

BREMBO AND GOLD PHOENIX JOIN FORCES TO CREATE A LEADING FRICTION TECHNOLOGY PLAYER

The Joint Venture will establish the first large scale Brembo manufacturing facility fully dedicated to produce innovative aftermarket pads

Stezzano (Bergamo, Italy), 25 July 2022 – Brembo and Gold Phoenix have signed a 50/50 Joint Venture agreement (subject to the local and antitrust usual fulfilments) establishing a new company, Shandong BRGP Friction Technology Co., Ltd, to create the first large scale Brembo manufacturing facility fully dedicated to produce innovative aftermarket pads.

The newly formed company will bring together Brembo's leadership in braking systems with Gold Phoenix's high-tech friction solutions and it will focus on superior product quality and innovation, especially in terms of performance, comfort, durability and sustainability, with the aim of anticipating the challenges of electrification and autonomous driving.

The Joint Venture will serve the segments of passenger cars, light commercial vehicles and heavy duty trucks, leveraging on new opportunities arising from a growing market. Indeed, in 2020 there were approximately more than 1.23 billion vehicles in operation globally. This number is expected to grow by more than 10% within 2026 and by more than 18% within 2030 reaching approximately 1.46 billion, according to Brembo's projections based on IHS Markit's data.¹ The share of older cars is also expected to increase, generating a substantial effect on the aftermarket segment, as older vehicles are more likely to need maintenance and replacement parts.

"We have entered into a strategic and long-term partnership with a leader in high-tech braking friction products to further improve the vertical integration of our solutions" – said Roberto Caravati, Brembo Aftermarket Chief Operating Officer – "With this Joint Venture, Brembo will enjoy an even stronger positioning in the aftermarket segment, seizing new opportunities thanks to a more effective development of pads, in line with our mission of being a solution provider. All this to the benefit of our partners across the value chain and all car enthusiasts who choose to rely on our brand for top quality and performance."

"We are very pleased to form this partnership with Brembo, a company with unparalleled experience in braking systems on the global scale." – said Mr. Peng Sun, CEO of Gold Phoenix – "By combining our industrial and technological expertise, together we are committed to building a successful long-term enterprise. With a dedicated facility and team, the new company will be focused on product innovation, with the ultimate goal of delivering market-leading solutions to customers."

Shandong BRGP Friction Technology Co., Ltd is expected to start operations in early 2023 in Jinan, the capital of Shandong province in Eastern China.

The overall investment from both companies is approximately € 35 million over the next 3 years.

¹ Data refer to the 65 Markets included in the perimeter of the study. North America (US, Canada and Mexico) includes Light Trucks.

About Brembo SpA

Brembo SpA is the world leader and acknowledged innovator of brake technology for automotive vehicles. Brembo supplies high performance brake systems for the most important manufacturers of cars, commercial vehicles and motorbikes worldwide, as well as clutches and other components for racing. Brembo is also a leader in the racing sector and has won more than 500 championships. Today the company operates in 15 countries on 3 continents, with 29 production and business sites, and a pool of over 12,200 employees, about 10% of whom are engineers and product specialists active in R&D. 2021 turnover was € 2,777.6 million (31.12.2021). Brembo is the owner of the Brembo, AP, AP Racing, Breco, Bybre, J.Juan, Marchesini and SBS Friction brands.

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About Gold Phoenix

Shandong Gold Phoenix Co.,Ltd. is a national leading and high-tech company, listed at Shanghai Stock Exchange since 6 April 2017, designing, testing, manufacturing and marketing, among the others, braking system and pads/friction material for original equipment and aftermarket, for passenger car, motorcycles, commercial vehicles, trains and brake high performance kits application. Today the company has more than 6,000 brake pads and brake shoes within its portfolio, and more than 4,300 individual brake disc references, this breadth of range covers almost every applications required for the global market. 2021 turnover was \$ 218.50 million (31.12.2021).

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