% to 10.55% and the growth rate from 1.5% to 1% without any CGU having to be subject to write-down.

In addition, the Group introduced an additional sensitivity scenario on cash flows at consolidated level to reflect its carbon neutrality goals. Accordingly, cash outflows were simulated, both during the explicit period and in the estimate of terminal value, which simulate the cost of neutralising CO₂ emissions (Scope 1 and Scope 2) on the basis of the market values that would be incurred to neutralise them. The result of the analysis showed no impairment of the assets recognised in the financial statements.

Other intangible assets

Acquisitions recognised under "Other intangible assets" totalled €4,929 thousand and refer for €453 thousand to the filing of specific patents and trademarks, and for the remaining amount mainly to the share of the investment for the reporting year associated with the development of the Group's Digital Transformation plan.

3. SHAREHOLDINGS VALUED USING THE EQUITY METHOD (ASSOCIATES AND JOINT VENTURES)

This item includes the amounts attributable to the Group related to the shareholdings valued using the equity method. The following table shows all relevant movements:

(EURO THOUSAND)	31.12.2022	ACQUISITIONS AND NEW SHAREHOLDINGS	EXCHANGE RATE FLUCTUATIONS	WRITE-UPS/ WRITE-DOWNS	DIVIDENDS	OTHER CHANGES	30.06.2023
Brembo SGL Carbon Ceramic Brakes group	45,823	0	0	9,952	(7,500)	4	48,279
Shandong BRGP Friction Technology Co. Ltd.	2,801	2,788	(331)	(540)	0	0	4,718
Petroceramics S.p.A.	1,243	0	0	(20)	(40)	0	1,183
Infibra Technologies S.r.l.	804	0	0	4	0	0	808
Total	50,671	2,788	(331)	9,396	(7,540)	4	54,988

It should be noted that the impact on the Statement of Income of valuation of shareholdings using the equity method is classified in two items: "Income (expense) from non-financial investments", attributable to the effects of the valuation using the equity method of the BSCCB Group and the company Shandong BRGP Friction Technology Co. Ltd., and "Interest income (expense) from investments", attributable to the valuation of associates using the equity method.

The investment in Brembo SGL Carbon Ceramic Brakes S.p.A. was written up by €9,952 thousand, mainly to account for net income for the period.

4. INVESTMENTS IN OTHER COMPANIES, DERIVATIVES AND OTHER FINANCIAL ASSETS

This item is broken down as follows:

(EURO THOUSAND)	30.06.2023	31.12.2022
Investments in other companies measured at fair value	255,958	226,942
Investments in other companies measured at cost	1,583	1,137
Derivatives measured at fair value	35,497	65,945
Other securities	445	436
Other	2,360	2,298
Other	295,843	296,758

The item "Investments in other companies measured at fair value" consisted of the fair value of the 2.35% interest held in E-Novia S.p.A. for €3,519 thousand and of the 5.58% interest held in Pirelli S.p.A. amounting to €252,439 thousand. At 30 June 2023, the measurement of the interest in Pirelli S.p.A. at fair value resulted in a €29,016 increase in its value and in the Group equity compared to 31 December 2022 (due to the change in the market price of the stock from €4.004 to €4.524). In accordance with IFRS 9, changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

"Investments in other companies measured at cost" includes the 10% interest in International Sport Automobile S.à.r.l. and the 1.20% interest in Fuji Co. The change of €446 thousand on 31 December 2022 was attributable to the Parent's interest in consortium funds intended for research.

The item "Derivatives" refers for €18,128 thousand to the fair value of derivative assets relating to a specific financial transaction hedging against the risk of fluctuation in the electricity price undertaken in 2021 and for €17,369 thousand to the non-current portion of the fair value of two IRSs entered into directly by the Parent Brembo S.p.A., for a remaining notional amount of €100 million and €200 million, respectively, at 30 June 2023, hedging the change in interest rate risk associated with a specific outstanding loan. These IRSs fall within the requirements set forth in the accounting standards relating to hedge accounting (cash flow hedge). The change in fair value compared to 31 December 2022 was recognised as a component of comprehensive income, net of the tax effect, given that the hedge is fully effective.

"Other" includes interest-free security deposits for utilities and car rental agreements.

5. RECEIVABLES AND OTHER NON-CURRENT ASSETS

This item is broken down as follows:

(EURO THOUSAND)	30.06.2023	31.12.2022
Other non-current assets	15,757	20,496
Income tax receivables	2,847	3,261
Non-income tax receivables	34	34
Total	18,638	23,791

The item "Other non-current assets" mainly includes the amounts related to contributions towards clients for the acquisition of long-term exclusive supply arrangements, which were subsequently released to the Statement of Income in accordance with the supply schedule for the clients.

Income tax receivables mainly refer to tax credits that can be used beyond one year, granted on the purchase of new property, plant and equipment, and other tax credits for which refunds have been requested.

6. DEFERRED TAX ASSETS AND LIABILITIES

The net balance of deferred tax assets and liabilities at 30 June 2023 is broken down as follows:

(EURO THOUSAND)	30.06.2023	31.12.2022
Deferred tax assets	82,934	66,256
Deferred tax liabilities	(28,956)	(33,649)
Total	53,978	32,607

Deferred tax assets and liabilities were generated mainly due to temporary differences for capital gains with deferred taxation, other income items subject to future deductions or taxation, prior years' tax losses and other consolidation adjustments.

Movements for the period are reported in the following table:

(EURO THOUSAND)	30.06.2023	30.06.2022
Balance at beginning of period	32,607	33,460
Deferred tax liabilities generated	1,787	(2,588)
Deferred tax assets generated	14,879	15,107
Use of deferred tax assets and liabilities	(503)	(6,779)
Exchange rate fluctuations	(771)	287
Reclassification	0	95
Other movements	5,979	(4,221)
Balance at end of period	53,978	35,361

It should also be noted that:

- unrecognised deferred tax assets of Brembo do Brasil Ltda. — calculated on prior years' losses (BRL 90.40 million) eligible to be unlimitedly carried forward — amounted to BRL 30.70 million, whereas recognised deferred tax assets

amounted to BRL 10.1 million;

- unrecognised deferred tax assets of J.Juan S.A.U. — calculated on prior years' losses (€1,447 thousand) eligible to be unlimitedly carried forward — amounted to €362 thousand;
- Brembo Czech Sro. has three tax incentive plans, one of CZK 133.1 million (expiring in 2026), one of CZK 63.8 million (expiring in 2029) and another of CZK 367.0 million (expiring in 2031), on which the company did not recognise any deferred tax assets. In addition, the Company also recognised deferred tax assets on prior years' losses amounting to CZK 192.9 million.

7. INVENTORIES

A breakdown of net inventories, which are stated net of the inventory write-down provision, is shown below:

(EURO THOUSAND)	30.06.2023	31.12.2022
Raw materials	253,368	236,272
Work in progress	142,744	115,164
Finished products	200,608	195,870
Goods in transit	31,651	38,728
Total	628,371	586,034

The change compared to 31 December 2022 was attributable to the higher cost of raw materials and greater volumes, as well as to a policy aimed at increasing the supply of inventories in order to tackle any supply chain-related risks.

Movements in the inventory write-down provision are reported in the following table:

(EURO THOUSAND)	30.06.2023	30.06.2022
Balance at beginning of period	77,073	67,032
Provisions	13,260	11,253
Use/Release	(4,748)	(1,926)
Exchange rate fluctuations	419	277
Reclassification	5	0
Balance at end of period	86,009	76,636

The inventory write-down provision is determined in order to align the cost of inventories to their estimated realisable value; the provision increased due to higher depreciation calculated on obsolete goods as a result of faster renewal of product ranges.

8. TRADE RECEIVABLES

At 30 June 2023, the balance of trade receivables compared to the end of the previous year was as follows:

(EURO THOUSAND)	30.06.2023	31.12.2022
Accounts receivable from customers	716,211	592,558
Receivables from associates and joint ventures	2,371	1,695
Total	718,582	594,253

The increase in trade receivables is mainly due to higher sales volumes and, partly, to higher receivables past due within 15 days, which in any case did not entail any criticality.

The bad debt risk is not concentrated in any one area, as the Group has a client portfolio spread across the various geographical areas in which it operates. In this regard, the customers' risk profile is substantially unchanged compared to that assessed in the previous year.

Account receivables from customers are recognised net of the provision for bad debts, which amounted to €7,639 thousand. Movements in the provision for bad debts are shown below:

(EURO THOUSAND)	30.06.2023	30.06.2022
Balance at beginning of period	7,285	5,805
Provisions	802	997
Use/Release	(492)	(87)
Exchange rate fluctuations	44	38
Balance at end of period	7,639	6,753

The Brembo Group's maximum credit risk exposure is the book value of the gross financial assets recognised in the financial statements, net of any amounts offset in accordance with IAS 32 and any impairment losses recognised in accordance with IFRS 9. It bears noting that Brembo has no credit insurance contracts as its credit risk is modest since its main business partners are leading car and motorbike manufacturers with high credit standing.

9. OTHER RECEIVABLES AND CURRENT ASSETS

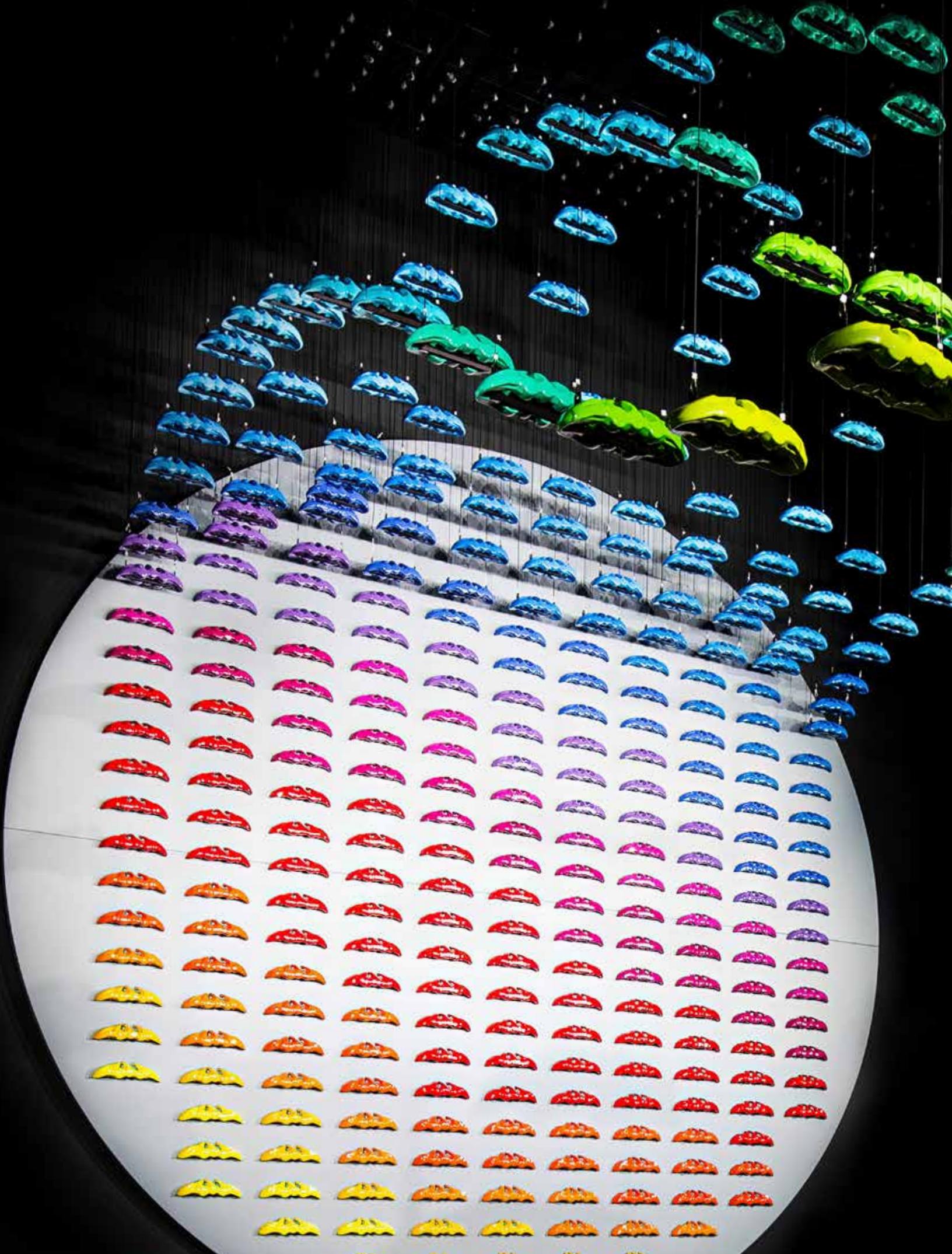
This item is broken down as follows:

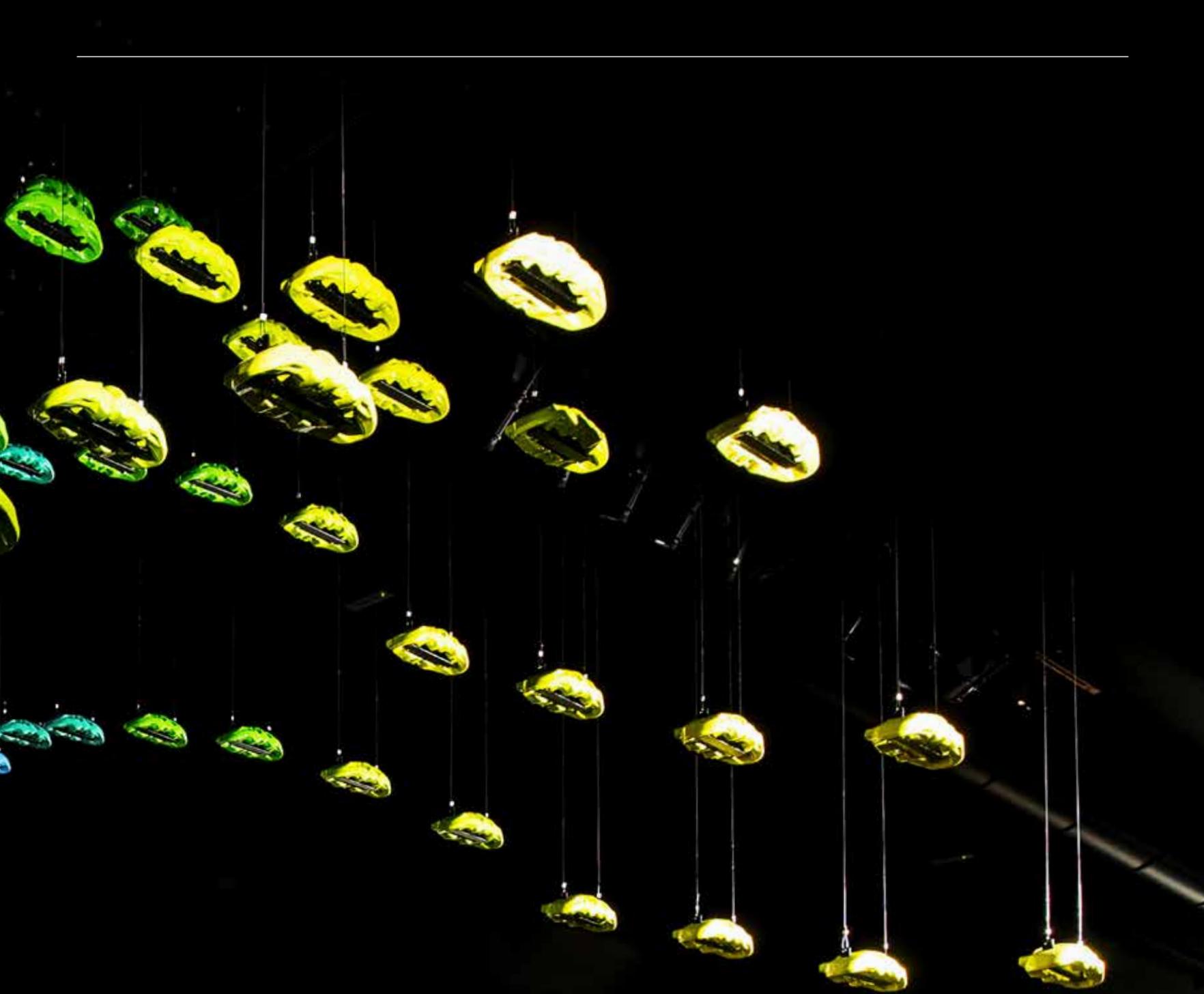
(EURO THOUSAND)	30.06.2023	31.12.2022
Income tax receivables	26,725	51,817
Non-income tax receivables	66,876	57,966
Other receivables	32,841	20,562
Total	126,442	130,345

The item "Income tax receivables" includes the receivable recognised by the Parent in prior years in relation to the application of an IRES refund, concerning the non-deductibility for IRAP purposes of personnel expenses, and other applications for IRES and IRAP refund, besides the R&D tax credit.

The item "Non-income tax receivables" primarily includes the VAT receivables of Brembo S.p.A. and of subsidiaries, in particular those located in Poland and Mexico.

The item "Other receivables" includes dividends to be received by investees not included in the consolidation area and advances paid to suppliers for goods and services, as well as other accrued income.





THE VALUE OF BEAUTY

Recognising and deeply appreciating
the inestimable value inherent in beauty.
Sharp lines, sinuous curves, by-now iconic features:
every brake system is a designer item.

10. DERIVATIVES AND CURRENT FINANCIAL ASSETS

This item is broken down as follows:

(EURO THOUSAND)	30.06.2023	31.12.2022
Derivatives measured at fair value	12,971	10,678
Security deposits	1,818	1,811
Other receivables	78	77
Total	14,867	12,566

The item "Derivatives" refers for €11,567 thousand to the current portion of the fair value of two IRSs entered into directly by the Parent Brembo S.p.A., for a remaining notional amount of €100 million and €200 million, respectively, at 30 June 2023, hedging the change in interest rate risk associated with a specific outstanding loan. These IRSs fall within the requirements set forth in the accounting standards relating to hedge accounting (cash flow hedge). The change in fair value compared to 31 December 2022 was recognised as a component of comprehensive income, net of the tax effect, given that the hedge is fully effective.

The item also includes the fair value of derivative assets relating to hedging through currency forwards for €1,404 thousand.

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include:

(EURO THOUSAND)	30.06.2023	31.12.2022
Bank and postal accounts	301,417	415,770
Cash-in-hand and cash equivalents	150	112
Cash equivalents	4,178	0
Total cash and cash equivalents	305,745	415,882
Payables to banks: overdrafts and foreign currency advances	(218,337)	(161,869)
Cash and cash equivalents from the Statement of Cash Flows	87,408	254,013

The items listed above can be converted readily into cash and are not exposed to a significant risk that their value may change. It is deemed that the book value of cash and cash equivalents approximates their fair value at the reporting date. Cash is on deposit with credit institutions whose ratings are constantly monitored in order to select only financially sound counterparties.

Cash and cash equivalents refer to government bonds (issued by the French and German governments with AA and AAA ratings, respectively, and with a maturity of less than three months from the date of purchase) subscribed below par and with repayment at par by Brembo Reinsurance AG, a Switzerland-based reinsurance company, in order to diversify the allocation of liquidity, as requested by the Swiss supervisory authority (FINMA).

It should be noted that, with regard to the amount recognised in the Statement of Cash Flows, interest paid in the half year totalled €20,009 thousand (€6,442 thousand at 30 June 2022).

12. EQUITY

Group consolidated equity at 30 June 2023 increased by €70,579 thousand compared to 31 December 2022. Movements are given in the relevant statement within the Condensed Consolidated Six Monthly Financial Report.

Share capital

The subscribed and paid up share capital amounted to €34,728 thousand at 30 June 2023. It is divided into 333,922,250 ordinary shares.

The table below shows the composition of the share capital and the number of shares outstanding at 30 June 2023 and 31 December 2022.

(NO. OF SHARES)	30.06.2023	31.12.2022
Ordinary shares issued	333,922,250	333,922,250
Own shares	(10,035,000)	(10,035,000)
Total shares outstanding	323,887,250	323,887,250

As part of Brembo's buy-back plan, the Company neither purchased nor sold own shares in the first half of 2023.

Other reserves and retained earnings/(losses)

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.

Share capital and reserves of minority interests

This item changed due to dividends paid to minority shareholders, as well as to the change in consolidation differences.

13. FINANCIAL DEBT AND DERIVATIVES

This item is broken down as follows:

(EURO THOUSAND)	30.06.2023			31.12.2022		
	DUE WITHIN ONE YEAR	DUE AFTER ONE YEAR	TOTAL	DUE WITHIN ONE YEAR	DUE AFTER ONE YEAR	TOTAL
Payables to banks:						
- overdrafts and advances	218,337	0	218,337	161,869	0	161,869
- loans	78,102	425,983	504,085	79,344	464,526	543,870
Total	296,439	425,983	722,422	241,213	464,526	705,739
Lease liabilities	21,652	152,116	173,768	88,211	152,985	241,196
Payables to other financial institutions	575	797	1,372	601	1,198	1,799
Derivatives measured at fair value	2,708	0	2,708	3,586	0	3,586
Total	24,935	152,913	177,848	92,398	154,183	246,581

The following table provides a breakdown of “Payables to banks”:

(EURO THOUSAND)	AMOUNT AT 31.12.2022	AMOUNT AT 30.06.2023	PORTION DUE WITHIN ONE YEAR	PORTION DUE BETWEEN 1 AND 5 YEARS	PORTION DUE AFTER 5 YEARS
Payables to banks:					
BNL loan (€100 million)	100,230	87,808	25,340	62,468	0
BNL loan (€300 million)	201,142	199,724	0	199,724	0
Banca Popolare di Sondrio loan (€125 million)	112,999	100,717	25,742	74,975	0
ISP loan (€100 million)	99,585	87,174	24,860	62,314	0
Banca Popolare di Sondrio loan (€150 million)	25,104	24,969	0	21,845	3,124
BankInter loan (€105 thousand)	5	0	0	0	0
BankInter loan (€504 thousand)	44	0	0	0	0
BankInter loan (€2 million)	1,298	1,047	515	532	0
Banco Sabadell loan (€500 thousand)	296	234	127	107	0
Santander loan (€2 million)	651	503	300	203	0
Santander loan (€600 thousand)	175	114	114	0	0
Santander 2020 loan (€2 million)	1,191	941	508	433	0
Caixabank loan (€1 million)	604	479	250	229	0
BBVA loan (€2 million)	546	375	346	29	0
Total payables to banks	543,870	504,085	78,102	422,859	3,124

It should be noted that several loans require compliance with certain financial covenants. At the end of the reporting period, all of these covenants had been met. The current level of covenants allows the Group to benefit from a safety margin that does not entail the need to reclassify financial payables subject to such covenants as short-term financial payables. At 30 June 2023, there were no financial payables secured by collateral.

The following table shows the breakdown of “Other financial liabilities”:

(EURO THOUSAND)	AMOUNT AT 31.12.2022	AMOUNT AT 30.06.2023	PORTION DUE WITHIN ONE YEAR	PORTION DUE BETWEEN 1 AND 5 YEARS	PORTION DUE AFTER 5 YEARS
Other financial liabilities					
Payables to other financial institutions:					
- Libra loan	902	775	256	519	0
- Tivano loan	55	28	28	0	0
- Ministerio Industria España	733	489	263	226	0
- Ministerio de Ciencia e Innovación	109	80	28	52	0
Total payables to other financial institutions	1,799	1,372	575	797	0
Lease liabilities	241,196	173,768	21,652	59,759	92,357
Total other financial liabilities	242,995	175,140	22,227	60,556	92,357

The following table shows the structure of loans towards banks and other financial institutions at 30 June 2023, broken down by annual interest rate and currency:

(EURO THOUSAND)	30.06.2023			31.12.2022		
	FIXED RATE	VARIABLE RATE	TOTAL	FIXED RATE	VARIABLE RATE	TOTAL
Euro	292,117	213,340	505,457	307,376	238,293	545,669

The average variable rate applicable to the Group's debt is 4.10% and the average fixed rate is 0.99%.

The item "Derivatives" includes the fair value relating to hedging through currency forward contracts entered into by Brembo S.p.A. (€2,708 thousand).

At 30 June 2023, IRS derivatives had a positive fair value of €28,936 thousand, entirely recognised in a cash flow hedge reserve, gross of tax effects.

Changes in the Cash Flow Hedge Reserve, gross of tax effects, are as follows:

(EURO THOUSAND)	30.06.2023	31.12.2022
Opening value	(75,643)	(26,854)
Fair value reserve releases	19,723	(59,908)
Movements from reserve for payment/collection of differentials	9,135	11,119
Closing value	(46,785)	(75,643)

Net financial debt

The following table shows the reconciliation of the net financial debt at 30 June 2023 (€562,288 thousand) and at 31 December 2022 (€502,044 thousand) based on the layout prescribed by ESMA 32-382-1138 Guidelines of 4 March 2021 and specified in Consob Warning Notice 5/21 of 29 April 2021:

(EURO THOUSAND)	30.06.2023	31.12.2022
A Cash	301,567	415,882
B Cash equivalents	4,178	0
C Other current financial assets	14,867	12,566
D Liquidity (A+B+C)	320,612	428,448
E Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	243,272	254,254
F Current portion of non-current financial debt	78,102	79,344
G Current financial debt (E+F)	321,374	333,598
H Net current financial debt (G-D)	762	(94,850)
I Non-current financial debt (excluding the current portion and debt instruments)	561,526	596,894
J Debt instruments	0	0
K Trade payables and other non-current payables	0	0
L Non-current financial debt (I+J+K)	561,526	596,894
M Total financial debt (H+L)	562,288	502,044

The various components that gave rise to the change in net financial debt during the reporting period are presented in the Statement of Cash Flows in the Directors' Report on Operations.

The item "Non-current financial debt (excluding the current portion and debt instruments)" includes the non-current component of IRS derivatives amounting to €17,369 thousand.

Pursuant to IAS 7 — *Statement of Cash Flows*, changes in liabilities arising from financing activities are reported below. The table allows a reconciliation of the cash flows recognised in the Statement of Cash Flows in the Directors' Report on Operations and the total changes in the period of the Statement of Financial Position items that contribute to financial debt.

(EURO THOUSAND)	31.12.2022	NON-CASH FLOWS					30.06.2023
		CASH FLOWS	ACQUISITIONS	EXCHANGE RATE DELTA	FAIR VALUE	OTHER MOVEMENTS	
Loans and payables to other financial institutions	545,669	(41,579)	0	0	0	1,367	505,457
Lease liabilities	241,196	(74,615)	6,135	(2,158)	0	7,865	173,768
Derivatives measured at fair value	3,586	0	0	0	(878)	0	2,708
Total liabilities from financing activities	790,451	(116,194)	6,135	(2,158)	(878)	9,232	681,933

(EURO THOUSAND)	31.12.2021	NON-CASH FLOWS					30.06.2022
		CASH FLOWS	ACQUISITIONS	EXCHANGE RATE DELTA	FAIR VALUE	OTHER MOVEMENTS	
Loans and payables to other financial institutions	659,880	(119,630)	0	772	0	970	541,992
Lease liabilities	226,576	(15,356)	8,798	4,437	0	2,689	227,144
Derivatives measured at fair value	2,950	0	0	0	(2,758)	0	192
Total liabilities from financing activities	889,406	(134,986)	8,798	5,209	(2,758)	3,659	769,328

14. OTHER NON-CURRENT LIABILITIES

This item is broken down as follows:

(EURO THOUSAND)	30.06.2023	31.12.2022
Social security payables	1,065	695
Payables to employees	1,595	1,561
Other payables	87	103
Total	2,747	2,359

15. PROVISIONS

This item is broken down as follows:

(EURO THOUSAND)	30.06.2023			30.06.2022		
	PROVISIONS FOR CONTINGENCIES AND CHARGES	PROVISION FOR PRODUCT WARRANTIES	TOTAL	PROVISIONS FOR CONTINGENCIES AND CHARGES	PROVISION FOR PRODUCT WARRANTIES	TOTAL
Balance at beginning of period	9,557	16,042	25,599	7,477	38,478	45,955
Provisions	1,146	1,485	2,631	1,353	4,836	6,189
Use/Release	(2,868)	(1,816)	(4,684)	(1,119)	(1,053)	(2,172)
Exchange rate fluctuations	49	(234)	(185)	132	255	387
Other	0	0	0	8	0	8
Balance at end of period	7,884	15,477	23,361	7,851	42,516	50,367
<i>of which short-term</i>			2,181			368

Provisions totalled €23,361 thousand, including a provision for product warranties for probable future costs linked to contractual warranties, supplemental customer indemnities — in connection with the Italian agency contract — and the valuation of risks related to litigation underway, as well as an estimate of liabilities that could arise as a result of tax litigation in place.

16. NET EMPLOYEE BENEFITS

Group companies provide post-employment benefits through defined contribution plans or defined benefit plans.

In the case of defined contribution plans, the Group companies pay contributions to public or private insurance institutes based on legal or contractual obligations or on a voluntary basis. Once such contributions have been paid, the companies have no further payment obligations.

Defined contribution plans include a plan relating to Brembo Huilian (Langfang) Brake Systems Co. Ltd. and reserved for 23 early retired employees, who have guaranteed monthly payments until they reach pension age.

The employees of the UK subsidiary AP Racing Ltd. have the benefit of a corporate pension plan (AP Racing Pension Scheme), which is made up of two sections: the first is a defined contribution plan for employees hired after 1 April 2001, and the second is a defined benefit plan for those already in service at 1 April 2001 (and previously covered by the AP Group Pension Fund). The defined benefit plan is funded by employer and employee contributions made to a trustee that is legally separate from the enterprise providing benefits to its employees.

Brembo México S.A. de C.V., Brembo Japan Co. Ltd. and Brembo Brake India Pvt. Ltd. offer to their employees specific pension plans that qualify as defined benefit plans.

Unfunded defined benefit plans include also the "Employees' leaving entitlement" provided by the Group's Italian companies, in accordance with current applicable regulations.

The value of funds is calculated on an actuarial basis using the "Projected Unit Credit Method".

The item "Other employee benefits" includes the liability associated with the 2022-2024 three-year incentive plan reserved for top managers, to be settled in May 2025.

Liabilities at 30 June 2023 are given in the table below:

(EURO THOUSAND)	30.06.2023					30.06.2022				
	EMPLOYEES' LEAVING ENTITLEMENT	DEFINED BENEFIT PLANS	DEFINED CONTRIBUTION PLANS	OTHER LONG-TERM BENEFITS	TOTAL	EMPLOYEES' LEAVING ENTITLEMENT	DEFINED BENEFIT PLANS	DEFINED CONTRIBUTION PLANS	OTHER LONG-TERM BENEFITS	TOTAL
Balance at beginning of period	12,350	3,698	924	7,114	24,086	17,824	5,142	1,026	0	23,992
Provisions	0	334	1,479	3,899	5,712	0	269	1,332	3,418	5,019
Use/Release	(475)	(608)	(1,538)	0	(2,621)	(948)	(610)	(1,404)	0	(2,962)
Interest expense	239	107	0	(129)	217	98	87	0	(227)	(42)
Exchange rate fluctuations	0	297	(19)	(23)	255	0	370	16	0	386
Other	215	772	0	0	987	(3,006)	(1,635)	0	0	(4,641)
Balance at end of period	12,329	4,600	846	10,861	28,636	13,968	3,623	970	3,191	21,752

17. TRADE PAYABLES

At 30 June 2023, trade payables were as follows:

(EURO THOUSAND)	30.06.2023	31.12.2022
Trade payables	719,611	643,783
Payables to associates and joint ventures	15,127	9,379
Total	734,738	653,162

The change compared to 31 December 2022 was chiefly due to the increase in purchase prices, as well as in the volume of supplies, aimed at tackling any supply chain-related risks.

18. TAX PAYABLES

This item reflects the net amount due for the current taxes of the Group's companies.

(EURO THOUSAND)	30.06.2023	31.12.2022
Tax payables	15,030	16,128

19. OTHER CURRENT PAYABLES

Other current payables at 30 June 2023 are given in the table below:

(EURO THOUSAND)	30.06.2023	31.12.2022
Tax payables other than current taxes	10,265	13,080
Social security payables	19,683	22,230
Payables to employees	72,373	70,688
Contract liabilities	61,479	56,547
Other payables	27,124	28,251
Total	190,924	190,796

The item "Contract liabilities" refers to grants received by customers towards development activities suspended until the conclusion of the development activity and then recognised over the useful lives of the products to which the grants refer.





SHARED OBJECTIVES

A clear, precise focus for ambitions,
needs, objectives and desires.
In a single, cyclical and virtuous relationship
based on true participation and shared knowledge.

STATEMENT OF INCOME

20. REVENUE FROM CONTRACTS WITH CUSTOMERS

The item is broken down as follows:

(EURO THOUSAND)	30.06.2023	30.06.2022
Revenue from sales of brake systems	1,926,251	1,730,212
Revenue from equipment	12,722	7,749
Revenue from study and design activities	10,422	8,066
Revenue from royalties	480	444
Total	1,949,875	1,746,471

The breakdown of Group sales by geographical area of destination and by application is provided in the Directors' Report on Operations.

21. OTHER REVENUES AND INCOME

This item is made up of:

(EURO THOUSAND)	30.06.2023	30.06.2022
Miscellaneous recharges	4,203	2,760
Gains on disposal of assets	588	686
Miscellaneous grants	9,532	5,752
Other revenues	5,155	4,674
Total	19,478	13,872

The item "Miscellaneous grants" mainly refers to grants received by the Parent, Brembo S.p.A., as tax credit on energy and gas, in addition to grants for personnel training, research and development projects and the purchase of new capital goods.

22. COSTS FOR CAPITALISED INTERNAL WORKS

This item refers to the capitalisation of development costs incurred during the period, amounting to €12,723 thousand (first half of 2022: €11,343 thousand).

23. COST OF RAW MATERIALS, CONSUMABLES AND GOODS

The item is broken down as follows:

(EURO THOUSAND)	30.06.2023	30.06.2022
Purchase of raw materials, semi-finished and finished products	836,343	753,977
Purchase of consumables	88,749	79,348
Total	925,092	833,325

The change compared to the first half of 2022 is attributable to the higher cost of raw materials and to a policy aimed at increasing supplies in order to tackle any supply chain-related risks.

24. INCOME (EXPENSE) FROM NON-FINANCIAL INVESTMENTS

Income (expense) from non-financial investments amounted to €9,412 thousand and was attributable to the effects of valuing the investment in the BSCCB Group and the company Shandong BRGP Friction Technology Co. Ltd. using the equity method (first half of 2022: €9,136 thousand).

25. OTHER OPERATING COSTS

These costs are broken down as follows:

(EURO THOUSAND)	30.06.2023	30.06.2022
Transports	44,795	50,750
Maintenance, repairs and utilities	152,940	121,714
Contracted work	76,295	67,618
Leases	16,681	12,083
Other operating costs	95,400	88,245
Total	386,111	340,410

The item "Other operating costs" mainly includes the costs of travels, quality-related costs and insurance costs, as well as fees for legal, technical and commercial consulting.

26. PERSONNEL EXPENSES

Breakdown of personnel expenses is as follows:

(EURO THOUSAND)	30.06.2023	30.06.2022
Wages and salaries	231,249	210,639
Social security contributions	50,769	44,538
Employees' leaving entitlement and other personnel provisions	8,043	7,978
Other costs	46,187	38,594
Total	336,248	301,749

The item "Other costs" refers for €30,917 thousand (€24,353 thousand in the first half of 2022) to the cost of the agency workers incurred by the Group.

The average number and the period-end number of Group employees by category were as follows:

	MANAGERS	WHITE-COLLARS	BLUE-COLLARS	TOTAL
H1 2023: average	163	3,894	9,273	13,330
H1 2022: average	153	3,593	8,891	12,637
Change	10	301	382	693
Total at 30 June 2023	164	3,972	9,397	13,533
Total at 30 June 2022	155	3,643	8,999	12,797
Change	9	329	398	736

The number of agency workers at 30 June 2023 was 2,017 (2,010 at 31 December 2022 and 2,010 at 30 June 2022).

27. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

The item is broken down as follows:

(EURO THOUSAND)	30.06.2023	30.06.2022
Amortisation of intangible assets:		
Development costs	10,218	10,287
Industrial patents and similar rights for original work	660	609
Licences, trademarks and similar rights	408	316
Other intangible assets	5,685	6,480
Total	16,971	17,692
Depreciation of property, plant and equipment:		
Buildings	9,734	9,282
Plant and machinery	68,963	64,824
Industrial and commercial equipment	9,809	8,744
Other property, plant and equipment	3,513	3,469
Right of use assets	12,978	13,547
Total	104,997	99,866
Impairment losses:		
Property, plant and equipment	2,259	(2)
Intangible assets	1,897	270
Total	4,156	268
TOTAL AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES	126,124	117,826

Comments on impairment losses are provided in the notes to the Statement of Financial Position items.

28. NET INTEREST INCOME (EXPENSE)

This item is broken down as follows:

(EURO THOUSAND)	30.06.2023	30.06.2022
Exchange rate gains	61,969	59,896
Interest income from employee's leaving entitlement and other personnel provisions	662	378
Interest income	9,314	1,199
Total interest income	71,945	61,473
Exchange rate losses	(58,695)	(50,946)
Interest expense from employees' leaving entitlement and other personnel provisions	(1,008)	(563)
Lease interest expense	(3,070)	(2,688)
Interest expense	(15,820)	(4,343)
Total interest expense	(78,593)	(58,540)
Total net interest income (expense)	(6,648)	2,933

The items "Exchange rate gains" and "Exchange rate losses" include the effects of the management of foreign exchange hedges undertaken through forward contracts. For contracts of this type, the Company does not opt to apply hedge accounting pursuant to IFRS 9 since there is no formal designation of the hedged item and hedging instrument, in the belief that the representation of the impact of the strategy for hedging this risk on the Statement of Income and Statement of Financial Position is nonetheless assured.

Net exchange differences as at 30 June 2023, amounting to a positive €3,274 thousand (€8,950 thousand at 30 June 2022), relate mainly to the effect of translation into local currency of accounts receivable and payable in foreign currencies included in the financial statements of foreign subsidiaries.

29. INTEREST INCOME (EXPENSE) FROM INVESTMENTS

Net interest income from investments (excluding non-financial investments described in Note 24) amounted to €12,158 thousand (€7,804 thousand in the first half of 2022) and was attributable to the effects of valuing investments in associates using the equity method and to dividends received by investees not included in the consolidation area.

30. TAXES

This item is broken down as follows:

(EURO THOUSAND)	30.06.2023	30.06.2022
Current taxes	71,636	54,479
Deferred tax (assets) and liabilities	(16,163)	(5,740)
Prior years' taxes and other tax payables	(523)	242
Total	54,950	48,981

The Group's actual tax rate was 24.6% (31 December 2022: 23.1% – 30 June 2022: 24.7%).

31. EARNINGS PER SHARE

Basic earnings per share were €0.52 at 30 June 2023 (€0.46 at 30 June 2022), and were calculated by dividing the net income or loss for the period attributable to holders of ordinary equity instruments of the Parent by the weighted average number of ordinary shares outstanding in the first half of 2023, amounting to 323,887,250 (323,887,250 in the first half of 2022). Diluted earnings per share are identical to basic earnings per share inasmuch as no share capital transactions were undertaken in the reporting period.

32. NON-CURRENT ASSETS/LIABILITIES FROM DISCONTINUED OPERATIONS

In 2019, Brembo discontinued its industrial operations at the Buenos Aires plant. As a result, the subsidiary Brembo Argentina S.A. was placed in dissolution and winding up procedure.

Consequently, in accordance with IFRS 5, the Company's asset and liability items, net of intercompany payables, have been reclassified to "Assets/Liabilities from discontinued operations", whereas the Statement of Income items have been reclassified to "Result from discontinued operations", as shown here below.

(EURO THOUSAND)	30.06.2023
Revenue from contracts with customers	0
Other operating costs	(85)
Gross operating income	(85)
Net operating income	(85)
Net interest income (expense)	(36)
Result from discontinued operations	(121)
Total non-current assets	0
Cash and cash equivalents	68
Total current assets	68
Total assets	68
Total non-current liabilities	0
Total current liabilities	0
Total liabilities	0

33. STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income includes:

- the fair value measurement of the interest in Pirelli S.p.A., net of the tax effect, positive for €28,668 thousand (negative for €105,352 thousand in the first half of 2022);
- the fair value measurement of derivatives, net of the tax effect, negative for €25,181 thousand (positive for €45,641 thousand in the first half of 2022);
- the actuarial value on defined benefit plans, net of the tax effect, negative for €743 thousand (positive for €3,374 thousand in the same period of the previous year);
- the change in the translation adjustment reserve negative for €11,108 thousand (positive for €37,307 thousand in the first half of 2022)

Stezzano, 27 July 2023

On behalf of the Board of Directors
The Executive Chairman
Matteo Tiraboschi



INDEPENDENT AUDITORS' REPORTS



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REPORT ON REVIEW OF THE CONDENSED CONSOLIDATED SIX MONTHLY FINANCIAL REPORT

To the Shareholders of
Brembo S.p.A.

Introduction

We have reviewed the accompanying condensed consolidated six monthly financial report of Brembo S.p.A. and subsidiaries (the "Brembo Group"), which comprise the statement of financial position as of June 30, 2023 and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six month period then ended, and a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation of the condensed consolidated six monthly financial report in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the condensed consolidated six monthly financial report based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the condensed consolidated six monthly financial report under Resolution n° 10867 of July 31, 1997. A review of condensed consolidated six monthly financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated six monthly financial report of Brembo Group as at June 30, 2023 is not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Stefano Dell'Orto
Partner

Milan, Italy
July 27, 2023

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

ATTESTATION OF THE MANAGER IN CHARGE OF THE COMPANY' FINANCIAL REPORTS

ATTESTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS AMENDED AND EXTENDED

1. We the undersigned, Matteo Tiraboschi, in his capacity as Executive Chairman, and Andrea Pazzi, in his capacity as Manager in Charge of the Financial Reports of Brembo S.p.A., hereby declare, pursuant to the provisions of Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998, that the administrative and accounting procedures for preparing the Condensed Six Monthly Financial Statements for the period from 1 January 2023 to 30 June 2023:
 - are appropriate in relation to the company features; and
 - have been consistently applied.

2. The assessment of the adequacy of the administrative and accounting procedures used in preparing the Condensed Six Monthly Financial Statements at 30 June 2023 was based on a process defined by Brembo S.p.A. in accordance with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, an internationally-accepted reference framework. Regarding this point there are no issues.

3. The undersigned further declare that:
 - 3.1 the Condensed Six Monthly Financial Statements:
 - a) have been prepared in accordance with applicable International Accounting Standards, as adopted by the European Union through (EC) Regulation No. 1606/2002 of European Parliament and Council on 19 July 2002;
 - b) reflect the accounting books and records; and
 - c) provide a true and fair view of the assets, liabilities, profit or loss and financial position of the issuer and the companies included in the consolidation area.

 - 3.1 The interim Report on Operations includes a reliable analysis of the significant events that occurred during the first six months of the financial year and the impact of such events on the Company's Condensed Six Monthly Financial Statements, along with a description of the main risks and uncertainties for the remaining six months of the year. Furthermore, the interim Report on Operations contains a reliable analysis of significant related party transactions.

27 July 2023

Matteo Tiraboschi
Executive Chairman

Andrea Pazzi
Manager in Charge
of the Company's Financial
Reports



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