

BREMBO
FIRST QUARTER REPORT
2021



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

Company Officers

The General Shareholders' Meeting of the Parent Brembo S.p.A. held on 23 April 2020 confirmed the number of Board members at 11 and appointed the Board of Directors for the three-year period 2020-2022, i.e., until the General Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2022.

COMPOSITION OF THE BOARD OF DIRECTORS, BOARD COMMITTEES AND MAIN GOVERNANCE FUNCTIONS AT THE DATE OF APPROVAL OF THE FIRST QUARTER REPORT 2021 (10 MAY 2021)

Board of Directors

Chairman	Alberto Bombassei ⁽¹⁾ ⁽⁸⁾
Executive Deputy Chairman	Matteo Tiraboschi ⁽²⁾ ⁽⁸⁾
Chief Executive Officer	Daniele Schillaci ⁽³⁾ ⁽⁸⁾
Directors	Valerio Battista ⁽⁴⁾ ⁽⁹⁾ Cristina Bombassei ⁽⁵⁾ ⁽⁸⁾ Laura Cioli ⁽⁴⁾ Nicoletta Giadrossi ⁽⁴⁾ ⁽⁶⁾ Elisabetta Magistretti ⁽⁴⁾ Umberto Nicodano ⁽⁷⁾ Elizabeth M. Robinson ⁽⁴⁾ Gianfelice Rocca ⁽⁴⁾

Board of Statutory Auditors ⁽¹⁰⁾

Chairwoman	Raffaella Pagani ⁽⁶⁾
Acting Auditors	Mario Tagliaferri Paola Tagliavini
Alternate Auditors	Myriam Amato ⁽⁶⁾ Stefania Serina
Independent Auditors	EY S.p.A. ⁽¹¹⁾

Manager in Charge of the Company's Financial Reports

Andrea Pazzi ⁽¹²⁾

Committees

Audit, Risk & Sustainability Committee ⁽¹³⁾

Laura Cioli **(Chairwoman)**
Nicoletta Giadrossi
Elisabetta Magistretti

Remuneration & Appointments Committee

Nicoletta Giadrossi **(Chairwoman)**
Laura Cioli
Elizabeth M. Robinson

Supervisory Committee

Giovanni Canavotto **(Chairman)** ⁽¹⁴⁾
Elisabetta Magistretti
Alessandra Ramorino ⁽¹⁵⁾

- (1) The Chairman is the Company's legal representative and has powers of ordinary management, within the limits of the law.
- (2) The Executive Deputy Chairman is the Company's legal representative; the Board of Directors granted him special powers to manage the Company.
- (3) The Board of Directors granted the Chief Executive Officer, Daniele Schillaci, special powers to manage the Company, as well as powers, pursuant to Article 2381 of the Italian Civil Code, with reference to occupational health and safety (as per Legislative Decree No. 81/2008, as amended by Legislative Decree No. 106/2009), environmental protection and waste management.
- (4) Independent and Non-executive Directors pursuant to Article 148, paragraph 3, of TUF (as required by Articles 147-*ter*, paragraph 4, and 147-*quater* of TUF) and Article 2.2.3, paragraph 3, of the Corporate Governance Code of Borsa Italiana S.p.A. and the Corporate Governance Code of Brembo S.p.A. (Article 3.C.1).
- (5) 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.
- (6) Director/Statutory Auditor elected from a minority list.
- (7) Non-executive Director.
- (8) Executive Directors.
- (9) This Director also holds the position of Lead Independent Director.
- (10) This Board holds the role of Internal Control & Audit Committee pursuant to Article 19 of Legislative Decree No. 39/2010.
- (11) The General Shareholders' Meeting held on 23 April 2013 assigned the mandate until the approval of the 2021 Financial Statements.
- (12) Appointed by the Board of Directors on 23 April 2020, pursuant to Article 27-*bis* of the By-laws. 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 2022.
- (13) This Committee also acts as the Related Party Transactions Committee.
- (14) External Advisor.
- (15) Chief Internal Audit Officer.

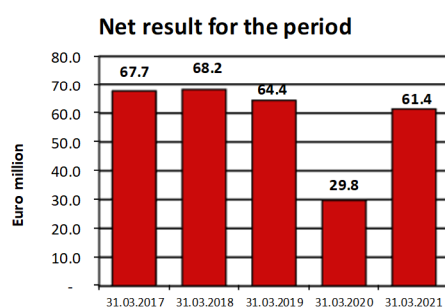
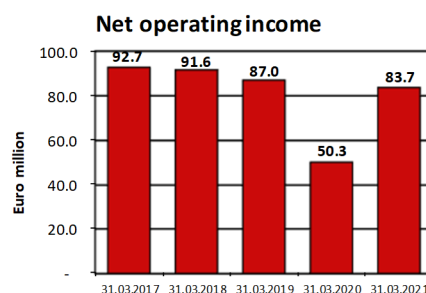
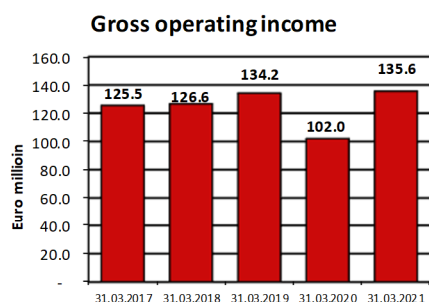
Brembo S.p.A.

Registered offices: CURNO (BG) – Via Brembo 25

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

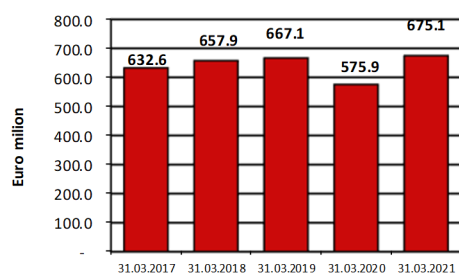
Tax code and VAT Code No. 00222620163

Summary of Group Results

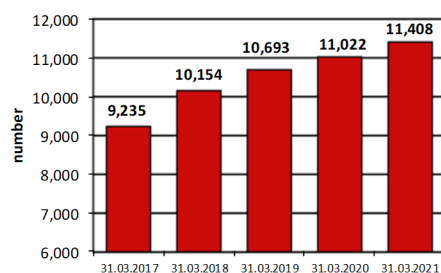


ECONOMIC RESULTS (euro million)	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021	% 2021/2020
Revenue from contract with customers	632.6	657.9	667.1	575.9	675.1	17.2%
Gross operating income	125.5	126.6	134.2	102.0	135.6	32.9%
<i>% of revenue from contract with customer</i>	<i>19.8%</i>	<i>19.2%</i>	<i>20.1%</i>	<i>17.7%</i>	<i>20.1%</i>	
Net operating income	92.7	91.6	87.0	50.3	83.7	66.3%
<i>% of revenue from contract with customer</i>	<i>14.7%</i>	<i>13.9%</i>	<i>13.0%</i>	<i>8.7%</i>	<i>12.4%</i>	
Result before taxes	91.4	90.0	83.9	42.5	81.1	90.9%
<i>% of revenue from contract with customer</i>	<i>14.4%</i>	<i>13.7%</i>	<i>12.6%</i>	<i>7.4%</i>	<i>12.0%</i>	
Net result for the period	67.7	68.2	64.4	29.8	61.4	106.0%
<i>% of revenue from contract with customer</i>	<i>10.7%</i>	<i>10.4%</i>	<i>9.7%</i>	<i>5.2%</i>	<i>9.1%</i>	

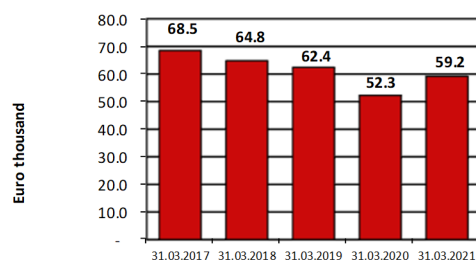
Revenue from contract with customers



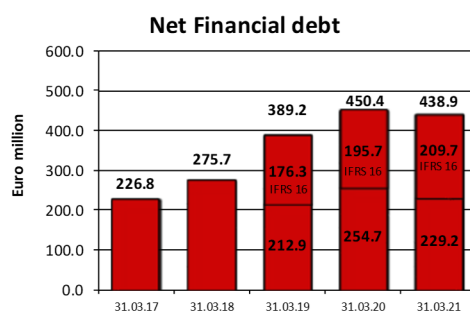
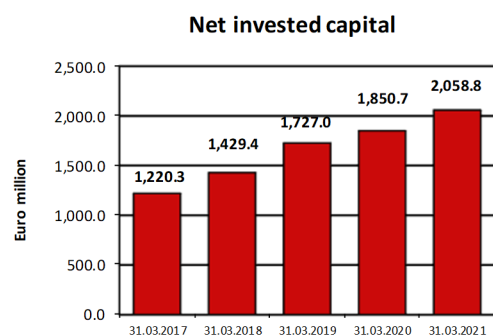
Personnel at end of period



Turnover per employee



FINANCIAL RESULTS (euro million)	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021	% 2021/2020
Net invested capital	1,220.3	1,429.4	1,727.0	1,850.7	2,058.8	11.2%
Equity	961.0	1,126.2	1,311.1	1,376.5	1,594.2	15.8%
Net financial debt	226.8	275.7	389.2	450.4	438.9	-2.6%
PERSONNEL AND INVESTMENTS						
Personnel at end of period (No.)	9,235	10,154	10,693	11,022	11,408	3.5%
Turnover per employee (euro thousand)	68.5	64.8	62.4	52.3	59.2	13.3%
Net investments (euro million)	60.7	45.9	40.4	39.5	48.3	22.3%



MAIN RATIOS	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021
Net operating income/Revenue from contract with customers	14.7%	13.9%	13.0%	8.7%	12.4%
Result before taxes/Revenue from contract with customers	14.4%	13.7%	12.6%	7.4%	12.0%
Net investments/Revenue from contract with customers	9.6%	7.0%	6.0%	6.9%	7.2%
Net Financial indebtedness/Equity	23.6%	24.5%	29.7%	32.7%	27.5%
Adjusted net interest expense(*)/Revenue from contract with customers	0.3%	0.3%	0.6%	0.5%	0.4%
Adjusted net interest expense(*)/Net operating income	2.1%	2.3%	4.4%	5.8%	3.3%
ROI	27.6%	24.1%	19.7%	15.2%	10.4%
ROE	26.1%	23.8%	18.1%	14.8%	10.7%

Notes:

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

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

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

Consolidated Financial Statements

Consolidated Statement of Financial Position

(euro thousand)	31.03.2021	31.12.2020	Change
ASSETS			
NON-CURRENT ASSETS			
Property, plant, equipment and other equipment	994,227	975,824	18,403
Right of use assets	208,249	207,456	793
Development costs	97,227	92,292	4,935
Goodwill and other indefinite useful life assets	104,830	79,882	24,948
Other intangible assets	50,536	47,393	3,143
Shareholding valued using the equity method	48,192	43,947	4,245
Other financial assets (including investments in other companies and	241,655	217,263	24,392
Receivables and other non-current assets	18,109	18,242	(133)
Deferred tax assets	74,767	76,731	(1,964)
TOTAL NON-CURRENT ASSETS	1,837,792	1,759,030	78,762
CURRENT ASSETS			
Inventories	399,993	354,887	45,106
Trade receivables	472,487	385,439	87,048
Other receivables and current assets	114,849	119,315	(4,466)
Current financial assets and derivatives	4,226	1,938	2,288
Cash and cash equivalents	510,523	551,282	(40,759)
TOTAL CURRENT ASSETS	1,502,078	1,412,861	89,217
ASSETS FROM DISCONTINUED OPERATIONS	794	855	(61)
TOTAL ASSETS	3,340,664	3,172,746	167,918
EQUITY AND LIABILITIES			
GROUP EQUITY			
Share capital	34,728	34,728	0
Other reserves	61,706	37,428	24,278
Retained earnings/(losses)	1,404,760	1,241,370	163,390
Net result for the period	61,353	136,533	(75,180)
TOTAL GROUP EQUITY	1,562,547	1,450,059	112,488
TOTAL MINORITY INTERESTS	31,660	30,982	678
TOTAL EQUITY	1,594,207	1,481,041	113,166
NON-CURRENT LIABILITIES			
Non-current payables to banks	538,843	548,220	(9,377)
Long-term lease liabilities	187,940	187,415	525
Other non-current financial payables and derivatives	968	953	15
Other non-current liabilities	16,856	14,891	1,965
Non-current provisions	40,706	42,990	(2,284)
Provisions for employee benefits	26,442	26,567	(125)
Deferred tax liabilities	27,871	26,421	1,450
TOTAL NON-CURRENT LIABILITIES	839,626	847,457	(7,831)
CURRENT LIABILITIES			
Current payables to banks	201,084	175,998	25,086
Short-term lease liabilities	21,785	21,473	312
Other current financial payables and derivatives	2,995	3,838	(843)
Trade payables	511,413	474,906	36,507
Tax payables	9,474	7,405	2,069
Current provisions	305	1,875	(1,570)
Other current liabilities	159,687	158,613	1,074
TOTAL CURRENT LIABILITIES	906,743	844,108	62,635
LIABILITIES FROM DISCONTINUED OPERATIONS	88	140	(52)
TOTAL LIABILITIES	1,746,457	1,691,705	54,752
TOTAL EQUITY AND LIABILITIES	3,340,664	3,172,746	167,918

Consolidated Statement of Income

<i>(euro thousand)</i>	31.03.2021	31.03.2020	Change	%
Revenue from contracts with customers	675,077	575,902	99,175	17.2%
Other revenues and income	3,853	4,290	(437)	-10.2%
Costs for capitalised internal works	6,700	6,059	641	10.6%
Raw materials, consumables and goods	(307,768)	(266,536)	(41,232)	15.5%
Income (expenses) from non-financial investments	4,168	1,102	3,066	278.2%
Other operating costs	(122,477)	(108,477)	(14,000)	12.9%
Personnel expenses	(123,924)	(110,314)	(13,610)	12.3%
GROSS OPERATING INCOME	135,629	102,026	33,603	32.9%
<i>% of revenue from contracts with customer</i>	<i>20.1%</i>	<i>17.7%</i>		
Depreciation, amortisation and impairment losses	(51,960)	(51,728)	(232)	0.4%
NET OPERATING INCOME	83,669	50,298	33,371	66.3%
<i>% of revenue from contracts with customer</i>	<i>12.4%</i>	<i>8.7%</i>		
Net interest income (expense)	(2,677)	(7,808)	5,131	-65.7%
Interest income (expense) from investments	77	(33)	110	-333.3%
RESULT BEFORE TAXES	81,069	42,457	38,612	90.9%
<i>% of revenue from contracts with customer</i>	<i>12.0%</i>	<i>7.4%</i>		
Taxes	(19,482)	(12,962)	(6,520)	50.3%
Result from discontinued operations	(19)	118	(137)	-116.1%
RESULT BEFORE MINORITY INTERESTS	61,568	29,613	31,955	107.9%
<i>% of revenue from contracts with customer</i>	<i>9.1%</i>	<i>5.1%</i>		
Minority interests	(215)	172	(387)	-225.0%
NET RESULT FOR THE PERIOD	61,353	29,785	31,568	106.0%
<i>% of revenue from contracts with customer</i>	<i>9.1%</i>	<i>5.2%</i>		
BASIC/DILUTED EARNINGS PER SHARE (euro)	0.19	0.09		

Consolidated Statement of Comprehensive Income

<i>(euro thousand)</i>	31.03.2021	31.03.2020	Change
RESULT BEFORE MINORITY INTERESTS	61,568	29,613	31,955
<i>Other comprehensive income/(losses) that will not be subsequently reclassified to income/(loss) for the period:</i>			
Fair value measurement of investments	27,183	(14,132)	41,315
	(326)	0	(326)
Total other comprehensive income/(losses) that will not be subsequently reclassified to income/(loss) for the period	26,857	(14,132)	41,315
<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	5,615	(717)	6,332
Tax effect	(520)	172	(692)
Change in translation adjustment reserve	20,286	(26,427)	46,713
Total other comprehensive income/(losses) that will be subsequently reclassified to income/(loss) for the period	25,381	(26,972)	52,353
COMPREHENSIVE RESULT FOR THE PERIOD	113,806	(11,491)	125,623
Of which attributable to:			
– Minority Interests	1,318	(37)	1,355
– the Group	112,488	(11,454)	123,942

Consolidated Statement of Cash Flows

<i>(euro thousand)</i>	31.03.2021	31.03.2020
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	445,230	168,559
Result before taxes	81,069	42,457
Depreciation, amortisation/Impairment losses	51,960	51,728
Capital gains/losses	(209)	(114)
Income/expense from investments, net of dividends received	(4,245)	3,931
Financial portion of provisions for defined benefits and payables for personnel	85	99
Long-term provisions for employee benefits	661	696
Other provisions net of utilisations	5,558	12,685
Result from discontinued operations	(19)	118
Cash flows generated by operating activities	134,860	111,600
Current taxes paid	(12,158)	(11,983)
Uses of long-term provisions for employee benefits	(1,189)	(1,172)
<i>(Increase) reduction in current assets:</i>		
inventories	(47,992)	(30,514)
financial assets	(15)	73
trade receivables	(83,588)	8,391
receivables from others and other assets	2,744	(3,421)
<i>Increase (reduction) in current liabilities:</i>		
trade payables	34,775	(26,428)
payables to others and other liabilities	3,772	(11,885)
Translation differences on current assets	2,744	273
Net cash flows from/(for) operating activities	33,953	34,934
<i>Investments in:</i>		
property, plant and equipment	(41,194)	(33,198)
of which right of use assets	(4,602)	(3,540)
intangible assets	(7,346)	(6,341)
financial assets (shareholdings)	0	(87,362)
Price for disposal or reimbursement value of fixed assets	436	160
Amounts (paid)/received for the acquisition/disposal of subsidiaries, net of the associated cash and cash equivalents	(30,111)	0
Net cash flows from/(for) investing activities	(78,215)	(126,741)
Dividends paid to minority shareholders in the period	(640)	0
Change in fair value of derivatives	1,570	(736)
New lease agreements	3,993	2,668
Reimbursement of lease liabilities	(7,088)	(5,702)
Repayment of long-term loans and other financing	(27,067)	(18,833)
Net cash flows from/(for) financing activities	(29,232)	(22,603)
Total cash flows	(73,494)	(114,410)
Translation differences on cash and cash equivalents	1,073	(6,658)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	372,809	47,491

Consolidated Net Financial Position

<i>(euro thousand)</i>	31.03.2021	31.12.2020
Cash	184	119
Other cash equivalents	510,339	551,163
Derivatives and securities held for trading	3,643	1,352
LIQUIDITY (A+B+C)	514,166	552,634
Current financial receivables	583	586
Current payables to banks	137,714	106,052
Current portion of non-current debt	63,370	69,946
Other current financial debts and derivatives	24,780	25,311
CURRENT FINANCIAL DEBT (F+G+H)	225,864	201,309
NET CURRENT FINANCIAL DEBT (I-E-D)	(288,885)	(351,911)
Non-current payables to banks	538,843	548,220
Bonds issued	0	0
Other non-current financial debts and derivatives	188,908	188,368
NON-CURRENT FINANCIAL DEBT (K+L+M)	727,751	736,588
NET FINANCIAL DEBT (J+N)	438,866	384,677

Consolidated Statement of Changes in Equity

	Other Reserves									
	Share Capital	Reserves	Treasury Shares	Retained earnings (losses)	Net result for the period	Group Equity	Result of minority interest	Share Capital and reserves of Minority Interests	Equity of Minority Interests	Equity
<i>(euro thousand)</i>										
Balance at 1 January 2020	34,728	132,130	(24,805)	983,809	231,301	1,357,163	1,760	29,092	30,852	1,388,015
Allocation of profit for the previous year				231,301	(231,301)	0	(1,760)	1,760	0	0
<i>Components of comprehensive income:</i>										
				(14,132)		(14,132)		0		(14,132)
		(545)				(545)		0		(545)
Change in translation adjustment reserve		(26,562)				(26,562)		135	135	(26,427)
Net result for the period					29,785	29,785	(172)		(172)	29,613
Balance at 31 March 2020	34,728	105,023	(24,805)	1,200,978	29,785	1,345,709	(172)	30,987	30,815	1,376,524
Balance at 1 January 2021	34,728	62,233	(24,805)	1,241,370	136,533	1,450,059	1,405	29,577	30,982	1,481,041
Allocation of profit for the previous year				136,533	(136,533)	0	(1,405)	1,405	0	0
Payment of dividends					0	0		(640)	(640)	(640)
<i>Components of comprehensive income:</i>										
Fair value measurement of investments				26,857		26,857		0		26,857
Effect of hedge accounting (cash flow hedge) of derivatives		5,095				5,095		0		5,095
Change in translation adjustment reserve		19,183				19,183		1,103	1,103	20,286
Net result for the period					61,353	61,353	215		215	61,568
Balance at 31 March 2021	34,728	86,511	(24,805)	1,404,760	61,353	1,562,547	215	31,445	31,660	1,594,207

Explanatory Notes to the Financial Statements

Accounting Standards and Basis of Preparation

The Interim Report for the first quarter of 2021, which includes the Consolidated Statement of Financial Position, the Consolidated Statement of Income, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and brief related Explanatory Notes, has been prepared in compliance with recognition and measurement criteria provided for by the IFRS endorsed by the European Union, and has been voluntarily made available to the public. Please refer to the Company's website (<http://www.brembo.com/en/investors/calendar>) for information about the content, timing and methods of additional periodic financial disclosures.

Reference is made to the 2020 Financial Statements for the relevant international accounting standards and criteria adopted by the Group when preparing the above-mentioned Financial Statements. The preparation of the Interim Report requires management to make estimates and assumptions that have an effect on the amounts of recognised revenues, costs, assets and liabilities, and the disclosure of contingent assets and liabilities as of the reporting date. Should in the future such estimates and assumptions, which are based upon the management's best assessment, diverge from actual circumstances, they will be modified accordingly during the period in which such circumstances change.

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

Consolidation Area

The Financial Statements for the first quarter of 2021 include the Financial Statements of the Parent Brembo S.p.A., and the Financial Statements of the companies that Brembo S.p.A. controls as per IFRS 10. Compared to the first quarter of 2020, the Group's consolidation area changed following the acquisition, on 7 January 2021, of SBS Friction A/S, a 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. The total outlay for the transaction was DKK 224 million (€30.1 million), paid using available cash and subject to the usual adjustment mechanisms applicable to similar transactions.

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

The Group's net sales for the first quarter of 2021 amounted to €675,077 thousand, up 17.2% compared to the same period of the previous year. On a like-for-like consolidation basis — thus excluding the contribution of SBS Friction A/S from the results for the first quarter of 2021 — Group's sales grew by 16.5%.

The car applications sector, which accounted for 71.5% of Group's sales, closed the first quarter of 2021 with a +13.1% increase compared to the same period of the previous year. Similarly, all other applications sharply recovered compared to the first quarter of 2020: applications for commercial vehicles closed at +31.6%, motorbike applications at +40.5% (+33.4% on a like-for-like consolidation basis), and racing applications at +3.3%.

At geographical level, and with specific reference to Europe, Germany grew by 6.1% compared to the first quarter of 2020. The other European countries also reported positive results, with France up by 27.6% and Italy by 20.9%, while United Kingdom recorded a more modest increase (+6.2%). In North America, sales rose by 5.9%, while South America showed a 21.1% decline. In the Far East, China recovered sharply compared to the first quarter of 2020 (+97.4%); India and Japan also grew (+31.2% and +20.0%, respectively).

In the first quarter of 2021, the **cost of sales and other net operating costs** amounted to €419,692 thousand, with a 62.2% ratio to sales, down compared to 63.3% for the same period of the previous year. Within this item, **costs for capitalised internal works** included in intangible assets amounted to €6,700 thousand compared to €6,059 thousand for the first quarter of 2020.

Income from non-financial investments totalled €4,168 thousand (€1,102 thousand in the first quarter of 2020) and was attributable to the effects of valuing the investment in the BSCCB Group using the equity method.

Personnel expenses amounted to €123,924 thousand, with an 18.4% ratio to sales, decreasing compared to the same period of the previous year (19.2%). At 31 March 2021, workforce numbered 11,408 (11,039 at 31 December 2020 and 11,022 at 31 March 2020).

Gross operating income for the quarter was €135,629 thousand (20.1% of sales) compared to €102,026 thousand for the first quarter of 2020 (17.7% of sales).

Net operating income amounted to €83,669 thousand (12.4% of sales) compared to €50,298 thousand (8.7% of sales) for the first quarter of 2020, after depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets of €51,960 thousand, compared to depreciation, amortisation and impairment losses amounting to €51,728 thousand for the first quarter of 2020.

Net interest expense amounted to €2,677 thousand (€7,808 thousand in the first quarter of 2020) and consisted of net exchange gains of €100 thousand (net exchange losses of €4,911 thousand in the first quarter of 2020) and interest expense of €2,777 thousand (€2,897 thousand for the same quarter of the previous year).

Net interest income from investments, which amounted to €77 thousand, was attributable to the effects of valuing investments in associates using the equity method.

Result before taxes was positive at €81,069 thousand (12.0% of sales) compared to €42,457 thousand (7.4% of sales) for the first quarter of 2020.

Based on tax rates applicable for the year under current tax regulations, estimated **taxation** amounted to €19,482 thousand (€12,962 thousand for the first quarter of 2020). Tax rate was 24.0%, compared to 30.5% in the first quarter of 2020.

The **result from discontinued operations**, negative for €19 thousand, was attributable to the contribution of the company Brembo Argentina S.A. in liquidazione, 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 quarter amounted to €61,353 thousand (9.1% of sales) compared to €29,785 thousand (5.2% of sales) for the first quarter of 2020.

Net invested capital at the end of the period was €2,058,783 thousand, compared to €1,891,493 thousand at 31 December 2020, up by €167,290 thousand. **Net financial debt** at 31 March 2021 was €438,866 thousand, compared to €384,677 thousand at 31 December 2020. The €54,189 thousand increase for the period was mainly attributable to the combined effect of the following factors:

- the positive effect of the gross operating income of €135,629 thousand;
- net investments totalling €48,313 thousand; they were mainly concentrated in Italy (29.9%), of which €5,449 thousand (11.3%) associated with development costs, North America (42.8%), China (9.9%), Czech Republic (7.2%) and Poland (5.4%);
- the overall €82,783 thousand decrease in working capital;
- payment of taxes totalling €12,158 thousand;
- payment of the consideration amounting to €38,728 million for the acquisition of a 100% stake in SBS Friction A/S, including the net financial position acquired.

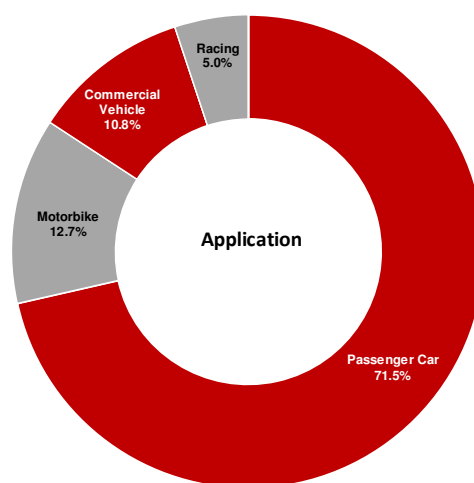
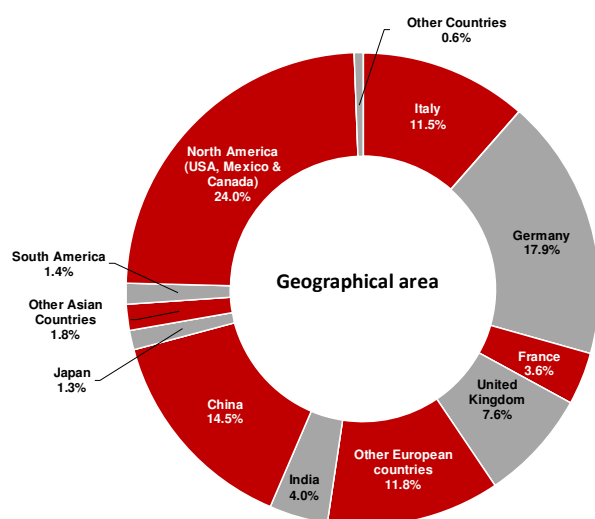
Sales Breakdown by Geographical Area and Application

The following tables show net sales at 31 March 2021, broken down by geographical area and application.

<i>(euro thousand)</i>	31.03.2021	%	31.03.2020	%	Change	%
GEOGRAPHICAL AREA						
Italy	77,702	11.5%	64,255	11.2%	13,447	20.9%
Germany	121,113	17.9%	114,177	19.8%	6,936	6.1%
France	24,468	3.6%	19,181	3.3%	5,287	27.6%
United Kingdom	51,533	7.6%	48,506	8.4%	3,027	6.2%
Other European countries	79,545	11.8%	73,904	12.8%	5,641	7.6%
India	26,939	4.0%	20,530	3.6%	6,409	31.2%
China	98,076	14.5%	49,678	8.6%	48,398	97.4%
Japan	9,109	1.3%	7,590	1.3%	1,519	20.0%
Other Asian Countries	11,868	1.8%	7,927	1.4%	3,941	49.7%
South America (Argentina and Brazil)	9,316	1.4%	11,814	2.1%	(2,498)	-21.1%
North America (USA, Mexico & Canada)	161,521	24.0%	152,576	26.5%	8,945	5.9%
Other Countries	3,887	0.6%	5,764	1.0%	(1,877)	-32.6%
Total	675,077	100.0%	575,902	100.0%	99,175	17.2%

<i>(euro thousand)</i>	31.03.2021	%	31.03.2020	%	Change	%
APPLICATION						
Passenger Car	482,653	71.5%	426,677	74.1%	55,976	13.1%
Motorbike	85,581	12.7%	60,896	10.6%	24,685	40.5%
Commercial Vehicle	72,700	10.8%	55,257	9.6%	17,443	31.6%
Racing	34,111	5.0%	33,023	5.7%	1,088	3.3%
Miscellaneous	32	0.0%	49	0.0%	(17)	-34.7%
Total	675,077	100.0%	575,902	100.0%	99,175	17.2%

RATIO TO SALES



Foreseeable Evolution

Order levels confirm that the year has begun on a positive note. The Group is closely monitoring the impacts of the shortage of electronic components on its clients' supply chains, although they are difficult to estimate at present.

Directors' Report on Operations and Significant Events

Macroeconomic Context

To correctly assess Brembo's performance in the first quarter of 2021, it is essential to consider the world macroeconomic scenario.

One year from the beginning of the Covid-19 pandemic, extreme uncertainty surrounds global economic prospects, primarily relating to the course of the pandemic. The decline in activity in 2020 is the most severe on record, considering its speed and synchronised nature at the global level.

To quote the Chief Economist at the IMF (International Monetary Fund), Gita Gopinath, speaking at the WEO (World Economic Outlook) in April 2021, it bears emphasising that "Future developments will depend on the path of the health crisis, including whether the new Covid-19 strains prove susceptible to vaccines or instead will prolong the pandemic; the effectiveness of policy actions to limit persistent economic damage; the evolution of financial conditions and commodity prices; and the adjustment capacity of the economy".

The IMF estimates a stronger recovery for the global economy than in its January forecasts, with projected growth of 6% in 2021 (+0.5%) and 4.4% in 2022 (+0.2%), following a decline of -3.3% in 2020. According to the IMF's forecasts, global growth is also expected to moderate to 3.3% over the medium term after 2022, reflecting projected damage to supply potential and forces that predate the pandemic, including aging-related slower labour force growth in advanced economies and some emerging market economies. Thanks to unprecedented policy response, the Covid-19 recession is likely to leave smaller scars than the 2008 global financial crisis. However, emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses.

According to the update to the World Economic Forum, prepared every six months by the Washington-based authority and published in April, the **Eurozone** will see a "V-shaped recovery" characterised by a rapid upswing following the sharp decline in 2020. However, the recovery is proving weaker than that expected for the United States and Asia. European GDP (gross domestic product) is forecast to recover by 4.5% in 2021 (0.2% less than the October 2020 forecast), whereas growth is expected to be 3.9% in 2022, returning to pre-pandemic levels. According to the IMF, long-term GDP is expected to decline by approximately 1.5% compared to pre-Covid-19 estimates by 2025. Within this framework, Germany's GDP is projected to expand by 3.6% in 2021 and by 3.4% in 2022, with an increase of 0.1 and 0.3 percentage points compared to the January estimates, respectively. Growth in France was also revised upwards at 5.8% for this year and at 4.2% in 2022. According to the IMF's estimates, inflation, which is currently contained by economic weakness, is expected to increase by 1.1%, thus reaching 3.1% in 2021, due in part to the increase in commodities prices, even though inflation expectations remain at or below targets. In Europe, the Flash composite Purchasing Managers' Index (PMI) by IHS Markit — considered a good indicator of economic wellbeing — increased in the private sector for the second time in two and a half years, driven mainly by manufacturing output, the strongest in the survey's nearly 24 years of history. Throughout the Eurozone, activity improved overall, with all countries recording an increase in their respective March indices. Growth was led by Germany, followed by Ireland, Italy and Spain.

In 2020, **Italy** recorded a sharp 8.9% decline in GDP. The IMF's forecasts call for growth of 4.2% in 2021, therefore below the Eurozone average, and of 3.6% in 2022. With regard to industrial production, the April report prepared by the Confindustria Research Centre points to an interruption in the growth of activity in Italian industry (-0.1% in March after +0.6% in February and +1.0% in January). The overall increase in the first quarter of 2021 is estimated at 1.0% compared to the fourth quarter of 2020. Despite the increase in restrictions in Italy, industry thus remained resilient, better supported by the acceleration in foreign demand. The IMF also improved its estimates of unemployment in Italy in 2021 and 2022: this year the unemployment rate is expected to stand at

10.3% compared to 11.8% forecast in October 2020; in 2022, the rate is expected to rise to 11.6%. The average for the euro area is projected at 8.7% in 2021 and 8.5% in 2022.

With regard to the **United States**, the economists at the IMF expect that the Biden administration's USD 1.9-trillion relief package will significantly increase GDP during the 2021-2022 period and provide sizable positive spillovers to the main U.S. trading partners. According to the WEO, GDP is forecast to expand by 6.4% in 2021 (up from +5.1% in the January WEO), compared to -3.5% in 2020. U.S. GDP will do better than expected in 2022 as well at +3.5% (in January forecasts called for +2.5%). The IHS Markit US Composite PMI, which tracks the country's manufacturing and service sectors, was revised upwards to 59.7 points in March 2021, marking the swiftest increase in activity in the private sector since August 2014. With reference to other NAFTA countries, the IMF expects that Mexico's GDP will increase by 5 points for 2021, following on the 8.2% drop in 2020. In Canada, where the decline in GDP was limited to 5.4% in 2020, an increase of 5 percentage points is expected in 2021, with pre-Covid-19 levels exceeded already in 2022 thanks to a further increase in expected growth of 4.7%.

According to the IMF, **Japanese** GDP should increase by 3.3% in 2021 and by 2.5% in 2022, following on the decline of nearly five percentage points recorded in 2020. Japanese central bank governor Haruhiko Kuroda, at the last monetary policy meeting, expressed determination to pursue a 2% inflation target through expansionary monetary policies.

According to IMF estimates, the BRICS countries (Brazil, Russia, India, China and South Africa) reported a loss of just over 3 percentage points in 2020. It was the first year in the World Economic Outlook report's 60 years of history in which these countries (China excluded) did not grow compared to the previous period. The forecasts for 2021 call for +7.1% (the five-country average), due in part to the significant recovery in **India**, which after a decline of 8 points in 2020 is expected to achieve a 12.5% recovery. **China** stood out as the only major economy not to have recorded a recession in 2020 (GDP +2.3%) and is expected to reach +8.4% this year (up by 0.3 points compared to the January IMF forecasts) and +5.6% the following year (unchanged). In 2020, the Chinese economy saw its first negative growth on a quarterly basis since 1992, from January to March, at the height of the pandemic. However, production then gained ground, with a 6.5% GDP growth in the fourth quarter of 2020: a faster rate than that recorded prior to the outbreak of the pandemic. Investments and exports then drove growth, with rates rising rapidly from April to June. **Russia** showed a relatively modest decrease in GDP in 2020 (-3.1%) and the IMF forecasts constant growth of 3.8 percentage points in 2021 and 2022. **Brazil**, which recorded a 4.2% decline in GDP in 2020, is proving the least affected country in Central and South America: the country's GDP growth is expected to amount to +3.7% in 2021 and +2.6% in 2022.

As for commodities performance, the update to the IMF's WEO published in April calls for the price of oil, after a decline of more than 32 percentage points recorded in 2020, to increase by nearly 42 points in 2021, reaching USD 58 a barrel (from an average of USD 41 dollars in 2020), considering the arithmetic mean of the Brent, Dubai and West Texas Intermediate (WTI) prices.

Currency Markets

The **US dollar**, after opening the first quarter of 2021 at 1.2296, reached its high for the period of 1.2338 on 6 January. Subsequently, the currency experienced a prolonged phase of appreciation until early February, to then fluctuate laterally during all the second month of the year. Early March saw a new appreciation of the US dollar, driving the rate to reach its low for the period at the end of the quarter (1.1725), below the quarterly average rate (1.2056).

Turning to the currencies of the other major markets in which Brembo operates at the commercial and industrial level, the **pound sterling** opened the year at its high for the period of 0.9064 on 6 January. Subsequently, it experienced a sharp, constant appreciation, driving the rate to its low for the period of 0.8512 on 29 March. At the end of the period, the currency stood at 0.8521, below the quarterly average rate (0.8747).

The **Polish zloty** began 2021 by appreciating slightly at around 4.50 to then fluctuate laterally before appreciating once again, leading the rate to its low for the period of 4.4761 on 9 February. It then reversed course, beginning a sharp, prolonged phase of depreciation bringing up the rate to its high for the period of 4.6582 on 30 March. At the end of the period, the currency stood at 4.6508, above the quarterly average rate (4.5431).

The **Czech koruna** began the period with a lateral movement at around 26.20, to then start appreciating from mid-January, which brought the rate down to its low for the period of 25.6820 on 15 February. Subsequently, the currency abruptly reversed course with a sharp depreciation that drove the rate to its high for the period of 26.4170 on 8 March. The end of the quarter saw a new appreciation followed by a lateral phase within the range of 26.10 to 26.20. At the end of the period, the currency stood at 26.1430, above the quarterly average rate (26.0648).

The **Danish kroner** started the quarter at around 7.4380 and, after a brief lateral phase, drove the rate to its high for the period of 7.4406 on 25 January. It then slightly appreciated, bringing the rate to its low for the period of 7.4360 on 1 March. At the end of the quarter, the currency experienced little volatility, closing March with a slight depreciation. At the end of the period, the currency stood at 7.4373, in line with the quarterly average rate (7.4372).

The **Swedish krona** began the quarter appreciating slightly, to then reverse course and move laterally until the end of January. The currency then appreciated, driving the rate down to its low for the period of 10.0315 on 22 February. Subsequently, the currency witnessed a strong depreciation, followed by a brief lateral phase and a new depreciation, bringing the rate to its high for the quarter of 10.2473 on 30 March. At the end of the period, the currency stood at 10.2383, above the quarterly average rate (10.1177).

In the East, the **Japanese yen** began the period by depreciating slightly, to then immediately appreciate, with the rate reaching its low for the period of 125.18 on 18 January. The currency then reversed course, starting a constant, prolonged phase of depreciation, bringing the rate at its high for the period of 130.17 on 15 March. The end of the quarter witnessed a slight appreciation followed by a new depreciation. At the end of the period, the currency stood at 129.9100, above the quarterly average rate (127.7270).

The **Chinese yuan/renminbi** began the quarter at its high for the period of 7.9653 on 6 January. The currency then sharply appreciated until early February, to then remain in a lateral phase in the second month of the year. Subsequently, it once again experienced a strong appreciation, bringing the rate to close the period at its low of 7.6812 (31 March), below the quarterly average rate (7.8111).

The **Indian rupee** started the quarter at its high for the period of 90.2040 on 6 January, to then reverse course by sharply appreciating until early February. Subsequently, the currency moved laterally to then depreciate before a sharp and quick appreciation, which drove the rate down to its low for the period of 85.4845 on 26 March. At the end of the period, the currency stood at 85.8130, below the quarterly average rate (87.9081).

In the Americas, the **Brazilian real** opened the reporting period at its low for the quarter of 6.3241. Subsequently, the currency depreciated, bringing the rate to around 6.65 before it once again appreciated. After a prolonged lateral phase, the currency experienced a new depreciation, bringing the rate up to its high for the period of 6.9553 on 9 March. At the end of the quarter, the real appreciated to below 6.60, to then once again depreciate, closing the period at 6.7409, above the quarterly average rate (6.5927).

The **Mexican peso** opened the quarter at around 24.40 to then appreciate, with the rate reaching its low for the period of 23.7719 on 20 January. It then depreciated to above 24.60. The first half of February saw a lateral phase, which led to a sharp depreciation and drove the rate to its high for the period of 25.5759 on 8 March. At the end of the quarter, the currency sharply appreciated, closing at 24.0506, below the quarterly average rate (24.5163).

Finally, the **Russian rouble** began the reporting period by depreciating, with the rate reaching its high for the

period of 92.3842 on 28 January. Subsequently, the currency reversed course by constantly appreciating, except for a brief lateral phase, which brought the rate to its low for the period of 86.6948 on 16 March. It closed the quarter by depreciating to above 90.00, to then once again appreciate. At the end of the period, the currency stood at 88.3175, below the quarterly average rate (89.7192).

Operating Structure and Reference Markets

In the first quarter of 2021, Brembo's consolidated net sales amounted to €675,077 thousand, up 17.2% compared to €575,902 thousand for the first quarter of 2020 (+16.5% on a like-for-like consolidation basis).

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

Passenger Cars

In the first quarter of 2021, the global light vehicle market showed a robust 21.9% increase in sales compared to the same period of 2020.

The Western European market (EU14+EFTA+UK) closed the first quarter of 2021 with a +1.1% increase in car registrations compared to the same period of 2020. With regard to the five main markets in which the Group operates, Italy and France closed the quarter in positive territory with +28.7% and +21.1%, respectively, while a downtrend was reported by Germany (-6.4%), Spain (-14.9%) and the United Kingdom (-12.0%). Eastern Europe (EU 12) reported a 1.2% decline in car registrations compared to the first quarter of 2020. A decrease was also reported in light vehicle registrations in Russia (-2.8%).

In the first quarter of 2021, the United States showed a positive performance, with light vehicle sales increasing by 12.5% overall compared to the first quarter of 2020. Sales in the Brazilian and Argentine markets decreased by 2.0% overall, mainly due to the downtrend experienced by Brazil (-6.5%); Argentina instead closed the first quarter with a +24.9% growth.

In the Asian markets, China — the first market in which the Covid-19 virus spread — closed the first quarter with a strong 72.1% increase in sales of light vehicles compared to the first quarter of 2020, confirming its position as the world's top market. Japan also closed the first three months of the year positively, with a 4.5% rise in sales.

Within this scenario, Brembo's net sales of car applications for the first quarter of 2021 amounted to €482,653 thousand, accounting for 71.5% of the Group's turnover, up by 13.1% compared to the same period of 2020.

Motorbikes

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

In Europe, registrations of motorbikes, scooters and ATVs increased by 14.0% in the first quarter of 2021 compared to the same period of the previous year. Registrations of motorbikes with displacements over 500cc alone rose by 4.0%.

In the first quarter of 2021, Italy reported a +46.5% increase compared to the first quarter of 2020, with motorbikes alone at +38.0% (+24.0% with regard to displacements over 500cc), while scooters rose by over +50.0% on the same period of the previous year.

In the United States, registrations of motorbikes, scooters and ATVs (All Terrain Vehicles, quadricycles for recreation and work) rose by 42.0% in the first quarter of 2021 compared to the same period of 2020. ATVs alone grew by 53.7%, while motorbikes and scooters together increased by 37.2%.

In the Japanese market, overall registrations of motorbikes with displacements of over 50cc rose by 15.0% in the first quarter of 2021 compared to the same period of the previous year.

In Brazil, registrations of two-wheel vehicles dropped by 17.0% in the reporting period compared to the same period of 2020, whereas India reported a 24.0% increase compared to the first quarter of 2020.

Brembo's net sales of motorbike applications amounted to €85,581 thousand for the first quarter of 2021, up by 40.5% compared to the first quarter of 2020 (+33.4% on a like-for-like consolidation basis).

Commercial and Industrial Vehicles

In the first quarter of 2021, the European commercial vehicles market (EU14+EFTA+UK) — Brembo's reference market — showed a strong 21.6% rise in registrations.

In the reporting period, sales of light commercial vehicles (up to 3.5 tonnes) increased by 23.6% compared to the first quarter of 2020. All the first five European markets by sales volume closed on a positive note, with Germany increasing by +30.2%, the United Kingdom by +43.4%, France by +11.1%, Spain by +21.1% and Italy by +27.6%. In the reporting period, Eastern European countries (EU12) alone grew by 20.0% compared to the first quarter of 2020.

The segment of medium and heavy commercial vehicles (over 3.5 tonnes) also increased in Europe, closing the reporting quarter with a +15.3% growth compared to the same period of the previous year. The same uptrend was also reported in the principal European markets by sales volume, except for the United Kingdom. In detail, Germany grew by +7.1%, Spain by +13.7% and Italy by +25.4%, while the United Kingdom declined by -4.1%. In the reporting period, Eastern European countries (EU12) alone grew by 38.6% compared to the first quarter of 2020.

In the first quarter of 2021, Brembo's net sales of applications in this segment amounted to €72,700 thousand, up by 31.6% compared to the first quarter of 2020.

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 quarter of 2021, Brembo's net sales of racing applications amounted to €34,111 thousand, up by 3.3% compared to the first quarter of 2020.

Significant Events During the Quarter

On 7 January 2021, following the press release dated 17 November 2020, Brembo completed the acquisition of SBS Friction A/S, a 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. The total outlay for the transaction was DKK 224 million (€30.1 million), paid using available cash and subject to the usual adjustment mechanisms applicable to similar transactions.

The transaction has been accounted for using the acquisition method and the Consolidated Financial Statements include the result of SBS Friction A/S as of 1 January 2021, the day conventionally designated as the acquisition date for accounting purposes only, as there were no significant changes between this date and the actual acquisition date and accounts were available on that date.

The breakdown of the acquisition date fair value of the assets and liabilities is as follows:

	Acquisition date fair value	
	(DKK/1000)	(€/1000)
Net assets		
Property, plant and equipment	53,131	7,142
Intangible assets	51,182	6,880
Other receivables and non-current liabilities	17,676	2,376
Inventories	26,945	3,622
Trade receivables	26,097	3,508
Other receivables and current assets	2,157	290
Cash and cash equivalents	0	0
Trade payables	(12,885)	(1,732)
Other payables and current liabilities	(26,141)	(3,514)
Provisions / deferred taxes	(30)	(4)
Short-term financial debt	(64,104)	(8,617)
Total net assets measured at fair value	74,027	9,951
Group Equity (100% of net assets)	(74,027)	(9,951)
Consideration agreed	224,000	30,111
<i>Goodwill arising from acquisition</i>	<i>149,973</i>	<i>20,160</i>

	Cash flows at acquisition	
	(DKK/1000)	(€/1000)
Subsidiary's cash and cash equivalents	0	0
Amount paid	(224,000)	(30,111)
Net cash flows at acquisition	(224,000)	(30,111)

Trade receivables amounted to €3.5 million and correspond to their fair value, which represents the value that is expected to be received from these receivables.

Recognised goodwill is attributable to the synergies and other economic benefits generated by the integration of commercial activities and transactions of SBS Friction A/S into the Group.

With regard to intangible assets, identified using the acquisition method, fair value has been provisionally determined in this Interim Report based on the methods commonly used for this purpose by international valuation practice (such as for example the relief from royalty for Technology and Trademark). The useful life of technology is estimated at 15 years, while trademark has an indefinite useful life.

Sales generated by SBS Friction A/S after the acquisition date amounted to €6,225 thousand and net income to €556 thousand.

Measures Adopted to Combat the COVID-19 Emergency

Brembo has been constantly following developments relating to the spread of the Covid-19 pandemic, promptly adopting all necessary measures to monitor, prevent and contain the same at all of its locations worldwide. In fact, all necessary measures aimed at protecting the health of employees and contractors continued to be applied, such as, for example, extended remote working, rearrangement of production layouts, sanitisation of the premises, personal protective equipment, temperature measurement, heat scans, hygiene rules and social distancing.

Opt-out from the Obligations to Publish Disclosure Documents

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

Buy-back and Sale of Own Shares

The General Shareholders' Meeting held on 22 April 2021 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 available methods;
- buying back own shares as a medium-/long-term investment.

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

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

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

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

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

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

Significant Events After 31 March 2021

The General Shareholders' Meeting of the Parent Brembo S.p.A. held on 22 April 2021 approved the Financial Statements for the financial year ended 31 December 2020, allocating net income for the year amounting to €85,505,062.96 as follows:

- to the Shareholders, a gross ordinary dividend of €0.22 per each ordinary share outstanding, excluding own shares (payment as of 26 May 2021, ex-coupon date 24 May 2021, and record date 25 May 2021);
- the remaining amount carried forward.

On 28 April 2021, Brembo signed an agreement for the acquisition of a 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, a strategic component for the braking system's safety that will complement the current range of Brembo products for motorbikes. The acquisition of J.Juan will enable the Group to complete its range of solutions for the motorbike braking system and to expand its brand family for the growing motorbike sector.

The consideration for the transaction is currently estimated at €70 million, to be paid using available cash. The final price will be subject to the usual adjustment mechanisms envisaged for similar transactions. The acquisition is subject to the approval of the Antitrust authorities, following which the closing is expected to occur in the second half of 2021.

Attestation of the Manager in Charge of the Company's Financial Reports Pursuant to Article 154-bis, Paragraph 2, of Legislative Decree No. 58/1998

RE: Interim Report at 31 March 2021, approved on 10 May 2021.

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

DECLARE

in accordance with Article 154-*bis*, paragraph 2, part IV, title III, chapter II, section V-*bis*, of Italian Legislative Decree No. 58 of 24 February 1998, that to the best of my knowledge, the Interim Report at 31 March 2021 corresponds with the documented results, books and accounting records.

Andrea Pazzi

Manager in Charge of
the Company's Financial Reports

BREMBO S.p.A.

Registered offices: CURNO (BG) – Via Brembo 25

Share capital €34,727,914.00

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