

BREMBO
THIRD QUARTER REPORT
2020



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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 Interim Report at 30 September 2020 (9 November 2020)

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⁾
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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

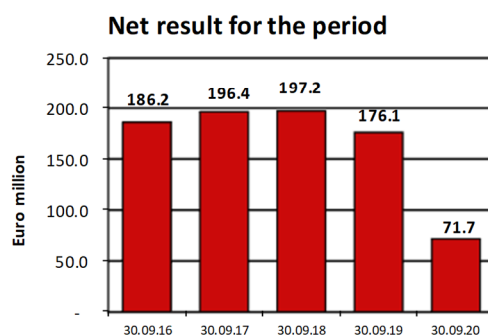
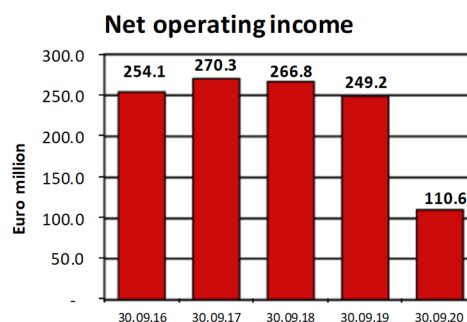
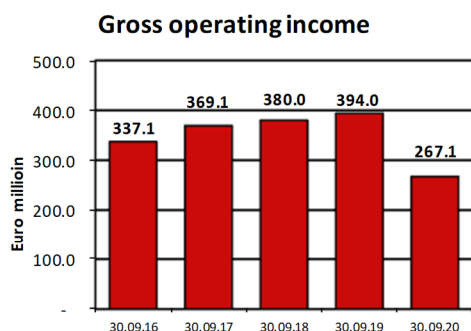
Giovanni Canavotto **(Chairman)** ⁽¹⁴⁾
Elisabetta Magistretti
Alessandra Ramorino ⁽¹⁵⁾

- (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 Rules 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.

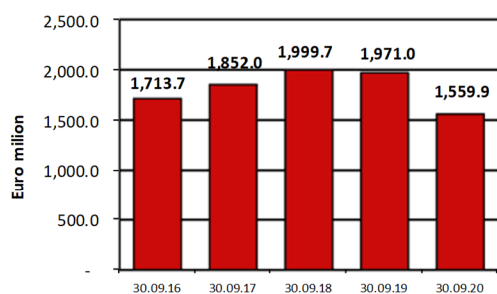
Registered offices: CURNO (BG) – Via Brembo 25
Share capital: €34,727,914.00 – Bergamo Register of Companies
Tax code and VAT Code No. 00222620163

Summary of Group Results

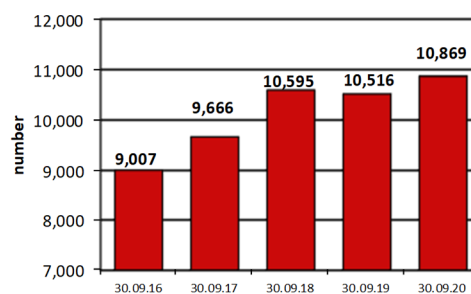


ECONOMIC RESULTS (euro million)	30.09.16	30.09.17	30.09.18	30.09.19	30.09.20	% 2020/2019
Revenue from contract with customers	1,713.7	1,852.0	1,999.7	1,971.0	1,559.9	-20.9%
Gross operating income	337.1	369.1	380.0	394.0	267.1	-32.2%
<i>% of revenue from contract with customer</i>	19.7%	19.9%	19.0%	20.0%	17.1%	
Net operating income	254.1	270.3	266.8	249.2	110.6	-55.6%
<i>% of revenue from contract with customer</i>	14.8%	14.6%	13.3%	12.6%	7.1%	
Result before taxes	242.3	264.4	256.4	237.1	92.5	-61.0%
<i>% of revenue from contract with customer</i>	14.1%	14.3%	12.8%	12.0%	5.9%	
Net result for the period	186.2	196.4	197.2	176.1	71.7	-59.3%
<i>% of revenue from contract with customer</i>	10.9%	10.6%	9.9%	8.9%	4.6%	

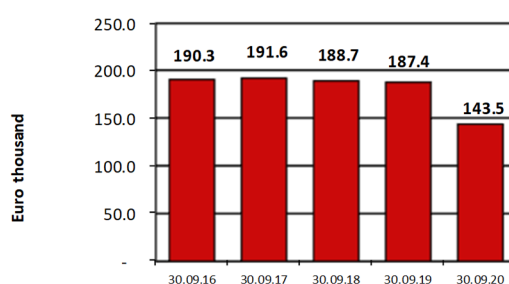
Revenue from contract with customers



Personnel at end of period

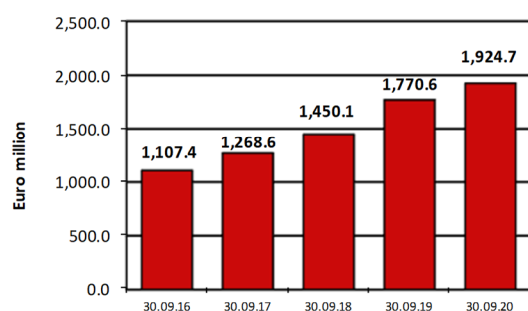


Turnover per employee

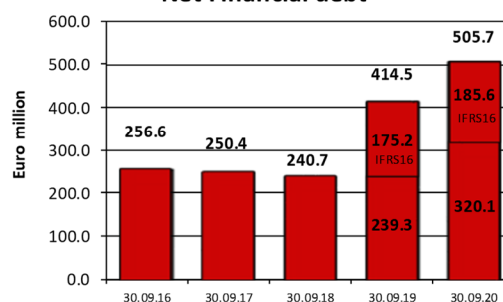


FINANCIAL RESULTS (euro million)	30.09.16	30.09.17	30.09.18	30.09.19	30.09.20	% 2020/2019
Net invested capital	1,107.4	1,268.6	1,450.1	1,770.6	1,924.7	8.7%
Equity	819.8	988.5	1,182.3	1,330.9	1,394.8	4.8%
Net financial debt	256.6	250.4	240.7	414.5	505.7	22.0%
PERSONNEL AND INVESTMENTS						
Personnel at end of period (No.)	9,007	9,666	10,595	10,516	10,869	3.4%
Turnover per employee (euro thousand)	190.3	191.6	188.7	187.4	143.5	-23.4%
Net investments (euro million)	175.6	251.2	184.1	152.5	112.0	-26.6%

Net invested capital



Net Financial debt



MAIN RATIOS	30.09.16	30.09.17	30.09.18	30.09.19	30.09.20
Net operating income/Revenue from contract with customers	14.8%	14.6%	13.3%	12.6%	7.1%
Result before taxes/Revenue from contract with customers	14.1%	14.3%	12.8%	12.0%	5.9%
Net investments/Revenue from contract with customers	10.2%	13.6%	9.2%	7.7%	7.2%
Net Financial indebtedness/Equity	31.3%	25.3%	20.4%	31.1%	36.3%
Adjusted net interest expense(*)/Revenue from contract with customers	0.4%	0.4%	0.4%	0.6%	0.7%
Adjusted net interest expense(*)/Net operating income	2.8%	2.5%	2.7%	4.5%	9.3%
ROI	29.0%	27.1%	23.6%	18.5%	9.3%
ROE	29.2%	25.8%	22.6%	17.0%	9.2%

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

<i>(euro thousand)</i>	30.09.2020	31.12.2019	Change
ASSETS			
NON-CURRENT ASSETS			
Property, plant, equipment and other equipment	988,998	1,064,307	(75,309)
Right of use assets	182,584	194,493	(11,909)
Development costs	90,712	87,241	3,471
Goodwill and other indefinite useful life assets	80,983	83,883	(2,900)
Other intangible assets	49,066	57,157	(8,091)
Shareholding valued using the equity method	43,798	43,149	649
Other financial assets (including investments in other companies and derivatives)	180,550	7,078	173,472
Receivables and other non-current assets	13,426	12,901	525
Deferred tax assets	62,696	54,617	8,079
TOTAL NON-CURRENT ASSETS	1,692,813	1,604,826	87,987
CURRENT ASSETS			
Inventories	352,380	342,203	10,177
Trade receivables	423,125	391,925	31,200
Other receivables and current assets	102,031	95,870	6,161
Current financial assets and derivatives	859	1,439	(580)
Cash and cash equivalents	552,493	304,793	247,700
TOTAL CURRENT ASSETS	1,430,888	1,136,230	294,658
ASSETS FROM DISCONTINUED OPERATIONS	1,051	1,435	(384)
TOTAL ASSETS	3,124,752	2,742,491	382,261
EQUITY AND LIABILITIES			
GROUP EQUITY			
Share capital	34,728	34,728	0
Other reserves	51,594	107,325	(55,731)
Retained earnings/(losses)	1,206,160	983,809	222,351
Net result for the period	71,701	231,301	(159,600)
TOTAL GROUP EQUITY	1,364,183	1,357,163	7,020
TOTAL MINORITY INTERESTS	30,631	30,852	(221)
TOTAL EQUITY	1,394,814	1,388,015	6,799
NON-CURRENT LIABILITIES			
Non-current payables to banks	565,862	196,558	369,304
Long-term lease liabilities	166,252	177,283	(11,031)
Other non-current financial payables and derivatives	944	1,164	(220)
Other non-current liabilities	13,413	9,472	3,941
Non-current provisions	15,857	12,494	3,363
Provisions for employee benefits	25,121	25,584	(463)
Deferred tax liabilities	27,408	28,410	(1,002)
TOTAL NON-CURRENT LIABILITIES	814,857	450,965	363,892
CURRENT LIABILITIES			
Current payables to banks	303,135	257,655	45,480
Short-term lease liabilities	19,360	18,700	660
Other current financial payables and derivatives	3,465	1,061	2,404
Trade payables	434,910	473,996	(39,086)
Tax payables	8,618	6,135	2,483
Current provisions	1,859	2,052	(193)
Other current liabilities	143,534	143,273	261
TOTAL CURRENT LIABILITIES	914,881	902,872	12,009
LIABILITIES FROM DISCONTINUED OPERATIONS	200	639	(439)
TOTAL LIABILITIES	1,729,938	1,354,476	375,462
TOTAL EQUITY AND LIABILITIES	3,124,752	2,742,491	382,261

Consolidated Statement of Income

<i>(euro thousand)</i>	30.09.2020	30.09.2019	Change	%
Revenue from contracts with customers	1,559,918	1,970,986	(411,068)	-20.9%
Other revenues and income	13,678	21,171	(7,493)	-35.4%
Costs for capitalised internal works	16,012	18,024	(2,012)	-11.2%
Raw materials, consumables and goods	(711,336)	(929,315)	217,979	-23.5%
Income (expenses) from non-financial investments	4,900	9,033	(4,133)	-45.8%
Other operating costs	(310,522)	(346,614)	36,092	-10.4%
Personnel expenses	(305,526)	(349,271)	43,745	-12.5%
GROSS OPERATING INCOME	267,124	394,014	(126,890)	-32.2%
<i>% of revenue from contracts with customer</i>	<i>17.1%</i>	<i>20.0%</i>		
Depreciation, amortisation and impairment losses	(156,511)	(144,796)	(11,715)	8.1%
NET OPERATING INCOME	110,613	249,218	(138,605)	-55.6%
<i>% of revenue from contracts with customer</i>	<i>7.1%</i>	<i>12.6%</i>		
Net interest income (expense)	(18,120)	(12,321)	(5,799)	47.1%
Interest income (expense) from investments	48	197	(149)	-75.6%
RESULT BEFORE TAXES	92,541	237,094	(144,553)	-61.0%
<i>% of revenue from contracts with customer</i>	<i>5.9%</i>	<i>12.0%</i>		
Taxes	(19,861)	(53,331)	33,470	-62.8%
Result from discontinued operations	(86)	(6,567)	6,481	-98.7%
RESULT BEFORE MINORITY INTERESTS	72,594	177,196	(104,602)	-59.0%
<i>% of revenue from contracts with customer</i>	<i>4.7%</i>	<i>9.0%</i>		
Minority interests	(893)	(1,074)	181	-16.9%
NET RESULT FOR THE PERIOD	71,701	176,122	(104,421)	-59.3%
<i>% of revenue from contracts with customer</i>	<i>4.6%</i>	<i>8.9%</i>		
BASIC/DILUTED EARNINGS PER SHARE (euro)	0.22	0.54		

Consolidated Statement of Comprehensive Income

<i>(euro thousand)</i>	30.09.2020	30.09.2019	Change
RESULT BEFORE MINORITY INTERESTS	72,594	177,196	(104,602)
<i>Other comprehensive income/(losses) that will not be subsequently reclassified to income/(loss) for the period:</i>			
Effect of actuarial gain (loss) on defined-benefit plans	(980)	(520)	(460)
Tax effect	170	192	(22)
Fair value measurement of investments	(7,015)	0	(7,015)
Total other comprehensive income/(losses) that will not be subsequently reclassified to income/(loss) for the period	(7,825)	(328)	(7,497)
<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	(2,591)	(1,787)	(804)
Tax effect	622	429	193
Change in translation adjustment reserve	(55,361)	10,232	(65,593)
Total other comprehensive income/(losses) that will be subsequently reclassified to income/(loss) for the period	(57,330)	8,874	(66,204)
COMPREHENSIVE RESULT FOR THE PERIOD	7,439	185,742	(178,303)
Of which attributable to:			
– <i>Minority Interests</i>	419	1,358	(939)
– <i>the Group</i>	7,020	184,384	(177,364)

Consolidated Statement of Cash Flows

<i>(euro thousand)</i>	30.09.2020	30.09.2019
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	168,559	195,871
Result before taxes	92,541	237,094
Depreciation, amortisation/Impairment losses	156,511	144,796
Capital gains/losses	(769)	(1,389)
Income/expense from investments, net of dividends received	151	(3,131)
Financial portion of provisions for defined benefits and payables for personnel	308	432
Long-term provisions for employee benefits	1,835	1,800
Other provisions net of utilisations	30,075	4,175
Result from discontinued operations	(86)	(6,567)
Cash flows generated by operating activities	280,566	377,210
Current taxes paid	(32,777)	(41,117)
Uses of long-term provisions for employee benefits	(3,077)	(3,646)
<i>(Increase) reduction in current assets:</i>		
inventories	(27,540)	(31,255)
financial assets	129	(37)
trade receivables	(32,368)	(45,171)
receivables from others and other assets	2,786	1,962
<i>Increase (reduction) in current liabilities:</i>		
trade payables	(39,086)	(88,501)
payables to others and other liabilities	3,590	(25,133)
Translation differences on current assets	(9,393)	4,244
Net cash flows from/(for) operating activities	142,830	148,556
<i>Investments in:</i>		
property, plant and equipment	(92,701)	(130,720)
of which right of use assets	(6,919)	(11,921)
intangible assets	(20,155)	(24,547)
financial assets (shareholdings)	(182,862)	(113)
Price for disposal or reimbursement value of fixed assets	1,625	4,129
Net cash flows from/(for) investing activities	(294,093)	(151,251)
Dividends paid in the period	0	(71,541)
Acquisition of own shares	0	(11,329)
Dividends paid to minority shareholders in the period	(640)	(800)
Change in fair value of derivatives	890	(825)
New lease agreements	6,033	11,202
Reimbursement of lease liabilities	(18,629)	(17,401)
Loans and financing granted by banks and other financial institutions in the period	425,000	103,098
Repayment of long-term loans and other financing	(80,502)	(76,840)
Net cash flows from/(for) financing activities	332,152	(64,436)
Total cash flows	180,889	(67,131)
Translation differences on cash and cash equivalents	(3,295)	(3,235)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	346,153	125,505

Consolidated Net Financial Position

<i>(euro thousand)</i>	30.09.2020	31.12.2019
Cash	189	206
Other cash equivalents	552,304	304,587
Derivatives and securities held for trading	325	768
LIQUIDITY (A+B+C)	552,818	305,561
Current financial receivables	534	671
Current payables to banks	206,340	136,234
Current portion of non-current debt	96,795	121,421
Other current financial debts and derivatives	22,825	19,761
CURRENT FINANCIAL DEBT (F+G+H)	325,960	277,416
NET CURRENT FINANCIAL DEBT (I-E-D)	(227,392)	(28,816)
Non-current payables to banks	565,862	196,558
Bonds issued	0	0
Other non-current financial debts and derivatives	167,196	178,447
NON-CURRENT FINANCIAL DEBT (K+L+M)	733,058	375,005
NET FINANCIAL DEBT (J+N)	505,666	346,189

Consolidated Statement of Changes in Equity

	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 2019	34,728	122,260	(13,476)	817,219	238,349	1,199,080	3,127	26,615	29,742	1,228,822
Allocation of profit for the previous year				166,808	(166,808)	0	(3,127)	3,127	0	0
Payment of dividends					(71,541)	(71,541)		(800)	(800)	(72,341)
Acquisition of Asimco Meilian Braking Systems (Langfang) Co. Ltd.			(11,329)			(11,329)			0	(11,329)
<i>Components of comprehensive income:</i>										
Effect of actuarial income/(loss) on defined benefit plans				(328)		(328)			0	(328)
		(1,358)				(1,358)			0	(1,358)
Change in translation adjustment reserve		9,948				9,948		284	284	10,232
Net result for the period					176,122	176,122	1,074		1,074	177,196
Balance at 30 September 2019	34,728	130,850	(24,805)	983,699	176,122	1,300,594	1,074	29,226	30,300	1,330,894
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		1,125		230,176	(231,301)	0	(1,760)	1,760	0	0
Payment of dividends					0	0		(640)	(640)	(640)
<i>Components of comprehensive income:</i>										
Effect of actuarial income/(loss) on defined benefit plans				(810)		(810)			0	(810)
Fair value measurement of investments				(7,015)		(7,015)			0	(7,015)
Effect of hedge accounting (cash flow hedge) of derivatives		(1,969)				(1,969)			0	(1,969)
Change in translation adjustment reserve		(54,887)				(54,887)		(474)	(474)	(55,361)
Net result for the period					71,701	71,701	893		893	72,594
Balance at 30 September 2020	34,728	76,399	(24,805)	1,206,160	71,701	1,364,183	893	29,738	30,631	1,394,814

Explanatory Notes to the Financial Statements

Accounting Standards and Basis of Preparation

The Interim Report at 30 September 2020, 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 2019 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 at 30 September 2020 include the Financial Statements of the Parent Brembo S.p.A., and the Financial Statements of the companies that Brembo S.p.A. controls as per IFRS 10. Compared to 30 September 2019, no corporate transactions impacting the Group's consolidation area were carried out in the reporting period.

On 30 June 2019, Brembo discontinued its industrial operations at the Buenos Aires plant. As a result, the subsidiary Brembo Argentina S.A. has been placed in liquidation. Pursuant to IFRS 5, the company's assets and liabilities have been reclassified to "Assets/Liabilities from discontinued operations", whereas its statement of income items have been reclassified to "Result from discontinued operations".

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

In the first nine months of 2020, the Group's **net sales** amounted to €1,559,918 thousand, down by 20.9% compared to the same period of 2019, following the lockdown measures adopted in all the countries where the Group operates to contain the spread of the Covid-19 virus. Details on the lockdown restrictions imposed to the different companies in the Group are given in section "Impacts of the Covid-19 Pandemic on the Interim Report at 30 September 2020" of this Report.

Car applications, which accounted for 75.2% of Group's sales, closed the first nine months of 2020 with a 20.4% decrease, as a result of the strong decline in the light vehicle market. In the same period, a negative performance was also reported by the other sectors in which the Group operates, with applications for commercial vehicles decreasing by -18.2%, the motorbike segment by -26.8% and the racing segment by -22.0%.

At geographical level, and with specific reference to Europe, Germany showed a drop by 26.7% compared to the first nine months of 2019. Similarly, all other European countries reported a decrease: France (-20.4%), Italy (-18.0%), and the United Kingdom (-35.7%). In North America (USA, Mexico and Canada), sales decreased by 22.3%, whereas South America showed a 41.3% decline. In the Far East, China grew by 4.0%, whereas Japan and, especially, India declined (-21.9% and -35.5%, respectively).

At 30 September 2020, the **cost of sales** and **other net operating costs** amounted to €992,168 thousand, with a 63.6% ratio to sales, up compared to 62.7% for the same period of the previous year. Within this item, **costs for capitalised internal works** amounted to €16,012 thousand compared to €18,024 thousand for the same period of 2019.

Income (expense) from non-financial investments totalled €4,900 thousand (€9,033 thousand in 2019) and was attributable to the effects of valuing the investment in the BSCCB Group using the equity method.

Personnel expenses amounted to €305,526 thousand, with a 19.6% ratio to sales, increasing compared to the same period of the previous year (17.7%). At 30 September 2020, **workforce** numbered 10,869 (10,868 at 31 December 2019 and 10,516 at 30 September 2019).

Gross operating income was €267,124 thousand (17.1% of sales) compared to €394,014 thousand in 2019 (20.0% of sales). Margins declined due to the decrease in volumes generated by the spread of the Covid-19 virus at global level, offset however by the measures adopted by Brembo, as described in further detail in the relevant section of this Report.

Net operating income amounted to €110,613 thousand (7.1% of sales), compared to €249,218 thousand (12.6% of sales) in 2019, after depreciation, amortisation and impairment losses of property, plant, equipment and intangible assets of €156,511 thousand, compared to €144,796 thousand for the same period of 2019.

Net interest expense amounted to €18,120 thousand (€12,321 thousand in 2019) and consisted of net exchange losses of €7,779 thousand (€1,209 thousand in 2019) and interest expense of €10,341 thousand (€11,112 thousand for the same period of the previous year).

Net interest income from investments, which amounted to €48 thousand, was attributable to the effects of valuing investments in associates using the equity method.

Result before taxes was positive at €92,541 thousand (5.9% of sales), compared to €237,094 thousand (12.0% of sales) in 2019. Based on tax rates applicable for the year under current tax regulations, estimated **taxation** amounted to €19,861 thousand (€53,331 thousand in 2019). Tax rate was 21.5% compared to 22.5% for the first nine months of 2019.

The **result from discontinued operations**, negative for €86 thousand, was attributable to the contribution of the company Brembo Argentina S.A. in dissolution and winding up procedure, reclassified to this item following the Group's decision on discontinuation of its industrial operations at the Buenos Aires plant.

The **Group's net result** at 30 September 2020 amounted to €71,701 thousand compared to €176,122 thousand in 2019.

Net Invested Capital at the end of the period amounted to €1,924,684 thousand, up by €166,046 thousand compared to €1,758,638 thousand at 31 December 2019.

Net financial debt at 30 September 2020 was €505,666 thousand, compared to €346,189 thousand at 31 December 2019. The €159,477 thousand increase for the period was mainly attributable to the combined effect of the following factors:

- the positive effect of gross operating income of €267,124 thousand, with a €114,201 thousand decrease in working capital;
- net investments totalling €112,000 thousand; they were mainly concentrated in Italy (41.9%), of which €12,514 thousand (11.2%) associated with development costs, North America (20.2%), Poland (15.0%) and Czech Republic (13.3%);
- payment of taxes totalling €32,777 thousand;
- dividends received by the associate BSCCB S.p.A. amounting to €5,000 thousand;
- acquisition of the 4.78% interest in Pirelli S.p.A. for €181,964 thousand and of the 20% stake in Infibra Technologies S.r.l. for €800 thousand.

Sales Breakdown by Geographical Area and Application

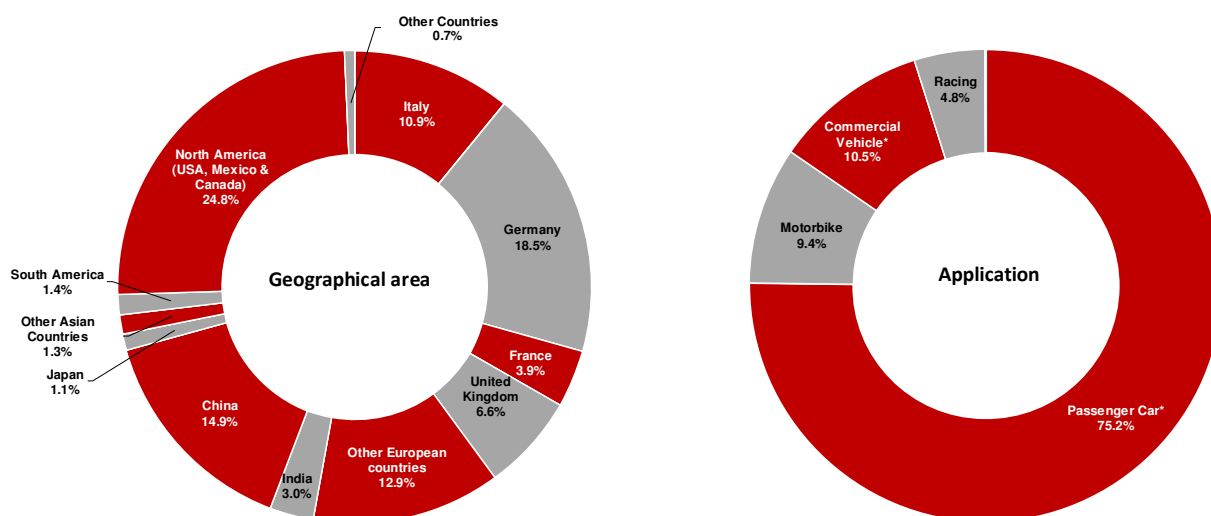
The following tables show net sales at 30 September 2020, broken down by geographical area and application.

<i>(euro thousand)</i>	30.09.2020	%	30.09.2019	%	Change	%
GEOGRAPHICAL AREA						
Italy	170,457	10.9%	207,946	10.6%	(37,489)	-18.0%
Germany	288,322	18.5%	393,220	20.0%	(104,898)	-26.7%
France	61,296	3.9%	76,989	3.9%	(15,693)	-20.4%
United Kingdom	102,507	6.6%	159,382	8.1%	(56,875)	-35.7%
Other European countries	201,005	12.9%	238,417	12.1%	(37,412)	-15.7%
India	46,461	3.0%	71,978	3.7%	(25,517)	-35.5%
China	231,483	14.9%	222,552	11.3%	8,931	4.0%
Japan	16,380	1.1%	20,979	1.1%	(4,599)	-21.9%
Other Asian Countries	20,831	1.3%	26,101	1.3%	(5,270)	-20.2%
South America (Argentina and Brazil)	22,228	1.4%	37,880	1.9%	(15,652)	-41.3%
North America (USA, Mexico & Canada)	387,764	24.8%	498,948	25.3%	(111,184)	-22.3%
Other Countries	11,184	0.7%	16,594	0.7%	(5,410)	-32.6%
Total	1,559,918	100.0%	1,970,986	100.0%	(411,068)	-20.9%

<i>(euro thousand)</i>	30.09.2020	%	30.09.2019	%	Change	%
APPLICATION						
Passenger Car*	1,172,918	75.2%	1,472,955	74.7%	(300,037)	-20.4%
Motorbike	147,405	9.4%	201,498	10.2%	(54,093)	-26.8%
Commercial Vehicle*	163,458	10.5%	199,770	10.2%	(36,312)	-18.2%
Racing	75,261	4.8%	96,468	4.9%	(21,207)	-22.0%
Miscellaneous	876	0.1%	295	0.0%	581	196.9%
Total	1,559,918	100.0%	1,970,986	100.0%	(411,068)	-20.9%

* Following an in-depth analysis, data at 30 September 2019 have been restated.

RATIO TO SALES



Foreseeable Evolution

The ability to react promptly and effectively to the first wave of the pandemic, combined with the Group's financial and capital solidity, will continue to steer the Company in the coming months, which are set to remain uncertain.

Directors' Report on Operations and Significant Events

Macroeconomic Context

To correctly assess Brembo's performance in the first nine months of 2020, it is essential to consider the world macroeconomic scenario, specifically for the markets in which the Group operates.

The current scenario, and in particular its most recent developments, urge particular caution in both analysis and forecasting. The latest estimates published by the IMF (International Monetary Fund) shed light on the effects of the coronavirus emergency, which has effectively brought almost all the entire world to its knees. In the first two quarters of 2020, there was a double supply and demand shock caused by the government shutdown of business in various sectors of industry and services and the restrictions on personal movement, with disruptive consequences for the economy. The recovery of confidence and business in the third quarter of the year was partial almost everywhere, whereas only industrial production seems to have recovered in August to near the levels of one year earlier. The IMF has released its October forecast scenario, the WEO (World Economic Outlook), a reference publication for assessing global economic development that projects a 4.4% decline in the global economy this year, slightly less severe than the analysis prepared six months earlier (-5.2%). In the following year, international activity is then expected to rebound sharply (+5.2%), provided that the virus does not continue to circulate with the current intensity. The recovery remains "uneven and uncertain" and exposed to setbacks. The level of global GDP in 2021 is expected to be a modest 0.6% above that of 2019. The estimates assume that social-distancing continues into 2021, to then decrease gradually as transmission declines. In all advanced, emerging and developing economies, GDP in 2020 is expected to remain below the 2019 levels; the single major exception is China, where the recovery was swifter than forecast and which is expected to achieve positive GDP growth already in the current year (+1.9%, revised upwards compared to June). In a video interview, IMF Chief Economist Gita Gopinath said economic outcomes in the second quarter have been less dire, and global recovery is expected to be strong in the third quarter. "We are still living with the pandemic in many parts of the world, that is going to slow the recovery because especially contact-intensive services sectors will not recover fully as long as the pandemic is not under control." The October publication has thus confirmed the scope of the crisis, already identified in the April scenario, which is confirmed as the worst since the Great Depression of 1929. Excluding the collapse caused by the Second World War, it is thus the steepest economic decline that has occurred in recent history in peacetime.

Overall, in the **Eurozone** GDP will decrease by 8.3%, compared to the 10.2% forecast in June, with a recovery of 5.2% in the following year. In detail, Germany will suffer a contraction of 6% this year (instead of the 7.8% forecast in June) and France a decrease of 9.8% (compared to 12.5%). The indications from the August Eurozone PMI (Purchasing Managers Index), prepared by IHS Markit, put it at 51.7 points, down marginally compared to July. However, prudence is essential, as argued by Chris Williamson, Chief Business Economist at IHS Markit: "Caution is warranted in assessing the likely production trend, however, as so far it would have been surprising to have seen anything other than a rebound in output and sentiment. Worryingly, order book growth cooled slightly in August, and there are indications that firms are bracing for a near-term weakening of demand."

The IMF attempts to paint a slightly less dark picture for 2020 and upgrades its global GDP forecast for **Italy** as well, now predicting a decline of 10.6%, a sharp improvement compared to the 12.8% estimated in June (with a rebound of 5.2% in 2021). Italian government debt could increase to 161.8% of GDP in 2020 from 134.8% in 2019, to then decline to 158.3% in 2021. It is also estimated that Italy will have an unemployment rate of 11.0% in 2020, up from 9.9% in 2019. The following year the unemployment rate will climb further to 11.8%, coming in significantly above the European average of 8.9% for 2020 and of 9.1% for 2021. In the Euro Area, the only

countries worse than Italy are Spain at 16.8% in both 2020 and 2021 and Greece at 19.9% this year and 18.3% next year. According to an analysis by the Confindustria Research Centre, Italy is facing a “difficult recovery after a collapse” with a “slight downward revision” and Italian GDP is expected to plummet by 10% in 2020 and then recover partially by 4.8% in 2021. According to the business-owners’ organisation, the impact of the Covid-19 crisis is “slightly more negative than expected some months ago”. Confindustria also estimates that the ratio of government debt to GDP will reach 158.7% this year and 156.5% in 2021, leaping up more than 24 points from 134.6% in 2019. According to the analysis conducted by the Confindustria Research Centre, “the recent increase in new cases is a source of uncertainty and explains the weakness expected from the economy in the fourth quarter.” “GDP,” the Confindustria economists note, “should begin to recover gradually in early 2021, provided that the spread of Covid-19 is effectively contained.” In 2020, industrial production indices are expected to decline by approximately 12%: a less severe decline than in 2009 (-18.7%) following the great global financial crisis.

In the **United States**, a significant correction is expected: a 4.3% decline, compared to 8% in June, followed by a rebound of 3.1% in 2021.

The economy of the **BRICS (Brazil, Russia, India and China)** has been severely affected by the current situation. Brazil will see its economy contract by 5.8% in 2020, with a rebound of 2.8% in 2021. Russia will decline by 4.1%, with a recovery of 2.8% in 2021. In India, Asia’s third-largest economy, the contraction is expected to amount to 10.3%, although estimates call for a recovery at an impressive 8.8% growth rate in 2021, thus regaining the title of fastest-growing emerging economy, surpassing the 8.2% growth rate expected for China, in the IMF’s view. Within this scenario, China is the exception, as the only large economy to save itself from the recession: in 2020, its GDP will increase by 1.9% (compared to 1% in June), to then accelerate to 8.2% next year. The robustness of the Chinese economic recovery is also confirmed by the National Bureau of Statistics, which recently announced that the non-manufacturing PMI, which covers a wide variety of sectors, had risen to 55.2 points in August from 54.2 in the previous month. Services played a driving role, with their index increasing from 53.1 to 54.3 in a month.

Japan will limit its losses to 5.3%, but the recovery will be slow (+2.3% in 2021).

The slower recovery was immediately reflected in oil prices: the IMF, in its update to the WEO published in October, updated the estimate of the arithmetic average of the prices of the three qualities of oil — Brent, Dubai and WTI (West Texas Intermediate) —, forecasting a price of USD 41.69 a barrel at the end of 2020 and of USD 46.70 a barrel at the end of 2021.

Currency Markets

The **US dollar** began the first nine months of 2020 at 1.12 and then entered a period of constant appreciation until mid-February, when it completely reversed course, driving the exchange rate above 1.15. It then appreciated sharply again, bringing it to a low for the period of 1.0707 on 20 March. The currency next entered a lateral phase, followed by constant depreciation, bringing the rate to the high for the period of 1.1987 (1 September), after which it reversed direction to close the reporting period at 1.1708, above the average for the first nine months of the year (1.1241).

Turning to the other currencies of the main markets in which Brembo operates at the industrial and commercial level, the **British sterling** began 2020 at around 0.85 and then appreciated sharply, bringing the currency to a low for the period of 0.8299 on 18 February. The pound then appreciated sharply, driving the rate to the high for the period of 0.9299 (19 March). In the following months, after further sharp appreciation, the currency moved within a lateral range of 0.88-0.92, closing at 0.9124, above the average for the period of 0.8845.

The **Polish zloty** opened the period by reaching a low of 4.2219 (14 January). This was followed by a sharp and

marked depreciation that drove the rate up to the high for the period of 4.6146 (24 March). The currency then entered a lateral phase, before undergoing slight appreciation to 4.40 and then closing the period depreciating to with 4.5462, above the average for the period of 4.4226.

The **Czech koruna** opened the period around 25.50, undergoing initial appreciation that drove the exchange rate to the low for the period of 24.7930 on 17 February. This was followed by a sudden, sharp depreciation, bringing the rate to a high for the period of 27.8080 (24 March). The currency then moved laterally, with considerable volatility, followed by slight, constant appreciation in June and July, closing the period by depreciating to 27.2330 on 30 September, bringing the average for the period to 26.3861.

The **Swedish krona** began the period at around 10.50, moving within a lateral range for the first two months of the year. It then depreciated sharply, bringing the rate to a high for the period of 11.1523 on 19 March. After this peak, there was a sharp, constant appreciation, which brought the currency to a low of 10.2390 on 21 July. It ended the period with a slight depreciation to 10.5713, in line with the average for the period of 10.5618.

In the East, the **Japanese yen** opened the period at around 120 to then appreciate constantly, bringing it to a low for the period of 114.6500 on 6 May; the trend then reversed and the depreciation drove the exchange rate with the Japanese currency to a high for the period of 126.9200 (1 September). At the end of the period, the currency then appreciated slightly, leading it to close at 123.7600, slightly above the average for the period of 120.8365.

The **Chinese yuan/renminbi** began the period at around 7.8, displaying severe volatility in the first few months of the year, driving the exchange rate down to a low of 7.5538 on 19 February. The currency then moved laterally, followed by a severe depreciation that beginning in May pushed the exchange rate up to a high for the period of 8.2637 on 31 July. At the end of the period, the yuan appreciated, reaching a closing value of 7.9720, above the average for the period of 7.8613.

The **Indian rupee** opened the reporting period at around 80, to then appreciate, with the exchange rate falling to a low for the period of 77.2345 on 19 February. The currency then depreciated constantly, bringing the rate to a high of 89.3160 on 19 August, followed in the final month by a slight appreciation that led it to close at 86.2990, above the average for the period of 83.4336.

In the Americas, the **Brazilian real** began the period at a value for the nine months of 4.4870; the currency then depreciated sharply and constantly, coming in at around 6.50 at the end of May. It then reversed direction, driving the rate back down to 5.50. Near the end of the period it depreciated again, bringing the rate to a high for the period of 6.6454 (20 August), followed by a lateral phase that led it to close the period at 6.6308, compared to an average for the period of 5.7072.

The **Mexican peso** began the period by appreciating, driving the rate down to a low for the period of 20.0690 on 19 February. The peso then underwent sharp, marked depreciation, with the rate climbing to a high for the period of 27.0896 (6 April). The currency then moved in a lateral phase within a range of 25-27 to close the period at 26.1848, above the average of 24.5148.

Finally, the **Russian rouble** began the period at a low for the nine months of 68.0410 (10 January); the currency then depreciated sharply, bringing it to 90 around April to then appreciate slightly until early June. The currency then reversed direction, depreciating constantly until the end of the period, driving it up to a high for the period of 92.1625 (29 September). It closed at 91.7763, with an average for the period of 79.8960.

Operating Structure and Reference Markets

In the first nine months of 2020, Brembo's consolidated net sales amounted to €1,559,918 thousand, down 20.9% compared to the same period of 2019 (€1,970,986 thousand).

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

Passenger Cars

In the first nine months of 2020, the global light vehicle market showed a significant decrease in sales (19.4%).

The Western European market (EU14+EFTA+United Kingdom) closed the first nine months of 2020 with a -29.3% decline in registrations compared to the same period of 2019. All the main markets declined: Germany -25.5%, France -28.9%, Italy -34.2%, the United Kingdom -33.2%, and Spain -38.3%. The trend was also negative in Eastern Europe (EU12), with car registrations down by 27.3% compared to the first nine months of 2019.

In Russia, light vehicle registrations closed the first nine months of 2020 down 13.9% compared to the same period of the previous year.

In the United States, the first nine months of 2020 showed a decline, with light vehicle sales decreasing by 19.0% overall, compared to the same period of 2019. In the reporting period, Brazil and Argentina also reported an overall 33.3% drop in sales.

In Asian markets, China closed the first nine months of 2020 on a negative note with light vehicle sales down -9.6% compared to the same period of 2019. Japan also closed the same period negatively, with an 18.1% decline in sales.

Within this scenario, Brembo's net sales of car applications at 30 September 2020 amounted to €1,172,918 thousand (75.2% of the Group's turnover), down 20.4% compared to the first nine months of 2019.

Motorbikes

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

In Europe, the top motorbike markets in terms of registrations are: Italy, Germany, France, Spain and the United Kingdom. In the first nine months of 2020, sales of motorbikes and scooters in the five main European countries decreased by 2% overall compared to the same period of the previous year. The decline was 6% when considering registrations of motorbikes with displacements over 500cc alone. Within this scenario, Germany was the only country among the five markets of reference that closed the first nine months of 2020 with an increase compared to 2019, both with regard to applications for all displacements (+22%) and those for displacements over 500cc alone (+7%).

In the United States, registrations of motorbikes, scooters and ATVs (All Terrain Vehicles, quadricycles for recreation and work) increased by 17.9% in the first nine months of 2020, compared to the same period of 2019. ATVs alone grew by 37.2%, while among motorbikes — which increased by 10.2% overall — the off-road segment closed the first nine months of 2020 with a sharp growth (+48.1%) compared to the same period of 2019.

In the first nine months of the year, the Japanese market, considering displacements over 50cc overall, showed a 1% decrease.

India (motorbikes and scooters) decreased by 34% in the first nine months of 2020, whereas Brazil recorded a 20.8% decline in registrations compared to the same period of the previous year.

Brembo's net sales of motorbike applications in the first nine months of 2020 amounted to €147,405 thousand, down by 26.8% compared to the same period of 2019.

Commercial and Industrial Vehicles

In the first nine months of 2020, the European commercial vehicles market (EU+EFTA+United Kingdom) — Brembo's reference market — showed a 25.2% decrease in registrations compared to the same period of 2019.

In detail, sales of light commercial vehicles (up to 3.5 tonnes) reported an overall decline of 22.8% in Europe. Among the top European markets by sales volume, a negative performance compared to the first nine months of the previous year was reported by Italy (-21.7%), Germany (-18.6%), Spain (-33.5%) and France (-20.6%). In Eastern European countries, this segment decreased by 24.7% compared to the same period of 2019.

Similarly, the segment of medium and heavy commercial vehicles (over 3.5 tonnes) declined in Europe in the first nine months of 2020, closing at -32.6% compared to the same period of the previous year. Among the top European markets by sales volume, a negative performance was reported by Germany (-30.6%), France (-30.5%) and Italy (-19.8%). In Eastern European countries, sales of commercial vehicles over 3.5 tonnes decreased by 43.5% in the first nine months of the year compared to the same period of the previous year.

At 30 September 2020, Brembo's net sales of applications in this segment amounted to €163,458 thousand, decreasing by 18.2% compared to 30 September 2019.

Racing

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

In the first nine months of 2020, Brembo's net sales of racing applications amounted to €75,261 thousand, decreasing by 22.0% compared to the same period of 2019.

Impacts of the Covid-19 pandemic on the Interim Report at 30 September 2020

The World Health Organization (WHO) announced the spread of the disease Covid-19 from China, particularly from the Wuhan district in early January 2020; it then declared Covid-19 a global health emergency of international concern on 30 January. February saw the virus spread to Europe and America, resulting to the global lockdown in March and April.

Brembo has been following developments relating to the spread of the Covid-19 very closely since its outbreak, establishing a dedicated task force and promptly adopting all necessary measures to monitor, prevent and contain the pandemic at all of its locations worldwide.

In the first six months of 2020, all Group's plants were subject to lockdown periods, whose length varied from one country to the next: China (from 24 January to 13/16 February), Italy (from 16 March to 27 April), the United States (from 23 March to 17 May), Brazil (from 24 March to 24 May), the United Kingdom (from 25 March to 14 April), India (from 25 March to 4 May), Poland (from 27 March to 2 April), Czech Republic (from 28 March to 2 April) and Mexico (from 6 April to 18 May).

In view of the production sites' reopening, the Group has defined all necessary measures aimed at combating the virus and protecting the health of employees and contractors such as: rearrangement of production layouts, sanitisation of the premises, purchases of personal protective equipment, temperature measurement with heat scans, circulation of hygiene rules and social distancing, and extended remote working.

Moreover, after an initial donation of €150,000 in support of treatment facilities at Bergamo's Pope John XXIII Hospital, Brembo decided to support research into combating Covid-19 by donating €1 million to three première Bergamo institutions: Pope John XXIII Hospital, the Bergamo Hospital Research Foundation (FROM) and the Mario Negri Institute, which are committed to the area most severely affected by the pandemic, through a combination of clinical and pharmacological research.

With reference to financial aspects, in adopting the prudential approach proposed by the Board of Directors in its extraordinary meeting on 20 March 2020, the Shareholders' Meeting held on 23 April resolved not to distribute dividends drawing on the 2019 profit. This decision was made in order to support the Group's financial solidity and limit future economic and financial impacts.

To face this difficult time for the market, between April and May 2020, the Group's financial structure was further reinforced by entering into new medium/long-term loans for a total amount of €425 million, in addition to available short-term credit lines for €313 million, which have not been used. These new loans enabled the Group to extend the average life of its debt, at costs in line with current levels.

Redundancy schemes and other forms of public support were activated to protect workers in all countries and contain the cost of idle personnel. In addition, plans were drawn up to contain discretionary, sponsorship and marketing costs and reduce or postpone investments, while also renegotiating several supply and lease contracts and implementing measures to contain working capital.

When preparing the Condensed consolidated half-yearly financial statements at 30 June 2020, the main financial and operational risks to which the Group is exposed (as described in the "Risk Management Policy" chapter of the aforementioned Report) have already been analysed to assess any negative effects deriving from the Covid-19 pandemic. With specific regard to credit risk, it should be noted that Brembo's main counterparties — major car and motorbike manufacturers with high credit ratings — essentially discharged their commercial obligations at the end of June. In addition, there have been no problems with the supply chain or particular financial tensions involving the Group's strategic suppliers to be reported. In general, the analysis conducted did not identify any

critical issues capable of having significant impacts on the Group's operating results and financial position.

Significant Events During the Reporting Period

In March 2020, Brembo adopted a non-speculative long-term approach and acquired a 2.22% stake (equal to €86,509 thousand) in the share capital of Pirelli S.p.A., a company that stands out in its sector as a player of excellence in terms of history, brand, leadership and pursuit of innovation. In the second quarter of 2020, Brembo acquired further shares for €20,000 thousand, increasing its stake to 2.78%. An equity swap derivative contract with a nominal value of €70 million, maturing on 23 July 2020, for the purchase of an additional 20 million shares of Pirelli S.p.A., was also entered into on 13 May 2020. On 23 July 2020, the equity swap derivative contract signed in May was finalised. Accordingly, Brembo S.p.A. acquired 20 million shares in Pirelli S.p.A. for a total consideration of €75,455 thousand, increasing its stake in the company to 4.78%.

At 30 September 2020, the equity investment was measured at fair value, pursuant to IFRS 9, leading to a €7,015 thousand impairment of its value and of Group Equity, as reported in the Consolidated Statement of Comprehensive Income.

On 5 February 2020, Brembo acquired a 20% interest 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.

The General Shareholders' Meeting of the Parent Brembo S.p.A. held on 23 April 2020 approved the Financial Statements for the financial year ended 31 December 2019, allocating net income for the year amounting to €179,152,879.80 as follows:

- to the reserve pursuant to Article 6(2) of Legislative Decree No. 38/2005 €1,125,037.09;
- the remaining amount carried forward.

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 23 April 2020 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 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 and disposed of 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%.

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 nor sold own shares in the first nine months of 2020.

Significant Events After 30 September 2020

No significant events occurred after the end of the first nine months of 2020 and until 9 November 2020.

Statement Pursuant to Article 154-*bis*, Paragraph 2, Part IV, Title III, Chapter II, Section V-*bis*, of Italian Legislative Decree No. 58 of 24 February 1998: “Consolidation Act on Financial Brokerage Pursuant to Articles 8 and 21 of Italian Law No. 52 of 6 February 1996”

RE: Interim Report at 30 September 2020, approved on 9 November 2020.

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

DECLARE

in accordance with Article 154-*bis*, paragraph 2, part IV, title III, chapter II, section V-*bis*, of Italian Legislative Decree No. 58 of 24 February 1998, that to the best of my knowledge, the Interim Report at 30 September 2020 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