

TURNING ENERGY INTO INSPIRATION

FIRST QUARTER
REPORT 2024



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COMPANY OFFICERS⁽¹⁾

Chairman Emeritus⁽²⁾

Alberto Bombassei

Board of Directors⁽³⁾

EXECUTIVE CHAIRMAN

Matteo Tiraboschi⁽⁸⁾

CHIEF EXECUTIVE OFFICER

Daniele Schillaci⁽⁸⁾

DIRECTORS

Cristina Bombassei^{(5) (8)}

Giancarlo Dallera⁽⁴⁾

Elisabetta Magistretti⁽⁴⁾

Umberto Nicodano⁽⁷⁾

Elizabeth M. Robinson⁽⁴⁾

Gianfelice Rocca⁽⁴⁾

Michela Schizzi^{(4) (6)}

Manuela Soffientini^{(4) (9)}

Roberto Vavassori⁽⁸⁾

Independent Auditors

Deloitte & Touche S.p.A.⁽¹⁰⁾

Committees

AUDIT, RISK & SUSTAINABILITY COMMITTEE⁽¹¹⁾

Elisabetta Magistretti (Chairwoman)

Michela Schizzi

Manuela Soffientini

REMUNERATION & APPOINTMENTS COMMITTEE

Giancarlo Dallera (Chairman)

Elizabeth M. Robinson

Manuela Soffientini

SUPERVISORY COMMITTEE

Giovanni Canavotto (Chairman)⁽¹²⁾

Elisabetta Magistretti

Matteo Tradii⁽¹³⁾

(1) Upon the entering into effect of the cross-border conversion, Brembo adopted a one-tier board management and control system pursuant to the Dutch Civil Code that does not provide for a Board of Statutory Auditors or any control body separate from the Board of Directors. Accordingly, the term of Brembo's Board of Statutory Auditors ended on the effective date of the transaction (24 April 2024). The control function will therefore be carried out by the Non-executive Directors, who, in compliance with the Dutch Corporate Governance Code, make up the majority of the members of the Board of Directors. The Dutch law does not provide for the position of the Manager in Charge of the Company's Financial Reports. Therefore, on that same date, Brembo's Manager in Charge of the Company's Financial Reports ceased his position, without prejudice to the Company's capability to ensure an adequate internal control and risk management system, suitable administrative and accounting procedures for preparing the Consolidated and Separate Financial Statements and any other financial disclosure.

(2) Appointed for an indefinite period.

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

(4) Non-Executive and Independent Directors.

(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 elected from a minority list.

(7) Non-executive Director.

(8) Executive Director.

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

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

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

(12) Independent Expert.

(13) Chief Internal Audit Officer.

Brembo N.V.

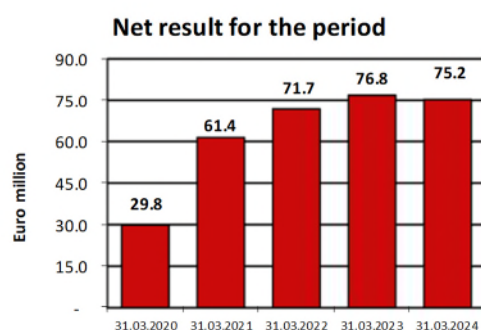
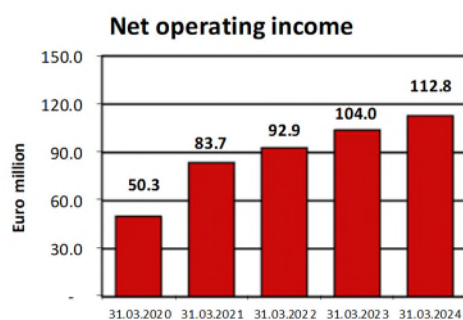
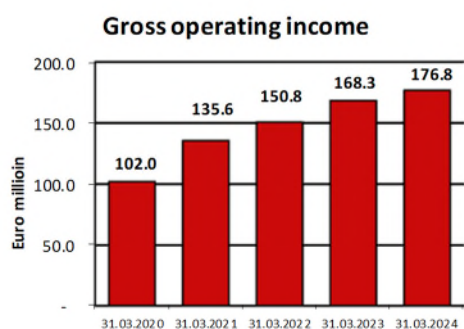
Legal Seat: Amsterdam (Netherlands) - NL Chamber of Commerce

Business and Corporate Address: Bergamo (BG), Italy, 24126, Via Stezzano 87 - Bergamo Chamber of Commerce

Paid-up Share Capital: Euro 3,339,222.50

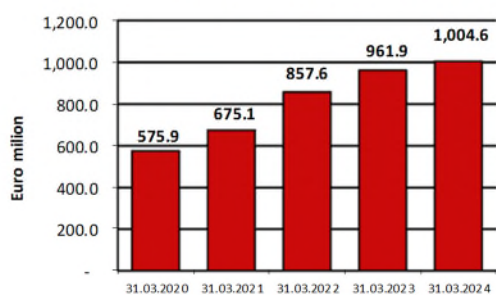
Fiscal Code and VAT no. 00222620163

Summary of Group Results

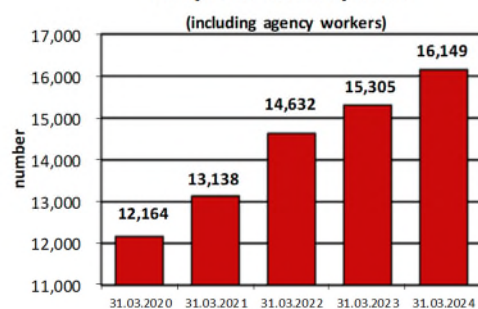


ECONOMIC RESULTS (euro million)	31.03.2020	31.03.2021	31.03.2022	31.03.2023	31.03.2024	% 2024/2023
Revenue from contract with customers	575.9	675.1	857.6	961.9	1,004.6	4.4%
Gross operating income	102.0	135.6	150.8	168.3	176.8	5.1%
<i>% of revenue from contract with customer</i>	<i>17.7%</i>	<i>20.1%</i>	<i>17.6%</i>	<i>17.5%</i>	<i>17.6%</i>	
Net operating income	50.3	83.7	92.9	104.0	112.8	8.5%
<i>% of revenue from contract with customer</i>	<i>8.7%</i>	<i>12.4%</i>	<i>10.8%</i>	<i>10.8%</i>	<i>11.2%</i>	
Result before taxes	42.5	81.1	94.8	105.0	105.6	0.6%
<i>% of revenue from contract with customer</i>	<i>7.4%</i>	<i>12.0%</i>	<i>11.1%</i>	<i>10.9%</i>	<i>10.5%</i>	
Net result for the period	29.8	61.4	71.7	76.8	75.2	-2.2%
<i>% of revenue from contract with customer</i>	<i>5.2%</i>	<i>9.1%</i>	<i>8.4%</i>	<i>8.0%</i>	<i>7.5%</i>	

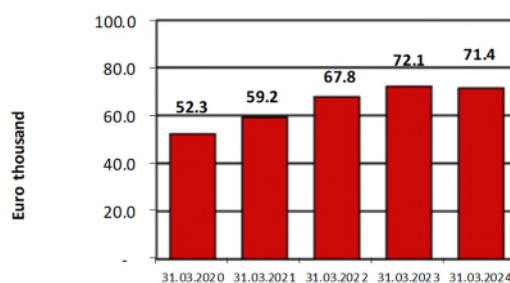
Revenue from contract with customers



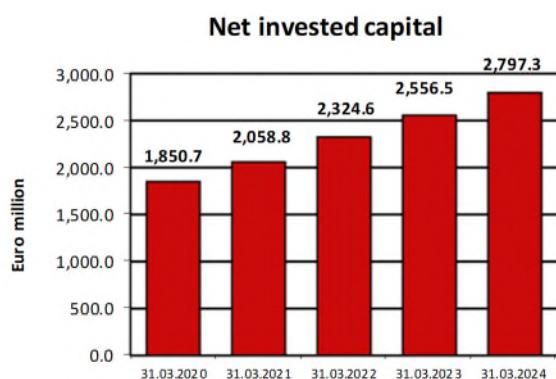
People at end of period



Turnover per employee



FINANCIAL RESULTS (euro million)	31.03.2020	31.03.2021	31.03.2022	31.03.2023	31.03.2024	% 2024/2023
Net invested capital	1,850.7	2,058.8	2,324.6	2,556.5	2,797.3	9.4%
Equity	1,376.5	1,594.2	1,845.0	2,024.6	2,228.5	10.1%
Net financial debt	450.4	438.9	456.5	506.4	529.5	4.6%
EMPLOYEES AND INVESTMENTS						
Employees at end of period (number)	11,022	11,408	12,656	13,341	14,074	5.5%
Turnover per employee (euro thousand)	52.3	59.2	67.8	72.1	71.4	-1.0%
Net investments (euro million)	36.0	43.7	53.8	72.5	69.3	-4.5%
Increases in leased assets (euro million)	3.5	4.6	6.1	7.6	5.9	-22.3%



MAIN RATIOS	31.03.2020	31.03.2021	31.03.2022	31.03.2023	31.03.2024
Net operating income/Revenue from contract with customers	8.7%	12.4%	10.8%	10.8%	11.2%
Result before taxes/Revenue from contract with customers	7.4%	12.0%	11.1%	10.9%	10.5%
Net investments (*)/Revenue from contract with customers	6.2%	6.5%	6.3%	7.5%	6.9%
Net Financial debt/Equity	32.7%	27.5%	24.7%	25.0%	23.8%
Adjusted net interest expense(**)/Revenue from contract with customers	0.5%	0.4%	0.3%	0.5%	0.6%
Adjusted net interest expense(**)/Net operating income	5.8%	3.3%	3.2%	4.9%	5.4%
ROI	15.2%	10.4%	12.8%	15.4%	15.1%
ROE	14.8%	10.7%	12.2%	14.8%	13.7%

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.

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

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

Consolidated Financial Statements

Consolidated Statement of Financial Position

<i>(euro thousand)</i>	31.03.2024	31.12.2023	Change
ASSETS			
NON-CURRENT ASSETS			
Property, plant, equipment and other equipment	1,374,391	1,353,548	20,843
Right of use assets	167,845	169,331	(1,486)
Development costs	107,608	104,423	3,185
Goodwill and other indefinite useful life assets	120,467	119,579	888
Other intangible assets	74,778	76,730	(1,952)
Shareholding valued using the equity method	54,796	60,187	(5,391)
Investments in other companies	321,935	280,132	41,803
Derivatives	17,316	20,385	(3,069)
Other non-current financial assets	2,956	2,911	45
Receivables and other non-current assets	43,865	41,743	2,122
Deferred tax assets	108,089	97,661	10,428
TOTAL NON-CURRENT ASSETS	2,394,046	2,326,630	67,416
CURRENT ASSETS			
Inventories	655,090	621,697	33,393
Trade receivables	717,846	604,877	112,969
Other receivables and current assets	125,836	94,539	31,297
Derivatives	11,337	12,949	(1,612)
Other current financial assets	2,748	3,097	(349)
Cash and cash equivalents	394,371	510,058	(115,687)
TOTAL CURRENT ASSETS	1,907,228	1,847,217	60,011
ASSETS FROM DISCONTINUED OPERATIONS	0	21	(21)
TOTAL ASSETS	4,301,274	4,173,868	127,406
EQUITY AND LIABILITIES			
GROUP EQUITY			
Share capital	3,339	34,728	(31,389)
Other reserves	91,268	48,184	43,084
Retained earnings/(losses)	2,026,175	1,679,844	346,331
Net result for the period	75,151	305,039	(229,888)
TOTAL GROUP EQUITY	2,195,933	2,067,795	128,138
TOTAL MINORITY INTERESTS	32,566	31,624	942
TOTAL EQUITY	2,228,499	2,099,419	129,080
NON-CURRENT LIABILITIES			
Non-current payables to banks	480,985	487,615	(6,630)
Long-term lease liabilities	150,471	149,785	686
Other non-current financial payables	660	680	(20)
Other non-current liabilities	4,258	3,887	371
Non-current provisions	22,867	24,180	(1,313)
Provisions for employee benefits	39,217	36,445	2,772
Deferred tax liabilities	30,306	30,956	(650)
TOTAL NON-CURRENT LIABILITIES	728,764	733,548	(4,784)
CURRENT LIABILITIES			
Current payables to banks	293,018	272,269	20,749
Short-term lease liabilities	21,549	21,455	94
Derivatives	1,818	160	1,658
Other current financial payables	550	58,005	(57,455)
Trade payables	752,457	742,099	10,358
Tax payables	38,904	11,560	27,344
Current provisions	9,619	9,638	(19)
Contract liabilities	73,874	75,461	(1,587)
Other current liabilities	152,222	150,254	1,968
TOTAL CURRENT LIABILITIES	1,344,011	1,340,901	3,110
TOTAL LIABILITIES	2,072,775	2,074,449	(1,674)
TOTAL EQUITY AND LIABILITIES	4,301,274	4,173,868	127,406

Consolidated Statement of Income

<i>(euro thousand)</i>	31.03.2024	31.03.2023	Change	%
Revenue from contracts with customers	1,004,635	961,935	42,700	4.4%
Other revenues and income	4,280	8,686	(4,406)	-50.7%
Costs for capitalised internal works	8,665	7,437	1,228	16.5%
Raw materials, consumables and goods	(459,859)	(459,096)	(763)	0.2%
Income (expenses) from non-financial investments	4,571	4,824	(253)	-5.2%
Other operating costs	(203,339)	(193,100)	(10,239)	5.3%
Personnel expenses	(182,150)	(162,389)	(19,761)	12.2%
GROSS OPERATING INCOME	176,803	168,297	8,506	5.1%
% of revenue from contracts with customer	17.6%	17.5%		
Depreciation, amortisation and impairment losses	(63,982)	(64,318)	336	-0.5%
NET OPERATING INCOME	112,821	103,979	8,842	8.5%
% of revenue from contracts with customer	11.2%	10.8%		
Net interest income (expense)	(7,222)	976	(8,198)	-840.0%
Interest income (expense) from investments	19	5	14	280.0%
RESULT BEFORE TAXES	105,618	104,960	658	0.6%
% of revenue from contracts with customer	10.5%	10.9%		
Taxes	(29,643)	(27,938)	(1,705)	6.1%
Result from discontinued operations	0	(4)	4	-100.0%
RESULT BEFORE MINORITY INTERESTS	75,975	77,018	(1,043)	-1.4%
% of revenue from contracts with customer	7.6%	8.0%		
Minority interests	(824)	(176)	(648)	368.2%
NET RESULT FOR THE PERIOD	75,151	76,842	(1,691)	-2.2%
% of revenue from contracts with customer	7.5%	8.0%		
BASIC/DILUTED EARNINGS PER SHARE (euro)	0.23	0.24		

Consolidated Statement of Comprehensive Income

<i>(euro thousand)</i>	31.03.2024	31.03.2023	Change
RESULT BEFORE MINORITY INTERESTS	75,975	77,018	(1,043)
<i>Other comprehensive income/(losses) that will not be subsequently reclassified to income/(loss) for the period:</i>			
Fair value measurement of investments	41,794	34,484	7,310
Tax effect	(502)	(413)	(89)
Total other comprehensive income/(losses) that will not be subsequently reclassified to income/(loss) for the period	41,292	34,071	7,221
<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	(5,130)	(25,226)	20,096
Tax effect	1,041	4,963	(3,922)
Change in translation adjustment reserve	15,902	(13,194)	29,096
Total other comprehensive income/(losses) that will be subsequently reclassified to income/(loss) for the period	11,813	(33,457)	45,270
COMPREHENSIVE RESULT FOR THE PERIOD	129,080	77,632	51,448
Of which attributable to:			
– Minority Interests	942	(251)	1,193
– the Group	128,138	77,883	50,255

Consolidated Statement of Cash Flows

<i>(euro thousand)</i>	31.03.2024	31.03.2023
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	345,867	254,013
Result before taxes	105,618	104,960
Depreciation, amortisation/Impairment losses	63,982	64,318
Capital gains/losses	(4)	(245)
Income/expense from investments, net of dividends received	5,410	2,671
Financial portion of provisions for defined benefits and payables for person	276	193
Long-term provisions for employee benefits	4,165	2,740
Other provisions net of utilisations	4,676	4,136
Result from discontinued operations	0	(4)
Cash flows generated by operating activities	184,123	178,769
Current taxes paid	(27,184)	(20,186)
Uses of long-term provisions for employee benefits	(1,839)	(1,362)
<i>(Increase) reduction in current assets:</i>		
inventories	(37,160)	(26,778)
financial assets	(45)	37
trade receivables	(115,314)	(98,087)
receivables from others and other assets	(18,421)	(4,773)
<i>Increase (reduction) in current liabilities:</i>		
trade payables	10,358	60,475
payables to others and other liabilities	9,645	5,242
Translation differences on current assets	5,870	(6,658)
Net cash flows from/(for) operating activities	10,033	86,679
<i>Investments in:</i>		
property, plant and equipment	(60,285)	(65,533)
intangible assets	(9,796)	(7,445)
financial assets (shareholdings)	(9)	(2,834)
Price for disposal or reimbursement value of fixed assets	821	677
Net cash flows from/(for) investing activities	(69,269)	(75,135)
Change in fair value of derivatives	1,279	(2,130)
Reimbursement of lease liabilities	(6,657)	(71,716)
Repayment of long-term loans and other financing	(70,315)	(8,884)
Net cash flows from/(for) financing activities	(75,693)	(82,730)
Total cash flows	(134,929)	(71,186)
Translation differences on cash and cash equivalents	(547)	545
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	210,391	183,372

Consolidated Net Financial Debt

<i>(euro thousand)</i>	31.03.2024	31.12.2023
A Cash	394,371	510,058
B Cash equivalents	0	0
C Other current financial assets	14,085	16,046
D Liquidity (A + B + C)	408,456	526,104
E Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	207,897	243,811
F Current portion of non-current financial debt	109,038	108,078
G Current financial debt (E + F)	316,935	351,889
H Net current financial debt (G - D)	(91,521)	(174,215)
I Non-current financial debt (excluding current portion and debt instruments)	621,064	628,983
J Debt instruments	0	0
K Non-current trade and other payables	0	0
L Non-current financial debt (I + J + K)	621,064	628,983
M Total financial debt (H + L)	529,543	454,768

Consolidated Statement of Changes in Equity

	Share Capital	Other Reserves	Retained earnings (losses)	Net result for the period	Group Equity	Equity of Minority Interests	Equity
<i>(euro thousand)</i>							
Balance at 1 January 2023	34,728	158,690	1,427,630	292,833	1,913,881	33,132	1,947,013
Allocation of profit for the previous year			292,833	(292,833)	0	0	0
<i>Components of comprehensive income:</i>							
Fair value measurement of investments			34,071		34,071	0	34,071
Effect of hedge accounting (cash flow hedge) of derivatives		(20,263)			(20,263)	0	(20,263)
Change in translation adjustment reserve		(12,767)			(12,767)	(427)	(13,194)
Net result for the period				76,842	76,842	176	77,018
Balance at 30 March 2023	34,728	125,660	1,754,534	76,842	1,991,764	32,881	2,024,645
Balance at 1 January 2024	34,728	48,184	1,679,844	305,039	2,067,795	31,624	2,099,419
Allocation of profit for the previous year			305,039	(305,039)	0	0	0
Reclassification	(31,389)	31,389			0	0	0
<i>Components of comprehensive income:</i>							
Fair value measurement of investments			41,292		41,292	0	41,292
Effect of hedge accounting (cash flow hedge) of derivatives		(4,089)			(4,089)	0	(4,089)
Change in translation adjustment reserve		15,784			15,784	118	15,902
Net result for the period				75,151	75,151	824	75,975
Balance at 30 March 2024	3,339	91,268	2,026,175	75,151	2,195,933	32,566	2,228,499

Explanatory Notes to the Financial Statements

Accounting Standards and Basis of Preparation

The Interim Report for the first quarter of 2024, 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 disclosed to the public. For information about the content, timing and methods of additional periodic financial disclosures, reference should be made to the Company's website (<http://www.brembo.com/en/investors/calendar>).

Reference is made to the 2023 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 management's best assessment, diverge from actual circumstances, they will be modified accordingly during the period in which such circumstances change.

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

Consolidation Area

The Financial Statements for the first quarter of 2024 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 2023, the following corporate transactions impacting the Group consolidation area were performed:

- in the first half of 2023, two new companies were incorporated in Poland, i.e., Brembo Poland Manufacturing Sp.Zo.o. and Brembo Poland Heratech Sp.Zo.o., fully owned by Brembo Poland Sp. Zo.o. Once fully operational, they will focus on casting and processing activities on behalf of the said company;
- in the second half of 2023, the new company Brembo Thailand Ltd., fully owned by Brembo S.p.A., was established. The new site, which will become operational in the first quarter of 2025, will manufacture braking systems for motorbike manufacturers in Thailand, starting with European and American producers.

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

The Group's **net sales** for the first quarter of 2024 amounted to €1,004,635 thousand, up 4.4% compared to the same period of the previous year.

The car applications sector, which accounted for 72.3% of Group's sales, closed the first quarter of 2024 with a +5.5% increase compared to the same period of the previous year, motorbike applications rose by +2.0% and racing applications by +6.3%. Applications for commercial vehicles declined by -1.1%.

At geographical level, and with specific reference to Europe, Germany grew by 5.4% compared to the first quarter of 2023. Among the other European countries, France grew by 3.6%, Italy by 3.0%, and the United Kingdom by 18.2%. In North America, sales rose by 1.3%, while South America showed a 4.0% decline. In the Far East, India reported an increase compared to the first quarter of 2023 (+22.3%), as did Japan (+16.1%) and China (+6.5%).

In the first quarter of 2024, the **cost of sales and other net operating costs** amounted to €650,253 thousand, with a 64.7% ratio to sales, down compared to 66.1% for the same period of the previous year. Within this item, **costs for capitalised internal works** included in intangible assets amounted to €8,665 thousand compared to €7,437 thousand for the first quarter of 2023.

Income from non-financial investments totalled €4,571 thousand (€4,824 thousand in the first quarter of 2023) and was mainly attributable to the effects of valuing the investment in the BSCCB Group using the equity method.

Personnel expenses amounted to €182,150 thousand, with an 18.1% ratio to sales, increasing compared to the same period of the previous year (16.9%). At 31 March 2024, people numbered 16,149 (15,653 at 31 December 2023 and 15,305 at 31 March 2023), including agency workers, equal to 2,075 (1,999 at 31 December 2023 and 1,964 at 31 March 2023).

Gross operating income for the quarter was €176,803 thousand (17.6% of sales) compared to €168,297 thousand (17.5% of sales) for the first quarter of 2023.

Net operating income amounted to €112,821 thousand (11.2% of sales) compared to €103,979 thousand (10.8% of sales) for the first quarter of 2023, after depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets of €63,982 thousand, compared to depreciation, amortisation and impairment losses amounting to €64,318 thousand for the first quarter of 2023.

Net interest expense totalled €7,222 thousand (net interest income of €976 thousand in the first quarter of 2023) and consisted of net exchange losses of €1,154 thousand (net exchange gains of €6,090 thousand in the first quarter of 2023) and interest expense of €6,068 thousand (€5,114 thousand for the same quarter of the previous year).

Net interest income from investments, which amounted to €19 thousand, was attributable to the effects of valuing investments in associates using the equity method.

Result before taxes was positive at €105,618 thousand (10.5% of sales) compared to €104,960 thousand (10.9% of sales) for the first quarter of 2023.

Based on tax rates applicable for the year under current tax regulations, estimated **taxation** amounted to €29,643 thousand (€27,938 thousand for the first quarter of 2023). Tax rate was 28.1% compared to 26.6% for the first quarter of 2023.

The **Group's net result** for the quarter amounted to €75,151 thousand (7.5% of sales) compared to €76,842 thousand (8.0% of sales) for the first quarter of 2023.

Net invested capital at the end of the period was €2,797,259 thousand, compared to €2,590,611 thousand at 31 December 2023, up by €206,648 thousand. **Net financial debt** at 31 March 2024 was €529,543 thousand compared to €454,768 thousand at 31 December 2023. The €74,775 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 €176,803 thousand;
- net investments totalling €69,264 thousand, of which €8,744 thousand for development costs; they were mainly concentrated in North America (31.3%), Italy (25.9%), Poland (24.4%) and the Czech Republic (7.0%);
- increases in leased assets for €5,866 thousand;
- the overall €156,084 thousand decrease in working capital;
- payment of taxes totalling €27,184 thousand;
- dividends received by the associate BSCCB S.p.A. totalling €10,000 thousand.

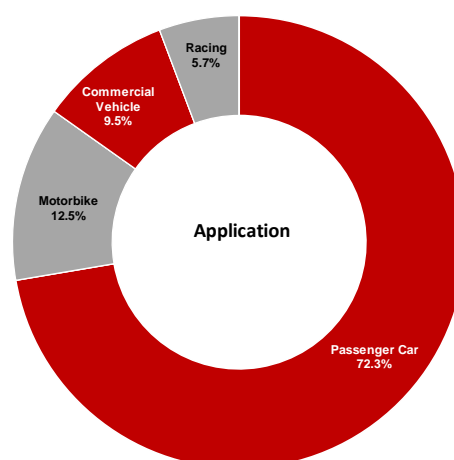
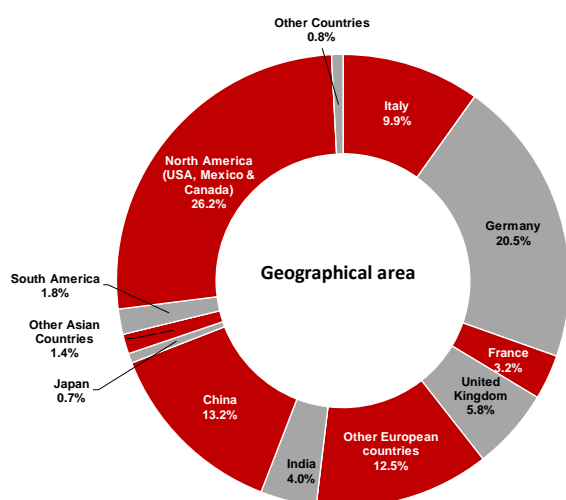
Sales Breakdown by Geographical Area and Application

The following tables show net sales at 31 March 2024, broken down by geographical area and application.

<i>(euro thousand)</i>	31.03.2024	%	31.03.2023	%	Change	%
GEOGRAPHICAL AREA						
Italy	99,313	9.9%	96,412	10.0%	2,901	3.0%
Germany	206,022	20.5%	195,501	20.4%	10,521	5.4%
France	31,778	3.2%	30,683	3.2%	1,095	3.6%
United Kingdom	58,053	5.8%	49,125	5.1%	8,928	18.2%
Other European countries	125,423	12.5%	127,411	13.2%	(1,988)	-1.6%
India	39,773	4.0%	32,522	3.4%	7,251	22.3%
China	132,674	13.2%	124,589	13.0%	8,085	6.5%
Japan	8,059	0.7%	6,940	0.7%	1,119	16.1%
Other Asian Countries	13,598	1.4%	13,078	1.4%	520	4.0%
South America (Argentina and Brazil)	18,855	1.8%	19,647	2.0%	(792)	-4.0%
North America (USA, Mexico & Canada)	262,468	26.2%	259,047	26.9%	3,421	1.3%
Other Countries	8,619	0.8%	6,980	0.7%	1,639	23.5%
Total	1,004,635	100.0%	961,935	100.0%	42,700	4.4%

<i>(euro thousand)</i>	31.03.2024	%	31.03.2023	%	Change	%
APPLICATION						
Passenger Car	725,815	72.3%	687,871	71.6%	37,944	5.5%
Motorbike	125,749	12.5%	123,310	12.8%	2,439	2.0%
Commercial Vehicle	95,559	9.5%	96,631	10.0%	(1,072)	-1.1%
Racing	57,302	5.7%	53,931	5.6%	3,371	6.3%
Miscellaneous	210	0.0%	192	0.0%	18	9.4%
Total	1,004,635	100.0%	961,935	100.0%	42,700	4.4%

RATIO TO SALES



Foreseeable Evolution

Despite the highly challenging automotive market context, Brembo expects to close the year with a moderate revenue increase, keeping percentage margins in line with 2023.

Directors' Report on Operations and Significant Events

Macroeconomic Context

To correctly assess Brembo's performance for the first quarter of 2024, it is essential to consider the world macroeconomic scenario, specifically for the markets in which the Group operates.

Global growth proved resilient in 2023, with inflation declining more quickly than anticipated. The most recent indicators point to some moderation of growth, with the effects of tighter financial conditions continuing to appear in housing and credit markets and global trade remaining subdued. Recent geopolitical tensions have raised shipping costs sharply and lengthened delivery times, disrupting production schedules and raising price pressures. According to the latest estimates of S&P Global Market Intelligence, global GDP growth is expected to ease to 2.6% in 2024, from 2.7% in 2023, to then return to 2.7% in 2025 thanks to more accommodative financial conditions. High geopolitical tensions are a significant near-term risk to activity and inflation, particularly if the conflict in the Middle East were to disrupt energy markets. Inflation is projected to gradually decline from 5.7% in 2023 to 4.8% and 3.2% in 2024 in 2025, respectively.

In the **Eurozone**, the most recent estimates call for a recovery compared to 2023 (0.5%), with a GDP growth projected at 0.6% in 2024 and at 1.4% in 2025. Growth is expected to remain soft through the first half of 2024, before steadily recovering as real incomes strengthen. Private consumption will indeed drive recovery, thanks to the mitigation of the effects of the energy price shock and the inflation decline. Activities will be however held back by tight credit conditions in the near term. Inflation is projected to drop from 5.4% in 2023 to 2.5% in 2024 and 2.0% in 2025.

Germany's economy is projected to grow by 0.1% in 2024 and by 1.3% in 2025, after contracting by -0.1% in 2023. Growth will be particularly moderate in the first half of 2024, held back by weak private consumption. Domestic demand declined, slowed by higher financing costs, while investment growth is expected to remain subdued compared to the pre-Covid levels, weighted down by investors' negative sentiment. Inflation is projected to further drop throughout 2024 from 6.0% in 2023 to 2.5%, reaching 2.0% in 2025. The reduction is mainly attributable to a decline in energy prices and the implementation of energy support schemes in November 2023.

In **France**, GDP growth is expected to slow to 0.6% from 0.9% in 2023, before picking up to 1.2% in 2025. Investments will remain modest in the first half of 2024 due to the still tight financing conditions, to then begin to recover as economic activity resumes. In 2025, private consumption is forecast to further drive economic activity, with a gradual recovery of investments by both households and businesses. Inflation will continue to decrease in the coming years, from 5.7% in 2023 to 2.6% in 2024 and to 1.8% in 2025.

In **Spain**, GDP growth will slow to 1.4% in 2024 compared to 2.5% in 2023, to then decrease to 1.4% in 2025. Private consumption and investments were the main drivers behind GDP growth in 2023. The downtrend expected in 2024 is attributable to the impact of interest rates increase on domestic demand. Inflation will ease to 2.8% in 2024 from 3.4% in 2023, to then further decline to 2.0% in 2025.

Italy's GDP growth will decelerate in 2024 to 0.4% compared to 1.0% in 2023. In 2025, it will rise again modestly to 0.9%. Estimates call for economic activity to continue to grow slowly in 2024. Households and businesses are facing rising financing costs due to still high interest rates. Investments are expected to recover in 2024 thanks to the infrastructure projects funded by the National Recovery and Resilience Plan (NRRP), and to accelerate in 2025 following the implementation of the planned projects. Inflation is set to significantly fall in 2024 to 1.8% compared to 5.8% in 2023, to then increase slightly to 2.0% in 2025.

The **UK's** economy is projected to grow by 0.2% in 2024 and by 1.1% in 2025 compared to 0.1% in 2023. Recovery remains weak due to reduced consumer and business confidence. Moreover, trade is expected to

be impacted by the subdued global demand, the further commercial barriers with the EU and the geopolitical conflicts. Inflation will significantly drop in 2024 to 2.6% (compared to 7.3% in 2023) and is expected to reach 2.3% in 2025.

According to most recent estimates, **US** GDP is projected to grow by 2.5% in 2024 and by 1.7% in 2025. Inflation will ease to 3.2% in 2024 compared to 4.1% in 2023, thus strengthening real income growth and allowing to lower interest rates. Government and consumer spending positively contributed to economic growth in 2023, despite strong inflation and high interest rates.

China's economy is projected to decelerate to 4.7% in 2024 and to 4.5% in 2025, compared to 5.4% in 2023. The persistent declining housing market and industrial capacity utilisation rate continue to point to a moderate economic growth, supported by government stimulus. Consumer demand is expected to improve throughout 2024, mainly as a result of the domestic tourist spending in the holiday period — which for the first time exceeded the pre-Covid levels. Inflation stood at 0.2% in 2023 and is expected to increase to 1.0% and to 1.7% in 2024 and 2025, respectively.

According to latest forecasts, **India's** GDP growth is projected at 6.8% in 2024 and at 6.3% in 2025 compared to 7.4% in 2023. This robust growth reflects the steady strong domestic demand and the growing working-age population. Inflation, which reached 5.7%, will gradually decline to 5.0% in 2024 and to 4.8% in 2025, benefiting the private sector demand and easing financial conditions.

In **Japan**, GDP growth is expected to slow to 0.8% in 2024 from 1.9% in 2023 and to reach 1.2% in 2025. This deceleration reflects the disruption, in particular the prolonged suspension of the production lines of many car manufacturers, that curbed private consumption, fixed investments and exports. Moreover, the Bank of Japan ended its negative interest rate policy and abolished its yield curve control policy. The next interest rate hike is expected to occur in March 2025, while salary increases will remain key to reach a sustainable 2.0% inflation. Inflation is projected to decrease compared to 2023 (3.3%) and reach 2.3% in 2024 and 2.0% in 2025.

According to latest forecasts, **Brazilian** GDP is forecast to slow in 2024 to 2.1% compared to 2.9% in 2023, to then grow to 2.5% in 2025. The agribusiness' 2023 growth will not continue, with agricultural production expected to decline in 2024. Consumer spending will remain relatively strong, driven by a resilient labour market and a constantly growing employment rate. The Central Bank of Brazil will maintain its restrictive monetary policy, but interest rates will decrease, thus contributing to stimulating domestic demand growth. Inflation downtrend will continue, albeit at a slower pace, going from 4.6% in 2023 to 4.1% in 2024 and to 3.3% in 2025.

Russian GDP is expected to contract from 3.6% in 2023 to 2.9% in 2024 and 2.5% in 2025. In the coming years, the country's economic growth will be jeopardised by the heavy Western sanctions, trade restrictions, the withdrawal of multinational enterprises and the private capital flight. In the near term, these adverse aspects will be however partially offset by war spending, government investments and supply chain adjustments. Real consumer spending will benefit from a historically low unemployment rate, the pre-election spending and a strong increase in available real income in 2024, to then stabilise. Inflation is expected to increase from 5.9% in 2023 to 6.3% in 2024, to then decline to 5.0% in 2025.

Projections for the **commodity** market remain very uncertain for this year. The subdued global economic activity will translate into weaker demand for raw materials. In addition, the growing geopolitical tensions in the Middle East could disrupt the commodity supply chains, lifting shipping costs and heightening the volatility of commodity prices. This year as well, **energy** prices will continue to be impacted by various factors, such as a weaker global demand, expected to limit price hikes, or the uncertainties relating to global production, supply stability and geopolitical tensions, which could drive prices up. In 2024, the average price of Brent crude oil will be \$89 a barrel. Prices have been on the rise since the beginning of 2024 due to the ongoing geopolitical risk, with global oil stocks expected to fall sharply.

Currency Markets

The **US dollar** opened the first quarter of 2024 with a depreciation that led it to reach its high for the period of 1.0987 (11 January), followed by a sharp appreciation until mid-February, reaching a quarterly low of 1.0713 (14 February). It then depreciated until mid-March, to then close at 1.0811, around the average rate for the period of 1.0857.

The **Chinese yuan/renminbi** opened the quarter appreciating slightly, to then reverse its trend and reach 7.85. Subsequently, the currency showed a sharp appreciation, reaching its low for the period of 7.7065 (14 February). It then appreciated swiftly, reaching the high for the quarter of 7.8678 (13 March). At the end of the period, the currency moved laterally, closing at 7.8144, in line with the average rate for the period of 7.8050.

The **Polish zloty** opened the year with a slight appreciation, rapidly followed by a depreciation, which led the currency to reach its high for the period of 4.3993 (17 January). The currency then appreciated constantly, reaching its low of 4.2805 (11 March). In the last days of the quarter, the currency depreciated moderately, closing at 4.3123, below the average rate for the period of 4.3324.

	FINAL EXCHANGE RATE 31.03.2024	AVERAGE EXCHANGE RATE 2024	TRADING PRICE MAXIMUM	TRADING PRICE MINIMUM
Dollaro statunitense	1.0811	1.0857	1.0987	1.0713
Yen giapponese	163.4500	161.2026	164.9600	155.6800
Corona svedese	11.5250	11.2796	11.5250	11.1545
Corona danese	7.4580	7.4563	7.4615	7.4536
Zloty polacco	4.3123	4.3324	4.3993	4.2805
Corona ceca	25.3050	25.0799	25.4600	24.4880
Peso messicano	17.9179	18.4434	18.8054	17.9179
Sterlina britannica	0.8551	0.8562	0.8665	0.8510
Real brasiliano	5.4032	5.3762	5.4766	5.3069
Rupia indiana	90.1365	90.1490	91.2850	88.9560
Renminbi cinese	7.8144	7.8050	7.8678	7.7065
Rublo russo	99.4000	98.5896	100.8884	95.7166
Franco svizzero	0.9766	0.9495	0.9811	0.9305
Bath thailandese	39.4120	38.7298	39.4150	37.5630

Operating Structure and Reference Markets

In the first quarter of 2024, Brembo's consolidated net sales amounted to €1,004,635 thousand, up 4.4% compared to €961,935 thousand for the first quarter of 2023.

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 2024, the global light vehicle market showed a 4.7% increase in sales compared to the same period of 2023.

The Western European market (EU14+EFTA+United Kingdom) closed the first quarter of 2024 with a +5.5% rise in car registrations compared to the same period of 2023. All the five key markets closed the first quarter of 2024 on a positive note: +6.8% in Italy, +6.6% in France, +2.6% in Spain, +4.9% in Germany and +10.1% in the United Kingdom.

Eastern Europe as well reported an increase in car registrations (+6.2%) compared to the first quarter of 2023. Light vehicle registrations grew also in Russia, with a 38.4% increase in sales in the first quarter of 2024

compared to the same period of the previous year.

In the first quarter of 2024, the United States showed a positive performance, with light vehicle sales rising by 5.2% overall compared to the first quarter of 2023. Also the Brazilian market recorded a positive performance, with sales growing by 10.7%.

In Asian markets, China closed the first quarter of 2024 with a 13.1% increase in car sales compared to the first quarter of 2023. By contrast, the Japanese market reported a negative performance for the first three months of the year, with an 18.0% decline in sales compared to the same period of the previous year.

Within this scenario, Brembo's net sales of car applications in the first quarter of 2024 amounted to €725,815 thousand, accounting for 72.3% of the Group's turnover, up 5.5% compared to the same period of 2023.

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 2.0% in the first quarter of 2024 compared to the same period of the previous year.

In Italy, motorbike registrations closed the first quarter of 2024 rising by 3.1% compared to the same period of the previous year. Registrations of motorbikes alone rose by 2.9% (+6.5% with regard to displacements over 500cc), while scooters recorded a 2.6% increase compared to 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) declined by 5.4% in the first quarter of 2024 compared to the same period of 2023. ATVs alone dropped by 4.8%, while motorbikes and scooters together decreased by 5.6%.

The Japanese market fell by 24.2% in total registrations of motorbikes with displacements over 50cc in the first quarter of 2024 compared to the first quarter of 2023. Considering displacements over 125 cc alone, the reporting quarter saw a 18.3% decline compared to the same period of the previous year.

In Brazil, registrations of two-wheel vehicles rose by 21.1% in the reporting quarter compared to the same period of 2023.

In India, registrations of two-wheel vehicles with displacements of over 50cc closed the first quarter of 2024 at +21.7% compared to the same period of 2023.

Brembo's net sales of motorbike applications amounted to €125,749 thousand in the first quarter of 2024, up 2.0% compared to the first quarter of 2023.

Commercial and Industrial Vehicles

In the first quarter of 2024, the European commercial vehicles market (EU+EFTA+United Kingdom) — Brembo's reference market — showed a 3.7% increase in registrations compared to the same period of 2023.

In the reporting quarter, sales of light commercial vehicles (up to 3.5 tonnes) in Europe grew by 3.6% compared to the first quarter of 2023. The first five European markets by sales volume closed with an increase, except for Germany (-0.3%): +2.0% in the United Kingdom, +7.6% in France, +5.4% in Italy, and +9.4% in Spain.

In Europe, the segment of medium and heavy commercial vehicles (over 3.5 tonnes) decreased by 5.3% in the first quarter of 2024 compared to the same period of 2023. All five key European markets declined, except for Germany (+2.6%): -13.6% in the United Kingdom, -16.5% in France, -2.2% in Italy, and -8.5% in Spain.

In the first quarter of 2024, Brembo's net sales of applications for this segment totalled €95,559 thousand, down 1.1% compared to the first quarter of 2023.

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 2024, Brembo's net sales of racing applications amounted to €57,302 thousand, up 6.3% compared to the first quarter of 2023.

Significant Events During the Quarter

With regard to the Company's cross-border conversion effective from 24 April 2024:

- on 12 January 2024, the Company proceeded with the Share Capital Decrease, from €34,727,914.00 to €3,339,222.50, instrumental to the Transaction, without cancellation of shares and without any reimbursement of capital to shareholders, through recognition to the Company's equity of a reserve of an equal amount. Therefore, this decrease had no impact on Brembo Shareholders' capital and administrative rights;
- the notarial deed of conversion, also amending the Articles of Association drafted pursuant to Dutch law, was executed on 25 January 2024, with effectiveness deferred to the day following the date of the Shareholders' Meeting of Brembo held on 23 April 2024 that approved, *inter alia*, the Company's Financial Statements for the year ended 31 December 2023;
- the payment of the liquidation value to those who had validly exercised the withdrawal right was effected on 31 January 2024. The Company thus acquired 4,387,303 unopted shares, equal to €57,456,120.09, accounting for 1.31387% of the share capital. Accordingly, as at the date of the approval of this Report, the Company holds 15,051,860 own shares representing 4.51% of share capital (2.93% of voting rights).

For further details on the foregoing, reference should be made to the press releases published on the Company's website (www.brembo.com, section "Investors", "For Shareholders", "Registered Office Relocation").

No other significant events occurred in the first quarter of 2024.

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 Issuers' Regulation (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 2023 passed a new plan for the buy-back and sale of own shares with the following objectives:

- undertaking any investments, directly or through intermediaries, including aimed at containing abnormal movements in stock prices, stabilising stock trading and prices, supporting the liquidity of the Company's stock on the market, so as to foster the regular conduct of trading beyond normal fluctuations related to market performance, without prejudice in any case to compliance with applicable statutory provisions;
- carrying out, in accordance with the Company's strategic guidelines, share capital transactions or other transactions which make it necessary or appropriate to swap or transfer share packages through

- exchange, contribution, or any other methods;
- buying back own shares as a medium-/long-term investment.

The plan envisages that the Board of Directors may purchase, in one or more tranches, up to a maximum of 8,000,000 ordinary shares, for a minimum price not lower than the closing price of the shares during the trading session on the day before each transaction is undertaken, reduced by 10%, and for a maximum price not higher than the closing price of the shares during the trading session on the day before each transaction is undertaken, increased by 10%.

The authorisation is requested for a period of 18 months from the date of the resolution by the General Shareholders' Meeting and for a maximum purchasing amount of €144,000,000, which is adequately covered by the available net reserves recognised in the balance sheet.

In the year, Brembo bought back 4,387,303 own shares (€57,456 thousand), which, together with the 10,664,557 own shares already held, bring total own shares at 15,051,860, representing 4.51% of the Company's share capital.

Significant Events After 31 March 2024

The General Shareholders' Meeting of the Parent Brembo S.p.A. held on 23 April 2024 approved the Financial Statements for the financial year ended 31 December 2023, allocating net income for the year amounting to €139,265,254.39 as follows:

- to the Shareholders, a gross ordinary dividend of €0.30 per ordinary share outstanding, excluding own shares (payment as of 22 May 2024, ex-coupon date 20 May 2024, and record date 21 May 2024);
- the remaining amount carried forward.

On 24 April 2024, the transfer of the Company's registered office to Amsterdam (The Netherlands), with the ensuing conversion into a *naamloze vennootschap* (N.V.), under the laws of the Netherlands, has become effective. On the same date a secondary office of the Company, with permanent representation, was also established in Italy pursuant to Article 2508 of the Italian Civil Code, and the related registration with the Companies' Register of Bergamo was requested.

Brembo shares continue to be listed on Euronext Milan, organised and managed by Borsa Italiana S.p.A., under the new ISIN code: NL0015001KT6 as from 24 April 2024.

A mechanism is also envisaged to allot Special Voting Shares to Brembo's shareholders. For information on this mechanism, reference should be made to the Company's website (www.brembo.com, section "Investors", "For Shareholders", "Registered Office Relocation").

No other significant events occurred after the end of the first quarter of 2024 and up to 9 May 2024.