

MAHLE Metal Leve S.A.

Individual and Consolidated
Financial statements at
December 31, 2024

Mogi Guaçu, São Paulo, March 17, 2025 - MAHLE Metal Leve S.A. (B3: LEVE3) (“MAHLE Metal Leve” or “the Company”), a Brazilian leading manufacturer of internal combustion engine components and filters, today announced its full year 2024 results. Unless otherwise indicated, the financial and operational information in this release is presented on a consolidated basis and in Brazilian real (BRL), in accordance with the Brazilian Corporation Law.

HIGHLIGHTS

Q4 2024 and Full Year 2024 Financial Results Video Conference Call

Date: March 18, 2025

Time

12 noon – Brasília
3:00 p.m. – London
10:00 a.m. – New York

Video Conference Call:

[EVENT LINK](#)

Choose the language you wish to hear the call in:

⇒ *original audio in Portuguese, or*

⇒ simultaneous translation into English.

MAHLE Investor Relations website:
<https://ri.mahle.com.br>

Net sales revenue and operational performance: In 2024, the Company’s revenue followed the trend seen in vehicle production in Brazil and Argentina and increased 5.1% to R\$ 4,558.0, reflecting the dynamics of the sector over the period. The Company delivered strong and consistent operational performance, supported by effective cost management and operational efficiency. See details in items [5.1](#), [5.2](#) and [5.3](#).

Acquisition of MAHLE Compressores and MAHLE Aftermarket Thermal: The acquisition fits into the Company’s sustainable growth strategy to look for assets that complement the Company’s existing products, diversify the Company’s markets and create value for shareholders. The transaction was approved but with abstention by the controlling shareholder at the Extraordinary General Meeting held on October 3, 2024. (additional information is available in item [7](#) of this report).

Acquisition of Arco Climatização: The Company acquired 33.3% of Arco Climatização. This strategic move aims to expand the Company’s presence in the thermal management market, with air conditioning solutions for buses (including electric buses). (see more information in item [6](#)).

Sustainability Report: The Company released on October 25, 2024 its Sustainability Report 2023, which is available on the MAHLE Metal Leve Investor Relations website. Click [here](#) to read the MAHLE Metal Leve Sustainability Report. The newly released Sustainability Report 2023 provides information on goals, strategies and measures with regard to sustainability, as well insights into the current progress of the Company’s sustainability initiatives. It was written in accordance with the standards of the Global Reporting Initiative (GRI).

Golden Seal of the Brazilian GHG Protocol Program: MAHLE Metal Leve received from Fundação Getúlio Vargas the Golden Seal, which is the highest level of certification of the Program. The Company’s GHG inventory will be published in the Public Emissions Registry, a platform that is organized by Fundação Getúlio Vargas and which is considered the biggest database of corporate inventories in Latin America.

Key figures 2024 (percent in relation to sales)


Gross margin
28.5%


EBIT margin
19.1%


EBITDA margin¹
21.7%


Net margin²
12.1%

¹ Adjusted: Additional information is available in item [5.10](#) of this report.

² Adjusted: Additional information is available in item [5.13](#) of this report.

CONTENTS

1.	Management Commentary.....	3
2.	Macroeconomic Conditions and Outlook.....	4
3.	About MAHLE Metal Leve	5
4.	Development of the Automotive Industry.....	5
4.1	Brazilian and Argentine markets and vehicle production in the Company's major export markets.....	5
5.	Company's Financial and Economic Performance.....	7
5.1	Net sales by market	8
5.2	Original equipment sales.....	8
5.3	Aftermarket sales	8
5.4	Consolidated export by geographical market	9
5.5	Net revenue by segment and by product.....	9
5.6	Gross margin	10
5.7	Selling, general and administrative expenses	10
5.8	Research and development expenses	11
5.9	Other operating income and expenses	11
5.10	Operating result measured by EBITDA.....	12
5.11	Finance income and costs	12
5.12	Income tax and social contribution.....	13
5.13	Net profit and adjusted net profit.....	14
5.14	Capital expenditures	14
5.15	Net financial position.....	14
5.16	Subsidiary MAHLE Argentina S.A.....	15
5.17	Distribution of interest on capital to shareholders	16
6.	Arco Climatização	16
7.	Acquisition of MAHLE Compressores and MAHLE Aftermarket Thermal	17
8.	Sustainability (ESG).....	18
8.1	Environmental.....	18
8.2	Social.....	19
8.3	Corporate Governance.....	20
8.4	Sustainable innovations	22
9.	Investor Relations and Capital Market.....	22
9.1	Participation in online events	22
9.2	MAHLE Metal Leve stock performance and free float	23
9.3	Ownership structure.....	23
10.	Independent Auditors	23
11.	Executive Board's Declaration	24
12.	Acknowledgements	24

DEAR SHAREHOLDERS,

In compliance with applicable laws and regulations, the Management Board of MAHLE Metal Leve S.A. hereby submits to you the Management Report and the Financial Statements with the Independent Auditor's Report and the Report of the Supervisory Board for the fiscal year ended December 31, 2024.

Page | 3

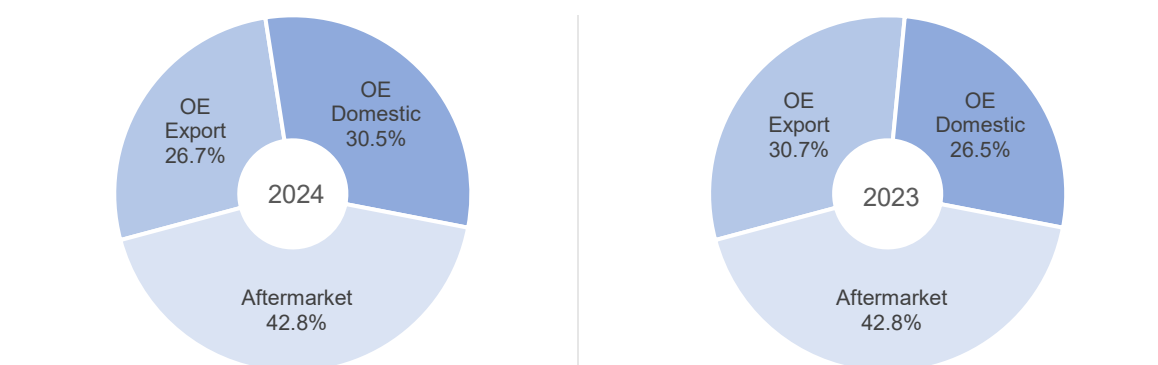
1. Management Commentary

MAHLE Metal Leve offers a broad portfolio of products and integrated solutions, which at many times have been developed in close collaboration with major customers to meet their specific needs. The Company's management believes that efficiency in service delivery and product customization is possible in part due to the fact that being part of the MAHLE Group allows the Company to access cutting-edge technologies and work in concert with customers to develop new products, which is essential for building customer loyalty and increasing market penetration.

The Company seeks to strike a balance between the Original Equipment and Aftermarket business segments in both domestic and export markets to offset fluctuations in the segments and maintain consistent profit margins over time.

The Company reported growth of 5.1% in net revenue in 2024 compared with 2023, due to positive performance of the Aftermarket segment (+5.0%) and domestic OE sales (+21.0%), offset by the OE exports (-8.6%). The Company's net revenue in Q4 2024 rose by 29.6% compared with 4Q 2023 as a result of the performance of the Aftermarket segment (+13.8%), domestic OE sales (+89.9%) and OE exports (+3.5%).

The graph below shows source of revenue in 2024 and 2023:



Adjusted EBITDA margin in 2024 was 21.7% (R\$ 990.2 million) versus 21.2% (R\$ 917.7 million with adjustment) in 2023. In Q4 2024, adjusted EBITDA margin was 16.7% (R\$ 219.7 million), while in Q4 2023 adjusted EBITDA margin reached 15.4% (R\$ 156.9 million). For more information about EBITDA and adjusted EBITDA, see item 5.10 of this report.

MAHLE Metal Leve is committed to its responsibility towards the environment and takes the expectations of its stakeholders seriously. We know that they are increasingly interested in our environmental, social and corporate governance performance and have therefore integrated global environmental issues into our business strategy. Our [Supplier Code of Conduct](#) and our [Business Code](#) are an example of these principles. Furthermore, we recognize that the link between environmental protection, good corporate governance and the economy has become a success factor. Just as we at MAHLE put a higher focus on the entire value chain of sustainable mobility, our business partners increasingly take an interest in our sustainability management. Please see how we consider environmental and social aspects in our activities in [item 6](#) of this report. The [Sustainability Report](#) is available on the MAHLE Metal Leve Investor Relations website.

We operate in a highly competitive industry that demands a high level of technological innovation. We are recognized in our industry for our focus on the development and application of new technologies. We have a Tech Center in Jundiai, State of São Paulo, which we believe is one of the largest and most well-equipped engine research and development centers in South America. In addition, the Company actively collaborated to develop the National Green Mobility and Innovation Program ("MOVER"), which was created in December 2023 and regulated in March 2024. Shortly after the Program's regulation, in April 2024 MAHLE Metal Leve was one of the companies authorized to receive tax incentives under the Program once all requirements of the Program had been met. Through its research and development center and its portfolio of products focused on energy efficiency and emissions reduction, MAHLE Metal Leve is ready to meet the market demands and seize the opportunities opened up by MOVER Program.

As previously disclosed, the Company made two acquisitions:

- (i) Acquisition of 33.3% of Arco Climatização Ltda. as announced to the market on August 13, 2024. This acquisition reinforces the Company's sustainable growth strategy to look for assets that complement the Company's existing products, to diversify the Company's markets and to create value for shareholders;
- (ii) Acquisition of 100% of MAHLE Compressores do Brasil Ltda. and 100% of MAHLE Aftermarket Thermal Brasil Ltda., both owned by MAHLE Indústria e Comércio Ltda., for R\$ 668.0 million and, following the acquisition, the merger of MAHLE Aftermarket Thermal Brasil Ltda. into the Company, as per [Material Fact](#) disclosure on September 3, 2024. The Company's Board of Directors voluntarily adopted Guidance 35 of the Brazilian Securities Commission (CVM) and set up an Independent Committee in order to ensure that the transaction is at arm's length and to mitigate potential conflicts of interest. The acquisition strengthens the Company's image and power of negotiation in a time of transformation and consolidation of the automotive industry for original equipment and aftermarket.

Page | 4

The controlling shareholder abstained from voting at the General Shareholders' Meeting and left the decision on approval of the transaction to the non-controlling shareholders through an independent and transparent decision.

The transaction was submitted to the General Shareholders' Meeting for approval on October 3, 2024 as it was a significant investment (article 256 of Corporation Law).

The Company acted with transparency throughout the above-mentioned acquisition process by applying the basic principles of corporate governance: transparency, fairness, accountability and responsibility.

The transaction reinforces the Company's sustainable growth strategy to look for assets that complement the Company's existing products, diversify the Company's markets and create value for shareholders.

2. Macroeconomic Conditions and Outlook

The last quarter of 2024 brought positive surprises with a dynamic economic performance despite a restrictive monetary policy. Specifically, the rate of increase in household expenditure and fixed investment demonstrates growing domestic demand. In general, economic analyses suggest that a combination of strong labor market, favorable fiscal policy and increased availability of credit can support consumption and total demand. In a similar way, the labor market showed signs of strengthening in the last quarter of 2024, as shown in unemployment rates.

At the beginning of 2024, Brazil's benchmark interest rate [SELIC](#) was 11.75% per year and closed 2024 at 12.25% per year. At the time of publication of this report, [SELIC](#) rate is expected to close 2025 at 15.00% per year according to the Brazilian Central Bank's Focus report.

According to the [minutes of the 268th Meeting of the Monetary Policy Committee \(Copom\)](#), issued on February 4, 2025, the global environment remains challenging due mainly to the U.S. economic policy and outlook, which poses questions about the pace of economic deceleration, disinflation and, consequently, about the Fed's monetary policy stance.

Inflation remained above target and has increased again in recent releases. Inflation expectations for 2025 and 2026 reported by the Focus survey have risen significantly, now standing at 5.5% and 4.2% respectively.

The central banks of major economies remain committed to bringing inflation back to its targets in a context characterized by labor market pressures. The Committee judges that the external environment continues to require caution from emerging market economies.

According to the [International Monetary Fund \(IMF\)](#), global growth is projected at 3.3% both in 2025 and 2026, broadly unchanged from the October 2024 World Economic Outlook (WEO) forecast with an upward revision in the United States offsetting downward revisions elsewhere. The near-term outlook is characterized by divergent paths, while medium-term risks to growth are tilted to the downside. Renewed inflationary pressures could interrupt the monetary policy pivot, with implications for fiscal sustainability and financial stability in major economies.

Managing these risks requires a keen policy focus on balancing trade-offs between inflation and real activity, rebuilding buffers, and lifting medium-term growth prospects through stepped-up structural reforms as well as stronger multilateral rules and cooperation.

3. About MAHLE Metal Leve

We are a Brazilian automotive parts company that manufactures and sells components for internal combustion engines and automotive filters. We manufacture the very best products featuring the latest, cutting-edge technologies, and are continuously investing in the research and development of new products and production processes.

We have been operating in Brazil since the 1950's and have a large portfolio of products and integrated solutions, including customized products developed in close collaboration with our principal customers. We operate in the OE segment where we supply vehicle manufacturers and in the Aftermarket segment where we supply partners in trade, workshops and engine repair shops.

Our products are manufactured and sold in Brazil and Argentina and exported to more than 60 countries, to a diversified customer portfolio, including all car manufacturers in Brazil.

After the approval of the acquisition of MAHLE Compressores do Brasil Ltda. at the Extraordinary Shareholders' Meeting on October 3, 2024 (additional information is available in item 6 of this report), the Company now owns a manufacturing plant in the city of Jaguariúna, State of São Paulo.

With this addition, MAHLE Metal Leve now owns six manufacturing plants, five of which are located in Brazil, in the cities of Mogi Guaçu (two units), São Bernardo do Campo and Jaguariúna, in the State of São Paulo, and in Itajubá, State of Minas Gerais. Our sixth plant is located in the city of Rafaela, Argentina. We have two distribution centers: one in the city of Limeira, State of São Paulo, and one in Buenos Aires, Argentina. We have one sales office in the city of Panama. We have a Tech Center in the city of Jundiaí, State of São Paulo, which is one of the largest and most well-equipped engine research and development centers in South America and which has been appointed by the MAHLE Group to lead the development and application of biofuels and biomaterial technologies to support large-scale decarbonization worldwide, as part of the ICE strategy.

Thanks to being part of a global Group, we may share and access knowledge and the most innovative technologies across our organization and develop new products by working closely with our customers, which is key to high market penetration and customer loyalty.

4. Development of the Automotive Industry

4.1 Brazilian and Argentine markets and vehicle production in the Company's major export markets

2024 x 2023	Vehicles (thousands)	 Brazil	 Argentina	 Total
Sales	Light	2,487.5 14.1%	411.4 1.1%	2,898.9 12.1%
	Heavy-duty	147.4 14.7%	14.7 4.0%	162.1 13.7%
Production	Light	2,380.6 8.0%	506.6 -17.1%	2,887.2 2.6%
	Heavy-duty	169.0 39.5%	8.2 -2.1%	177.2 36.8%

2024 x 2023	Vehicles (thousands)	 Europe	 North America	 Total
Production	Light	17,024.0 -5.2%	15,490.0 -1.3%	32,514.1 -3.4%
	Heavy-duty	590.1 -18.2%	635.5 -6.2%	1,225.6 -12.4%

Total vehicle production in Brazil and Argentina, including light and heavy-duty vehicles, rose 4.1% in 2024.

According to the Brazilian Association of Automotive Vehicle Manufacturers (ANFAVEA), the total production of 2.550 million vehicles represents an increase of 9.7% over 2023 and shows that Brazil has overtaken Spain as the world's 8th largest vehicle producer in 2024.

Domestic vehicle registrations surged 14.1% to 2.635 million units, far outpacing the global average of 2%. In 2024, no large market in the world has grown more than the Brazilian market. This was the highest increase in domestic sales since 2007.

The most significant fact in 2024 was that total sales of new and used vehicles hit a record of 14.4 million units, the best result in the country's history. *“Clearly, there is suppressed demand for individual transportation, which has been increasingly met through best credit conditions. If these conditions improve and there is a fleet renewal policy, more people will be able to afford a new car”*, ANFAVEA's President Márcio de Lima Leite said. Last year, new and used car loans rose 36%.

Page | 6

Exports in December have confirmed the upward trend for the second half of the year, which offset the weak performance in the first half of the year and almost equaled the result of 2023, indicating recovery in exports in 2024. Brazil exported a total of 398.5 thousand vehicles. The increase in exports to Argentina and Uruguay largely offset the fall in exports to other countries in Latin America.

Source: Anfavea (Press Office)

5. Company's Financial and Economic Performance

Summary of income statement (in BRL million, except percentages)	2024 (a)		2023 (b)		(a/b)	Q4 2024 (c)		Q4 2023 (d)		(c/d)
Net operating revenue	4,558.0	100.0%	4,338.8	100.0%	5.1%	1,317.8	100.0%	1,016.5	100.0%	29.6%
Cost of sales and services	(3,258.9)	-71.5%	(3,067.3)	-70.7%	6.2%	(1,017.8)	-77.2%	(750.3)	-73.8%	35.7%
Gross profit	1,299.1	28.5%	1,271.5	29.3%	2.2%	300.0	22.8%	266.2	26.2%	12.7%
Selling and distribution expenses	(343.2)	-7.5%	(332.0)	-7.7%	3.4%	(112.3)	-8.5%	(81.9)	-8.1%	37.1%
General and administrative expenses	(140.6)	-3.1%	(127.8)	-2.9%	10.0%	(28.4)	-2.2%	(32.7)	-3.2%	-13.1%
Research and development expenses	(59.0)	-1.3%	(58.2)	-1.3%	1.4%	(16.9)	-1.3%	(15.4)	-1.5%	9.7%
Other operating income (expenses), net	(5.0)	-0.1%	(8.3)	-0.2%	-39.8%	(3.0)	-0.2%	0.0	0.0%	-100.0%
Share of profit of equity-accounted investees	2.3	0.1%	-	0.0%	100.0%	2.3	0.2%	-	0.0%	100.0%
Gain on net monetary position in foreign subsidiary (operating profit)	116.7	2.6%	70.9	1.6%	64.6%	26.3	2.0%	(4.4)	-0.4%	-697.7%
Profit before finance income and costs and taxes (EBIT)	870.3	19.1%	816.1	18.8%	6.6%	168.0	12.7%	131.8	13.0%	27.5%
Net finance income (costs)	(171.1)	-3.8%	121.8	2.8%	-240.5%	(113.2)	-8.6%	28.0	2.8%	-504.3%
Profit before taxes	699.2	15.3%	937.9	21.6%	-25.5%	54.8	4.2%	159.8	15.7%	-65.7%
Income tax and social contribution	(157.9)	-3.5%	(190.1)	-4.4%	-16.9%	56.0	4.2%	(5.7)	-0.6%	-1082.5%
Profit for the period	541.3	11.9%	747.8	17.2%	-27.6%	110.8	8.4%	154.1	15.2%	-28.1%
¹ Adjusted net profit	551.6	12.1%	748.3	17.2%	-26.3%	126.1	9.6%	154.1	15.2%	-18.2%
EBITDA	975.0	21.4%	917.7	21.2%	6.2%	196.6	14.9%	156.9	15.4%	25.3%
² Adjusted EBITDA	990.2	21.7%	917.7	21.2%	7.9%	219.7	16.7%	156.9	15.4%	40.0%

¹ Additional information is available in item [5.13](#) of this report.

² Additional information is available in no item [5.10](#) of this report.

5.1 Net sales by market

For the Company, Domestic Market comprises revenue from its operations in Brazil and Argentina. The foreign currency differences arising from the translation of the financial statements from Argentine peso (ARS) to Brazilian real (BRL) should be considered in the consolidation of the financial statements (see item [5.16](#) of this report for more information).

Net sales by market (in BRL million, except percentages)	2024 (a)	2023 (b)	(a/b)	Q4 2024 (c)	Q4 2023 (d)	(c/d)
Original Equipment – Domestic	1,388.8	1,148.1	21.0%	478.8	252.1	89.9%
Original Equipment – Export	1,218.0	1,332.1	-8.6%	311.1	300.6	3.5%
Subtotal	2,606.8	2,480.2	5.1%	789.9	552.7	42.9%
Aftermarket – Domestic	1,643.2	1,609.9	2.1%	453.4	408.3	11.0%
Aftermarket – Export	308.0	248.7	23.8%	74.5	55.5	34.2%
Subtotal	1,951.2	1,858.6	5.0%	527.9	463.8	13.8%
Total	4,558.0	4,338.8	5.1%	1,317.8	1,016.5	29.6%

Page | 8

These amounts include revenue from the entities that been acquired by the Company as approved at the Extraordinary Shareholders' Meeting on October 3, 2024, and which began to be consolidated in net operating revenue as from Q4 2024: MAHLE Compressores do Brasil Ltda. (R\$ 183.6 million, Original Equipment – Domestic and Export) and MAHLE Aftermarket Thermal Brasil Ltda. (R\$ 16.5 million, Aftermarket – Domestic and Export).

5.2 Original equipment sales

In the OE segment, MAHLE Metal Leve supplies components and systems directly to vehicle manufacturers and works closely with them to develop innovative, customized solutions that meet their specific needs and quality requirements.

The Company has a diverse customer base including all vehicle manufacturers in Brazil. We manufacture high-quality products with the latest technology and are continuously investing in the research and development of new products and production processes. We are always striving to build the closest and most collaborative relationships with our key customers by developing integrated solutions tailored to their needs, with an unwavering commitment to technology excellence and project confidentiality - this is a key differentiator in our industry.

No single customer accounts for more than 10% of the Company's net sales revenue. The Company reaches out to various markets, geographic locations and a broad customer portfolio, mitigating risks and unlocking opportunities for growth across multiple markets.

The Company's revenue in 2024 followed the trend seen in vehicle production in Brazil and Argentina and reflected the dynamics of the sector over the period.

The revenue of MAHLE Compressores do Brasil Ltda. that has been acquired by the Company as approved at the Extraordinary Shareholders' Meeting on October 3, 2024 began to be consolidated with the Company's revenue in Q4 2024.

5.3 Aftermarket sales

The Aftermarket business unit offers a wide range of automotive aftermarket products and supplies trade, workshop and engine repair partners. MAHLE Metal Leve continuously invests in innovation to meet ever-changing customer needs and market trends and to ensure that car owners have access to the highest quality OE-quality products.

The Aftermarket is a more stable sales channel, especially during challenging times when consumers may opt for maintaining and repairing their current cars instead of buying a new vehicle. The Company's Aftermarket portfolio covers

combustion engine components, filters, air conditioning systems, thermal management systems, electric systems, and diagnostics tools. MAHLE Metal Leve proves its commitment to leading the market with a complete range of products and services combining efficient logistics processes with the highest standards of quality. With a strategic mindset, the Company focuses on sustainable growth by expanding its market share and speeding up the launch of new products.

One key competitive advantage of the Company is its distribution network that has major auto parts distributors and retail chains as direct customers, which allows the Company's aftermarket solutions to reach repair shops all over the country. In addition, the Company has an Aftermarket team that consists of technicians, commercial consultants and sales executives in the major cities of the country providing professional technical support and training, and sales promotions for aftermarket service shops, workshops, engine repair shops, and fleet operators.

The Company's relationship program "*MAHLE Pra valer*" is part of the strategy to strengthen the MAHLE brand among repair shops by offering solutions and tools to increase the demand for the Company's products.

In 2024, the Company launched the program "*Mecânico MAHLE Luva Azul*" within the program "*MAHLE Pra valer*", whose purpose is to recognize and certifies specialist mechanics who possess technical and theoretical knowledge that ensures service excellence.

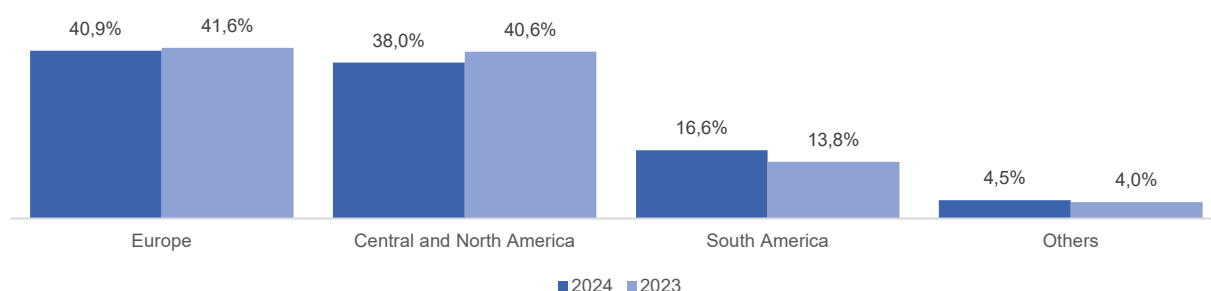
Another highlight was the opening of MAHLE Room in SENAI Ipiranga in São Paulo. The objective of this room is to facilitate access to knowledge, promote learning and update professionals of the sector on the new mobility technologies. The partnership with SENAI, one of the five largest professional education complexes in the world and the largest in Latin America, proves the Company's commitment to developing the sector and the Brazilian manufacturing industry.

One of the Company's strategies in 2024 was to expand the product portfolio for agricultural and construction machinery segment with engine components, filters and thermal management solutions, to serve customers from this segment and explore the potential in South American countries.

The Company also have a team of engineers dedicated to developing new products, which is an essential pillar of the Company's growth in the Aftermarket segment. In 2024, approximately 685 new part numbers were launched among new products and extensions to existing products, all of which are already available for sale.

5.4 Consolidated export by geographical market

The graph below shows our exports by geographical market for the periods under review:

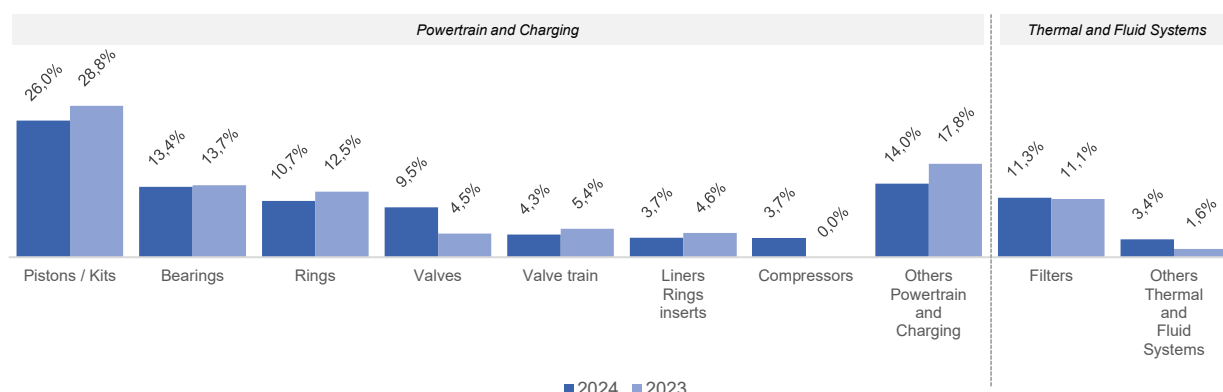


5.5 Net revenue by segment and by product

The table below shows net revenue by segment for the periods under review:

Net revenue by segment (in BRL million)	2024 (a)	2023 (b)	(a)	(b)	(a/b)	Q4 2024 (c)	Q4 2023 (d)	(c)	(d)	(c/d)
Powertrain and Charging (formerly Engine Components)	3,889.4	3,785.9	85.3%	87.3%	2.7%	1,111.5	907.9	84.3%	89.3%	22.4%
Thermal and Fluid Systems (formerly Filters)	668.6	552.9	14.7%	12.7%	20.9%	206.3	108.6	15.7%	10.7%	90.0%
Total	4,558.0	4,338.8	100.0%	100.0%	5.1%	1,317.8	1,016.5	100.0%	100.0%	29.6%

The graph below shows total sales by product category in 2024 and 2023, with Powertrain and Charging accounting for 85.3% and Thermal and Fluid Systems accounting for 14.7% of total sales in 2024:



5.6 Gross margin

Summary of income statement (in BRL million, except percentages)	2024 (a)		2023 (b)		(a/b)	Q4 2024 (c)		Q4 2023 (d)		(c/d)
Net operating revenue	4,558.0	100.0%	4,338.8	100.0%	5.1%	1,317.8	100.0%	1,016.5	100.0%	29.6%
Cost of sales and services	(3,258.9)	-71.5%	(3,067.3)	-70.7%	6.2%	(1,017.8)	-77.2%	(750.3)	-73.8%	35.7%
Gross profit	1,299.1	28.5%	1,271.5	29.3%	2.2%	300.0	22.8%	266.2	26.2%	12.7%

The Company focuses its efforts on increasing productivity and improving synergy in production processes, which may help partially offset cost increases. This is extremely important in the current business environment, where the prices of raw materials and commodities are highly volatile in the entire supply chain. In addition, maintaining a transparent relationship with suppliers and customers through a well-structured pricing process contributes significantly to cost management.

5.7 Selling, general and administrative expenses

Summary of income statement (in BRL million, except percentages)	2024 (a)		2023 (b)		(a/b)	Q4 2024 (c)		Q4 2023 (d)		(c/d)
Net operating revenue	4,558.0	100.0%	4,338.8	100.0%	5.1%	1,317.8	100.0%	1,016.5	100.0%	29.6%
Selling and distribution expenses	(343.2)	-7.5%	(332.0)	-7.7%	3.4%	(112.3)	-8.5%	(81.9)	-8.1%	37.1%
General and administrative expenses	(140.6)	-3.1%	(127.8)	-2.9%	10.0%	(28.4)	-2.2%	(32.7)	-3.2%	-13.1%

Selling and distribution expenses were impacted mainly by freight expenses and variable selling expenses, inflation and employee benefit expenses.

General and administrative expenses were impacted mainly by employee benefit expenses, services and inflation.

5.8 Research and development expenses

The MAHLE Tech Center in Jundiaí, State of São Paulo is responsible for improving and developing the Company's product portfolio, including internal combustion engines, filters and peripherals.

The Jundiaí Tech Center is also responsible for the development of filters and peripherals for the North American market and is home to the MAHLE Global Bio-Mobility Center, which leads the Group's development of biofuels and biomaterials. The Jundiaí Tech Center generates competitive advantages for the Company in the industry in which it operates, focusing on the research and development, anticipating market trends and demands, and creating technological solutions for sustainable mobility that address the demands of society and customers. This in turn will accelerate even more business growth and increase profitability.

The laboratories of the Tech Center conduct rigorous testing and evaluation processes to ensure that the MAHLE products meet stringent quality standards and performance specifications, and allow many customers to receive automotive engineering consultancy, either through integrated solutions with the development of virtual projects, or using numerical simulation programs for engines and components, and testing and validation of automotive technologies, aligned with the leading technology trends in the market.

Summary of income statement (in BRL million, except percentages)	2024 (a)		2023 (b)		(a/b)	Q4 2024 (c)		Q4 2023 (d)		(c/d)
Net operating revenue	4,558.0	100.0%	4,338.8	100.0%	5.1%	1,317.8	100.0%	1,016.5	100.0%	29.6%
Research and development expenses	(59.0)	-1.3%	(58.2)	-1.3%	1.4%	(16.9)	-1.3%	(15.4)	-1.5%	9.7%

5.9 Other operating income and expenses

Other operating income and expenses (in BRL million)	2024 (a)	2023 (b)	Change (a-b)	Q4 2024 (c)	Q4 2023 (d)	Change (c-d)
Provision for losses on products/reversal	0.4	(3.4)	3.8	0.9	(2.4)	3.3
Provision for labor, civil and tax proceedings/reversal	(13.4)	(2.7)	(10.7)	3.8	2.0	1.8
Provision for obsolescence/reversal	1.4	0.6	0.8	0.3	0.1	0.2
Recovered taxes (Reintegra)	10.0	7.6	2.4	6.7	1.4	5.3
Reversal of provision for loss on receivables from Limeira city government	37.3	-	37.3	-	-	-
Taxes (PIS and COFINS) on other revenue	(5.7)	(4.3)	(1.4)	(3.2)	(1.3)	(1.9)
Gain/loss on disposal of assets/others	(0.2)	1.6	(1.8)	(0.1)	0.1	(0.2)
Provision for environmental liability/reversal	(29.5)	(1.7)	(27.8)	-	-	-
Gain on net monetary position	(3.2)	(3.0)	(0.2)	(16.3)	(0.1)	(16.2)
Other income/expenses	(2.1)	(3.0)	0.9	4.9	0.2	4.8
Total other operating income (expenses), net	(5.0)	(8.3)	3.3	(3.0)	-	(3.0)

5.10 Operating result measured by EBITDA

The table below shows changes in the components of EBITDA for the periods under review:

EBTIDA: Changes in the period (in BRL million, except percentages)	Amount	Margin	EBTIDA: Changes in the period (in BRL million, except percentages)	Amount	Margin
2023	917.7	21.2%	Q4 2023	156.9	15.4%
Gross profit	27.7		Gross profit	33.8	
Selling and distribution expenses	(11.2)		Selling and distribution expenses	(30.4)	
General and administrative expenses	(12.8)		General and administrative expenses	4.3	
Research and development expenses	(0.9)		Research and development expenses	(1.5)	
Other operating income, net	3.4		Other operating expenses, net	(3.0)	
Share of profit of equity-accounted investees	2.3		Share of profit of equity-accounted investees	2.3	
Gain on net monetary position in foreign subsidiary (operating profit)	45.8		Gain on net monetary position in foreign subsidiary (operating profit)	30.8	
Depreciation	3.0		Depreciation	3.4	
2024	975.0	21.4%	Q4 2024	196.6	14.9%
Provision for environmental liability	29.4		Provision for environmental liability	-	
Reversal of provision for loss on receivables from Limeira city government	(37.3)		Reversal of provision for loss on receivables from Limeira city government	-	
¹ Provision for warranties	32.2		Provision for warranties	32.2	
Program "Mover"	(9.1)		Program "Mover"	(9.1)	
Adjusted 2024	990.2	21.7%	Adjusted Q4 2024	219.7	16.7%

¹ In Q4 2024, the increase in the provision for warranties refers to anticipated correction and repair costs.

5.11 Finance income and costs

At the end of 2024, the Company recorded net finance costs of R\$ 171.1 million versus a net finance income of R\$ 121.8 million in 2023, representing a decrease of R\$ 292.9 million year over year. At the end of the fourth quarter of 2024, the Company recorded net finance costs of R\$ 113.2 million, while in the fourth quarter of 2023, it recorded a net finance income of R\$ 28.0 million, representing a reduction of R\$ 141.2 million year over year.

The amounts of line item "2. Exchange rate effects on foreign exchange contracts (ACC) / export credit notes (NCE)" refer to the effects of exchange rate changes on loans denominated in foreign currency. The Brazilian Real has depreciated by 16.9% against the euro, as the BRL-EUR exchange rate moved from 5.3516 at December 31, 2023 to 6.4363 at December 31, 2024.

Net finance income and costs (in BRL million)	2024 (a)	2023 (b)	Change (a-b)	Q4 2024 (c)	Q4 2023 (d)	Change (c-b)
Interest income on financial investments	34.2	87.3	(53.1)	7.7	(10.5)	18.2
Interest expense on loans and borrowings	(48.1)	(23.3)	(24.8)	(15.2)	(9.3)	(5.9)
Other interest income (expenses)	(8.9)	11.0	(19.9)	(9.4)	(0.4)	(9.0)
Net interest income (expense) (i)	(22.8)	75.0	(97.8)	(16.9)	(20.2)	3.3
1. Exchange rate effects on accounts receivable/accounts payable (1.1. + 1.2.)	(4.5)	(21.5)	16.9	(25.3)	26.2	(51.5)
1.1. Exchange rate effects	32.3	(52.0)	84.3	1.4	17.2	(15.8)
1.2. FX hedge	(36.9)	30.5	(67.4)	(26.7)	9.0	(35.7)
2. Exchange rate effects on foreign exchange contracts (ACC) / export credit notes (NCE)	(148.5)	70.1	(218.6)	(71.2)	15.8	(87.0)
3. Other transactions	13.7	(2.3)	16.0	13.7	(1.7)	15.4
Net foreign exchange gains (losses) and gain (loss) on derivatives (ii) - (1+2+3)	(139.3)	46.4	(185.7)	(82.8)	40.3	(123.1)
Net monetary variation	(4.6)	8.3	(12.9)	(11.7)	10.3	(21.9)
Others	(4.3)	(7.8)	3.5	(1.9)	(2.4)	0.5
Net monetary variation + Others (iii)	(8.9)	0.5	(9.4)	(13.6)	7.9	(21.5)
Net finance income (costs) (i + ii + iii)	(171.1)	121.8	(292.9)	(113.2)	28.0	(141.2)

The average amount of loans has increased from R\$ 444.5 million in the third quarter of 2023 to R\$ 999.0 million in the third quarter of 2024 (R\$ 435.0 million in the first nine months of 2023 to R\$ 942.4 million in the first nine months of 2024), as shown below:

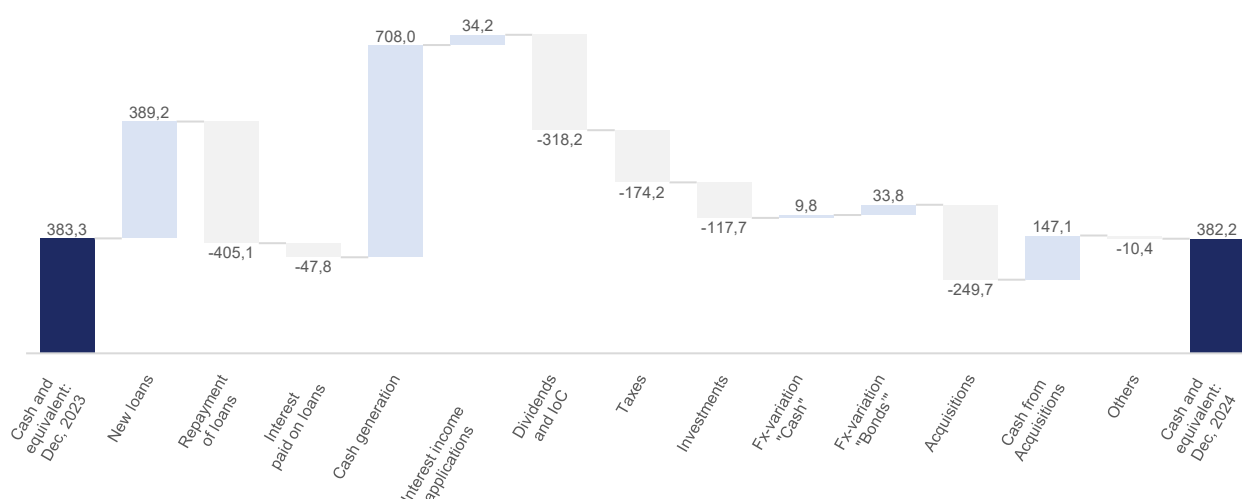
As shown in the table below, the average amount of loans has increased from R\$ 503.5 million in 2023 to R\$ 964.8 million in 2024 (R\$ 709.1 million in the fourth quarter of 2023 to R\$ 1,031.7 million in the fourth quarter of 2024) and the average amount of financial investments has decreased by 20.1% to R\$ 247.8 million in 2024 from R\$ 310.3 million in 2023. For more information on loans, see item [5.15](#) of this report.

Page | 13

Interest rate and debt (average)	2024 (a)	2023 (b)	Change (a-b)	Q4 2024 (c)	Q4 2023 (d)	Change (c-d)
Interest rate of financial investments	14.0%	28.2%	-14.2 p.p.	12.0%	13.9%	-1.9 p.p.
Cost of debt	5.0%	4.5%	0.5 p.p.	5.1%	4.6%	0.5 p.p.
Financial investments – average (in BRL million)	247.8	310.3	-20.1%	267.1	268.8	-0.6%
Debt – average (in BRL million)	(964.8)	(503.5)	91.6%	(1,031.7)	(709.1)	45.5%

It is also important to note that the loans taken in October 2023 and May and August 2024 were based on the volume of future exports, which mature in 2025, 2026 and 2027, as shown in item [5.15](#) of this report.

Therefore, the effects of exchange rate depreciation on loans did not have any impact on cash, as shown below:



5.12 Income tax and social contribution

The Company recorded an income tax and social contribution expense of R\$ 157.9 million at December 31, 2024 in the consolidated financial statements (expense of R\$ 190.1 million at December 31, 2023), as follows:

- Current tax: R\$ 157.3 million expense incurred principally by the parent company (expense of R\$ 178.4 million at December 31, 2023);
- Deferred tax: R\$ 0.6 million expense with no impact on cash, comprising principally changes in provisions (expense of R\$ 11.7 million at December 31, 2023).

Additional information on income tax and social contribution is presented in Note 15 to the Individual and Consolidated Financial Statements as of December 31, 2024.

5.13 Net profit and adjusted net profit

Summary of income statement (in BRL million)	2024 (a)	2023 (b)	(a/b)	Q4 2024 (c)	Q4 2023 (d)	(c/d)
Net operating revenue	4,558.0	4,338.8	5.1%	1,317.8	1,016.5	29.6%
Net profit	541.3	748.3	-27.7%	110.8	154.1	-28.1%
Income tax and social contribution (adjustments)	(5.1)	-		(7.8)	-	
Reversal of provision for loss on receivables from Limeira city government	(37.3)	-		-	-	
Provision for environmental liability	29.4	-		-	-	
Provision for warranties	32.2	-		32.2	-	
Program "Mover"	(9.1)	-		(9.1)	-	
Adjusted net profit	551.6	748.3	-26.3%	126.1	154.1	-18.2%
Net margin	11.9%	17.2%	-5.3 p.p.	8.4%	15.2%	-6.8 p.p.
Adjusted net margin	12.1%	17.2%	-5.1 p.p.	9.6%	15.2%	-5.6 p.p.

Page | 14

5.14 Capital expenditures

The table below shows capital expenditures and total accumulated depreciation for 2024 and 2023:

Capital expenditure and depreciation (in BRL million)	2024	2023
Capital expenditure	127.0	88.3
Total depreciation	92.9	89.7
Capital expenditure	2024	2023
% of net sales revenue	2.8%	2.0%
% of depreciation	136.7%	98.4%
Net sales revenue	4,558.0	4,338.8

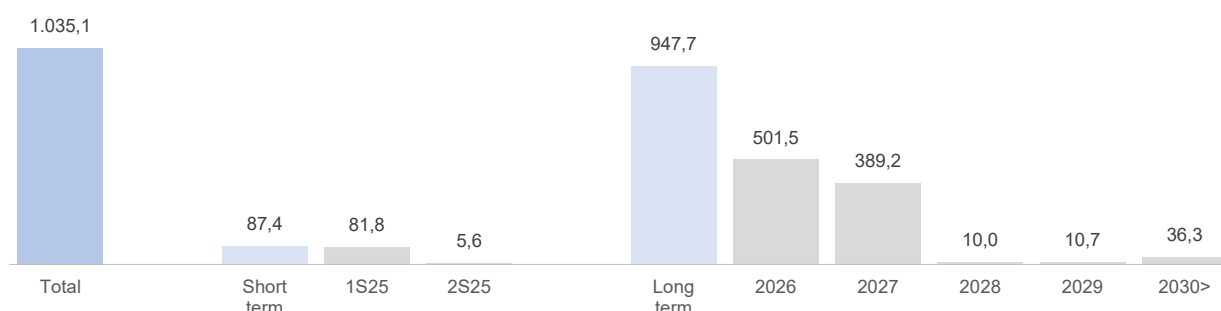
In 2024, we invested in equipment for research and development, new machinery and equipment to increase productivity and quality, new products, building improvements, information technology, among others.

5.15 Net financial position

At the end of 2024, the Company's net debt was R\$ 652.9 million while, at the end of 2023, net debt was R\$ 467.9 million, representing an increase of 39.5%, as shown below:

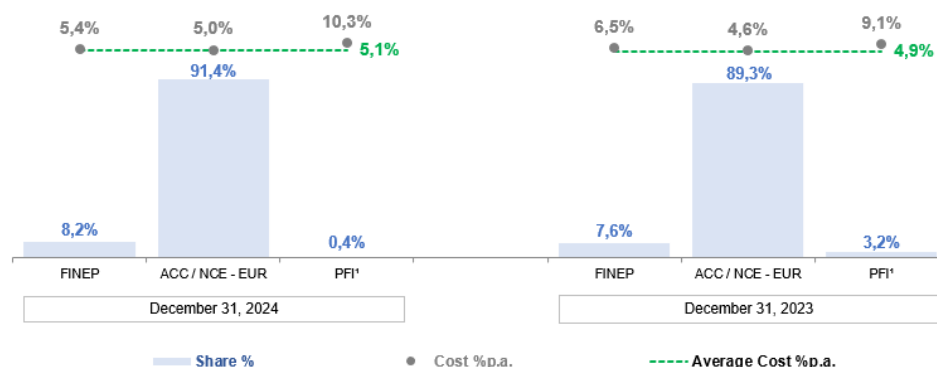
Net financial position (in BRL million)	December 31, 2024 (a)		December 31, 2023 (b)		Change (a-b)
Cash / bank balances / financial investments / loans (i):	382.2		383.3		(1.1)
Borrowings (ii):	(1,035.1)	100.0%	(851.2)	100.0%	(183.9)
Short-term	(87.4)	8.4%	(314.7)	37.0%	227.3
Long-term	(947.7)	91.6%	(536.5)	63.0%	(411.2)
Net debt (i - ii):	(652.9)		(467.9)		(185.0)
Net debt / Adjusted EBITDA	0.66x		0.51x		

At the end of 2024, the borrowings classified into short-term and long-term represent 8.4% and 91.6%, respectively, of total borrowings:



Page | 15

Shown below is the detailed breakdown of borrowings at December 31, 2024 and 2023 by facility with respective costs and weighted average cost:



¹ *Proyectos Federales de Innovación*: bank loan taken by the subsidiary in Argentina.

5.16 Subsidiary MAHLE Argentina S.A.

In accordance with international financial reporting standards and with local legislation, the subsidiary MAHLE Argentina S.A. keeps its accounting records in the functional currency, which is the currency of the primary economic environment in which it operates, i.e., Argentine peso (ARS). The financial statements of the subsidiary are expressed in units of the functional currency that is current at the end of the reporting period, and non-monetary assets and liabilities are restated by applying the Argentine Consumer General Price Index as required by IAS 29/CPC 42 *Financial Reporting in Hyperinflationary Economies*. The effects of this monetary restatement are recognized in the financial statements of the Parent company within the line item "Gain on net monetary position of foreign subsidiary" as summarized below:

	2024	2023	Q4 2024	Q4 2023
Net effect of IAS 29 on the individual financial statements of MAHLE Argentina	(157.1)	(161.1)	(15.1)	(38.8)
Effect of IAS 29 on calculation of share of profit of subsidiary	214.1	230.3	30.6	60.8
Net effect of IAS 29 on investment in subsidiary	1.7	1.9	0.2	0.5
Net effect of IAS 29 on subsidiary's non-monetary assets	58.8	71.1	15.8	22.5
Effect of IAS 29 on consolidated financial statements, which represents inflation restatement on subsidiary's non-monetary assets	57.9	(161.2)	10.4	(26.9)
Gain on net monetary position in foreign subsidiary	116.7	(90.2)	26.2	(4.4)

For the purposes of translation of the financial statements of the subsidiary in Argentina from the functional currency of the subsidiary (ARS) to the presentation currency of the Parent company MAHLE Metal Leve (BRL), the effects of the

translation of the financial statements are recognized as “cumulative translation adjustments” in other comprehensive income in equity.

Transactions in foreign currency are translated to the functional currency of the subsidiary (ARS) at the exchange rate ruling at the date of the transactions as determined by the Central Bank of Argentina.

5.17 Distribution of interest on capital to shareholders

On **November 5, 2024** and **December 16, 2024**, the Company’s Board of Directors approved the distribution of interest on capital (gross) of R\$ 98.9 million, as shown in the table below, which is subject to shareholder approval at the Ordinary Shareholders’ Meeting to be held on April 29, 2025:

Date of approval	Accounting entry	Base date	Ex-payout date	Date of payment	Type of payout	Period	Fiscal year	Total gross amount (in BRL million)	Gross value per share (BRL)	Net value per share (BRL)
December 16, 2024	December 19, 2024	December 19, 2024	December 20, 2024	May 28, 2025	Interest on capital	October 1, 2024 to December 31, 2024	2024	25.8	0.191	0.162
November 5, 2024	November 8, 2024	November 8, 2024	November 11, 2024	December 18, 2024	Interest on capital	January 1, 2024 to September 30, 2024	2024	73.1	0.539	0.458

For more information about payout, please visit our website: <https://ri.mahle.com.br/acoes/historico-de-proventos/>

6.Arco Climatização

MAHLE Metal Leve acquired a 33.3% stake in Arco Climatização Ltda. (“Arco”), according to the [announcement](#) made on August 13, 2024.

Based in the city of Caxias do Sul, State of Rio Grande do Sul, Arco offers a complete line of air conditioning equipment for buses and has a highly qualified team and more than one decade of experience in the industry. With products developed by its own engineering staff and proximity to market, Arco has rapidly established itself as one of Latin America’s leading providers of solutions for the largest bus manufacturers and fleet owners.

The Company’s partnership with Arco through a minority shareholding aims to foster the development of cutting-edge technologies and strengthen the relationship with major customers while preserving agility and flexibility which were key to the success of Arco in the market.

This strategic move aims to expand the Company’s presence in the thermal management market, with Arco’s air conditioning solutions for buses (including electric buses).

The acquisition was closed on October 1, 2024 after the conditions precedent were satisfied, including, but not limited to, the approval of the Brazilian Competition Authority (CADE).

The acquisition aligns with the Company’s strategy of sustainable growth by seeking assets that complement the Company’s existing product offerings, diversifying its business operations and creating value to shareholders.

At the end of 2024, the share of profit of this associate was R\$ 2.6 million, which has been included in the consolidated financial statements.

7. Acquisition of MAHLE Compressores and MAHLE Aftermarket Thermal

MAHLE Metal Leve (the “Company”) announced on September 3, 2024 that its Board of Directors approved a share purchase and sale agreement for the acquisition of 100% of the share capital of MAHLE Compressores do Brasil Ltda. and 100% of the share capital of MAHLE Aftermarket Thermal Brasil Ltda., both owned by MAHLE Indústria e Comércio Ltda., for R\$ 668.0 million and, subsequent to the acquisition, the merger of MAHLE Aftermarket Thermal Brasil Ltda. into the acquirer.

Page | 17

The acquisition and merger were approved at the Extraordinary Shareholders’ Meeting held on October 3, 2024.

The controlling shareholder of the Company abstained from voting at that meeting and, therefore, only non-controlling shareholders participated in the approval of the transaction.

The transaction aligns with the Company’s strategy of sustainable growth and shareholder value creation. Other key drivers were:

- Possibility of the Company growing by adding new products to its portfolio, increasing its original equipment and aftermarket businesses and diversifying its product offerings;
- Acquisition of thermal management systems, the demand for which, according to public data, is expected to grow substantially in the next years and decades;
- The thermal management systems are present in all types of vehicles, regardless of their application, use or type of drive. Hybrid and electric vehicles place a considerably larger demand for thermal management components;
- The transaction strengthens the Company’s image and power of negotiation in these times of transformation and consolidation of the automotive industry, either in the OE or aftermarket segments.

On September 5, 2024, the Company held a live webcast to present the information about this transaction. The material used in this event is available at <https://api.mziq.com/mzfilemanager/v2/d/6b90b8ef-4914-4021-8296-c5aca7b388eb/1a503955-9e36-70c8-e467-d07445f6f358?origin=1> and the full presentation is available at <https://api.mziq.com/mzfilemanager/v2/d/6b90b8ef-4914-4021-8296-c5aca7b388eb/7fa681aa-3482-7974-f335-56b920561aff?origin=1>.

Regarding the governance adopted in the process as this is a related-party transaction (acquisition of entities owned by the Company’s controlling shareholder), the Board of Directors of the Company voluntarily adopted Guidance 35 of the Brazilian Securities Commission (CVM) and established an Independent Committee to ensure that the deal is negotiated at arm’s length and to avoid potential conflicts of interest relating to the terms and conditions of the Acquisition, including purchase price. This decision is to protect the interests of the Company, especially the rights of non-controlling shareholders.

As a result of this decision, the following measures were taken:

- Two valuation reports prepared by independent specialist firms (Deloitte and Apsis). After discussions and negotiations between the Independent Committee and the controlling shareholder, the purchase price agreed for the Acquisition was R\$ 668.0 million, to be paid in three installments.
- The Independent Committee has had advice from two renowned law firms (Dias Carneiro Advogados and Demarest Advogados) that participated in the negotiation of the Purchase and Sale Agreement. The controlling shareholders received advice from another independent firm.
- The controlling shareholder communicated its abstention from voting at the Extraordinary Shareholders’ Meeting to the Independent Committee, leaving the decision on the transaction exclusively to non-controlling shareholders.

All documents concerning the acquisition process are available on the Brazilian Securities Commission (CVM) and the Brazilian Stock Exchange (B3) and on the Company’s Investor Relations website (<https://ri.mahle.com.br/acoes/aquisicao-compressores-thermal/>).

8. Sustainability (ESG)

From an early stage, the founders of the MAHLE Group, Hermann and Dr. Ernst Mahle, associated corporate success with social responsibility. After more than 100 years, MAHLE is now a company active worldwide and all the more aware of its environmental and social responsibility. We believe that our most important task is to balance sustainable development and technological progress. Our goal is to be an innovative driving force for efficient and environmentally compatible mobility. Through our long-term planning, we strive to reconcile the economic success of our company with the requirements of the environment, society, and our employees.

Page | 18

MAHLE Metal Leve S.A. always keeps an eye on its impact on the environment and people. Ecological and social responsibility forms the guiding principle that connects all corporate activities. As a result, we are pursuing an ethically correct and law-abiding behavior, the health and satisfaction of our employees, the safety of their jobs and the protection of the environment and resources along the entire value chain.

Climate change remains a key driver for our industry, and we are proud that MAHLE is on track with its established CO₂ Roadmap.

With a global shortage of skilled workers, we continue to drive our MAHLE HR - Human Resources Roadmap forward. The introduction of a new competence model, a talent cycle as well as setting new targets for women in leadership positions were important milestones.

Finance regulation around the world is evolving towards more sustainability. Therefore, we have included Sustainable Finance as a strategic topic in our sustainability agenda.

With our [Sustainability Report](#), we aim to inform you about our goals, strategies and measures as well as the progress we have made in different areas. Our report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. By using these standards, we are strengthening the transparency of our actions and laying the foundation for integrated sustainability communication in the future.

We provide below an overview of important sustainability aspects.

8.1 Environmental

MAHLE Metal Leve recognizes its responsibility to society and is committed to promoting sustainable solutions by reconciling its economic success with environmental preservation and social welfare.

The principles that guide our actions are ethically correct and lawful conduct, and protecting the environment, resources, and the well-being of our employees and the community in which we operate.

Our focus, therefore, is on continuing to be a reliable partner for our customers while innovating our products to have a reduced impact on the environment and shaping future mobility, with an environmental management system, specific targets and clear strategies.

Our environmental management system, fully implemented, focuses on minimizing environmental impacts of our production processes. The environmental management strategy is based on legal, customer and stakeholder requirements, and the Group's environmental targets.

This integrated approach enables the Company to implement more effective environmental management while increasing production efficiency.

Furthermore, MAHLE strictly follows environmental permit processes by adopting monitoring and other procedures required by laws and obtaining environmental permits from the regulatory bodies involved.

The Company complies with the applicable regulatory and legal requirements regarding environmental protection. Internal audits are conducted by the Occupational Health, Safety and Environment corporate function to ensure compliance with statutory environmental requirements and our Group-wide guidelines for environmental protection.

The health, safety and environmental management systems are audited by an independent third-party certification body and the Company is certified in accordance with ISO 14001 and ISO 45001.

Climate protection:

The MAHLE Group aims to become CO₂-neutral by 2040. To this end, MAHLE has set binding reduction targets: (i) reduce Scope 1 & 2 emissions by 49% by 2030, (ii) reduce Scope 3 emissions by 28% by 2030 compared to the base year 2019, and (iii) neutralize the remaining amounts by 2040.

MAHLE has made strategic decisions to achieve Net Zero goals:

- Expand its portfolio to include products with higher recycled content;
- Use bio-based materials as an alternative to traditional petroleum-based materials whenever bio-based materials have exactly the same properties as petroleum-based materials;
- Use self-generated power from renewable sources, increase energy efficiency by 2% every year, and prioritize renewable energy sources;
- Supply chain engagement: involvement and development of suppliers with low carbon materials.

Page | 19



In 2024, MAHLE Metal Leve received from Fundação Getúlio Vargas the Golden Seal of the Brazilian GHG Protocol Program, which is the highest level of certification of the Program.

After this certification, the Company's greenhouse gas inventory will be published in the Public Emissions Registry, a platform that is organized by Fundação Getúlio Vargas and which is considered the biggest database of corporate inventories in Latin America.

Obtaining the Golden Seal is a great source of pride for us as it is a recognition of our commitment to implementing sustainable practices and reducing GHG emissions, in line with our ESG agenda and the UN Global Compact.



MAHLE received the Golden Seal of the GHG Protocol Program after the accuracy and completeness of its direct and indirect emissions inventory was verified by an independent third-party (ABNT).

In this context, as part of its decarbonization strategy, in 2024 the Company acquired renewable energy certificates and carbon credits to offset Scope 1 and 2 emissions. Thus, we achieved carbon neutrality in our Distribution Center located in Limeira, State of São Paulo, our Tech Center in Jundiaí, State of São Paulo, and in our filter manufacturing plant in Mogi Guaçu, State of São Paulo. The process was audited by the Brazilian Technical Standards Association (ABNT) and demonstrates our commitment to reducing our environmental footprint.

Carbon neutrality is an alternative that seeks to avoid the consequences of the imbalance of the greenhouse effect caused by excess emissions of pollutants such as carbon dioxide, by mapping GHG emission sources and calculating GHG emissions into the atmosphere according to the Brazilian GHG Protocol. Being carbon neutral means reducing our greenhouse gas emissions over the years, buying energy from renewable sources with international certification (IREC), producing part of the energy we consume with photovoltaic panels as is already done in the Tech Center in Jundiaí, and using offsets or carbon credits to balance any remaining emissions.

8.2 Social

The Company has distinguished itself with an innovative and inclusive approach to talent management and social responsibility and adopts specific strategies to attract, develop and retain talent, always aligned with its business strategy and the highest ethical standards.

The Company redefines the future of talent acquisition with efficient and diversified processes, valuing integrity and timely fulfillment of commitments and creating an inclusive and welcoming environment since the first contact with its employees.

With a clear vision and an open mind, the Company promotes a collaborative and inclusive culture throughout the whole organization and opposes all forms of discrimination as an essential pillar for its development, creating a work environment where everyone feels valued and respected.

MAHLE is committed to the principle of life-long learning and offers a comprehensive global training and development catalogue. All employees have access to an online learning platform, language courses and training sessions, which reflect the competencies defined in the new MAHLE Group Competency Model.

MAHLE's innovation and leadership in the industry is driven by a strong commitment to excellence and development of its workforce. In 2024, the MAHLE Group performed a global employee survey to assess the level of employee engagement, with a participation rate of 92% in South America. This survey helps us define strategic actions to shape an even more inclusive and better place to work.

Page | 20

Upholding human rights, combating child and forced labor, and respecting employees' freedom of association are self-evident principles for MAHLE. These principles are observed in all MAHLE processes and reflect MAHLE's commitment to promoting responsible and sustainable economic growth.

Diversity and equal opportunities are also firmly anchored in our corporate values. We appreciate our workforce, regardless of gender and gender identity, nationality, ethnic origin, religion or belief, disability, age or sexual orientation. Diversity helps us perform more innovatively and support our business goals.

By focusing on the pillars of environmental sustainability, health, technological support, education & culture, diversity & inclusion, MAHLE contributes to society effectively. In 2024, the Company supported more than 25 social projects that benefited hundreds of people in the communities where it operates, strengthening its social impact and increasing employee satisfaction.

At December 31, 2024, MAHLE Metal Leve S.A. and its subsidiaries had 7,560 permanent employees, apprentices, interns and third-party service providers in production and administration.

MAHLE continues to inspire and develop its employees, ensuring all of them have a bright future and affirming its commitment to excellence, diversity and sustainable development.

8.3 Corporate Governance

The Company adopts good corporate governance practices based on the principles of transparency, fairness, accountability and corporate responsibility.

Since July 2011 the Company shares ("LEVE3") are traded on Brazil's Stock Exchange's Novo Mercado (New Market) listing segment that requires adherence to more stringent corporate governance rules.

Therefore, the Company is compliant with the best practices for transparency, equal treatment and long-term relationship with its stakeholders, in addition to using compliance tools, and internal policies and rules based on corporate governance principles. We also conduct periodic audits to continuously improve processes, minimize risks and strengthen protection against fraud. The documents are available on the [MAHLE Investor Relations website](#).

The Company adopts the best practices of corporate governance in line with the recommendations of the Brazilian Institute of Corporate Governance (IBGC), the Brazilian Securities Commission (CVM) and Brazil's Stock Exchange (B3). The adoption of other corporate governance practices can be found in the [Brazilian Code of Corporate Governance Report](#) that is available on the CVM website, B3 website and MAHLE Investor Relations website.

Risk management:

Risk factors are identified and monitored through our risk management system that covers economic, environmental and social aspects. The Company is exposed to external risks associated with economic, social and political conditions and events in the foreign countries in which it operates or to which it exports as well as to internal risks.

We have a risk management policy approved by our Board of Directors. The risk management policy defines roles and responsibilities, risk appetite and integrated risk management approach to protecting against potential threats.

The risk management process is subject to the approval of the Company's Board of Directors annually.

Compliance:

Responsible business behavior means complying with laws and internal rules as well as ensuring fair competition. Therefore, compliance has always been an important element of our corporate governance. We have our [Business Code](#)

which defines a clear code of conduct for our dealings with third parties to ensure compliance with ethical standards and laws, as well as preventive measures and training program that supports a strong culture of integrity. Our Compliance function implements preventive measures relating to corruption prevention and antitrust law and establishes sanctions for compliance violations. It also handles other topics. We take various steps to safeguard the effectiveness and sustainability of our compliance structure, including documenting our compliance activities and conducting periodic compliance audits as well as annual review of the compliance risk matrix. In addition, compliance violations can be reported via the web-based whistleblower system [Integrity Platform](https://mahle.integrityplatform.org/) on the MAHLE website <https://mahle.integrityplatform.org/>.

Prevention of corruption and antitrust law:

In order to prevent violations of laws and internal company rules from the outset, we organize regular compliance training sessions that cover the topics of antitrust law and prevention of corruption. The training sessions are mandatory for all members of the MAHLE Management Board and MAHLE Management Committee as well as for executives and employees in risk-exposed areas. Newly hired employees are given guidance and support with respect to the most important rules relating to corruption prevention and antitrust law, the compliance structure and internal reporting channels.

Data protection:

Like physical security, the logical security and personal data privacy, protection and confidentiality take high priority at MAHLE Metal Leve. To meet the applicable data protection laws and regulations, we have implemented a data protection program to foster a culture of data protection and educate our employees on how to handle personal data securely during interactions with customers, third-party partners and suppliers, and other continuous awareness initiatives. The data protection program is regularly reviewed and updated.

As part of a globally active Group, the European General Data Protection Regulation (GDPR) and the Brazilian General Personal Data Protection Law (LGDP – Law No. 13709/18) apply to us. In addition, we implement necessary measures for compliance with international data protection laws and regulations and have internal practices in place to ensure compliance with the Group-wide data privacy guidelines.

We adopt the Privacy by Design approach that helps embed privacy into the design of products and other internal actions that directly or indirectly involve the use of personal data. The MAHLE Metal Leve Data Protection function is managed by the data protection coordinator with the support of an external Data Protection Officer.

Any queries may be sent to the MAHLE Data Protection and Privacy channel at dpo.br@mahle.com.

Governance in M&A:

In order to drive sustainable growth, look for assets that complement its existing product lines, diversify its markets and generate value for shareholders, in 2024 MAHLE Metal Leve acquired: (a) 100% of MAHLE Compressores do Brasil Ltda. (“MAHLE Compressores”) and (b) 100% of MAHLE Aftermarket Thermal Brasil Ltda. (“MAHLE Aftermarket Thermal”), both owned by MAHLE Indústria e Comércio Ltda., and subsequently merged MAHLE Aftermarket Thermal.

Since this was a significant transaction with a related party (Company’s controlling shareholder), the Board of Directors of the Company voluntarily established an Independent Committee, in conformity with Guidance 35 of the Brazilian Securities Commission (CVM), in order to ensure that the terms and conditions of the Acquisition, including purchase price, are at arm’s length, based on two valuation reports prepared by independent specialist firms (Deloitte and Apsis).

The controlling shareholder abstained from voting at the General Shareholders’ Meeting and left the decision on approval of the transaction to the non-controlling shareholders through an independent and transparent decision.

The transaction was submitted to the General Shareholders’ Meeting for approval on October 3, 2024 as it was a significant investment (article 256 of Corporation Law).

The Company conducted the M&A process with transparency, in compliance with its Related-Party Transactions Policy.

Therefore, the governance structure adopted throughout the M&A process affirms the Company’s commitment to transparency, fairness, accountability and responsibility.

General Shareholders’ Meetings:

In 2024, the Company held three Shareholders’ Meetings:

- Ordinary and Extraordinary Meeting (virtual only) on April 29, 2024 to discuss: (i) re-ratification of the capital budget for the three-year period 2023, 2024 and 2025, and (ii) amendment and consolidation of the Company’s Bylaws, and evaluation of management reports and proposal;

- Extraordinary Meeting (virtual only) on October 3, 2024, to discuss: (a) acquisition of 100% of MAHLE Compressores do Brasil Ltda. ("MAHLE Compressores"), and (b) 100% of MAHLE Aftermarket Thermal Brasil Ltda. ("MAHLE Aftermarket Thermal");
- Extraordinary Meeting (virtual only) on December 9, 2024, to discuss: (i) increase of the Company's share capital, (ii) amendment to the Company's Bylaws to include the possibility of entering into contracts of indemnity, and (iii) Consolidation of the Company's Bylaws to reflect the above-mentioned amendments.

8.4 Sustainable innovations

At MAHLE, innovation and sustainability go hand in hand for developing new solutions for the automotive industry. Our commitment is to offer advanced technologies, efficient systems and a versatile product portfolio. Since the research and development phase, we prioritize the creation of solutions that reduce environmental impact, contributing to improve air quality and reduce greenhouse gas emissions. Our aim is to drive progress in mobility responsibly, in order to create a more sustainable future for our planet.

We believe that sustainable mobility is based on various technological solutions in strategic fields such as efficient and clean combustion engines powered with e-fuels and hydrogen, thermal management and electrification. There is no one-size-fits-all solution, as each region has unique economic, environmental and social conditions. We know these differences and apply solutions that suit local characteristics to achieve sustainable mobility quickly and efficiently.

That is why we are strengthening existing business segments and assuming a leading role in the ongoing development of the combustion engine – with regard to its operation using climate-neutral or e-fuels. We believe that employing biofuels and other renewable fuels presents an even greater opportunity to cut carbon emissions.

More information about sustainable innovations is available in our [Sustainability Report](#).

9. Investor Relations and Capital Market

During 2024, our Investor Relations department maintained open and frequent communication with investors and the general market. In-person and virtual meetings and events were held to reinforce communication and strengthen the relationship with investors, shareholders and the financial community, as well as to promote a thorough understanding of the Company's fundamentals.

In September 2024, the Company engaged Itaú as a market maker, for an indeterminate period, for its common shares traded on B3 S.A. - Brasil, Bolsa, Balcão ("B3") under the ticker symbol 'LEVE3', with the aim of providing liquidity to markets.

9.1 Participation in online events

According to the announcement to the market, on September 11, 2024, the Company participated in the online event "*Trigono Connection*" where it discussed opportunities and the path to green mobility. Click [here](#) or use this QR Code to watch the full event.

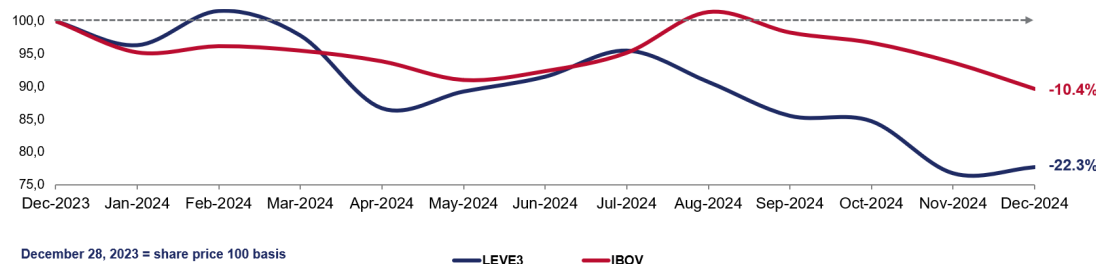


On September 5, 2024, MAHLE Metal Leve S.A. held a video conference to explain the acquisition process of MAHLE Compressores and MAHLE Thermal and discuss the Company's fundamentals and its technological path. Click [here](#) or use this QR Code to watch the full event.



9.2. MAHLE Metal Leve stock performance and free float

The graph below (base 100) shows the market performance of LEVE3 stock and Ibovespa¹ in 2024, and Average Daily Trading Volume (ADTV) and free-float market capitalization:



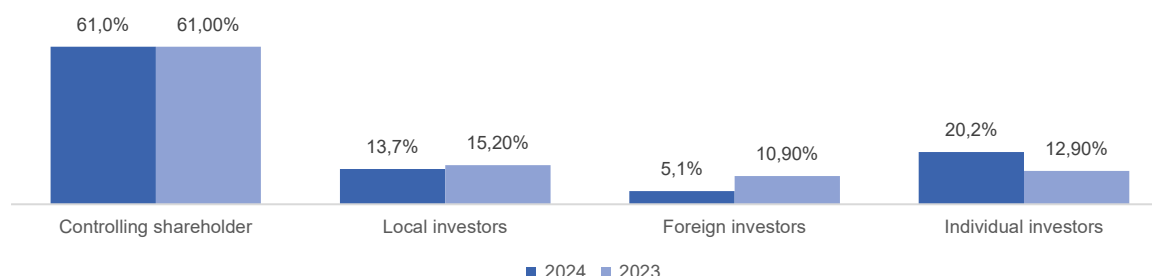
Page | 23

¹ IBOVESPA is a major market index which tracks the performance of the most liquid stocks traded on Brazil's Stock Exchange B3 - Brasil, Bolsa, Balcão.

Average Daily Trading Volume (in BRL million) and Free Float Market Cap				
Period:	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Trading volume:	19.9	13.1	12.5	11.9
Free float market cap:	1.09%	0.76%	0.74%	0.78%

9.3. Ownership structure

At the end of 2024 and 2023, the Company's ownership structure by investor category is as follows:



10. Independent Auditors

In accordance with CVM Resolution 162/22, the Company and its subsidiaries take appropriate steps to ensure that the provision of non-audit services by the external auditors does not create any conflict of interest or impair the independence and objectivity of the external auditors.

During the fiscal year 2024, the Company did not engage Ernst & Young Auditores Independentes S/S Ltda to perform non-audit services and there is, therefore, no situation that could constitute conflict of interest under that CVM Resolution.

11. Executive Board's Declaration

In compliance with the provisions of CVM Resolution 80/22, the Executive Board hereby declares that it has discussed, reviewed and agrees with the financial statements for the period ended December 31, 2024 and with the conclusions expressed in the independent auditor's report.

Page | 24

12. Acknowledgements

We would like to thank our employees, shareholders, customers and suppliers for their continued support and confidence during the fiscal year 2024.

The Management Board



Edifício Trade Tower
Av. José de Souza Campos, 900
1º andar - Nova Campinas
13092-123 - Campinas - SP - Brasil
Tel: +55 19 3322-0500
Fax: +55 19 3322-0559
ey.com.br

A free translation from Portuguese into English of Independent auditor's report on individual and consolidated financial statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) (currently referred by the IFRS Foundation as "IFRS Accounting Standards").

Independent auditor's report on individual and consolidated financial statements

To Shareholders, Board of Directors and Officers

MAHLE Metal Leve S.A.

Mogi Guaçu - SP

Opinion

We have audited the accompanying individual and consolidated financial statements of Mahle Metal Leve S.A. (the "Company"), identified as Parent Company and Consolidated, respectively, which comprise the balance sheet as at December 31, 2024, and the statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Mahle Metal Leve S.A. as at December 31, 2024, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) (currently referred by the IFRS Foundation as "IFRS Accounting Standards").

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by the Brazil's National Association of State Boards of Accountancy (CFC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the individual and consolidated financial statements” section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Goodwill based on future profitability (Note 18)

As of December 31, 2024, the goodwill balance based on future profitability expectations, due to business combinations, in the individual and consolidated financial statements, amounts to R\$379,958 thousand, net of the impairment recognized, in the amount of R\$ 283,958 thousand and R\$ 292,480 thousand, in the individual and consolidated financial statements, respectively. The assessment of its recoverable amount (*impairment test*) involves critical judgments by the Company's management.

As disclosed in the explanatory note 18, such recoverable value is sensitive to the discount rate used in the discounted cash flow method, as well as other assumptions adopted according to management's judgment, and adverse economic conditions may cause these assumptions to change significantly.

Due to the aspects aforementioned, this matter was considered as an area of focus in our audit.

How our audit conducted this matter

Our audit procedures included, among others:

- (i) Understanding of the Company’s internal controls and its processes that support in determining the recoverable value of the goodwill based on future profitability, including an assessment by the Company’s management of any indicators of impairment on assets;
- (ii) Comparing the information used in the impairment test prepared by the Company’s management with the Economic Plan approved by the Company's Board of Directors;
- (iii) Evaluating the reasonableness of the calculation model and the relevant financial and economic assumptions used, including identification of the operational assets and liabilities of the cash generating unit (CGU); and
- (iv) Conducting a stress test on the key assumptions used by the Company's management, as well as assessing the existence of any information that could contradict the growth assumptions defined by the Company.

As a result of the procedures described above, which are consistent with the Company's assessment, we consider that the measurement model and the assumptions adopted by the Company's management are reasonable, and the disclosures are appropriate in the context of the individual and consolidated financial statements taken as a whole.



Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2024, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures conducted together with the audit of the Company's individual and consolidated financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added, individual and consolidated, were prepared fairly, in all material respects, in accordance with the criteria defined in abovementioned accounting pronouncement and are consistent in relation to the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and the auditor's report

Management is responsible for such other information, which comprise the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) (currently referred by the IFRS Foundation as "IFRS Accounting Standards"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit and, consequently, for the audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and communicate all potential relationships or matters that could materially affect our independence, including, where applicable, the respective safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Campinas, March 11, 2025

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC-SP027623/F

Alexandre Fermino Alvares
Contador CRC SP211793/O

MAHLE Metal Leve S.A.

Individual and Consolidated
Financial statements at
December 31, 2024

MAHLE Metal Leve S.A.

Individual and Consolidated Financial statements

At December 31, 2024

Contents

Balance sheet	6-7
Statement of income	8
Statement of comprehensive income	9
Statement of changes in equity	10
Statement of cash flows	11
Statement of value added	12
Explanatory notes to the individual and consolidated financial statements	13-118
Board of Directors	119
Proposal for Capital Budget	120
Report of the Supervisory Board	121-122
Report of the MAHLE Non-Statutory Audit Committee for 2024 fiscal year	123-125
Representation by officers on the individual and consolidated financial statements	126
Representation by officers on the independent auditor's report on the financial statements	127

SUMMARY OF EXPLANATORY NOTES

1.	Operations.....	13
2.	Subsidiaries and associate entities of the Company.....	14
3.	Basis of preparation.....	14
4.	Functional and presentation currency	15
5.	Use of estimates and judgments	15
6.	New and amended standards applied for the first time in 2024 and Standards issued but not yet effective	18
6.1	New and amended standards applied for the first time in 2024.....	18
6.2	Standards issued but not yet effective	19
7.	Basis of measurement.....	22
8.	Material accounting policies	22
a.	<i>Basis of consolidation</i>	22
b.	<i>Business combination involving entities under common control</i>	23
c.	<i>Foreign currency</i>	24
d.	<i>Discount of assets and liabilities to present value</i>	25
e.	<i>Financial instruments</i>	25
f.	<i>Inventories</i>	30
g.	<i>Property, plant and equipment</i>	31
h.	<i>Intangible assets and goodwill</i>	31
i.	<i>Impairment</i>	33
j.	<i>Investments</i>	36
k.	<i>Employee benefits</i>	36
l.	<i>Provision</i>	37
m.	<i>Leases</i>	38
n.	<i>Revenue</i>	40
o.	<i>Finance income and expenses</i>	40

<i>p.</i>	<i>Taxation</i>	41
<i>q.</i>	<i>Earnings per share</i>	42
<i>r.</i>	<i>Segment reporting</i>	42
<i>s.</i>	<i>Statements of added value</i>	43
9.	Segment reporting	43
10.	Cash and cash equivalents and marketable securities	46
11.	Trade and related parties receivables	48
12.	Inventories	50
13.	Income tax and social contribution and other taxes recoverable	51
14.	Related parties	52
15.	Income tax and social contribution	59
16.	Investments in subsidiaries and associate	63
17.	Property, plant and equipment and Right-of-use assets	71
18.	Intangible assets	76
19.	Trade and related party payables	79
20.	Borrowings and lease liabilities	80
21.	Salaries, vacation pay and social charges	84
22.	Taxes and contributions payable	84
23.	Sundry provision	85
24.	Provision for warranties	86
25.	Provision for contingencies and judicial deposits linked to judicial proceedings	87
26.	Equity	91
27.	Earnings per share (EPS)	94
28.	Capital management	95
29.	Net operating revenue	96
30.	Cost of sales	96
31.	Expenses by nature	97

31.1 Selling and distribution expenses	97
31.2 General and administrative expenses	98
31.3 Technology and product research and development expenses	98
32. Finance income and expenses, net.....	99
33. Other operating income and expenses, net	99
34. Financial instruments	100
35. Employee benefits	117
36. Insurance	117
37. Application of NBC TG 42 (CPC 42) / IAS 29 - Financial Reporting in Hyperinflationary Economies	118
Board of Directors	119
Proposal for Capital Budget	120
Report of the Supervisory Board.....	121
Report of the MAHLE Non-Statutory audit committee for financial year 2024	123

MAHLE Metal Leve S.A.
Balance sheet
At December 31, 2024 and 2023

All amounts in thousands of reais

(A free translation of the original in Portuguese)

Assets	Note	Parent Company		Consolidated	
		2024	2023	2024	2023
Cash and cash equivalents	10.a	179,108	177,136	291,793	200,328
Marketable securities	10.b	-	-	66,429	152,888
Trade and related-party receivables	11	642,294	563,507	760,583	627,754
Inventories	12	539,497	413,461	815,753	519,262
Other taxes recoverable	13	87,165	66,638	135,880	84,308
Income tax and social contribution recoverable	13	45,841	44,495	65,612	50,389
Dividends and interest on capital receivable	14	9,216	-	627	-
Derivative financial instruments	34	4,397	11,663	5,313	13,533
Other assets		15,335	15,741	25,888	24,529
Total current assets		1,522,853	1,292,641	2,167,878	1,672,991
Other taxes recoverable	13	11,177	11,307	14,749	11,524
Loans to related parties	14	31,918	23,895	24,009	30,128
Judicial deposits linked to judicial proceedings	25	24,458	24,360	25,004	24,557
Deferred tax assets	15.b	13,349	15,247	114,233	28,576
Other assets		79,142	27,655	81,810	28,988
Total long-term assets		160,044	102,464	259,805	123,773
Investments in subsidiaries and associate	16	683,164	283,269	41,097	-
Property, plant and equipment	17	545,674	526,592	704,665	574,163
Right-of-use assets	17	26,862	38,474	30,019	39,744
Intangible assets	18	389,527	390,226	389,833	390,254
		1,645,227	1,238,561	1,165,614	1,004,161
Total non-current assets		1,805,271	1,341,025	1,425,419	1,127,934
Total assets		3,328,124	2,633,666	3,593,297	2,800,925

The accompanying notes are an integral part of these individual and consolidated financial statements.

MAHLE Metal Leve S.A.
Balance sheet
At December 31, 2024 and 2023
All amounts in thousands of reais

(A free translation of the original in Portuguese)

Liabilities	Note	Parent Company		Consolidated	
		2024	2023	2024	2023
Dividends and interest on capital payable	14	54,446	22,817	54,446	22,817
Trade and related-party payables	19	826,836	268,091	983,713	353,781
Borrowings	20.a	82,976	287,833	87,427	314,665
Lease liabilities	20.b	10,960	11,860	12,255	13,554
Salaries, vacation pay and social charges	21	125,001	103,805	152,444	111,071
Taxes and contributions payable	22	46,067	59,428	57,607	62,327
Income tax and social contribution payable	22	-	-	7,138	27,965
Sundry provision	23	70,794	69,177	81,876	71,252
Provisions for warranties	24	41,853	7,292	48,718	7,780
Derivative financial instruments	34	9,733	4,728	9,758	4,728
Advance from customers		4,775	22,023	6,027	25,874
Other liabilities		49,280	41,410	69,656	43,448
Total current liabilities		1,322,721	898,464	1,571,065	1,059,262
Borrowings	20.a	947,696	536,491	947,696	536,491
Lease liabilities	20.b	19,139	28,822	21,152	29,288
Provisions for legal and administrative proceedings	25	259,775	244,412	271,918	248,088
Other liabilities		10,349	15,098	10,869	15,078
Total non-current liabilities		1,236,959	824,823	1,251,635	828,945
Total liabilities		2,559,680	1,723,287	2,822,700	1,888,207
Equity	26				
Share capital		1,392,837	1,162,174	1,392,837	1,162,174
Profit reserves		27,070	230,663	27,070	230,663
Reserve for expansion		157,655	-	157,655	-
Carrying value adjustments		(1,037,732)	(703,723)	(1,037,732)	(703,723)
Retained earnings		228,614	221,265	228,614	221,265
Equity attributable to the owners of the parent		768,444	910,379	768,444	910,379
Non-controlling interests		-	-	2,153	2,339
Total equity		768,444	910,379	770,597	912,718
Total liabilities and equity		3,328,124	2,633,666	3,593,297	2,800,925

The accompanying notes are an integral part of these individual and consolidated financial statements.

MAHLE Metal Leve S.A.

Statement of income

Years ended December 31, 2024 and 2023

All amounts in thousands of reais, unless otherwise indicated

(A free translation of the original in Portuguese)

	Note	Parent Company		Consolidated	
		2024	2023	2024	2023
Net revenue	29	3,601,441	3,376,055	4,557,980	4,338,825
Cost of sales and services	30	(2,530,064)	(2,444,714)	(3,258,867)	(3,067,263)
Gross profit		1,071,377	931,341	1,299,113	1,271,562
Selling expenses and distribution	31.1	(246,474)	(243,628)	(343,228)	(332,022)
General and administrative expenses	31.2	(126,409)	(110,633)	(140,635)	(127,837)
Technology and product development costs	31.3	(49,902)	(51,740)	(59,045)	(58,152)
Other income	33	7,414	(1,530)	(4,954)	(8,344)
Gain on net monetary position of foreign subsidiary	37	214,106	230,264	116,673	70,876
Equity in the results of subsidiaries and associate	16	9,911	118,794	2,326	-
Profit before finance income (expenses) and taxation		880,023	872,868	870,250	816,083
Finance income	32	248,559	134,366	458,718	490,026
Finance expenses	32	(454,094)	(108,147)	(629,805)	(368,188)
Finance income (expenses), net		(205,535)	26,219	(171,087)	121,838
Profit before taxation		674,488	899,087	699,163	937,921
Current income tax and social contribution	15.a	(135,253)	(131,554)	(157,398)	(178,477)
Deferred income tax and social contribution	15.b	2,155	(19,288)	(561)	(11,666)
Income tax and social contribution		(133,098)	(150,842)	(157,959)	(190,143)
Profit for the year		541,390	748,245	541,204	747,778
Profit attributable to					
Owners of the Parent Company				541,390	748,245
Non-controlling interests				(186)	(467)
Profit for the year				541,204	747,778
Basic and diluted earnings per share (in reais)	27	3.9943	5.7693	3.9943	5.7693

The accompanying notes are an integral part of these individual and consolidated financial statements.

MAHLE Metal Leve S.A.

Statement of comprehensive income Years ended December 31, 2024 and 2023

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent Company		Consolidated	
	2024	2023	2024	2023
Profit for the year	541,390	748,245	541,204	747,778
Comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Change in cash flow hedge, net	(10,634)	2,447	(10,634)	2,447
Income tax and social contribution on cash flow hedge 15.b ii	3,615	(832)	3,615	(832)
Cumulative translation adjustments	19,094	(380,537)	19,094	(380,537)
Other comprehensive income, net of income tax and social contribution	12,075	(378,922)	12,075	(378,922)
Total comprehensive income for the year, net of income tax and social contribution	553,465	369,323	553,279	368,856
Comprehensive income attributable to:				
Owners of the parent			553,465	369,323
Non-controlling interests			(186)	(467)
Total comprehensive income			553,279	368,856

The accompanying notes are an integral part of these individual and consolidated financial statements.

MAHLE Metal Leve S.A.

**Statement of changes in equity
For the years ended December 31, 2024 and 2023**

All amounts in thousands of reais (A free translation of the original in Portuguese)

Note		Attributable to owners of the parent														Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
		Profit reserves						Carrying value adjustments											
		Share capital	Share issue costs	Legal reserve	Reserve for expansion and modernization	Special reserve	Proposed additional dividends	Total	Financial instrument adjustments	Deemed cost	Cumulative translation adjustments	Transaction between shareholders	Total						
At January 1st, 2023		966,255	-	193,251	331,789	-	419,703	944,743	1,710	32,477	(358,546)	-	(324,359)	-	1,586,639	(6,882)	1,579,757		
Accounting adjustments for transactions between shareholders																			
	26.c	-	-	-	-	-	-	-	-	-	-	-	-	(111,024)	(111,024)	-	(111,024)		
	26.c	-	-	-	-	-	-	-	-	-	-	-	-	54	54	-	54		
		202,454	-	-	-	-	-	-	-	-	-	-	-	-	202,454	-	202,454		
		-	(9,901)	-	-	-	-	-	-	-	-	-	-	-	(9,901)	-	(9,901)		
		-	3,366	-	-	-	-	-	-	-	-	-	-	-	3,366	-	3,366		
	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,688	9,688		
Profit for the year		-	-	-	-	-	-	-	-	-	-	-	-	748,245	748,245	(467)	747,778		
Other comprehensive income																			
	26.c	-	-	-	-	-	-	-	-	(380,537)	-	-	(380,537)	-	(380,537)	-	(380,537)		
	26.c	-	-	-	-	-	-	2,447	-	-	-	-	2,447	-	2,447	-	2,447		
	26.c	-	-	-	-	-	-	(832)	-	-	-	-	(832)	-	(832)	-	(832)		
	26.c	-	-	-	-	-	-	-	(442)	-	-	-	(442)	442	-	-	-		
Transactions with shareholders and creation of reserves																			
	26.d	-	-	37,412	-	-	37,412	-	-	-	-	-	-	(37,412)	-	-	-		
	26.d	-	-	-	(331,789)	-	(331,789)	-	-	-	-	-	-	-	(331,789)	-	(331,789)		
	26.c	-	-	-	-	(419,703)	(419,703)	-	-	-	-	-	-	-	(419,703)	-	(419,703)		
	26.c	-	-	-	-	-	-	-	-	-	-	-	-	(379,040)	(379,040)	-	(379,040)		
	26.c	-	-	-	-	221,265	221,265	-	-	-	-	-	-	(221,265)	-	-	-		
At December 31, 2023		1,168,709	(6,535)	230,663	-	-	221,265	451,928	3,325	32,035	(739,083)	-	(703,723)	-	910,379	2,339	912,718		
Accounting adjustments for transactions between shareholders																			
	26.c	-	-	-	-	-	-	-	-	-	-	-	-	(98,922)	(98,922)	-	(98,922)		
	26.c	-	-	-	-	-	-	-	-	-	-	-	-	100	100	-	100		
	16	-	-	-	-	-	-	-	-	-	-	(345,479)	(345,479)	-	(345,479)	-	(345,479)		
Profit for the year		-	-	-	-	-	-	-	-	-	-	-	-	541,390	541,390	(186)	541,204		
Other comprehensive income																			
	26.c	-	-	-	-	-	-	-	-	19,094	-	-	19,094	-	19,094	-	19,094		
	26.c	-	-	-	-	-	-	(10,634)	-	-	-	-	(10,634)	-	(10,634)	-	(10,634)		
	26.c	-	-	-	-	-	-	3,615	-	-	-	-	3,615	-	3,615	-	3,615		
	26.c	-	-	-	-	-	-	-	(605)	-	-	-	(605)	605	-	-	-		
Transactions with shareholders and creation of reserves																			
	26.d	-	-	27,070	-	-	27,070	-	-	-	-	-	-	(27,070)	-	-	-		
	26.d	-	-	-	157,655	-	157,655	-	-	-	-	-	-	(157,655)	-	-	-		
	22.a	230,663	-	(230,663)	-	-	(230,663)	-	-	-	-	-	-	-	-	-	-		
	26.c	-	-	-	-	(221,265)	(221,265)	-	-	-	-	-	-	-	(221,265)	-	(221,265)		
	26.c	-	-	-	-	228,614	228,614	-	-	-	-	-	-	(228,614)	-	-	-		
	26.c	-	-	-	-	-	-	-	-	-	-	-	-	(29,834)	(29,834)	-	(29,834)		
At December 31, 2024		1,399,372	(6,535)	27,070	157,655	-	228,614	413,339	(3,694)	31,430	(719,989)	(345,479)	(1,037,732)	-	768,444	2,153	770,597		

The accompanying notes are an integral part of these individual and consolidated financial statements.

MAHLE Metal Leve S.A.
Statement of cash flows
Years ended December 31, 2024 and 2023
All amounts in thousands of reais
(A free translation of the original in Portuguese)

		Parent Company		Consolidated	
		2024	2023	2024	2023
Cash flows from operating activities	Note				
Profit before income tax and social contribution		674,488	899,087	699,163	937,921
Adjustments for:					
Depreciation and amortization		100,002	99,076	104,725	101,581
Equity in the results of subsidiaries and associate	16	(9,911)	(118,794)	(2,326)	-
Interest and foreign exchange and monetary variations, net		256,207	34,353	251,982	(185,958)
Unrealized (losses) gains on derivative financial instruments		1,638	(1,281)	2,561	(1,141)
Results on disposal of property, plant and equipment		276	(1,342)	191	(1,497)
(Reversal) Recognition of provision for impairment of trade receivables		(239)	999	(6,596)	9,096
Recognition (Reversal) of provision for legal and administrative proceedings	25	32,185	(4,267)	33,413	(2,598)
Recognition of provisions for warranties	24	42,730	1,634	43,831	1,448
Recognition of sundry provision	23	61,112	63,713	65,803	68,023
Reversal of provision for impairment of property, plant and equipment and intangible assets		(1,444)	(598)	(1,215)	(598)
(Reversal) Recognition of provision for inventory loss	12	(1,346)	2,852	7,720	14,301
Interest expense on lease liability	20.b	4,527	5,719	4,637	5,773
Gains on net monetary position	37	(214,106)	(230,264)	(58,776)	(71,066)
Recognized tax credit		-	(12,793)	-	(12,826)
Cash flow from operating activities before working capital		946,119	738,094	1,145,113	862,459
(Increase) decrease in assets					
Trade and related-party receivables		(67,879)	7,976	(34,744)	23,276
Inventories		(110,728)	(40,626)	(213,842)	31,930
Taxes recoverable		21,543	183,050	(34,471)	164,576
Other assets		(53,531)	(10,440)	(52,813)	(5,161)
Increase (decrease) in liabilities					
Trade and related-party payables		81,018	8,140	53,996	18,054
Salaries, vacation pay and social charges		21,196	7,855	28,505	1,341
Taxes and contributions payable		(13,361)	11,636	(12,372)	(2,883)
Other liabilities		(128,083)	(117,057)	(137,119)	(130,754)
Cash provided by operating activities		696,294	788,628	742,253	962,838
Income tax and social contribution paid		(164,544)	(166,669)	(174,235)	(172,471)
Net cash provided by operating activities		531,750	621,959	568,018	790,367
Cash flows from investing activities					
Payments for acquisition of subsidiaries MAHLE Compressores and MAHLE Thermal	16	(222,666)	-	(222,666)	-
Cash from acquired subsidiaries	16	-	-	147,053	-
Payments for acquisition of associate Arco Climatização Ltda.	16	(27,030)	-	(27,030)	-
Dividends and interest on capital received from subsidiaries	14/16	174,401	115,439	71	-
Loans granted to related parties		-	(2,750)	(504,075)	(451,843)
Loan repayment from related parties		-	-	517,898	495,822
Additions to property, plant and equipment	17	(96,086)	(66,779)	(117,267)	(78,083)
Additions to intangible assets	18	(559)	(1,499)	(559)	(1,521)
Acquisition of marketable securities		-	-	(77,507)	(235,477)
Settlement of securities		-	-	197,754	48,892
Proceeds from sale of property, plant and equipment		-	2,091	129	2,256
Net cash provided by (used in) investing activities		(171,940)	45,521	(86,199)	(219,954)
Cash flows from financing activities					
Proceeds from borrowings	20.a	312,429	480,535	389,210	506,610
Repayment of principal of borrowings	20.a	(301,032)	(67,172)	(405,130)	(75,487)
Repayment of interest on borrowings	20.a	(45,291)	(11,866)	(47,769)	(12,178)
Repayment of the principal and interest on the lease liability	20.b	(15,791)	(16,198)	(18,154)	(16,746)
Dividends and interest on capital paid	14	(318,290)	(1,344,601)	(318,290)	(1,344,601)
Capital contributions by shareholders, net of shared issued cost		-	192,553	-	192,553
Loans from related parties		-	-	-	174,314
Loan repayments to related parties		-	-	-	(174,576)
Net cash used in financing activities		(367,975)	(766,749)	(400,133)	(750,111)
Effect of foreign exchange variation on cash and cash equivalents		10,137	(2,699)	9,779	(47,380)
Increase (reduction) in cash and cash equivalents, net		1,972	(101,968)	91,465	(227,078)
Represented by:					
Cash and cash equivalents at the beginning of the year		177,136	279,104	200,328	427,406
Cash and cash equivalents at the end of the year	10.a	179,108	177,136	291,793	200,328
Increase (reduction) in cash and cash equivalents, net		1,972	(101,968)	91,465	(227,078)

The accompanying notes are an integral part of these individual and consolidated financial statements.

MAHLE Metal Leve S.A.

Statement of value added

Years ended December 31, 2024 and 2023

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent Company		Consolidated	
	2024	2023	2024	2023
Gross revenue	4,717,684	4,404,898	5,628,851	5,259,789
Sales of goods, products and services	4,517,583	4,216,415	5,520,724	5,179,520
Other operating income	199,862	189,482	101,416	89,369
Provision for impairment of trade receivables	239	(999)	6,711	(9,100)
Inputs acquired from third parties	(2,355,133)	(2,248,885)	(3,156,278)	(2,905,881)
(Includes amounts of taxes: ICMS, IPI, PIS and COFINS)				
Cost of sales and services	(1,260,378)	(1,225,577)	(1,901,125)	(1,777,065)
Materials, energy, outsourced services and other	(1,099,135)	(1,021,224)	(1,243,272)	(1,115,282)
Impairment/recovery of assets	4,380	(2,084)	(11,881)	(13,534)
Gross value added	2,362,551	2,156,013	2,472,573	2,353,908
Depreciation and amortization	(100,002)	(99,076)	(104,725)	(101,581)
Net value added generated by the company	2,262,549	2,056,937	2,367,848	2,252,327
Value added received through transfer	258,471	253,160	461,043	490,026
Equity in the results of investees	9,912	118,794	2,326	-
Finance income	248,559	134,366	458,717	490,026
Total value added to distribute	2,521,020	2,310,097	2,828,891	2,742,353
Distribution of value added	2,521,020	2,310,097	2,828,891	2,742,353
Personnel and charges	728,182	684,251	824,323	752,166
Taxes and contributions	782,549	741,677	822,476	781,662
Capital providers	468,899	135,924	640,887	460,747
Interest	65,340	27,540	69,582	32,414
Rentals	16,015	29,203	17,928	30,584
Foreign exchange, monetary and other variations	387,544	79,181	553,377	397,749
Shareholders	541,390	748,245	541,205	747,778
Dividends and interest on capital	98,922	111,024	109,028	111,024
Retained earnings	442,468	637,221	432,363	637,221
Share of non-controlling interests of retained earnings	-	-	(186)	(467)

The accompanying notes are an integral part of these individual and consolidated financial statements.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

1. Operations

General information

MAHLE Metal Leve S.A. (the “Company” or “Group”) is an entity domiciled in Brazil. The registered address of the Company's head office is Ernst Mahle Avenue, number 2000, Zip Code 13.846.146, Mogi Guaçu, São Paulo. The Company's Consolidated (Consolidated) and Individual (Parent Company) financial statements for the years ended December 31, 2024 and 2023 includes the Company and its subsidiaries (referred to collectively as the Group).

The Group is principally engaged in the manufacture, development, sale and resale, distribution, import and export of parts and accessories for use in the manufacture and assembly of spark-ignition engines, motor vehicles, electric motors and alternators and their components for application in motor vehicles; cooling and air conditioning systems for stationary engines and energy generating systems; application programs for development of metallurgical processes; resale of paper for manufacture of filters, industrial processing, and provision of services, including courses and training sessions, related to its activities, among others. The sale is made to automobile manufacturers, the automotive aftermarket, stationary applications and others.

The Group manufactures the following products: pistons, piston rings, gudgeon pins, camshafts, bearings, bushes, valve tappets, thrust washers, fire ring, cylinder liners, radiators, condensers, mechanical compressors, air conditioning and filters. It also manufactures valves for combustion engines, and sell products and provides technical support services in the foreign market.

The Company shares are listed on the *Novo Mercado* listing segment of B3 – *Brasil, Bolsa, Balcão*, which is the listing segment with the highest standards of corporate governance.

Acquisition of interest in subsidiaries

After the terms and conditions of the transaction were negotiated and based on the valuation reports issued by the independent specialist firms and on the legal advice engaged by the Independent Committee, the Board of Directors of the Company approved on September 3, 2024 the share purchase and sale agreement for the acquisition of 100% of the share capital of MAHLE Compressores do Brasil Ltda. (“MAHLE Compressores”) and 100% of the share capital of MAHLE Aftermarket Thermal Brasil Ltda. (“MAHLE Thermal”), both owned by MAHLE Indústria e Comércio Ltda., the controlling shareholder of the Company. At the Extraordinary General Meeting held on October 3, 2024, the shareholders of the Company approved the acquisition of MAHLE Compressores and MAHLE Thermal and the merger of MAHLE Thermal into the Company for the purposes of segregation of the Aftermarket Thermal business segment.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

On October 1st, 2024, the Company completed the acquisition of a 33.33% interest in the associate Arco Climatização Ltda. (CNPJ No. 17.551.610/0001-86) for R\$ 31,790 to be paid in three installments, after the conditions precedent have been satisfied, including, but not limited to, the approval of the Brazilian Competition Authority (CADE).

The acquisitions fit into the Company's sustainable growth strategy to look for assets that complement the Company's existing products, diversify the Company's markets and create value for shareholders. More details on the acquisition and merger are given in Note 16.

2. Subsidiaries and associate entities of the Company

Subsidiaries	Country	Ownership percentage (%)			
		2024		2023	
		Direct	Indirect	Direct	Indirect
MAHLE Argentina S.A.	Argentina	99.2	0.8	99.2	0.8
MAHLE Compressores do Brasil Ltda.	Brazil	100	-	-	-
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	Brazil	100	-	100	-
MAHLE Hirschvogel Forjas S.A.	Brazil	51	-	51	-
MAHLE Metal Leve GmbH	Austria	100	-	100	-

Associate	Country	Direct	Indirect	Direct	Indirect
Arco Climatização Ltda.	Brazil	33.33%	-	-	-

3. Basis of preparation

Statement of compliance (with IFRS, Brazilian accounting standards issued by the Federal Accounting Council (CFC) and pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC))

The individual and consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil, which comprise the standards of the Brazilian Securities Commission (CVM) and the pronouncements of the Brazilian Accounting Pronouncements Committee (CPC), as well as according to the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), which are currently referred to as "IFRS Accounting Standards" according to the IFRS Foundation.

The Group has prepared these financial statements on the basis that it will continue to operate as a going concern.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

In addition, the Company considered Technical Guidance OCPC 07 issued by the CPC in November 2014 in preparing its financial statements. Accordingly, the financial statements present information that is relevant to the users of the financial statements and which is used by management to make business decisions.

The issuance of the individual and consolidated financial statements was authorized by the Board of Directors on March 11, 2025. Only the Company's shareholders have the power to amend the financial statements after issuance.

4. Functional and presentation currency

These individual and consolidated financial statements are presented in Brazilian reais, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The functional currencies of foreign subsidiaries, MAHLE Metal Leve GmbH and MAHLE Argentina S.A., are the euro (EUR) and Argentine peso (ARS), respectively.

For those subsidiaries whose functional currency is different from the Brazilian Real, the asset and liability accounts are translated into the Company's functional currency.

For subsidiary MAHLE Metal Leve GmbH, the translation is made using the exchange rates prevailing at the balance sheet date, and the income and expense items are translated using the monthly average exchange rate. For subsidiary MAHLE Argentina S.A., the translation is made using the exchange rates prevailing at the balance sheet date, and the income and expense items are translated at quarterly balance sheet rates, in conformity with NBC TG 42 (CPC 42) / IAS 29 *Financial Reporting in Hyperinflationary Economies* (Note 37).

The resulting translation adjustments are recognized in a specific account in the statement of comprehensive income and equity called "Cumulative translation adjustments".

5. Use of estimates and judgments

The preparation of Parent Company and consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

a) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties in December 31, 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Notes 11 and 34 – financial instruments – credit risk: At the balance sheet date the Company assesses whether there is any evidence that financial assets measured at amortized cost may be impaired;
- Note 12 – inventories – provision for inventory losses: losses on products with negative margin, tooling, slow moving, quality problems recognized in inventories refer to estimated losses on obsolete inventories classified as a reduction of inventories;
- Note 15 – deferred income tax and social contribution – recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be used;
- Note 18 – provision for impairment of intangible assets: The Company and its subsidiaries test their intangible assets for impairment annually. If there is any indication of impairment of goodwill, this loss is recorded in profit or loss. The Group uses the discounted cash flow approach that depends on several estimates, which are influenced by changes in economic and marketing conditions;
- Notes 23 and 24 – other provisions – provision for losses on contract and provisions for warranties: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 25 – provision for contingencies and judicial deposits for legal proceedings: The Group recognizes a provision for civil, environmental liability and labor lawsuits. The assessment of the likelihood of loss includes the evaluation of existing evidence, the hierarchy of laws, previous court decisions, most recent court decisions and their relevance in the judicial context, as well as the opinion of outside legal advisors. Provisions are reviewed and adjusted to reflect changes in circumstances, such as applicable statute of limitations, outcomes of tax audits or additional exposures identified based on new matters or court decisions;

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

- Note 34 – Fair values of derivative financial instruments: All derivative instruments must be recorded on the balance sheet at fair value as financial assets when they represent contractual rights to receive cash or as financial liabilities when they represent contractual obligations to deliver cash. Derivatives that are formally designated as hedging instruments may be accounted for applying the hedge accounting rules;

i) Fair value measurement

A number of the Group's accounting policies and disclosures require the measurement of fair value for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group does not have instruments in the level 3 hierarchy.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 34 – Financial Instruments.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

6. New and amended standards applied for the first time in 2024 and Standards issued but not yet effective

6.1 New and amended standards applied for the first time in 2024

The Group applied for the first time certain standards and amendments, which are effective for annual reporting periods beginning on or after January 1, 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- ***Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7***

The amendments to IAS 7 *Statement of Cash Flow* (equivalent to NBC TG 03 (CPC 03 (R2)) *Statement of Cash Flows*) and IFRS 7 *Financial Instruments: Disclosures* (equivalent to NBC TG 40 (CPC 40 (R1)) *Financial Instruments: Disclosures*) clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments have not had an impact on the Group's financial statements.

- ***International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12***

The amendments to IAS 12 *Income Taxes* (equivalent to NBC TG 32 (CPC 32) *Income Taxes*) have been introduced in response to the OECD's BEPS Pillar Two Model Rules and include:

- a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The Pillar Two model rules impose a minimum level of tax that large multinational enterprises (MNEs) within the scope of the rules must pay on income arising in each jurisdiction in which they operate. In the context of these rules, the minimum effective corporate tax rate is called "GloBE Effective Tax Rate".

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

If the GloBE effective tax rate in a jurisdiction is below 15%, a top-up tax should be levied for the difference between the jurisdictional GloBE effective tax rate and the 15% minimum tax rate.

The Pillar Two model rules were initially introduced by Provisional Measure No. 1262 of October 3, 2024, which was signed into Law No. 15079 of December 27, 2024, which imposes a top-up CSLL tax in the process of implementing the Global Anti-Base Erosion (GloBE) rules into the Brazilian legislation starting in 2025.

The Company's management, along with the MAHLE Group, has already performed an assessment of the new legislation/rules and did not identify any material impact on the Company's individual and consolidated financial statements.

6.2 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- **IFRS 18 *Presentation and Disclosure in Financial Statements***

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements* (equivalent to NBC TG 26 (CPC 26 (R1)) *Presentation of Financial Statements*). IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows* (equivalent to NBC TG 03 (CPC 03 (R2)) *Statement of Cash Flows*), which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

IFRS 18 and the amendments to the other standards are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. Earlier application is not permitted in Brazil. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

- **IFRS 19 *Subsidiaries without Public Accountability: Disclosures***

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 (equivalent to NBC TG 36 (CPC 36 (R3)) *Consolidated Financial Statements*), cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

- **Amendments to CPC 18 (R3) *Investments in Associates, Subsidiaries and Joint Ventures* and ICPC 09 *Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements and Equity Method of Accounting***

In September 2024, the Brazilian Accounting Pronouncements Committee (CPC) issued amendments to technical pronouncement CPC 18 (R3) and technical interpretation ICPC 09 (R3) with the objective of aligning Brazilian accounting standards with the international accounting standards issued by the IASB.

The amendments to CPC 18 require the use of the equity method to account for investments in subsidiaries in the individual financial statements, reflecting the amendments to the international accounting standards that now permit this practice in the separate financial statements. These amendments harmonize the accounting practices adopted in Brazil with the international accounting standards, without causing material impacts in relation to the currently applicable accounting standard, focusing only on adjustments to the wording and updating references in the standards.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

ICPC 09, with no IASB equivalent standard, was out of date and needed revision and updating.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

The amendments are not expected to have a material impact on the Group's financial statements.

- **Amendments to CPC 02 (R2) *The Effects of Changes in Foreign Exchange Rates and Translation of Financial Statements* and CPC 37 (R1) *Initial Adoption of International Accounting Standards***

In September 2024, the CPC issued Revision to CPC 27, which reflects the amendments issued by the IASB *Lack of Exchangeability*, with amendments to CPC 02 (R2) *The Effects of Changes in Foreign Exchange Rates and Translation of Financial Statements* and CPC 37 (R1) *Initial Adoption of International Accounting Standards*.

The amendments specify how entities determine whether a currency is exchangeable into another currency and provide guidance for when exchangeability is lacking, determining that exchangeability must be assessed at the measurement date based on the purpose of the transaction. If the currency is not exchangeable, an entity estimates the spot exchange rate that reflects the market conditions prevailing.

When several exchange rates are available, the rate to use is that at which the future cash flows represented by the transaction could have been settled if those cash flows had occurred at the measurement date.

The pronouncement also points out the importance of disclosures about currencies that are not exchangeable into another currency to allow users of the financial statements to understand the financial impacts, risks involved and criteria for estimating the exchange rate.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

The amendments are not expected to have a material impact on the Group's financial statements.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

7. Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following material items recognized in the balance sheet:

- Cost attributed to property, plant and equipment upon initial application of NBC TG 27 (CPC 27) / ICPC 10 Property, Plant and Equipment in Brazil;
- Derivative financial instruments are measured at fair value;
- Non-derivative financial instruments designated as at fair value through profit or loss are measured at fair value.

8. Material accounting policies

The accounting policies described below have been consistently applied in the years presented for these parent and consolidated financial statements.

a. Basis of consolidation

i. Subsidiaries

The Group controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group to the date that control ceases. The subsidiaries' accounting policies are aligned with the Group's policies.

In the parent company's financial statements, the financial information of subsidiaries is recognized using the equity method of accounting. The consolidation of subsidiaries includes the total amounts of accounts of assets, liabilities and profit or loss and segregates non-controlling interests in the consolidated balance sheet and statement of income, corresponding to the ownership interest in subsidiaries.

ii. Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

The Group holds a 33.33% interest in Arco Climatização Ltda., which is accounted for using the equity method. For more details, please refer to Note 16.

iii. Non-controlling interests

The Group elected to measure any non-controlling interests initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Transactions eliminated on consolidation

Intercompany balances and transactions, as well as any revenue or expenses arising from intercompany transactions, are eliminated on the preparation of the consolidated financial statements.

Unrealized gains on transactions with investees recognized based on the equity method are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, however only to the extent that no evidence of impairment exists.

b. Business combination involving entities under common control

IFRS or CPC does not provide specific guidance on business combinations between entities under common control. IFRS 3/ NBC TG 15(R4) or CPC 15(R1) *Business Combination* is a standard that applies to business combination but its scope does not include business combination between entities under common control so that, in evaluating transactions of such nature, management judgement is necessary to reflect adequately the economic substance and reality of each transaction. Based on guidance in NBC TG 23(R1) / CPC 23 / IAS 8 and ICPC 09 (R3), the Company's management applied the pooling of interests method to account for a business combination involving entities under common control.

Under the pooling of interests method, the entities involved in the combination are treated as if they were combining their assets and liabilities without recognizing goodwill, and the excess of the purchase price paid over the net value of the assets and liabilities of the entity under common control is recorded directly within equity as carrying value adjustment under equity transaction.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

c. Foreign currency

i. Transactions in foreign currency

Foreign currency transactions are translated into the respective functional currencies of the Group entities at the exchange rates prevailing on the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated into the functional currency at the exchange rate prevailing on that date.

Foreign exchange gains and losses on monetary items are the difference between the amortized cost of the functional currency at the beginning of the period, adjusted for interest and payments made during the period, when applicable, and the amortized cost in the foreign currency at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies measured at fair value are re-translated into the functional currency at the exchange rate prevailing on the date when the fair value is determined. Foreign currency differences arising on re-translation are recorded in income, except for those differences arising on the re-translation of a cash flow hedge, which are recognized in other comprehensive income.

ii. Foreign operations

The assets and liabilities of foreign operations are translated into real at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Real at the exchange rates at the dates of the transactions.

Foreign currency differences arising from the translation to the presentation currency are recognized in other comprehensive income and accumulated in cumulative translation adjustments in equity, except for subsidiary MAHLE Argentina S.A., whose statement of profit or loss is adjusted at the end of each reporting period based on the change in the general price index and subsequently translated at the closing exchange rate for each quarter, thus resulting in the effects, on the income statement, of both inflation rate and currency translation, as disclosed in Note 37.

iii. Financial reporting in hyperinflationary economies

The financial statements of the subsidiary MAHLE Argentina S.A. have been prepared in accordance with NBC TG 42 (CPC 42)/ IAS 29 Financial Reporting in Hyperinflationary Economies, and so restated for the effects of inflation.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

An economy is considered hyperinflationary when it has certain qualitative and quantitative characteristics, which include, among others, the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency, prices are linked to a price index and the cumulative inflation rate for the last three years is approaching, or exceeds, 100%.

The application of this standard is presented in Note 37.

d. Discount of assets and liabilities to present value

Non-current monetary assets and liabilities are monetarily restated and, hence, discounted to present value. The discount to present value of current monetary assets and liabilities is calculated, and only recorded, if considered to be relevant to the financial statements as a whole. For purposes of recording and determination of the relevance for the financial statements, the discount to present value is calculated taking into consideration contractual cash flows and the explicit interest rate and, in certain, implicit interest rate, of the respective assets and liabilities in accordance with IFRS 13/NBC TG 46 (CPC 46) *Fair Value Measurement* and NBC TG 12 (CPC 12) *Discount to Present Value*.

e. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at:

- amortized cost;

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

- fair value through other comprehensive income (FVOCI) – debt investment;
- FVOCI – equity investment; or
- fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see Note 34 (i)). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group’s continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets at FVTPL	These assets are subsequently measured at fair value. However, see Note 34 for derivatives designated as hedging instruments.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. See Note 34 for financial liabilities designated as hedging instruments.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

ii. Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iii. Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge.

The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

f. Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated completion costs and selling expenses.

Inventories are measured at the average acquisition or production cost, which does not exceed the replacement or realization values. The cost of sales includes the transfer from equity, net of any gains or losses on cash flow hedges of purchases of raw materials.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

g. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at historical cost of acquisition or construction, less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment at January 1, 2009, the Group's date of transition to CPC/IFRS, was determined with reference to its fair value at that date.

Cost includes expenditure that is directly attributable to the acquisition of an asset.

Gains and losses on the sale of a property, plant and equipment item are determined by comparing the proceeds from the sale with the item's carrying amount and are recognized within "other income (expenses), net" in the statement of income.

ii. Depreciation

The depreciation of property, plant and equipment items is calculated using the straight-line method over their estimated useful lives. Land is not depreciated. The assets' useful lives are reviewed annually.

Property, plant and equipment items are depreciated from the date they are installed and ready for use.

The estimated useful lives for current periods are stated in Note 17.

h. Intangible assets and goodwill

i. Goodwill

Goodwill on acquisitions of investments recorded by the Company is determined based on the investments' expected future profitability. Goodwill represents the excess of the cost of an acquisition over the net fair value of the assets acquired and liabilities assumed, as determined on the acquisition date, and is grounded on the future profitability, based on the profit projections of individual investees that were determined using the discounted cash flow method for a five-year projection period, for its CGU of Rings Business.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Goodwill is measured at cost, less any accumulated impairment losses. This goodwill is not amortized on the grounds that it has an indefinite life, though, each year, the Company assesses the recoverability of the goodwill on investments, using for this purpose practices considered to be market practices, especially the discounted cash flow of its units that have goodwill allocated to them (the Group's 'rings business' cash-generating unit).

Goodwill is initially measured as being the excess of the consideration transferred at fair value over the net assets acquired (the net identifiable assets acquired and liabilities assumed). If the consideration transferred is less than the fair value of the net assets acquired, the difference is recognized as a gain in the statement of income.

ii. Other intangible assets

Other intangible assets that are acquired by the Group and that have finite useful lives are stated at cost less accumulated amortization and accumulated impairment losses.

Costs associated with purchasing and installing computer software licenses are capitalized on the basis of the future economic benefits that will flow to the Group and are amortized in conformity with the rates stated in Note 18. Costs associated with maintaining computer software programs are recognized as an expense as incurred.

Purchased software is capitalized individually in a specific software account, while computer software that is integral to the functionality of the related equipment is capitalized as part of that equipment, provided that it is exclusive to such equipment.

Rights of use are capitalized through the investments incurred in the year. The Group's rights of use comprise exclusive rights of production; right-of-way easement for the Technology Center in the city of Jundiaí.

The rights of use related to the cost of the development of products are amortized at the rates mentioned in Note 18, while other rights will be valued through impairment provision.

iii. Technology and products development costs and investments

Costs associated with research and development or other knowledge in a project with the intention of developing new or improving existing materials, devices, products, processes, systems or services prior to the start of their commercial production or their use by the technological research center of the Group are recorded as expenses (research) or investments (development) according to the nature of the expense and projections that result in future economic benefits for the Group.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

iv. Amortization

When applicable, the amortization of intangible assets with a finite life is recognized in profit or loss on a straight-line basis over that estimated useful life, from the date they are available for use.

The estimated useful lives for the current periods are presented in Note 18.

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

i. Impairment

i. Non-derivative financial assets

The Group recognizes a loss allowance for expected credit losses (ECL) on financial assets measured at amortized cost.

The Group measures the loss allowance at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- debt securities which are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 120 days past due.

ECLs are a probability-weighted estimate of credit losses.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
 - a breach of contract such as a default or being more than 120 days past due;
 - the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
 - it is probable that the borrower will enter bankruptcy or other financial reorganization; or
 - the disappearance of an active market for a security because of financial difficulties.
- Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. For individual customers, the Group writes off the gross carrying amount when the financial asset is 12 months past due based on the historical experience of recovery of similar assets. For corporate customers, the Group makes an individual assessment of the timing and amount of the write-off based on whether or not there is realistic prospect of recovery. The Group does not expect any significant recovery of amounts written off. However, the financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. Non-financial assets

The carrying values of the Group's non-financial assets other than inventories and deferred income tax and social contribution are reviewed on each reporting date for evidence of impairment. If there is evidence of impairment, then the recoverable value of the asset is

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

estimated. For goodwill and intangible assets with an indefinite useful life or intangible assets in development that are not yet available for use, the recoverable value is estimated at least on an annual basis.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash-generating unit (CGU) or the group of CGUs that is expected to benefit from the synergies of the business combination. This allocation represents the lowest level at which the goodwill is monitored for internal management purposes and is not larger than an operating segment determined in accordance with NBC TG 22 (CPC 22) – “Segment information”/IFRS 8 “Operating segments”.

An impairment loss is recognized when the asset's carrying amount or that of its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. The impairment loss is allocated to the CGU initially to reduce the carrying amount of any goodwill allocated to the CGU.

With respect to other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indication that a previously recognized loss has increased, or decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable value. An impairment loss is reversed only if the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized previously.

Items of property, plant and equipment and intangible assets, when applicable to other assets, are assessed annually to determine whether there is any evidence of impairment, mainly using the context of internal and external indicators that interfere in the recovery of these assets, always based on significant events or changes that indicate that the carrying amount may not be recoverable.

Where applicable, when there is a loss arising from situations where the carrying value of the asset exceeds its recoverable value - which is the higher of an asset's net selling price and its value in use - this loss is recognized in the statement of income for the period and cannot be reversed when it is related to goodwill based on the expected future profitability.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

j. Investments

In the individual financial statements, investments in entities where the Parent Company has control or significant influence are accounted for using the equity method, as disclosed in Note 16.

The financial statements of subsidiaries located abroad are translated into reais using the following criteria:

- Assets and liabilities accounts at the closing exchange rate;
- Specific equity accounts at the historical rate of the transactions or account activities;
- Items of the income statement at the average exchange rate for the month for non-inflationary economy and at the exchange rate at the end of the respective quarter for hyperinflationary economy.

The exchange differences of foreign subsidiaries are recognized in a specific account "cumulative translation adjustments", within equity. The realization of such exchange variation adjustments occurs with the realization (i.e. sale) of the investment.

k. Employee benefits

The Group grants benefits basically on a monthly basis, and they are recorded in accrual basis.

A description of the main benefit plans granted to employees is presented in Note 35.

i. Supplementary Open Pension Plan - defined contribution

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (a pension fund) and has no legal or constructive obligation to pay further contributions. Obligations for contributions to defined contribution pension plans are recognized as employee benefit expenses in the statement of income in the periods during which related services are rendered by employees.

The Group has a Supplementary Open Pension Plan that is structured according to the capitalization financial system, in the form of variable contribution, as described in specific regulations, duly approved by the Superintendency of Private Insurance, through Process 15414.004168/2005/12.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

ii. Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

I. Provision

A provision is recognized as a result of a past event when the Group has a legal or constructive obligation that can be reliably estimated and it is probable that economic resources will be required to settle the obligation. Allowances are recorded based on the best estimates of the best estimate of the expenditure to be incurred.

i. Warranties

A provision for warranties is recognized when products or services are sold.

The provision is based on historical warranty data and a weighting of all the probabilities of disbursement.

ii. Losses on contracts

Provision for losses on contracts is recognized in an amount sufficient to meet the losses on sales contracts already entered into and for estimates of forecast losses, on which management anticipates that it will incur negative margins. Before recording the provision, the Group recognizes any impairment loss on assets related to that contract.

iii. Provisions for legal and administrative proceedings and judicial deposits linked to judicial proceedings

Provisions for legal and administrative proceedings are recorded for proceedings in which the likelihood of loss on the respective outcomes was assessed as probable, considering the best estimates of the Group, informed by the legal advisors.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

The Group is a party to civil, labor, environmental liability and tax proceedings in progress both at the administrative and judicial level, which, when applicable, are supported by judicial deposits.

m. Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) As a lessee

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site in which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease contract transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the lessee is reasonably certain to exercise, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option, or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the balance sheet.

Leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

n. Revenue

Revenue is measured based on the consideration promised in the contract with the customer. The Group recognizes revenue when the control of the products or services is transferred to the customer. Revenue is presented net of taxes, returns, rebates, bonus and discounts, and after elimination of intercompany sales.

Revenue is derived from two markets: the OEM market, whose customers are vehicle manufacturers, and the Aftermarket market whose customers are wholesalers and automotive workshops.

The Company has controls to determine the nature and timing of the satisfaction of performance obligations in contracts with customers, including: (i) when the control of a product or service is transferred to the customer, which is normally when delivery takes place; (ii) the amount of consideration to which the entity expects to be entitled in exchange for transferring promised goods or services and (iii) the reliable estimation of associated costs and possible return of goods. If it is probable that discounts will be given and the amount can be measured reliably, then the amount of discount is deducted from revenues.

o. Finance income and expenses

Finance income includes changes in financial assets at fair value through profit or loss and gains on hedge instruments recorded in the statement of income. Interest income is recognized in the statement of income using the effective interest rate method.

Finance expenses comprise interest on borrowings, changes in financial assets and liabilities at fair value through profit and loss, and losses on hedge instruments recorded in the statement of income.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

p. Taxation

i. Indirect taxes

Sales and services revenue is subject to the following taxes and contributions at the following basic rates:

	São Paulo	Minas Gerais	Rio de Janeiro	
	State	State	State	Other States
ICMS	4% and 18%	4% and 18%	4% and 20%	4% and 7% to 12%
IPI	3.25% to 20%	3.25% to 20%	3.25% to 20%	3.25% to 20%
PIS	1.65% to 2.30%	1.65% to 2.30%	1.65% to 2.30%	1.65% to 2.30%
COFINS	7.60% to 10.80%	7.60% to 10.80%	7.60% to 10.80%	7.60% to 10.80%
ISS	2% to 5%	2% to 5%	2% to 5%	2% to 5%

Revenue in the statement of income is presented net of these amounts.

ii. Income tax and social contribution

Current and deferred income tax and social contribution are calculated based on the rates of 15%, plus a 10% surcharge on taxable income in excess of R\$ 240 for income tax, and 9% of taxable income for social contribution on net income. These consider the offsetting of tax losses, limited to 30% of taxable income.

The income tax and social contribution expense comprises current and deferred taxes. The current and deferred taxes are recognized in the statement of income or directly in equity (in other comprehensive income).

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, based on tax laws enacted or substantively enacted by the reporting date.

In determining current and deferred income tax, the Group takes into account the impact of uncertainties related to tax positions taken and whether the additional payment of income tax and interest has to be made. The Group believes that the provision for income tax within liabilities is adequate with respect to all outstanding tax years based on its

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

assessment of various factors, including interpretations of tax laws and past experience.

This assessment is based on estimates and assumptions which may involve a series of judgments about future events. New information may become available that would lead the Group to change its judgment with respect to the appropriateness of the existing provision; these changes will have an impact on the income tax expense in the year in which they are realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities, and when they relate to income taxes levied by the same taxation authority on the same taxable entity.

A deferred tax asset is recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilized.

The carrying amounts of deferred income tax and social contribution assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that they will be realized.

q. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of common shares outstanding during the year as disclosed in Note 27.

As at December 31, 2024 and 2023, there were no instruments with dilutive effects. Diluted earnings per share were calculated by adjusting the weighted average number of common shares outstanding to assume the conversion of all potential common shares with dilutive effects, in accordance with NBC TG 41 (CPC 41) – “Earnings per share” and IAS 33 “Earnings per share”.

r. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses relating to transactions with other components of the Group, and for which discrete financial information is available.

The reported segment results include items that are directly attributable to the segment and can be allocated to the segment on a reasonable basis.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

s. *Statements of added value*

The Company prepared the Statements of Added Value (DVA), individual and consolidated, in accordance with Technical Pronouncement NBC TG 09 (CPC 09) - Statement of Added Value, which are presented as an integral part of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to publicly-held companies, while for IFRS it represents additional financial information.

9. Segment reporting

i. *Operating segments*

Operating segments are components of an entity that engage in business activities from which they may earn revenues and incur expenses. The Group defined its operating segments based on the reports regularly used by the Group's Chief Operating Decision Maker to make strategic operating decisions. Segment information presented is measured consistently with the statement of income.

The Group's operating segments are:

- a) Powertrain and Charging (formerly Engine Components): pistons, piston rings, valves, rods, camshafts, bearings, thrust washers, cylinder liners, fire rings, gudgeon pins, ring carriers, mechanical compressors, among others. These products are generally used in light and heavy-duty motor vehicles.
- b) Thermal and Fluid Systems (formerly Filters): fuel filters, air filters, oil filters, air conditioning filters, activated carbon filters, oil separators, valve cover gaskets, air intake system, diesel fuel pre-filters and dust collectors, air conditioning, radiators and condensers. These products are generally used in light and heavy-duty automotive vehicles with combustion engines, hybrid and electric vehicles.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

	Consolidated					
	2024			2023		
	"Powertrain and Charging"	"Thermal and Fluid Systems"	Consolidado	"Powertrain and Charging"	"Thermal and Fluid Systems"	Consolidado
Revenue of the reportable segment	3,889,434	668,546	4,557,980	3,785,934	552,891	4,338,825
Cost of sales and services (*)	(2,715,741)	(543,126)	(3,258,867)	(2,648,142)	(419,121)	(3,067,263)
Gross profit	1,173,693	125,420	1,299,113	1,137,792	133,770	1,271,562
Selling expenses and distribution (*)	(300,396)	(42,832)	(343,228)	(292,078)	(39,944)	(332,022)
General and administrative expenses (*)	(128,909)	(11,726)	(140,635)	(119,835)	(8,002)	(127,837)
Technology and product research and development expenses (*)	(42,325)	(16,720)	(59,045)	(42,976)	(15,176)	(58,152)
Other operating income and expenses, net	(8,580)	3,626	(4,954)	(9,525)	1,181	(8,344)
Gain on net monetary position of foreign subsidiary	112,790	3,883	116,673	72,686	(1,810)	70,876
Equity in the results of subsidiaries	-	2,326	2,326	-	-	-
Profit before finance income (expenses) and income tax and social contribution	806,273	63,977	870,250	746,064	70,019	816,083
Finance income	435,809	22,909	458,718	467,892	22,134	490,026
Finance expenses	(600,527)	(29,278)	(629,805)	(343,449)	(24,739)	(368,188)
Finance income (expenses), net	(164,718)	(6,369)	(171,087)	124,443	(2,605)	121,838
Result by reportable segment before income tax and social contribution	641,555	57,608	699,163	870,507	67,414	937,921
Income tax and social contribution	(139,129)	(18,830)	(157,959)	(167,182)	(22,961)	(190,143)
Profit for the period	502,426	38,778	541,204	703,325	44,453	747,778
Non-controlling interests	502,612	38,778	541,390	703,792	44,453	748,245
Non-controlling interests	186	-	186	467	-	467
Depreciation/amation values are included in the functional lines above (*)						
Depreciation and amortization	(92,723)	(12,002)	(104,725)	(91,325)	(10,256)	(101,581)

The Company's acquisitions on October 3, 2024 are within the following operating segments: MAHLE Compressores do Brasil Ltda. in the Powertrain and Charging segment, MAHLE Aftermarket Thermal in the Thermal and Fluid Systems segment.

In 2024, the condenser and radiator product lines, which were previously presented in the Engine Components segment, became to be presented in the Thermal and Fluid Systems segment. At December 31, 2023, the condenser and radiator lines reported revenue from the reportable segment, cost of sales and gross profit of R\$ 66,149, R\$ 52,113 and R\$ 14,036, respectively, which its corresponding figures have been reclassified for consistency between the years presentation.

Net operating revenue comprises revenue from the sale of products and services, where most of the service revenue related substantially to engine components segment.

	Consolidated					
	2024			2023		
	"Powertrain and Charging"	"Thermal and Fluid Systems"	Consolidated	"Powertrain and Charging"	"Thermal and Fluid Systems"	Consolidated
Assets of reportable segments	3,354,204	239,093	3,593,297	2,602,117	198,808	2,800,925

	Consolidated					
	2024			2023		
	"Powertrain and Charging"	"Thermal and Fluid Systems"	Consolidated	"Powertrain and Charging"	"Thermal and Fluid Systems"	Consolidated
Capital expenditures	126,919	16,832	143,751	74,596	13,714	88,310

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

ii. Distribution by geographic area

The Group has no customer that individually represents more than 10% of the consolidated net revenue.

	Consolidated			
	2024	%	2023	%
Domestic market (Brazil and Argentina)	3,032,018	66.5%	2,758,020	63.6%
Brazil	2,595,176	56.9%	2,188,626	50.4%
Argentina	436,841	9.6%	569,394	13.1%
Foreign market	1,525,962	33.5%	1,580,806	36.4%
USA	436,228	9.6%	367,939	8.5%
Mexico	105,938	2.3%	238,870	5.5%
Germany	192,855	4.2%	174,912	4.0%
Italy	83,174	1.8%	83,727	1.9%
Spain	82,491	1.8%	100,914	2.3%
Sweden	73,377	1.6%	92,655	2.1%
France	34,085	0.7%	48,318	1.1%
Portugal	31,820	0.7%	40,053	0.9%
Austria	35,482	0.8%	53,139	1.2%
Canada	26,097	0.6%	24,601	0.6%
Chile	21,168	0.5%	20,241	0.5%
Paraguay	28,847	0.6%	21,307	0.5%
Turkey	17,529	0.4%	10,905	0.3%
India	12,991	0.3%	14,252	0.3%
Colombia	21,056	0.5%	15,258	0.4%
Bolivia	12,689	0.3%	14,926	0.3%
Peru	13,329	0.3%	13,786	0.3%
China	10,570	0.2%	12,371	0.3%
Belgium	12,990	0.3%	11,405	0.3%
Switzerland	8,642	0.2%	8,018	0.2%
Thailand	4,098	0.1%	6,255	0.1%
United Kingdom	6,798	0.1%	8,769	0.2%
Finland	5,587	0.1%	7,534	0.2%
Uruguay	11,520	0.3%	8,198	0.2%
Uzbekistan	11,460	0.3%	9,092	0.2%
Japan	10,823	0.2%	8,423	0.2%
Others	214,318	4.7%	164,937	3.8%
Total	4,557,980	100.0%	4,338,825	100.0%

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

10. Cash and cash equivalents and marketable securities

a) Cash and cash equivalents

	Parent Company		Consolidated	
	2024	2023	2024	2023
BRL	1,103	1,429	14,888	3,926
ARS (expressed in BRL)	-	-	11,167	6,040
USD (expressed in BRL)	19,024	2,950	19,024	2,950
EUR (expressed in BRL)	12,676	1,523	1,127	1,469
Cash and demand deposits	32,803	5,902	46,206	14,385
BRL	143,806	163,589	209,765	168,056
ARS (expressed in BRL)	-	-	18,603	7,298
USD (expressed in BRL)	2,477	2,179	2,477	2,179
Financial investments	146,283	165,768	230,845	177,533
BRL	22	5,466	22	5,466
ARS (expressed em BRL)	-	-	14,714	2,941
USD (expressed em BRL)	-	-	6	3
Cash in transit	22	5,466	14,742	8,410
Total	179,108	177,136	291,793	200,328

The Group holds checking accounts at major banks in Brazil and abroad and the amounts are recorded under the caption cash and demand deposits.

Financial investments primarily include:

- BRL – Certificates of bank deposit (CDBs) and resale agreements- these investments accrue interest, on average, at 100.1% p.a. (100.5% p.a. on December 31, 2023 of the CDI and are held only with Brazilian top-tier banks.
- ARS – Investment funds without grace periods and fixed-income investments with a term of thirty days, which carry average interest of 32% p.a. (110% p.a. on December 31, 2023) (BADLAR – Interest rate for fixed term deposits).
- USD - Certificate of deposits and Time deposits – These investments accrue interest, on average, at 4.52% p.a. (5.16% p.a. on December 31, 2023), are short-term and have original maturities of less than three months.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Cash in transit refers to cash receipts from customers with the respective write-off of the customer's invoice from accounts receivable, and money transfers in foreign currency are from customers abroad for foreign currency exchange by the banks with which the Company works. Money transfers in Brazilian real (BRL) are from domestic customers with cash inflow within one day after transfer.

b) Marketable securities

	Parent Company		Consolidated	
	2024	2023	2024	2023
USD (expressed em BRL)	-	-	66,429	152,888
Marketable securities	-	-	66,429	152,888

- USD – investments in debentures with average interest rate of 0.36% per annum + foreign exchange rate changes (5.16 % p.a. + foreign exchange rate on December 31, 2023). These securities are traded in the Argentine market from low-risk companies with a rating equal to or higher than AA by Fitch Ratings. These securities are used as collateral since they are indexed to the U.S. dollar for future payment abroad, and the Central Bank of Argentina has imposed several restrictions on payments abroad.

They are recorded at the amortized cost, which approximates its fair value by the end of the reporting period. Their value reflects the redemption value if they were redeemed at that date. However, these investments do not meet all criteria to be classified as cash equivalents in accordance with CPC 03 (R2) Statement of Cash Flows (equivalent to IAS 7 Statement of Cash Flows).

Interest earned on these transactions is included in finance income.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

11. Trade and related parties receivables

	Parent Company		Consolidated	
	2024	2023	2024	2023
Market				
Domestic	427,669	377,881	492,932	377,889
Foreign	68,519	65,548	190,279	172,778
	496,188	443,429	683,211	550,667
Other accounts receivable	5,897	2,979	6,494	2,980
Provision for impairment of trade receivables	(6,074)	(6,667)	(11,998)	(17,238)
	496,011	439,741	677,707	536,409
Related parties (Note 14)	146,283	123,766	82,876	91,345
Total	642,294	563,507	760,583	627,754

The Group's exposure to credit and currency risks relating to trade receivables is disclosed in Note 34.

Other receivables derive from the sale of property, plant and equipment, tooling, scraps and other.

The amounts and aging analysis of trade and other account receivables are as follows:

	Parent Company		Consolidated	
	2024	2023	2024	2023
Not yet due	476,087	420,993	649,534	506,470
Past due:				
Up to 7 days	5,848	3,089	9,475	9,507
From 8 to 30 days	8,413	7,090	12,195	10,419
From 31 to 60 days	3,369	5,242	5,629	8,013
From 61 to 90 days	1,863	2,253	2,517	3,278
From 91 to 120 days	771	1,223	1,534	2,749
From 121 to 180 days	633	960	1,195	6,247
From 181 to 360 days	1,246	1,944	1,733	3,197
Over 360 days	3,855	3,614	5,893	3,767
(-) Provision for impairment of trade receivables	(6,074)	(6,667)	(11,998)	(17,238)
Total past due deducted provision	19,924	18,748	28,173	29,939
Total of trade receivables	496,011	439,741	677,707	536,409

In the table above, where provision for the impairment of trade receivables (over 120 days past due) is presented, the amounts of goods returned and advances from customers are excluded.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

On December 31, 2024, trade receivables of the Parent Company in the amount of R\$ 19,924 (December 31, 2023 - R\$ 18,748) and Consolidated trade receivables at December 31, 2024 of R\$ 28,173 (December 31, 2023 - R\$ 29,939) were past due but not impaired. These relate to certain original equipment and aftermarket customers for whom there is no recent history of default, nor is expected any losses on the realization of such credits.

No provision for expected credit losses has been recognized for related parties, as management understands there is no credit risk.

Changes in the provision for expected credit losses are as follows:

	Parent Company	Consolidated
At January 1st, 2023	(6,354)	(8,929)
Receivables provided for in the period	(9,414)	(21,323)
Receivables reversed in the period	8,415	12,227
Receivables written off definitively	619	619
Foreign exchange variation	67	168
At December 31, 2023	(6,667)	(17,238)
Receivables provided for in the period	(7,953)	(15,228)
Receivables reversed in the period	8,192	21,823
Receivables written off definitively	892	898
Foreign exchange variation / Effect of the currency translation	(391)	(2,119)
Discount to present value	-	14
Merger (Note 16)	(147)	(147)
Balance arising from acquisition of subsidiary	-	(1)
At December 31, 2024	(6,074)	(11,998)

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

12. Inventories

	Parent Company		Consolidated	
	2024	2023	2024	2023
Finished products	208,315	175,266	350,371	256,705
Work in progress	147,917	128,863	165,811	134,749
Raw materials	93,085	80,306	147,685	86,252
Auxiliary materials	10,176	8,618	25,417	10,471
Imports in transit	80,004	20,408	126,469	31,085
Total	539,497	413,461	815,753	519,262

On December 31, 2024, inventory was measured at the lower of cost and net realizable value. These losses relate to products with a negative margin, tooling, quality issues, out-of-specification materials, obsolescence and slow-moving items in the amount of R\$ 49,152 (R\$ 50,633 on December 31, 2023) in the Parent Company and R\$ 84,960 (R\$ 62,653 on December 31, 2023) in the Consolidated financial statements.

Changes in the provision for inventory loss are as follows:

	Parent Company	Consolidated
At January 1st, 2023	(47,949)	(67,430)
Reversal of provision	16,457	26,845
Recognition of provision	(19,309)	(41,146)
Inventory written off definitively as loss	168	168
Effect of the currency translation	-	18,910
At December 31, 2023	(50,633)	(62,653)
Reversal of provision	15,789	37,226
Recognition of provision	(14,443)	(44,946)
Inventory written off definitively as loss	1,588	1,588
Balance arising from acquisition of subsidiary	-	(13,933)
Merger (Note 16)	(1,453)	(1,453)
Effect of the currency translation	-	(789)
At December 31, 2024	(49,152)	(84,960)

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

13. Income tax and social contribution and other taxes recoverable

	Parent Company		Consolidated	
	2024	2023	2024	2023
Income tax and social contribution recoverable	45,841	44,495	65,612	50,389
COFINS ⁽¹⁾	8,423	23,528	13,458	23,528
ICMS and Excise Tax (IPI)	20,683	25,695	24,993	25,743
Value-added Tax on Sales and Services (ICMS) on purchases of	6,466	6,408	6,974	6,408
Import Tax	18,660	5,349	18,729	5,349
PIS ⁽¹⁾	2,300	5,533	3,345	5,533
Export incentive - Argentina	-	-	6,898	5,488
I.V.A. (Argentina) ⁽³⁾	-	-	23,466	10,027
Federal taxes - MOVER ⁽⁴⁾	17,143	-	17,143	-
Federal taxes - ordinary action concerning INSS on cooperative ⁽⁵⁾	13,363	-	13,363	-
Tax credit from import tax in Argentina	-	-	5,390	-
Other	127	125	2,121	2,232
Taxes recoverable	87,165	66,638	135,880	84,308
Current	133,006	111,133	201,492	134,697
PIS and COFINS	-	-	44	217
Value-added Tax on Sales and Services (ICMS) on purchases of fixed assets ⁽²⁾	11,177	11,307	14,705	11,307
Non-current	11,177	11,307	14,749	11,524

⁽¹⁾ The balance at December 31, 2023 refers mainly to the tax credit arising from the exclusion of ICMS from the tax base of PIS and COFINS of the Parent Company, which was offset in 2024.

The consolidated balance at December 31, 2024 refers mainly to the tax credit arising from the exclusion of ICMS from the tax base of PIS and COFINS of the subsidiary MAHLE Compressores do Brasil Ltda., which will be offset by the first half of 2025.

⁽²⁾ Taxes recoverable in non-current assets refer mainly to ICMS on purchase of fixed assets, which are utilized in the proportion of 1/48, in accordance with prevailing tax legislation.

⁽³⁾ Due to the suspension of the VAT exemption certificate by the Argentine government in 2023, the subsidiary MAHLE Argentina S.A. was unable to utilize the credits during that period and was permitted to utilize the credits from March 2024. The expectation is that the credits will be utilized in the next 12 months. The change between the periods was mainly due to the increase in transactions and in the cost of domestic items (local inflation) and imported items (ARS-USD depreciation) bought.

⁽⁴⁾ The National Green Mobility and Innovation Program ("Mover"): through tax incentives granted to companies that invest in research, development and innovation. These incentives are in the form of financial credits that can be used to offset federal taxes administered by the Brazilian Revenue Service for the period from 2024 to 2029. There is expectation of recovering the tax credit within the next 12 months.

⁽⁵⁾ Ordinary action concerning INSS on cooperative: The Company filed a refund request with the Brazilian Revenue Service for amounts of social security contribution unduly paid (held unconstitutional by the law court on November 18, 2024) on payments made to cooperatives from September 1, 2010 to March 31, 2016 (date of publication of Federal Senate Resolution No. 10/2016 which suspended execution of [item IV, article 22 of Law No. 8212/91](#), declared unconstitutional by the Supreme Court in the records of Extraordinary Appeal No. 595.838).

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

14. Related parties

(a) Transactions with Related parties

The aggregate amount of transactions and outstanding balances with related parties is presented below:

	Balances at 12.31.2024								Transactions from 01.01.2024 to 12.31.2024									
	Current assets				Non-current	Current liabilities			Sales/revenue			Purchases						
	Receivables (Note 11)	Payment term in days (*)	Dividends and interest on capital receivable	Loan	Suppliers (Note 19)	Other Accounts Payable (**)	Payment term in days (*)	Dividends and interest on capital payable	Products	Services	Rent, Transport, Food and Energy	Products	Services	Property, plant and equipment	Commissions	Trade mark license	Rent	
Companies																		
Subsidiaries																		
Direct subsidiaries																		
MAHLE Argentina S.A.	62,236	60	-	31,918	90	-	60	-	113,674	2,520	-	707	-	-	-	-	-	-
MAHLE Metal Leve GmbH	46,264	60	-	-	-	-	-	-	501,570	288	-	-	-	-	-	-	-	-
MAHLE Compressores do Brasil Ltda.	2,726	60	8,589	-	9,927	-	60	-	3,306	11,248	-	47,082	-	-	-	-	-	-
MAHLE Filtro Indústria e Comércio de Filtros Ltda.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MAHLE Hirschvogel Forjas S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Direct subsidiaries	111,226	-	8,589	31,918	10,017	-	-	-	618,550	14,056	-	47,789	-	-	-	-	-	-
Arco Climatização Ltda.	-	-	627	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Associate	-	-	627	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Related Companies																		
MAHLE International GmbH	5,126	60	-	-	10,212	-	60	-	-	13,257	-	-	53,765	-	-	-	-	-
MAHLE Aftermarket GmbH	5,056	60	-	-	8,239	-	60	-	22,725	4,274	-	7,030	11,745	-	40	-	-	-
MAHLE Filter Systems USA	4,583	60	-	-	9	-	60	-	-	19,583	-	9	-	-	-	-	-	-
MAHLE Behr Gerenciamento Técnico Brasil Ltda.	4,413	60	-	-	8,803	-	60	-	3,522	19,580	1,451	56,045	1,805	-	-	-	-	-
MAHLE Engine Components USA, Inc.	2,902	60	-	-	7,996	-	60	-	28,274	-	-	28,767	1,788	-	-	-	-	-
MAHLE Componentes de Motores S.A.	2,788	60	-	-	116	-	60	-	4,024	607	-	62	108	-	-	-	-	-
MAHLE Motor Parcelari San. Izmir A.S.	1,446	60	-	-	1,755	-	60	-	6,778	-	-	2,906	-	-	-	-	-	-
MAHLE Aftermarket S. de R.L. de C.V.	1,414	60	-	-	-	-	-	-	15,492	-	-	-	-	-	-	-	-	-
MAHLE Componenti Motori Italia S.p.A.	1,273	60	-	-	-	-	-	-	7,933	-	-	-	-	-	-	-	-	-
MAHLE Filtersysteme Austria GmbH	1,558	60	-	-	2,979	-	60	-	6,823	-	-	1,214	5	-	-	-	-	-
MAHLE Engine Components (Yingkou) Co., Ltd.	876	60	-	-	-	-	-	-	2,833	461	-	-	-	-	-	-	-	-
MAHLE Engine Components (Chongqing) Co., Ltd.	718	60	-	-	-	-	-	-	2,477	-	-	-	-	-	-	-	-	-
MAHLE Filtersysteme GmbH	533	60	-	-	2,129	-	60	-	18	507	-	-	4,507	-	-	-	-	-
MAHLE Componentes de Motor de Mexico, S. de R.L. de C.V.	482	60	-	-	517	-	60	-	1,816	123	-	5,172	-	-	-	-	-	-
MAHLE GmbH	373	60	-	-	16,693	-	60	-	857	394	-	2,163	26,454	2,134	-	13,251	-	-
MAHLE Aftermarket Inc.	370	60	-	-	71	-	60	-	4,125	1,944	-	33	-	-	273	-	-	-
MAHLE Engine Components Slovakia s.r.o.	344	60	-	-	2	-	60	-	7,763	-	-	1	2	-	-	-	-	-
MAHLE Trading Japan Co., Ltd.	162	60	-	-	188	-	60	-	-	272	-	422	-	-	-	-	-	-
MAHLE Industriemotoren-Komponenten GmbH	139	60	-	-	-	-	-	-	580	-	-	-	-	-	-	-	-	-
MAHLE Engine Components Japan Corporation	135	60	-	-	352	-	60	-	305	-	-	-	105	-	-	-	-	-
MAHLE Manufacturing Management Inc	117	60	-	-	-	-	-	-	-	70	-	-	-	-	-	-	-	-
MAHLE Electronics & Mechatronics Technol	96	60	-	-	-	-	-	-	-	57	-	-	-	-	-	-	-	-
MAHLE Aftermarket South Africa (PTY)	62	60	-	-	-	-	-	-	534	-	-	-	-	-	-	-	-	-
MAHLE Compressors Hungary Kft.	42	60	-	-	-	-	-	-	-	25	-	-	-	-	-	-	-	-
MAHLE France SAS	14	60	-	-	-	-	-	-	333	-	-	-	-	-	-	-	-	-
MAHLE Filter Systems Japan Corporation	11	60	-	-	-	-	-	-	30	-	-	172	-	-	-	-	-	-
MAHLE Filter Systems Canada, ULC	11	60	-	-	-	-	-	-	10	-	-	-	-	-	-	-	-	-
MAHLE Motorsports Inc	6	60	-	-	-	-	-	-	4	-	-	-	-	-	-	-	-	-
MAHLE Sistemas de Filtración de Mexico S.A. de C.V.	6	60	-	-	-	-	-	-	4	-	-	-	-	-	-	-	-	-
MAHLE Electric Drives Slovenija d.o.o.	1	60	-	-	979	-	60	-	-	20	-	2,325	-	-	-	-	-	-
MAHLE Indústria e Comércio Ltda.	-	-	-	-	1,709	459,899	60	29,421	1	3,239	-	2,519	-	-	-	-	-	10,315
MAHLE Engine Systems UK Ltd.	-	-	-	-	7,271	-	60	-	237	-	-	11,088	2,301	-	-	-	-	-
MAHLE Industries, Inc.	-	-	-	-	2,694	-	60	-	10	-	-	-	1,759	-	-	-	-	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	-	2,530	-	60	-	-	-	-	679	761	-	-	-	-	-
MAHLE Aftermarket Pte. Ltd.	-	-	-	-	2,010	-	60	-	23	-	-	8,684	-	-	-	-	-	-
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	-	1,276	-	60	-	-	-	-	1,438	-	-	-	-	-	-
MAHLE Polska Sp. z o.o.	-	-	-	-	993	-	60	-	-	-	-	938	-	69	-	-	-	-
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	-	962	-	60	-	-	-	-	1,484	-	-	-	-	-	-
Mahle Automotive Technologies (China) Co., Ltd	-	-	-	-	662	-	60	-	-	-	-	-	662	-	-	-	-	-
MAHLE Aftermarket Italy S.p.A.	-	-	-	-	511	-	60	-	-	-	-	2,266	5	-	-	-	-	-
MAHLE Japan Ltd.	-	-	-	-	403	-	60	-	-	-	-	-	333	-	-	-	-	-
Mahle Services Thailand Ltd.	-	-	-	-	360	-	60	-	-	-	-	-	360	-	-	-	-	-
MAHLE Componente de Motor SRL	-	-	-	-	196	-	60	-	-	-	-	97	-	-	-	-	-	-
MAHLE Holding (China) Co., Ltd.	-	-	-	-	126	-	60	-	-	-	-	-	682	-	-	-	-	-
MAHLE Anéis Participações Ltda.	-	-	-	-	32	-	60	-	-	-	-	-	-	-	-	-	-	-
MAHLE Blechtechnologie GmbH	-	-	-	-	7	-	60	-	-	-	-	2	-	-	-	-	-	-
MAHLE Holding (India) Private Limited	-	-	-	-	5	-	60	-	-	-	-	-	6	-	-	-	-	-
MAHLE S.A.U.	-	-	-	-	3	-	60	-	-	-	-	-	-	-	-	-	-	-
MAHLE Engine Components India Priv. Ltd.	-	-	-	-	-	-	-	-	1,583	-	-	-	-	-	-	-	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	-	-	-	-	-	-	-	-	1,505	-	-	-	-	-	-	-	-	-
Mahle Engine Comp. Australia Pty Ltd.	-	-	-	-	-	-	-	-	297	-	-	-	-	-	-	-	-	-
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	-	-	-	-	-	-	-	-	176	-	-	-	-	-	-	-	-	-
MAHLE Anand Filter Systems Private Limited	-	-	-	-	-	-	-	-	60	-	-	-	-	-	-	-	-	-
MAHLE Industriebeteiligungen GmbH	-	-	-	-	-	-	-	2,175	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	18	1	-	2	-	-	-
Total related companies	35,057	-	-	-	82,790	459,899	-	31,596	121,152	64,413	1,451	135,534	107,154	2,203	315	13,251	10,315	
Total related parties	146,283	-	9,216	31,918	92,807	459,899	-	31,596	739,702	78,469	1,451	183,323	107,154	2,203	315	13,251	10,315	
* Realization of term days refers to current assets and current liabilities.																		
**Accounts payable for acquisition of subsidiary. Refer to Note 16 for more details.																		

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

	Parent company															
	Balances at 12.31.2023					Transactions from 2023										
	Current assets		Non-current assets	Current liabilities		Dividends and interest on capital payable	Sales/revenue			Purchases						
	Receivables (Note 11)	Payment term in days (*)	Loan	Suppliers (Note 19)	Payment term in days (*)		Products	Services	Property, plant and equipment	Rent, Transport, Food and Energy	Products	Services	Property, plant and equipment	Commissions	Trademark license	Rent
Companies																
Subsidiaries																
Direct subsidiaries																
MAHLE Metal Leve GmbH	49,988	60	-	-	-	-	542,015	57	-	-	-	-	-	-	-	-
MAHLE Argentina S.A.	38,239	60	23,895	40	60	-	97,302	3,067	-	-	302	-	-	-	-	-
MAHLE Hirschvogel Forjas S.A.	8	60	-	-	-	-	-	46	-	-	-	-	-	-	-	-
MAHLE Filtroil Indústria e Comércio de Filtros Ltda.	-	-	-	-	-	-	-	88	-	81	-	-	-	-	-	-
Sub-total Controladas Diretas	88,235		23,895	40		-	639,317	3,258	-	81	302	-	-	-	-	-
Related companies																
MAHLE Aftermarket S. de R.L. de C.V.	5,932	60	-	-	-	-	10,737	-	-	-	469	-	-	-	-	-
MAHLE Engine Components USA, Inc.	4,433	60	-	2,800	60	-	21,386	17	-	-	9,603	1,328	-	-	-	-
MAHLE Aftemarket GmbH	4,322	60	-	13,419	60	-	13,051	3,617	-	-	6,173	8,692	-	68	-	-
MAHLE International GmbH	3,257	60	-	10,276	60	-	17	10,564	-	-	-	53,748	-	-	-	-
MAHLE Behr Gerenciamiento Técnico Brasil Ltda.	3,161	60	-	5,672	60	-	4,102	19,036	-	1,443	46,370	1,449	-	-	-	-
MAHLE Filter Systems USA	2,777	60	-	-	-	-	408	9,462	-	-	-	-	-	-	-	-
MAHLE Polska Sp. z o.o.	2,149	60	-	503	60	-	1,909	-	1,382	-	873	204	45	-	-	-
MAHLE Compressores do Brasil Ltda.	1,684	60	-	6,678	60	-	2,470	10,819	-	-	33,665	-	-	-	-	-
MAHLE Componentes de Motor de Mexico, S. de R.L. de C.V.	1,403	60	-	3,509	60	-	7,456	57	-	-	20,347	266	-	-	-	-
MAHLE GmbH	1,151	60	-	16,185	60	-	503	613	-	-	1,337	25,155	-	-	13,602	-
MAHLE Componentes de Motores S.A.	871	60	-	8	60	-	3,135	54	-	-	125	34	-	-	-	-
MAHLE Motor Parcalari San. Izmir A.S.	861	60	-	-	-	-	3,613	-	-	-	427	-	-	-	-	-
MAHLE Componenti Motori Italia S.p.A.	750	60	-	98	60	-	6,731	-	-	-	-	-	-	-	-	-
MAHLE Engine Components Slovakia s.r.o.	739	60	-	-	-	-	7,562	-	-	-	-	-	-	-	-	-
MAHLE Ventiltrieb GmbH	383	60	-	-	-	-	815	-	-	-	-	78	-	-	-	-
MAHLE Indústria e Comércio Ltda.	377	60	-	1,844	60	11,002	21	4,074	-	-	3,174	-	-	-	-	10,654
MAHLE Engine Components (Yingkou) Co., Ltd.	278	60	-	-	-	-	2,442	-	-	-	-	-	-	-	-	-
MAHLE Engine Components India Priv. Ltd.	265	60	-	-	-	-	1,092	-	-	-	4	-	-	-	-	-
MAHLE Aftemarket Inc.	188	60	-	42	60	-	2,659	1,001	-	-	246	1	-	94	-	-
Mahle Industriemotoren-Komponenten GmbH	175	60	-	-	-	-	565	-	-	-	-	-	-	-	-	-
MAHLE Engine Components (Chongqing) Co., Ltd.	169	60	-	-	-	-	2,277	-	-	-	-	-	-	-	-	-
MAHLE Trading Japan Co., Ltd.	111	60	-	-	-	-	-	211	-	-	129	-	-	-	-	-
MAHLE France SAS	46	60	-	-	-	-	174	-	-	-	-	-	-	-	-	-
MAHLE Anand Filter Systems Private Limited	29	60	-	-	-	-	125	-	-	-	-	-	-	-	-	-
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	19	60	-	-	-	-	529	-	-	-	-	-	-	-	-	-
MAHLE Holding (China) Co., Ltd.	1	60	-	128	60	-	-	1	-	-	-	564	-	-	-	-
MAHLE Engine Systems UK Ltd.	-	-	-	3,002	60	-	248	325	-	-	7,956	1,041	-	-	-	-
MAHLE Industries, Inc.	-	-	-	2,346	60	-	-	4	-	-	-	2,226	-	-	-	-
MAHLE Filtersysteme GmbH	-	-	-	1,733	60	-	-	-	-	-	-	2,390	-	-	-	-
MAHLE Aftermarket Italy S.p.A.	-	-	-	707	60	-	-	-	-	-	1,200	14	-	-	-	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	673	60	-	-	-	-	-	710	632	-	-	-	-
MAHLE Electric Drives Slovenija d.o.o.	-	-	-	569	60	-	-	111	-	-	3,762	-	-	-	-	-
MAHLE Engine Components Japan Corporation	-	-	-	213	60	-	273	-	-	-	-	213	-	-	-	-
MAHLE Japan Ltd.	-	-	-	137	60	-	-	1	-	-	-	340	-	-	-	-
MAHLE Filtersysteme Austria GmbH	-	-	-	137	60	-	-	-	-	-	961	-	-	-	-	-
MAHLE Automotive Technologies (China) Co., Ltd	-	-	-	72	60	-	-	-	-	-	-	723	-	-	-	-
MAHLE Aftemarket Pte. Ltd.	-	-	-	64	60	-	47	-	-	-	7,060	64	-	-	-	-
MAHLE Filter Systems Japan Corporation	-	-	-	26	60	-	-	-	-	-	443	26	-	-	-	-
MAHLE France SARL	-	-	-	22	60	-	-	-	-	-	-	-	-	-	-	-
MAHLE S.A.U.	-	-	-	10	60	-	-	-	-	-	-	-	-	-	-	-
MAHLE Filter Systems Philippines Corporation	-	-	-	5	60	-	-	-	-	-	31	-	-	-	-	-
MAHLE Filter Systems Canada, ULC	-	-	-	5	60	-	-	-	-	-	5	-	-	-	-	-
MAHLE Componente de Motor SRL	-	-	-	5	60	-	-	-	-	-	93	-	-	-	-	-
MAHLE Compressors Hungary Kft.	-	-	-	4	60	-	-	-	-	-	4	-	-	-	-	-
MAHLE Holding (India) Private Limited	-	-	-	2	60	-	-	-	-	-	-	-	-	-	-	-
MAHLE Engineering Services India Private Limited	-	-	-	2	60	-	-	-	-	-	-	-	-	-	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	-	-	-	-	-	-	1,604	-	-	-	-	-	-	-	-	-
MAHLE Aftemarket South Africa (PTY)	-	-	-	-	-	-	1,018	-	-	-	-	-	-	-	-	-
MAHLE Sistemas de Filtracion de Mexico S.A. de C.V.	-	-	-	-	-	-	433	-	-	-	-	-	-	-	-	-
Mahle Engine Comp. Australia Pty Ltd.	-	-	-	-	-	-	331	-	-	-	-	-	-	-	-	-
MAHLE Powertrain Ltd.	-	-	-	-	-	-	14	-	-	-	-	-	-	-	-	-
MAHLE Behr Ostrow Wielkopolski SP.Z.O.O. R&D	-	-	-	-	-	-	-	23	-	-	-	-	-	-	-	-
MAHLE Behr GmbH & Co. KG Stuttgart	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MAHLE Anéis Participações Ltda.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	2,208	-	-	-	-	-
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	2,813	-	-	-	-	-
MAHLE Aftermarket Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	11	-	-
MAHLE Industriebeteiligungen GmbH	-	-	-	-	-	814	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	83	(12)	-	-	-	-
Total related companies	35,531		-	70,896		11,816	97,747	59,990	1,382	1,443	150,271	99,176	45	173	13,602	10,654
Total related parties	123,766		23,895	70,936		11,816	737,064	63,248	1,382	1,524	150,573	99,176	45	173	13,602	10,654

* Realization of term days refers to current assets and current liabilities

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

	Consolidated																
	Balances at 12.31.2024								Transactions from 01.01.2024 to 12.31.2024								
	Current assets			Non-current	Current liabilities			Dividends and interest on capital payable	Sales/revenue			Purchases					
	Receivables (Note 11)	Payment term in days (*)	Dividends and interest on capital receivable		Other Accounts Payable (**)	Payment term in days (*)	Products		Services	Rent Transport Food Energy	Products	Services	Property, plant and equipment	Commissions	Trade mark license/ Royalties	Rent	
Companies																	
Related companies																	
MAHLE Aftermarket GmbH	16,838	60	-	-	16,925	-	60	-	95,098	4,274	-	22,512	11,745	-	40	-	
MAHLE Engine Components USA, Inc.	16,454	60	-	-	11,143	-	60	-	126,347	-	-	28,767	2,796	-	-	-	
MAHLE Componentes de Motores S.A.	6,020	60	-	-	116	-	60	-	34,314	607	-	62	109	-	-	-	
MAHLE International GmbH	5,249	60	-	-	30,755	-	60	-	-	13,674	-	-	61,457	-	-	-	
MAHLE Behr Gerenciameto Técnico Brasil Ltda.	4,766	60	-	-	12,958	-	60	-	3,884	19,595	1,451	58,636	1,805	-	-	-	
MAHLE France SAS	4,590	60	-	-	-	-	-	-	31,560	-	-	-	-	-	-	-	
MAHLE Filter Systems USA	4,583	60	-	-	9	-	60	-	-	19,583	-	9	-	-	-	-	
MAHLE Componenti Motori Italia S.p.A.	3,646	60	-	-	-	-	-	-	94,140	-	-	-	-	-	-	-	
MAHLE Aftermarket S. de R.L. de C.V.	3,140	60	-	-	-	-	-	-	36,111	-	-	-	-	-	-	-	
MAHLE Motor Parcalari San. Izmir A.S.	3,015	60	-	-	1,755	-	60	-	18,812	-	-	2,905	-	-	-	-	
MAHLE Componentes de Motor de Mexico, S. de R.L. de C.V.	1,783	60	-	-	517	-	60	-	11,656	124	-	5,172	-	-	-	-	
MAHLE Anand Filter Systems Private Limited	1,737	60	-	-	-	-	-	-	60	-	-	-	-	-	-	-	
MAHLE Industriemotoren-Komponenten GmbH	1,453	60	-	-	-	-	-	-	10,180	-	-	-	-	-	-	-	
MAHLE Polska Sp. z o.o.	1,129	60	-	-	993	-	60	-	7,810	-	-	2,418	-	69	-	-	
MAHLE GmbH	1,044	60	-	-	20,279	-	60	-	3,719	394	-	2,163	27,540	2,134	-	14,937	
MAHLE Filtersysteme Austria GmbH	1,585	60	-	-	3,070	-	60	-	6,823	-	-	1,214	532	-	-	-	
MAHLE Engine Components (Yingkou) Co., Ltd.	876	60	-	-	-	-	-	-	2,833	461	-	-	-	-	-	-	
MAHLE Engine Components (Chongqing) Co., Ltd.	718	60	-	-	-	-	-	-	2,477	-	-	-	-	-	-	-	
MAHLE Powertrain, LLC	696	60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mahle Engine Comp. Australia Pty Ltd.	615	60	-	-	-	-	-	-	297	-	-	-	-	-	-	-	
MAHLE Filtersysteme GmbH	533	60	-	-	2,129	-	60	-	18	507	-	-	4,507	-	-	-	
MAHLE Engine Components Slovakia s.r.o.	519	60	-	-	2	-	60	-	9,371	-	-	1	2	-	-	-	
MAHLE Manufacturing Management Inc	493	60	-	-	66	-	60	-	79	282	-	949	-	-	-	-	
MAHLE Aftermarket Inc.	487	60	-	-	71	-	60	-	4,905	1,944	-	34	-	-	273	-	
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	330	60	-	-	48	-	60	-	3,068	-	-	-	166	-	-	-	
MAHLE Trading Japan Co., Ltd.	162	60	-	-	188	-	60	-	-	272	-	422	-	-	-	-	
MAHLE Engine Components Japan Corporation	134	60	-	-	352	-	60	-	305	-	-	-	106	-	-	-	
MAHLE Electronics & Mechatronics Technol	96	60	-	-	-	-	-	-	-	57	-	25	-	-	-	-	
MAHLE Aftermarket South Africa (PTY)	62	60	-	-	-	-	-	-	534	-	-	-	-	-	-	-	
MAHLE Compressors Hungary Kft.	42	60	-	-	2,105	-	60	-	-	25	-	5,308	937	-	-	-	
MAHLE Behr Manufacturing Management Inc	22	60	-	-	-	-	-	-	-	15	-	-	-	-	-	-	
MAHLE Behr Dayton	21	60	-	-	-	-	-	-	-	16	-	-	-	-	-	-	
MAHLE Filter Systems Japan Corporation	11	60	-	-	-	-	-	-	30	-	-	173	-	-	-	-	
MAHLE Filter Systems Canada, ULC	11	60	-	-	-	-	-	-	10	-	-	-	-	-	-	-	
MAHLE Motorsports Inc	6	60	-	-	-	-	-	-	5	-	-	-	-	-	-	-	
MAHLE Sistemas de Filtracion de Mexico S.A. de C.V.	6	60	-	-	-	-	-	-	4	-	-	-	-	-	-	-	
MAHLE Engine Components India Priv. Ltd.	3	60	-	-	-	-	-	-	3,696	-	-	-	-	-	-	-	
MAHLE Electric Drives Slovenija d.o.o.	1	60	-	-	1,448	-	60	-	-	20	-	3,264	894	-	-	-	
Arco Climatização Ltda.	-	-	627	-	-	-	-	-	-	-	-	-	-	-	-	-	
MAHLE Indústria e Comércio Ltda.	-	-	-	-	1,709	459,899	60	29,421	1	3,239	-	2,519	-	-	-	10,315	
MAHLE Engine Systems UK Ltd.	-	-	-	-	7,271	-	60	-	237	-	-	11,088	2,301	-	-	-	
MAHLE Industries, Inc.	-	-	-	-	3,416	-	60	-	10	32	-	-	5,755	-	-	-	
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	-	2,530	-	60	-	-	-	-	679	761	-	-	-	
MAHLE Engine Components USA, Inc.	-	-	-	-	2,054	-	60	-	-	-	-	-	-	-	-	-	
MAHLE Aftermarket Pte. Ltd.	-	-	-	-	2,010	-	60	-	24	-	-	8,684	-	-	-	-	
MAHLE Shared Services Poland Spółka z o.o.	-	-	-	-	1,662	-	60	-	-	-	-	-	-	-	-	-	
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	-	1,276	-	60	-	-	-	-	1,438	-	-	-	-	
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	-	962	-	60	-	-	-	-	1,484	-	-	-	-	
Mahle Automotive Technologies (China) Co., Ltd.	-	-	-	-	663	-	60	-	-	-	-	-	661	-	-	-	
MAHLE Aftermarket Italy S.p.A.	-	-	-	-	516	-	60	-	-	-	-	3,034	5	-	-	-	
MAHLE Japan Ltd.	-	-	-	-	401	-	60	-	-	-	-	-	333	-	-	-	
MAHLE Services (Thailand) Ltd.	-	-	-	-	360	-	60	-	-	-	-	-	360	-	-	-	
MAHLE Componente de Motor SRL	-	-	-	-	196	-	60	-	-	-	-	97	-	-	-	-	
MAHLE Holding (China) Co., Ltd.	-	-	-	-	126	-	60	-	-	-	-	-	681	-	-	-	
MAHLE Holding Austria GmbH	-	-	-	24,009	39	-	60	-	-	-	-	-	-	-	-	-	
MAHLE Anéis Participações Ltda.	-	-	-	-	32	-	60	-	-	-	-	-	-	-	-	-	
MAHLE Ventiltrieb GmbH	-	-	-	-	19	-	60	-	5	-	-	19	-	-	-	-	
Mahle Blechtechnologie GmbH	-	-	-	-	7	-	60	-	-	-	-	2	-	-	-	-	
MAHLE Holding (India) Private Limited	-	-	-	-	5	-	60	-	-	-	-	-	6	-	-	-	
MAHLE S.A.U.	-	-	-	-	3	-	60	-	-	-	-	-	-	-	-	-	
MAHLE Industriebeteiligungen GmbH	-	-	-	-	-	-	-	2,175	-	-	-	-	-	-	-	-	
MAHLE Engine Components (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	4,276	-	-	-	-	-	-	-	
MAHLE Engine Components (Nanjing) Co., Ltd.	-	-	-	-	-	-	-	-	1,505	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	18	1	-	2	-	
Total related companies	82,876		627	24,009	130,186	459,899		31,596	514,204	65,121	1,451	163,096	123,460	2,203	315	14,937	10,315
Total related parties	82,876		627	24,009	130,186	459,899		31,596	514,204	65,121	1,451	163,096	123,460	2,203	315	14,937	10,315
* Realization of term days refers to current assets and current liabilities																	
**Accounts payable for acquisition of subsidiary. Refer to Note 16 for more details.																	

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

	Consolidated														
	Balances at 12.31.2023						Transactions from 2023								
	Current assets		Non-current assets		Current liabilities		Sales/revenue			Purchases					
	Receivables (Note 11)	Payment term in days (*)	Loan	Suppliers (Note 19)	Payment term in days (*)	Dividends and interest on capital payable	Products	Services	Rent Transport Food Energy	Products	Services	Property, plant and equipment	Commissions	Trademark license/ Royalties	Rent
Related companies															
MAHLE Componentes de Motor de Mexico, S. de R.L. de C.V.	16,110	60	-	3,509	60	-	106,573	57	-	20,347	266	-	-	-	-
MAHLE Aftermarket GmbH	13,591	60	-	18,261	60	-	70,237	3,617	-	14,086	8,692	-	68	-	-
MAHLE Aftermarket S. de R.L. de C.V.	11,076	60	-	-	-	-	30,888	-	-	469	-	-	-	-	-
MAHLE Engine Components USA, Inc.	8,016	60	-	4,786	60	-	47,060	17	-	9,603	2,849	-	-	-	-
MAHLE France SAS	6,269	60	-	-	-	-	37,961	-	-	-	-	-	-	-	-
MAHLE Componentes de Motores S.A.	5,025	60	-	8	60	-	39,536	54	-	126	34	-	-	-	-
MAHLE Behr Gerenciamento Térmico Brasil Ltda.	3,424	60	-	10,497	60	-	4,376	19,036	1,443	51,076	1,449	-	-	-	-
MAHLE GmbH	3,414	60	-	23,144	60	-	11,892	613	-	1,337	26,165	-	-	15,554	-
MAHLE Componenti Motori Italia S.p.A.	3,371	60	-	98	60	-	81,777	-	-	-	-	-	-	-	-
MAHLE International GmbH	3,334	60	-	22,393	60	-	17	10,656	-	-	55,864	-	-	-	-
MAHLE Filter Systems USA	2,985	60	-	-	-	-	408	9,462	-	-	-	-	-	-	-
MAHLE Polska Sp. z o.o.	2,599	60	-	503	60	-	5,128	-	-	1,865	204	45	-	-	-
MAHLE Aftermarket Inc.	2,486	60	-	42	60	-	5,352	1,001	-	246	1	-	94	-	-
MAHLE Compressores do Brasil Ltda.	1,684	60	-	6,678	60	-	2,470	10,819	-	33,665	-	-	-	-	-
MAHLE Motor Parcalari San. Izmir A.S.	1,401	60	-	-	-	-	10,515	-	-	427	-	-	-	-	-
Mahle Industriemotoren-Komponenten GmbH	1,363	60	-	-	-	-	7,917	-	-	-	-	-	-	-	-
MAHLE Engine Components (Thailand) Co., Ltd.	1,059	60	-	4	60	-	6,113	-	-	-	-	-	-	-	-
MAHLE Electronics S.L.U.	1,033	60	-	-	-	-	-	-	-	-	-	-	-	-	-
MAHLE Engine Components Slovakia s.r.o.	789	60	-	-	-	-	9,946	-	-	-	-	-	-	-	-
MAHLE Engine Components India Priv. Ltd.	502	60	-	786	60	-	2,959	-	-	4	-	-	-	-	-
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	405	60	-	45	60	-	2,910	-	-	-	356	-	-	-	-
MAHLE Ventiltrieb GmbH	383	60	-	-	-	-	815	-	-	-	78	-	-	-	-
MAHLE Indústria e Comércio Ltda.	377	60	-	1,844	60	11,002	170	4,074	-	3,286	-	-	-	-	10,654
MAHLE Engine Components (Yingkou) Co., Ltd.	278	60	-	-	-	-	2,442	-	-	-	-	-	-	-	-
MAHLE Engine Components (Chongqing) Co., Ltd.	169	60	-	-	-	-	2,278	-	-	-	-	-	-	-	-
MAHLE Trading Japan Co., Ltd.	111	60	-	-	-	-	-	211	-	129	-	-	-	-	-
MAHLE Powertrain, LLC	61	60	-	-	-	-	-	-	-	-	-	-	-	-	-
MAHLE Anand Filter Systems Private Limited	29	60	-	-	-	-	125	-	-	-	-	-	-	-	-
MAHLE Holding (China) Co., Ltd.	1	60	-	128	60	-	-	1	-	-	564	-	-	-	-
MAHLE Industries, Inc.	-	-	-	3,050	60	-	-	4	-	-	4,696	-	-	-	-
MAHLE Engine Systems UK Ltd.	-	-	-	3,002	60	-	248	325	-	7,956	1,041	-	-	-	-
MAHLE Filtersysteme GmbH	-	-	-	1,733	60	-	-	-	-	-	2,390	-	-	-	-
MAHLE Engine Components USA, Inc.	-	-	-	1,398	60	-	-	-	-	-	-	-	-	-	-
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	847	60	-	-	-	-	-	-	-	-	-	-
MAHLE Aftermarket Italy S.p.A.	-	-	-	814	60	-	-	-	-	1,419	13	-	-	-	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	673	60	-	-	-	-	710	632	-	-	-	-
MAHLE Electric Drives Slovenija d.o.o.	-	-	-	569	60	-	-	111	-	3,762	-	-	-	-	-
MAHLE Engine Components Japan Corporation	-	-	-	213	60	-	273	-	-	-	213	-	-	-	-
MAHLE Filtersysteme Austria GmbH	-	-	-	184	60	-	-	-	-	961	295	-	-	-	-
MAHLE Japan Ltd.	-	-	-	137	60	-	-	1	-	-	340	-	-	-	-
MAHLE Automotive Technologies (China) Co., Ltd	-	-	-	72	60	-	-	-	-	-	723	-	-	-	-
MAHLE Aftermarket Pte. Ltd.	-	-	-	64	60	-	47	-	-	7,060	64	-	-	-	-
MAHLE Holding Austria GmbH	-	-	30,128	29	60	-	-	-	-	-	-	-	-	-	-
MAHLE Filter Systems Japan Corporation	-	-	-	26	60	-	-	-	-	443	26	-	-	-	-
MAHLE France SARL	-	-	-	22	60	-	-	-	-	-	-	-	-	-	-
MAHLE S.A.U.	-	-	-	10	60	-	-	-	-	-	-	-	-	-	-
MAHLE Filter Systems Philippines Corporation	-	-	-	5	60	-	-	-	-	31	-	-	-	-	-
MAHLE Filter Systems Canada, ULC	-	-	-	5	60	-	-	-	-	5	-	-	-	-	-
MAHLE Componente de Motor SRL	-	-	-	5	60	-	-	-	-	93	-	-	-	-	-
MAHLE Compressors Hungary Kft.	-	-	-	4	60	-	-	-	-	4	-	-	-	-	-
MAHLE Holding (India) Private Limited	-	-	-	2	60	-	-	-	-	-	-	-	-	-	-
MAHLE Engineering Services India Private Limited	-	-	-	2	60	-	-	-	-	-	-	-	-	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	-	-	-	-	-	-	1,604	-	-	-	-	-	-	-	-
MAHLE Aftermarket South Africa (PTY)	-	-	-	-	-	-	1,018	-	-	-	-	-	-	-	-
MAHLE Sistemas de Filtración de Mexico S.A. de C.V.	-	-	-	-	-	-	433	-	-	-	-	-	-	-	-
Mahle Engine Comp. Australia Pty Ltd.	-	-	-	-	-	-	331	-	-	-	-	-	-	-	-
MAHLE Powertrain Ltd.	-	-	-	-	-	-	14	-	-	-	-	-	-	-	-
MAHLE Behr Ostrow Wielkopolski SP.Z.O.O. R&D	-	-	-	-	-	-	-	23	-	-	-	-	-	-	-
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	-	-	-	-	-	-	2,208	-	-	-	-	-
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	-	-	-	-	-	-	2,953	-	-	-	-	-
MAHLE Aftermarket Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	11	-	-
MAHLE Industriebeteiligungen GmbH	-	-	-	-	-	814	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	83	(12)	-	-	-	-
Total related companies	91,345		30,128	105,592		11,816	493,833	60,082	1,443	164,354	106,943	45	173	15,554	10,654
Total related parties	91,345		30,128	105,592		11,816	493,833	60,082	1,443	164,354	106,943	45	173	15,554	10,654

* Realization of term days refers to current assets and current liabilities.

It is the Group practice to classify dividends and interest on capital received as cash flows from investing activities.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Transactions with related parties refer substantially to the purchase and sale of goods and services directly related to their operating activities and are made on terms and conditions agreed upon between the parties.

On December 31, 2024, the subsidiary MAHLE Argentina S.A. has a loan agreement with the Parent Company in the amount of USD 5,155, equivalent to R\$ 31,918 (December 31, 2023: R\$ 23,985), with interest rate of 5.38% per annum (interest rate of 2.88% of Brazil's sovereign bonds + plus spread of 2.50% per annum). Although the amortization term began in June 2021, MAHLE Argentina S.A. has not yet received authorization to remit the USD because of current foreign exchange restrictions in Argentina. The authorization process is being monitored by the teams of MAHLE Brazil and MAHLE Argentina, without expectation of recovery in the short term due to payment restrictions imposed by the Argentine government as published through notices A7532, A7542, A7553, A7563 and A7917. We identified no material risk of loss related to the amount receivable by the Parent Company since the risk is hedged with NDF. Regarding the Parent company's receivable, we did not identify any material risk of foreign exchange losses since the foreign currency exposure is hedged by financial instruments (NDF – Note 24).

The subsidiary MAHLE Metal Leve GmbH has a daily cash management contract with MAHLE Holding Austria GmbH, subject to interest based on ESTER (Euro Short-Term Rate) + 1.235% p.a., with no definite maturity date. On December 31, 2024, the subsidiary has R\$ 24,009 (R\$ 30,128 at December 31, 2023) receivable from these transactions.

The Company has a brand licensing agreement with its Parent Company MAHLE GmbH, which is registered with the National Institute of Industrial Property, in which the licensor establishes the payment of royalties of up to 1% of net sales revenue and the Company is authorized to manufacture and distribute products using the brand "MAHLE". On December 31, 2024, the royalty expenses were recorded within "selling and distribution expenses", in the Parent Company in the amount of R\$ 13,251 (R\$ 13,602 at December 31, 2023) and in the Consolidated accounts in the amount of R\$ 14,937 (R\$ 15,554 at December 31, 2023).

Parent Company and ultimate Parent Company

The direct controlling shareholder of the Company is MAHLE Indústria e Comércio Ltda., a limited liability company with its headquarters situated in the city of Mogi Guaçu, State of São Paulo, Brazil.

MAHLE GmbH is the Group's ultimate Parent Company, established as a limited liability company with its head office in the city of Stuttgart, in the Federal Republic of Germany.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Dividends and interest on capital receivable

The breakdown of dividends and interest on capital receivable is presented below:

	Parent Company			
	Balance 12.31.2023	Addition	Receipt	Balance 12.31.2024
Subsidiaries				
MAHLE Metal Leve GmbH	-	72,815	(72,815)	-
MAHLE Compressores do Brasil Ltda.	-	110,106	(101,517)	8,589
Associate				
Arco Climatização Ltda.	-	698	(71)	627
Total	-	183,619	(174,403)	9,216
	Consolidated			
	Balance 12.31.2023	Addition	Receipt	Balance 12.31.2024
Associate				
Arco Climatização Ltda.	-	698	(71)	627
Total	-	698	(71)	627
	Parent Company			
	Balance 01.01.2023	Addition	Receipt	Balance 12.31.2023
Subsidiary				
MAHLE Metal Leve GmbH	-	115,439	(115,439)	-
Total	-	115,439	(115,439)	-

It is the Group practice to classify dividends and interest on capital received as cash flows from investing activities.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Dividends and interest on capital payable

The breakdown of dividends and interest on capital payable is presented below:

	Parent Company and Consolidated				
	Balance 12.31.2023	Addition	Payment	Prescribed dividends and interest on capital	Balance 12.31.2024
MAHLE Indústria e Comércio Ltda.	11,002	198,810	(180,391)	-	29,421
MAHLE Industriebeteiligungen GmbH.	814	14,689	(13,328)	-	2,175
Non-controlling interest	11,001	136,520	(124,571)	(100)	22,850
Total	22,817	350,019	(318,290)	(100)	54,446

	Parent Company and Consolidated				
	Balance 01.01.2023	Addition	Payment	Prescribed dividends and interest on capital	Balance 12.31.2023
MAHLE Indústria e Comércio Ltda.	73,990	741,380	(804,368)	-	11,002
MAHLE Industriebeteiligungen GmbH.	12,332	117,713	(129,231)	-	814
Minorities	39,592	382,465	(411,002)	(54)	11,001
Total	125,914	1,241,558	(1,344,601)	(54)	22,817

(b) Management compensation

The compensation of the key management personnel, which comprises the executive officers and the Board of Directors, includes salaries, fees, variable benefits and termination pay.

	Parent Company and Consolidated	
	2024	2023
Statutory officers	9,423	9,281
Non-statutory officers	4,334	3,867
Total	13,757	13,148

The officers receive no share-based compensation.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

15. Income tax and social contribution

Income tax and social contribution are calculated at the statutory rates.

a. Reconciliation of income tax and social contribution expense

The reconciliation of the amount that results from applying the statutory tax rates with the income tax and social contribution expense recorded in the statement of income is as follows:

	Parent Company		Consolidated	
	2024	2023	2024	2023
Profit before income tax and social contribution	674,488	899,087	699,163	937,921
(-) Interest on capital	(88,747)	(111,024)	(108,957)	(111,024)
Profit before income tax and social contribution after interest on capital	585,741	788,063	590,206	826,897
Income tax and social contribution at the statutory rate in Brazil (34%)	(199,152)	(267,941)	(200,670)	(281,145)
Effects of permanent differences:				
Equity in the results of subsidiaries	3,370	40,390	791	-
Overstated (understated) provision in prior year	(9,299)	2,093	(8,275)	2,093
Gain (loss) for the year for which no deferred tax asset was recognized	1,681	-	1,556	(1,700)
Inflationary effect generated by subsidiary	72,796	78,290	19,984	24,162
Others, net	(2,494)	(3,674)	28,655	66,447
Total income tax and social contribution	(133,098)	(150,842)	(157,959)	(190,143)
Current income tax and social contribution	(135,253)	(131,554)	(157,398)	(178,477)
Deferred income tax and social contribution	2,155	(19,288)	(561)	(11,666)
Total income tax and social contribution	(133,098)	(150,842)	(157,959)	(190,143)
Effective rate	22.7%	19.1%	26.8%	23.0%

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

b. Recognized deferred tax assets and liabilities

Deferred income tax and social contribution are as follows:

i. Breakdown of deferred tax assets and liabilities:

	Parent Company			
	Assets		Liabilities	
	Balance in 2024	Balance in 2023	Balance in 2024	Balance in 2023
Property, plant and equipment	-	-	(24,878)	(25,847)
Intangible assets	-	-	(97,025)	(97,025)
Tax credit ⁽¹⁾	-	-	(34,773)	(34,773)
Financial incentives - Limeira ⁽²⁾	-	-	(19,649)	(3,327)
Derivatives	1,813	-	-	(4,041)
Inventory	16,712	17,215	-	-
Labor risk provision	50,508	50,970	-	-
Tax risk provision	14,675	18,565	-	-
Warranties risk provision	14,230	2,479	-	-
Environmental risk provision	18,078	8,880	-	-
Other temporarily non-deductible provisions	73,658	82,151	-	-
Tax assets (liabilities)	189,674	180,260	(176,325)	(165,013)
Amount eligible for offsetting	(176,325)	(165,013)	176,325	165,013
Net tax assets (liabilities)	13,349	15,247	-	-

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

	Consolidated			
	Assets		Liabilities	
	Balance in 2024	Balance in 2023	Balance in 2024	Balance in 2023
Property, plant and equipment	-	-	(52,032)	(38,590)
Intangible assets	-	-	(89,562)	(97,025)
Tax credit ⁽¹⁾	-	-	(43,842)	(34,773)
Financial incentives - Limeira ⁽²⁾	-	-	(19,649)	(3,327)
Derivatives	1,823	-	1,823	(4,041)
Inventory	19,617	29,341	-	-
Tax loss carryforwards MAHLE Compressores	49,594	-	-	-
Tax loss carryforwards MAHLE Argentina	57,623	-	-	-
Labor risk provision	51,616	50,970	-	-
Tax risk provision	15,051	18,565	-	-
Warranties risk provision	14,230	2,479	-	-
Environmental risk provision	18,078	8,880	-	-
Other temporarily non-deductible provisions	91,686	96,097	-	-
Tax assets (liabilities)	319,318	206,332	(205,085)	(177,756)
Amount eligible for offsetting	(205,085)	(177,756)	205,085	177,756
Net tax assets (liabilities)	114,233	28,576	-	-

⁽¹⁾ Refers to PIS and COFINS tax credits obtained by the Parent Company and the subsidiary MAHLE Compressores do Brasil Ltda. in a lawsuit that has had a final judgment rendered (exclusion of ICMS from the tax base of PIS and COFINS). The income tax and social contribution will be levied on these tax credits at the time the offsetting requests (PER/DCOMP) are homologated by the Brazilian Revenue Service.

⁽²⁾ The income tax and social contribution is payable on the court-ordered payments (Note 25.iii) when payment is received.

Deferred income tax and social contribution assets are recognized to the extent that it is probable future taxable profit will be available to utilize temporary differences, considering projections of future results based on internal assumptions.

In the Parent Company and consolidated financial statements, the deferred tax asset was offset against the deferred tax liability when they related to the same tax authority and the same taxable entity.

Based on projections of future taxable profits approved by management, the Group recognized deferred tax assets for tax losses and deductible temporary differences. The carrying amount of deferred tax assets is reviewed periodically by the Group.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

The subsidiaries Mahle Compressores and Mahle Argentina have tax losses of R\$ 49,581 and R\$ 57,623, respectively, that are available for offsetting against future taxable profits. In the case of Mahle Compressores, tax losses do not expire but are limited to offsetting 30% of taxable profit in each year, according to prevailing legislation. In the case of Mahle Argentina, tax losses can be carried forward for up to five years and can offset 35% of future taxable profits.

ii. Changes in temporary differences and tax loss carry-forwards:

	Parent Company								
	Balance in 01.01.2023	Recognized in profit or loss	Recognized in equity	Recognized in other comprehensive income	Balance in 12.31.2023	Recognized in profit or loss	Recognized against goodwill arising on acquisition of associate	Recognized in other comprehensive income	Balance in 12.31.2024
Property, plant and equipment	(26,743)	896	-	-	(25,847)	969	-	-	(24,878)
Intangible assets	(97,025)	-	-	-	(97,025)	-	-	-	(97,025)
Tax credit	(34,773)	-	-	-	(34,773)	-	-	-	(34,773)
Financial incentives - Limeira	(1,316)	(2,011)	-	-	(3,327)	(16,322)	-	-	(19,649)
Derivatives	106	(3,315)	-	(832)	(4,041)	2,239	-	3,615	1,813
Inventory	16,302	913	-	-	17,215	(503)	-	-	16,712
Labor risk provision	54,213	(3,243)	-	-	50,970	(462)	-	-	50,508
Tax risk provision	15,485	3,080	-	-	18,565	(3,890)	-	-	14,675
Warranties risk provision	5,397	(2,918)	-	-	2,479	11,751	-	-	14,230
Environmental risk provision	8,850	30	-	-	8,880	9,198	-	-	18,078
Reduction of equity related to stock offering expenses	-	(3,366)	3,366	-	-	-	-	-	-
Other temporarily non-deductible provisions	91,505	(9,354)	-	-	82,151	(825)	(7,668)	-	73,658
	32,001	(19,288)	3,366	(832)	15,247	2,155	(7,668)	3,615	13,349

	Consolidated									
	Balance in 01.01.2023	Recognized in profit or loss	Recognized in equity	Recognized in other comprehensive income	Balance in 12.31.2023	Recognized in profit or loss	Recognized against goodwill arising on acquisition of associate	Balance arising from acquisition of subsidiary	Recognized in other comprehensive income	Balance in 12.31.2024
Property, plant and equipment	(42,157)	3,567	-	-	(38,590)	(13,097)	-	(345)	-	(52,032)
Intangible assets	(97,025)	-	-	-	(97,025)	(5,865)	-	13,328	-	(89,562)
Tax credit	(34,773)	-	-	-	(34,773)	3,886	-	(12,955)	-	(43,842)
Financial incentives - Limeira	(1,316)	(2,011)	-	-	(3,327)	(16,322)	-	-	-	(19,649)
Derivatives	106	(3,315)	-	(832)	(4,041)	2,249	-	-	3,615	1,823
Inventory	19,997	9,344	-	-	29,341	(9,724)	-	-	-	19,617
Labor risk provision	54,213	(3,243)	-	-	50,970	(766)	-	1,412	-	51,616
Tax risk provision	15,485	3,080	-	-	18,565	(3,514)	-	-	-	15,051
Warranties risk provision	5,397	(2,918)	-	-	2,479	11,751	-	-	-	14,230
Environmental risk provision	8,850	30	-	-	8,880	9,198	-	-	-	18,078
Reduction of equity related to stock offering expenses	-	(3,366)	3,366	-	-	-	-	-	-	-
Tax loss to be offset	-	-	-	-	-	(13,207)	-	62,801	-	49,594
Tax loss to be offset	-	-	-	-	-	57,623	-	-	-	57,623
Other temporarily non-deductible provisions	94,996	(12,834)	-	13,935	96,097	(22,773)	(7,668)	12,276	13,754	91,686
	23,773	(11,666)	3,366	13,103	28,576	(561)	(7,668)	76,517	17,369	114,233

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

c. Unrecognized deferred tax assets

On December 31, 2024, deferred tax assets of R\$ 31,294 (R\$ 31,098 in 2023) arising from tax losses and temporary differences generated by the subsidiary MAHLE Filtroil Indústria e Com. de Filtros Ltda. and the subsidiary MAHLE Hirschvogel Forjas S.A were not recognized in the consolidated financial statements.

The non-recognition of these deferred tax assets is due to the lack of expectation of taxable income for the coming years in the respective companies. Under Brazilian tax legislation, tax losses are not subject to a statute of limitations.

	Consolidated	
	2024	2023
Temporary differences	353	368
Tax losses	30,941	30,730
	31,294	31,098

16. Investments in subsidiaries and associate

	Parent Company				
	Investments accounted for using the equity method	Goodwill	Impairment	Fair value of intangible assets	Elimination of profit on inventory (Balance at 12/31/2024)
MAHLE Argentina S.A.	356,269	59,549	(59,549)	-	(3,505)
MAHLE Metal Leve GmbH	76,661	-	-	-	(2,757)
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	433	-	-	-	-
MAHLE Hirschvogel Forjas S.A.	2,241	35,755	(35,755)	-	-
MAHLE Compressores do Brasil Ltda.	212,908	-	-	-	(183)
Sub-Total	648,512	95,304	(95,304)	-	(6,445)
Associate					
Arco Climatização Ltda.	5,404	13,140	-	22,553	-
Sub-Total	5,404	13,140	-	22,553	-
Total	653,916	108,444	(95,304)	22,553	(6,445)

	Parent Company				
	Investments accounted for using the equity method	Goodwill	Impairment	Elimination of profit on inventory (Balance at 12/31/2023)	Total- 2023
MAHLE Argentina S.A.	184,660	59,549	(59,549)	(1,211)	183,449
MAHLE Metal Leve GmbH	99,250	-	-	(2,340)	96,910
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	477	-	-	-	477
MAHLE Hirschvogel Forjas S.A.	2,433	35,755	(35,755)	-	2,433
Total	286,820	95,304	(95,304)	(3,551)	283,269

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

	Interest (%)	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities	Equity	Net revenue	Profit (loss) for the period	Interest in equity		
											Investments	Equity in the results of subsidiaries	Elimination of profit on inventory /other assets (equity)
December 31, 2024													
Subsidiaries													
MAHLE Argentina S.A.	99.20	421,822	136,366	558,188	161,654	37,392	199,046	359,142	824,706	(46,859)	356,269	(46,484)	(2,294)
MAHLE Metal Leve GmbH	100.00	115,455	27,158	142,613	65,952	-	65,952	76,661	588,613	37,644	76,661	37,644	(417)
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	100.00	407	32	439	4	2	6	433	2	(44)	433	(44)	-
MAHLE Hirschvogel Forjas S.A.	51.00	4,217	1,515	5,732	750	588	1,338	4,394	-	(376)	2,241	(192)	-
MAHLE Compressores do Brasil Ltda.(¹)	100.00	239,400	131,935	371,335	149,815	8,612	158,427	212,908	183,606	19,555	212,908	19,555	(183)
Subtotal		781,301	297,006	1,078,307	378,175	46,594	424,769	653,538	1,596,927	9,920	648,512	10,479	(2,894)
Associate													
Arco Climatização Ltda. (¹)	33.33	65,660	1,103	66,763	50,190	357	50,547	16,216	116,250	6,981	5,404	2,326	-
Subtotal		65,660	1,103	66,763	50,190	357	50,547	16,216	116,250	6,981	5,404	2,326	-
Total		846,961	298,109	1,145,070	428,365	46,951	475,316	669,754	1,713,177	16,901	653,916	12,805	(2,894)
December 31, 2023													
Subsidiaries													
MAHLE Argentina S.A.	99.20	334,018	61,949	395,967	182,726	27,092	209,818	186,149	955,551	49,837	184,660	49,438	1,813
MAHLE Metal Leve GmbH	100.00	132,271	31,866	164,137	64,887	-	64,887	99,250	648,884	71,284	99,250	71,284	1,046
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	100.00	852	317	1,169	672	20	692	477	1,206	(4,300)	477	(4,300)	-
MAHLE Hirschvogel Forjas S.A.	51.00	5,034	1,430	6,464	788	905	1,693	4,771	-	(955)	2,433	(487)	-
Total		472,175	95,562	567,737	249,073	28,017	277,090	290,647	1,605,641	115,866	286,820	115,935	2,859

(¹) Refers to result for the period from October 1, 2024 to December 31, 2024.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

The subsidiaries belong to the "Powertrain and Charging" segment, except the subsidiary MAHLE Filtroil Indústria e Comércio de Filtros Ltda.

MAHLE Metal Leve GmbH

On May 29, 2024, the subsidiary MAHLE Metal Leve GmbH paid out dividends amounting to R\$ 72,815 (R\$ 115,439 on May 26, 2023) out of profits for fiscal year 2023.

MAHLE Argentina S.A.

As mentioned in Note 18, the Group has an impairment of goodwill arising from acquisition of the subsidiary, amounting to R\$ 59,549 (Parent Company) and R\$ 68,071 (Consolidated).

MAHLE Filtroil Indústria e Comércio de Filtros Ltda.

The balance sheet and income statement information of the subsidiary MAHLE Filtroil Indústria e Comércio de Filtros Ltda. was considered for consolidation of the Group assuming that the subsidiary will not continue as a going concern. Due to the balances of this subsidiary are immaterial for the Group, NBC TG 31 (CPC 31) – Discontinued Operations / IFRS 5 – Presentation and disclosure of discontinued operations does not apply.

MAHLE Hirschvogel Forjas S.A.

The balance sheet and income statement information of the subsidiary MAHLE Hirschvogel Forjas S.A. was considered for consolidation of the Group assuming that the subsidiary will not continue as a going concern. Due to the balances of this subsidiary are immaterial for the Group, NBC TG 31 (CPC 31) – Discontinued Operations / IFRS 5 – Presentation and disclosure of discontinued operations does not apply.

As mentioned in Note 18, the Group has an impairment of goodwill arising from acquisition of the subsidiary, amounting to R\$ 35,755 Parent Company and Consolidated.

MAHLE Compressores and MAHLE Aftermarket Thermal

After the terms and conditions of the transaction were negotiated and based on the valuation reports issued by the independent specialist firms and on the legal advice engaged by the Independent Committee, the Board of Directors of the Company approved on September 3, 2024 the share purchase and sale agreement for the acquisition of 100% of the share capital of MAHLE Compressores do Brasil Ltda. ("MAHLE Compressores") and 100% of the share capital of MAHLE Aftermarket Thermal Brasil Ltda. ("MAHLE Thermal"), both owned by MAHLE Indústria e Comércio Ltda., the controlling shareholder of the Company. At the Extraordinary General Meeting held on October 3, 2024, the shareholders of the Company approved the acquisition of MAHLE Compressores and MAHLE Thermal

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

and the merger of MAHLE Thermal into the Company for the purposes of segregation of the Aftermarket Thermal business segment.

In order to mitigate potential conflicts of interest arising out of the terms and conditions of the acquisition, including the purchase price, the Company, through an Independent Committee, hired specialist firms to prepare two valuation reports and legal advisors to define the purchase price for the two companies in accordance with the arm's length principle.

All conditions precedent to the purchase and sale agreement have been satisfied, and prior approval of the transaction by the Brazilian Competition Authority (CADE) was not applicable.

The purchase price for the acquisition of MAHLE Compressores and MAHLE Thermal was R\$ 668,000, to be paid in three installments: the first installment of R\$ 222,667 upon closing of the Intended Transaction; the second installment of R\$ 222,667 in six months from the closing of the Intended Transaction with an interest rate of 13.84% per annum; the third installment of R\$ 222,667 in twelve months from the closing of the Intended Transaction with an interest rate of 14.36% per annum.

MAHLE Compressores is primarily engaged in the (a) purchase and sale, import, export and manufacture of auto parts and accessories, and may also import and export all materials and products related to its business, including import of finished lubricant oil and provision of services, and any and all operation and business necessary for its business purpose; (b) provision of services for third parties, including provision of technical support services for the assets within in its main business activities, as well consulting services and engineering projects; and (c) owning an equity interest in other companies.

On October 3, 2024, the difference between the price paid and the net assets at book value resulted in goodwill of R\$ 336,627, which was recognized in the Parent company's equity as it relates to the acquisition of an entity under common control and which will realize only upon sale or write-off of the investment.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

MAHLE Compressores

Total estimated consideration to be transferred

(-) Carrying value and/or book value of assets acquired

Cash and cash equivalents	147,052
Trade and related-party receivables	84,763
Inventories	77,605
Other taxes recoverable	18,874
Other current assets	860
Deferred tax assets	74,594
Property, plant and equipment and Right-of-use assets	57,993
Intangible assets	326
Non-current other assets	3,680

(+) Carrying value and/or book value of liabilities assumed

Trade and related-party payables	125,420
Current labor provisions	12,530
Taxes and contributions payable	9,424
Salaries, vacation pay and social charges	1,366
Current lease liabilities	592
Other current liabilities	5,975
Non-current provisions for legal and administrative proceedings	5,105
Non-current lease liabilities	1,877

(-) Net assets	303,458
Purchase price	640,085
Difference between purchase price and assets acquired ⁽¹⁾	336,627

⁽¹⁾ Recognized in the caption "Accounting adjustments for transactions between shareholders " in equity.

On December 10, 2024, the subsidiary MAHLE Compressores do Brasil Ltda. approved supplementary dividends of R\$ 32,434 and interim dividends of R\$ 67,566, totaling R\$ 100,000 paid on December 17, 2024.

MAHLE Thermal's corporate purpose is the wholesale trade of new parts and accessories for motor vehicles.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

The main products are liquid coolant coolers, charge air coolers, low temperature coolers, fan drives and fan clutches, coolant cooler/condenser fans, expansion tanks, cabin heat exchangers, exhaust gas recirculation coolers, oil coolers.

On October 3, 2024, the difference between the price paid and the net assets at book value resulted in goodwill of R\$ 8,851, which was recognized in the Parent company's equity as it relates to the acquisition of an entity under common control and which will realize only upon sale or write-off of the investment.

Subsequent to the acquisition, MAHLE Aftermarket Thermal Brasil Ltda. was merged into the Company. The net assets at book value are as follows:

MAHLE Thermal

Total estimated consideration to be transferred

(-) Carrying value and/or book value of assets acquired

Cash and cash equivalents	1
Trade and related-party receivables	10,163
Inventories	11,547
Other taxes recoverable	11,090
Current other assets	38

(+) Carrying value and/or book value of liabilities assumed

Trade and related-party payables	9,127
Current Sundry provision	4,008
Taxes and contributions payable	486
Current other liabilities	154

(-) Net assets	19,064
Purchase price	27,915
Difference between purchase price and assets acquired ⁽¹⁾	8,851

⁽¹⁾ Recognized in the caption "Accounting adjustments for transactions between shareholders " in equity.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Arco Climatização Ltda.

On October 1, 2024, the Company completed the acquisition of a 33.33% interest in the associate Arco Climatização Ltda. (CNPJ No. 17.551.610/0001-86) for R\$ 31,800 (of which R\$ 27,030 was paid in 2024), after the conditions precedent have been satisfied, including, but not limited to, the approval of the Brazilian Competition Authority (CADE).

Arco Climatization is engaged in the following business: (a) wholesale and import of air conditioning parts and components and (b) manufacture and sale of air conditioning systems for buses, trains, vans, trucks and industrial vehicles.

This acquisition aims to expand the Company's presence in the thermal management market, with air conditioning solutions for buses (including electric buses), reinforcing the Company's strategy of sustainable growth by seeking assets that complement the Company's existing product offerings, diversifying its business operations and creating value to shareholders.

The fair value of the intangible assets identified on the acquisition is R\$ 22,553, which comprises: (i) R\$ 4,934 of trademarks; and (ii) R\$ 17,619 customer list. The goodwill arising on acquisition is R\$ 13,140 (including tax impacts, Note 15.b.ii.). Management performed a review and concluded that the measurements reflect fairly all information available at the date of acquisition and that the procedures and measurements are adequate.

Fair value measurement of intangible assets

The valuation techniques used to measure the fair value of the intangible assets identified on the acquisition of the subsidiary were as follows:

Intangible asset – Customer list

The customer list was valued using the Multi-period Excess Earnings Method (MPEEM), a form of the income approach. This method uses cash flows to determine the excess cash flows of an asset after deducting contributory assets. The main valuation input is the historical customer churn rate. In addition, future cash flows are discounted to present value using an appropriate discount rate. The useful life of the asset was estimated at around 9 years. The limit of 90% of the estimate of discounted cash flows was used to determine the economic life of the intangible asset, according to the paper of The Appraisal Foundation - The Valuation of Customer-Related Asset.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Brand and trade name

The acquired brand was valued using the Relief-from-Royalty Method, an income-based valuation method. This method estimates the value of an intangible asset based on the hypothetical royalties (calculated as a percentage of estimated revenue) a company would incur if it lacked ownership and needed to license the asset from an external party. The hypothetical royalty rate was calculated based on market comparable royalty rates. In addition, future cash flows are discounted to present value using an appropriate discount rate. The useful life of the asset was estimated at around 17 years. The limit of 90% of the estimate of discounted cash flows was used to determine the economic life of the intangible asset, according to the paper of The Appraisal Foundation - The Valuation of Customer-Related Asset.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

17. Property, plant and equipment and Right-of-use assets

Parent Company								Total cost	Accumulated depreciation	Net book value
Property, plant and equipment	At 12.31.2023	Additions	Write-offs	Transfer	Depreciation	Depreciation/write-off (deemed cost)	At 12.31.2024			
Land	52,454	-	-	-	-	-	52,454	52,454	-	52,454
Buildings and construction	65,138	3,543	-	(86)	(4,862)	(2,566)	61,167	238,758	(177,591)	61,167
Machinery, equipment and facilities	400,050	86,357	(256)	13,162	(77,691)	(266)	421,356	2,305,067	(1,883,711)	421,356
Furniture and fittings	4,652	1,491	(20)	1,241	(815)	(2)	6,547	27,633	(21,086)	6,547
Vehicles	3,841	1,302	-	(1,083)	(1,064)	-	2,996	23,070	(20,074)	2,996
Construction in progress	839	5,377	-	(4,503)	-	-	1,713	1,713	-	1,713
Advances to suppliers	5,155	7,110	-	(8,731)	-	-	3,534	3,534	-	3,534
Impairment	(5,537)	-	1,444	-	-	-	(4,093)	(4,093)	-	(4,093)
Sub-total	526,592	105,180	1,168	-	(84,432)	(2,834)	545,674	2,648,136	(2,102,462)	545,674

Right-of-use assets	At 12.31.2023	Additions	Write-offs	Transfer	Depreciation	Depreciation/write-off (deemed cost)	At 12.31.2024	Total cost	Accumulated depreciation	Net book value
Buildings	30,945	-	(1,229)	-	(7,247)	-	224,469	67,016	(44,547)	22,469
Vehicles	6,372	303	(198)	-	(3,368)	-	3,109	15,831	(12,722)	3,109
Transportation goods	1,004	1,818	-	-	(1,538)	-	1,284	4,100	(2,816)	1,284
Machinery and equipment	153	-	-	-	(153)	-	-	591	(591)	-
Sub-total	38,474	2,121	(1,427)	-	(12,306)	-	26,862	87,538	(60,676)	26,862

Total	565,066	107,301	(259)	-	(96,738)	(2,834)	572,536	2,735,674	(2,163,138)	572,536
--------------	----------------	----------------	--------------	----------	-----------------	----------------	----------------	------------------	--------------------	----------------

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Parent Company										
Property, plant and equipment	At January 1st, 2023	Additions	Write-offs	Transfer	Depreciation	Depreciation/write-off (deemed cost)	At 12.31.2023	Total cost	Accumulated depreciation	Net book value
Land	52,454	-	-	-	-	-	52,454	52,454	-	52,454
Buildings and construction	70,428	1,926	-	-	(4,650)	(2,566)	65,138	235,302	(170,164)	65,138
Machinery, equipment and facilities	407,427	58,726	(505)	11,949	(77,526)	(21)	400,050	2,217,792	(1,817,742)	400,050
Furniture and fittings	3,816	1,569	(1)	18	(749)	(1)	4,652	26,131	(21,479)	4,652
Vehicles	3,153	1,824	(243)	1	(894)	-	3,841	22,953	(19,112)	3,841
Construction in progress	2,537	5,130	-	(6,828)	-	-	839	839	-	839
Advances to suppliers	3,985	6,310	-	(5,140)	-	-	5,155	5,155	-	5,155
Impairment	(6,135)	-	598	-	-	-	(5,537)	(5,537)	-	(5,537)
Sub-total	537,665	75,485	(151)	-	(83,819)	(2,588)	526,592	2,555,089	(2,028,497)	526,592
Right-of-use assets	At January 1st, 2023	Additions	Write-offs	Transfer	Depreciation	Depreciation/write-off (deemed cost)	At 12.31.2023	Total cost	Accumulated depreciation	Net book value
Buildings	41,297	-	(2,615)	-	(7,737)	-	30,945	64,401	(33,456)	30,945
Vehicles	2,889	6,753	(68)	-	(3,202)	-	6,372	15,528	(9,156)	6,372
Transportation goods	768	1,513	-	-	(1,277)	-	1,004	2,281	(1,277)	1,004
Machinery and equipment	240	351	-	-	(438)	-	153	591	(438)	153
Sub-total	45,194	8,617	(2,683)	-	(12,654)	-	38,474	82,801	(44,327)	38,474
Total	582,859	84,102	(2,834)	-	(96,473)	(2,588)	565,066	2,637,890	(2,072,824)	565,066

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Consolidated													
Property, plant and equipment	At 12.31.2023	Balance arising from acquisition of subsidiary	Additions	Write-offs	Transfer	Depreciation	Depreciation/write-off (deemed cost)	Gain on monetary items, net	Effect of the currency translation	At 12.31.2024	Total cost	Accumulated depreciation	Net book value
Land	52,464	6,071	-	-	-	-	-	-	-	58,535	58,535	-	58,535
Buildings and construction	76,104	8,512	3,668	-	584	(5,169)	(2,600)	11,465	300	92,864	300,830	(207,966)	92,864
Machinery, equipment and facilities	433,889	35,026	87,403	(282)	22,051	(81,206)	(684)	25,685	746	522,628	2,945,098	(2,422,470)	522,628
Furniture and fittings	4,773	886	3,411	(20)	(572)	(865)	(2)	-	3	7,614	32,267	(24,653)	7,614
Vehicles	4,676	-	1,708	(16)	(1,083)	(1,098)	-	760	12	4,959	40,954	(35,995)	4,959
Construction in progress	1,974	5,106	14,898	-	(5,612)	-	-	-	(28)	16,338	16,338	-	16,338
Advances to suppliers	5,839	-	15,273	-	(15,368)	-	-	294	30	6,068	6,068	-	6,068
Impairment	(5,556)	-	-	1,215	-	-	-	-	-	(4,341)	(4,341)	-	(4,341)
Sub-total	574,163	55,601	126,361	897	-	(88,338)	(3,286)	38,204	1,063	704,665	3,395,749	(2,691,084)	704,665

Right-of-use assets	At 12.31.2023	Balance arising from acquisition of subsidiary	Additions	Write-offs	Transfer	Depreciation	Depreciation/write-off (deemed cost)	Gain on monetary items, net	Effect of the currency translation	At 12.31.2024	Total cost	Accumulated depreciation	Net book value
Buildings	32,213	-	-	(1,229)	-	(7,499)	-	(504)	42	23,023	67,891	(44,868)	23,023
Vehicles	6,374	356	469	(198)	-	(3,433)	-	-	-	3,568	17,273	(13,705)	3,568
Transportation goods	1,004	1,576	1,818	-	-	(1,624)	-	-	-	2,774	6,844	(4,070)	2,774
Machinery and equipment	153	457	237	-	-	(193)	-	-	-	654	1,392	(738)	654
Sub-total	39,744	2,389	2,524	(1,427)	-	(12,749)	-	(504)	42	30,019	93,400	(63,381)	30,019
Total	613,907	57,990	128,885	(530)	-	(101,087)	(3,286)	37,700	1,105	734,684	3,489,149	(2,754,465)	734,684

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Consolidated													
Property, plant and equipment	At January 1st, 2023	Balance arising from acquisition of subsidiary	Additions	Write-offs	Transfer	Depreciation	Depreciation/write-off (deemed cost)	Gain on monetary items, net	Effect of the currency translation	At 12.31.2023	Total cost	Accumulated depreciation	Net book value
Land	52,489	-	-	-	-	-	-	-	(25)	52,464	52,464	-	52,464
Buildings and construction	85,350	-	3,316	-	807	(4,677)	(2,566)	12,250	(18,376)	76,104	250,458	(174,354)	76,104
Machinery, equipment and facilities	466,238	-	58,928	(506)	20,887	(79,353)	(21)	34,711	(66,995)	433,889	2,391,921	(1,958,032)	433,889
Furniture and fittings	3,952	-	1,756	(1)	30	(765)	(1)	-	(198)	4,773	26,286	(21,513)	4,773
Vehicles	4,525	-	1,824	(243)	65	(962)	-	1,112	(1,645)	4,676	30,881	(26,205)	4,676
Construction in progress	2,537	-	6,303	-	(6,828)	-	-	-	(38)	1,974	1,974	-	1,974
Advances to suppliers	7,231	-	14,662	-	(14,961)	-	-	108	(1,201)	5,839	5,839	-	5,839
Impairment	(6,185)	-	-	598	-	-	-	-	31	(5,556)	(5,556)	-	(5,556)
Sub-total	616,137	-	86,789	(152)	-	(85,757)	(2,588)	48,181	(88,447)	574,163	2,754,267	(2,180,104)	574,163

Right-of-use assets	At January 1st, 2023	Balance arising from acquisition of subsidiary	Additions	Write-offs	Transfer	Depreciation	Depreciation/write-off (deemed cost)	Gain on monetary items, net	Effect of the currency translation	At 12.31.2023	Total cost	Accumulated depreciation	Net book value
Buildings	44,625	-	-	(2,615)	-	(8,362)	-	1,342	(2,777)	32,213	65,275	(33,062)	32,213
Vehicles	2,890	-	6,753	(68)	-	(3,201)	-	-	-	6,374	15,529	(9,155)	6,374
Transportation goods	768	-	1,513	-	-	(1,277)	-	-	-	1,004	2,281	(1,277)	1,004
Machinery and equipment	240	-	351	-	-	(438)	-	-	-	153	591	(438)	153
Sub-total	48,523	-	8,617	(2,683)	-	(13,278)	-	1,342	(2,777)	39,744	83,676	(43,932)	39,744
Total	664,660	-	95,406	(2,835)	-	(99,035)	(2,588)	49,523	(91,224)	613,907	2,837,943	(2,224,036)	613,907

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Deemed cost

Changes in deemed cost

	Consolidated					
	01.01.2023	Depreciation / write-off (deemed cost)	12.31.2023	Balance arising from acquisition of subsidiary	Depreciation / write-off (deemed cost)	12.31.2024
Land	46,905	-	46,905	3,834	-	50,739
Buildings and construction	29,537	(2,566)	26,971	1,858	(2,599)	26,230
Machinery, equipment and facilities	1,363	(21)	1,342	3,439	(684)	4,097
Furniture and fittings	12	(1)	11	-	(3)	8
Vehicles	1	-	1	-	-	1
	77,818	(2,588)	75,230	9,131	(3,286)	81,075

Depreciation method 2024 and 2023

The Group uses the straight-line depreciation method, which takes into account:

Depreciation method of the cost of acquisition of assets	
	Weighted useful life (in years)
Buildings and construction	25 years
Machinery, equipment and facilities	10 years
Furniture and fittings	10 years
Casting and Machining Tools	3 and 5 years
Vehicles	5 years
Depreciation method of deemed cost	
	Weighted useful life (in years)
Buildings and construction	26 years
Machinery, equipment and facilities	7 years
Furniture and fittings	5 years
Casting and Machining Tools	6 years
Vehicles	9 years

The depreciation rate used for the costs of acquisition and construction of assets is defined according to the useful life valuation report based on NBC TG 27 (CPC 27) – Property, Plant and Equipment / IAS 16 - Property, Plant and Equipment, while the depreciation rate for the deemed cost was determined according to Technical Interpretation ICPC 10 – Interpretation on first-time adoption for property, plant and equipment and investment property of Technical Pronouncements CPC 27, 28, 37 and 43, which deals with revaluation of property, plant and equipment, with the weighted depreciation rates being

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

maintained in the year of valuation.

Provision for impairment

The Group has recorded provisions at an amount sufficient to cover any impairment losses on property, plant and equipment, which relates substantially to a specific group of machinery and equipment and is recorded in the Parent Company and Consolidated accounts of property, plant and equipment in accordance with the requirements set out in NBC TG 01 (CPC 01) - (R1)/IAS 36 “Impairment of assets”. The Parent Company and consolidated balance of the provision for impairment losses at December 31, 2024 is R\$ 4,093 (R\$ 5,537 at December 31, 2023) and R\$ 4,341 (R\$ 5,556 at December 31, 2023), respectively.

18. Intangible assets

	Annual amortization rates (%)	Parent Company		Consolidated	
		2024	2023	2024	2023
Goodwill on merger with subsidiary: MAHLE Participações Ltda. (a) (rings business)	-	568,611	568,612	568,611	568,612
Goodwill on acquisition of subsidiaries:					
MAHLE Argentina S.A. (a)	-	59,549	59,549	68,071	68,071
MAHLE Hirschvogel Forjas S.A. (a)	-	35,755	35,755	35,755	35,755
Cost of acquisition and installation of software (b)	20	54,078	53,520	60,620	55,751
Other (a and b)	-	-	-	75	75
Usage right and concessions (a)	-	5,666	5,665	5,666	5,665
Usage right and concessions (b)	20	9,325	9,325	9,325	9,325
Provision for impairment of intangible assets (Rings business)	-	(188,654)	(188,654)	(188,654)	(188,654)
Provision for impairment of intangible assets (MAHLE Argentina S.A.)	-	(59,549)	(59,549)	(68,071)	(68,071)
Provision for impairment of intangible assets (MAHLE Hirschvogel Forjas S.A.)	-	(35,755)	(35,755)	(35,755)	(35,755)
		449,026	448,468	455,643	450,774
Accumulated amortization		(59,499)	(58,242)	(65,810)	(60,520)
		389,527	390,226	389,833	390,254

(a) Indefinite useful life

(b) finite useful life

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Changes in intangible assets

Parent Company	At December 31, 2023	Additions	Amortization	At December 31, 2024	Total cost	Accumulated amortization	Net book value
Goodwill on acquisition of subsidiaries (merged or not)	379,958	-	-	379,958	379,958	-	379,958
Cost of acquisition and installation of software	1,432	559	(1,234)	757	54,078	(53,321)	757
Usage right and concessions	8,836	-	(24)	8,812	14,990	(6,178)	8,812
Total	390,226	559	(1,258)	389,527	449,026	(59,499)	389,527

Parent Company	At January 1st, 2023	Additions	Amortization	At December 31, 2023	Total cost	Accumulated amortization	Net book value
Goodwill on acquisition of subsidiaries (merged or not)	379,958	-	-	379,958	379,958	-	379,958
Cost of acquisition and installation of software	1,279	1,499	(1,346)	1,432	53,520	(52,088)	1,432
Usage right and concessions	8,860	-	(24)	8,836	14,990	(6,154)	8,836
Total	390,097	1,499	(1,370)	390,226	448,468	(58,242)	390,226

Consolidated	At December 31, 2023	Balance arising from acquisition of subsidiary	Additions	Amortization	Write-offs	Gain on monetary items, net	Effect of the currency translation	At December 31, 2024	Total cost	Accumulated amortization	Net book value
Goodwill on acquisition of subsidiaries (merged or not)	379,958	-	-	-	-	-	-	379,958	379,958	-	379,958
Cost of acquisition and installation of software	1,454	326	558	(1,286)	-	2	3	1,057	60,620	(59,563)	1,057
Usage right and concessions	8,836	-	-	(24)	-	-	-	8,812	14,990	(6,178)	8,812
Other	6	-	-	-	-	-	-	6	75	(69)	6
Total	390,254	326	558	(1,310)	-	2	3	389,833	455,643	(65,810)	389,833

Consolidated	At January 1st, 2023	Balance arising from acquisition of subsidiary	Additions	Amortization	Write-offs	Gain on monetary items, net	Effect of the currency translation	At December 31, 2023	Total cost	Accumulated amortization	Net book value
Goodwill on acquisition of subsidiaries (merged or not)	379,958	-	-	-	-	-	-	379,958	379,958	-	379,958
Cost of acquisition and installation of software	1,302	-	1,521	(1,351)	(9)	4	(13)	1,454	55,750	(54,296)	1,454
Usage right and concessions	8,860	-	-	(24)	-	-	-	8,836	14,990	(6,154)	8,836
Other	15	-	-	-	-	-	(9)	6	76	(70)	6
Total	390,135	-	1,521	(1,375)	(9)	4	(22)	390,254	450,774	(60,520)	390,254

Impairment

Management is continually monitoring the operations and did not identify as at December 31, 2024 any significant changes in the operational performance of the Company's rings business CGU that would justify an adjustment to the amount of the provision for impairment of intangible assets previously recognized.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Key assumptions – Impairment Test for Rings Business

The Company uses the Discounted Cash Flow model for the period from 2024 to 2029 to estimate the fair value of the UGC's value-in-use, which were supported by the following assumptions that represent management's best estimate:

	Dezember/2024	Dezember/2023
	Nominal model	Nominal model
	MAHLE Metal Leve S.A (Rings)	MAHLE Metal Leve S.A (Rings)
a. Risk free rate	2.50%	2.75%
b. Country risk premium	4.85%	4.90%
c. Market premium	7.00%	7.00%
d. Unleveraged beta	0.90	0.90
e. Cost of equity (b + c) x d	10.67%	10.71%
f. Discount rate	14.52%	14.56%
g. Inflation rate	3.55%	4.20%
h. Growth	2.60%	2.06%

Discount rate

The discount rate applied to cash flow projections for CGU of MAHLE Metal Leve S.A. (rings business CGU) was estimated based on management's experience of the assets of the CGUs and the weighted average cost of capital of the companies.

Growth rate in perpetuity

The projected period is five years and considers as residual value perpetuity calculated based on the normalized cash flow of the last year of the projected period. For the CGU MAHLE Metal Leve S.A. (rings business CGU), the projections were made in nominal terms and included, in addition to the growth rates of the sales volume, price restatements for inflation.

For of the CGU MAHLE Metal Leve S.A. (rings business), the annual growth rate into perpetuity was 2.60% based on management's expectations.

Exchange rate

The exchange rates used in the 2024-2029 periods for CGU's of MAHLE Metal Leve S.A. – (rings business) were based on foreign exchange market forecasts (Central Bank survey "Focus", Bloomberg and inquiries made of financial institutions in Brazil).

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Sensitivity analysis

The Company performed sensitivity analyses to determine the impacts from changes in its main variables that affect the value-in-use calculation. The main variables are: gross margin and discount rate.

Both scenarios – a reduction of 17.9 pp in the margin for the projected years and an increase in the discount rate from 14.52% to 26.28% - would result in a recoverable amount similar to the carrying amount.

19. Trade and related party payables

	Parent Company		Consolidated	
	2024	2023	2024	2023
Suppliers - Third Party				
Raw material	197,046	141,414	316,542	191,957
Services	77,084	55,741	77,086	56,232
	274,130	197,155	393,628	248,189
Related parties (Note 14) ⁽¹⁾	552,706	70,936	590,085	105,592
	826,836	268,091	983,713	353,781

⁽¹⁾ The balance at December 31, 2024 includes R\$ 459,899 of accounts payable for the acquisition of subsidiaries. Refer to Note 16 for further details.

The Group's exposure to currency and liquidity risks in connection with accounts payable to suppliers is disclosed in Note 34.

Commitments assumed

As of December 31, 2024 and 2023, the Company and its subsidiaries had letters of guarantee issued by banks to assure payment for supply of electric power and lawsuits. Some guarantees are valid for an indefinite period. For those with a defined period, the last maturity date is December 31, 2024, as shown in the table below:

	Parent Company e Consolidated	
	2024	2023
Legal process	2,860	3,256
Electric power	-	649
	2,860	3,905

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

20. Borrowings and lease liabilities

a) Borrowings

Description	Average cost	Parent company		Consolidated		
		2024	2023	2024	2023	
Borrowings in local currency (BRL)						
FINEP I (Long-Term Interest Rate (TJLP) + 5.00% p.a. - 6.00% p.a.)	5.53%	-	4,817	-	4,817	
FINEP II (Long-Term Interest Rate (TJLP) + 5.00% p.a. - 5.00% p.a.)	7.43%	51,479	59,562	51,479	59,562	
FINEP III (Term Interest Rate TR + 2.30% p.a.)	3.11%	33,045	-	33,045	-	
	5.74%	84,524	64,379	84,524	64,379	
Borrowings in foreign currency		Currency				
PFI (Proyectos Federales de Innovación) (Interest Rate 10.25% p.a.)	USD (expressed in BRL)	10.25%	-	-	4,451	26,832
NCE (Interest Rate 5.04% p.a.)	EUR (expressed in BRL)	5.03%	946,148	759,945	946,148	759,945
			946,148	759,945	950,599	786,777
		5.11%	1,030,672	824,324	1,035,123	851,156
Current - borrowings in local currency			9,600	14,646	9,600	14,646
Current - borrowings in foreign currency			73,376	273,187	77,827	300,019
Total current			82,976	287,833	87,427	314,665
Non-current - borrowings in local currency			74,924	49,733	74,924	49,733
Non-current - borrowings in foreign currency			872,772	486,758	872,772	486,758
Total non-current			947,696	536,491	947,696	536,491

In 2024, the Parent Company took the following bank loans amounting to R\$ 312,429 (2023: R\$ 480,535) and R\$ 389,210 (2023: R\$ 506,610) Consolidated:

- EUR 40,000 (USD 43,030 \equiv BRL 218,276) – NCE¹ with average cost of 4.60% per annum and maturity until December 2027.
- EUR 10,000 (USD 10,818 \equiv BRL 61,153) – NCE¹ with average cost of 4.60% per annum and maturity until May 2025.
- BRL 33,000 (USD 5,329 \equiv EUR 5,127) – FINEP with average cost of TR+2.30% per annum and maturity until September 2040.

The Argentine subsidiary took the following bank loans amounting to BRL 76,781 (2023: R\$ 26,075):

- ARS 1,918,149 (USD 1,978 \equiv BRL 10,780) – PFI² with average cost of foreign exchange rate changes + 10.25 % per annum and maturity until February 2025.

¹ Credit Note for Export

² Proyectos Federales de Innovación
ARS, EUR and USD thousands

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Reconciliation of changes in borrowings with financing cash flows:

Changes in borrowings in 2024 were as follows:

Parent Company							
12.31.2023	Cash Flow				Exchange Variation	Appropriation of interest	12.31.2024
	Addition	Principal Amortization	Amortization Interest	Monetary Variation			
824,324	312,429	(301,032)	(45,291)	467	194,263	45,512	1,030,672
Consolidated							
12.31.2023	Cash Flow				Exchange Variation	Appropriation of interest	12.31.2024
	Addition	Principal Amortization	Amortization Interest	Monetary Variation			
851,156	389,210	(405,130)	(47,769)	467	201,568	45,621	1,035,123
Parent Company							
01.01.2023	Cash Flow				Exchange Variation	Appropriation of interest	12.31.2023
	Addition	Principal Amortization	Amortization Interest	Monetary Variation			
411,371	480,535	(67,172)	(11,866)	569	(9,925)	20,812	824,324
Consolidated							
01.01.2023	Cash Flow				Exchange Variation	Appropriation of interest	12.31.2023
	Addition	Principal Amortization	Amortization Interest	Monetary Variation			
414,093	506,610	(75,487)	(12,178)	569	(3,707)	21,256	851,156

On December 31, 2024 long-term borrowings mature as follows:

Parent Company and Consolidated	
2024	
From January 2026	501,492
2027	389,227
2028	10,039
2029	10,699
2030	10,599
> Greater than 5 years	25,740
	947,796

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Restrictive covenants

FINEP II: This financing was obtained from the Financing Agency for Studies and Projects (FINEP) to partially fund (at an average of 90%) the expenses incurred in several projects of the program "Strategic plan for innovation" and is collateralized by a bank guarantee with maturity on November 03, 2027. This financing is based on the TJLP interest rate (7.43 % p.a. as of December 31, 2024) plus a bank spread of 5% p.a. less an equalization rate of 4.5% p.a. and an additional interest equalization reduction of 0.5% p.a. for provision of bank guarantee. There are various accelerated maturity clauses (respecting ample defense for the Company) with loss of the equalization value: use of funds for a purpose other than that established in the contract; change in effective control of the Company; existence of FINEP amounts in arrears; inaccurate information provided to FINEP by the Company; and suspension of the projects.

FINEP III: This financing was obtained from the Financing Agency for Studies and Projects (FINEP) to partially fund (at an average of 90%) the expenses incurred in several projects of the program "Strategic plan for innovation" and is collateralized by a bank guarantee with maturity on September 23, 2027. This financing is based on the TR interest rate (0.81 % p.a. as of December 31, 2024) plus a bank spread of 3% p.a. less an equalization rate of 0.7% p.a. for provision of bank guarantee. There are various accelerated maturity clauses (respecting ample defense for the Company) with loss of the equalization value: use of funds for a purpose other than that established in the contract; change in effective control of the Company; existence of FINEP amounts in arrears; inaccurate information provided to FINEP by the Company; and suspension of the projects.

On December 31, 2024, the Company did not have delinquent principal and interest payments and had not breached any provisions of the agreements with FINEP.

b) Lease liabilities

The Group leases buildings, vehicles, and machinery and equipment. The leases typically run for a period from 1 to 5 years, with an option to renew the lease after that date. Lease payments are renegotiated every year.

The Group leases IT equipment for a period of 1 to 3 years. These leases are short-term or low-value leases. The Group elected not to recognize right-of-use assets and lease liabilities for these leases.

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

The incremental borrowing rates determined by the Group for lease liabilities are as follows:

Contracts by term and discount rate	Terms of the lease	Discount rate
Lease of buildings (Argentina) -Subsidiary	3 years	13.41%
Lease of buildings (Brazil)- Parent Company	5 years	14.24%
Lease of vehicles (Brazil)- Parent Company	3 years	14.24% / 15.49% / 15.39%
Lease of vehicles (Brazil)-Subsidiary	2 years	12.42%
Lease of buildings (Brazil) - Parent Company	1 year and 5 years	15.49% / 15.39%
Lease of machinery and equipment (Brazil) -Subsidiary	3 years	12.42%

The movement in lease liabilities is shown below:

	Parent Company	Consolidated
Balance at January 1st, 2023	45,231	49,094
Addition	8,617	8,617
Write-off	(2,687)	(2,687)
Lease payments	(16,198)	(16,746)
Interest	5,719	5,773
Effect of the currency translation	-	(1,209)
Balance at December 31, 2023	40,682	42,842
Addition	2,120	2,525
Write-off	(1,439)	(1,439)
Lease payments	(15,791)	(18,154)
Interest	4,527	4,637
Effect of the currency translation	-	526
Balance arising from acquisition of subsidiary	-	2,470
Balance at December 31, 2024	30,099	33,407

As required by NBC TG 06 (CPC 06) (R2)/IFRS 16- Leases, the Company presents in the table below an aging analysis of its contracts, reconciled to the balance appearing in the balance sheet:

	Parent Company 12.31.2024	Consolidated 12.31.2023	Parent Company 12.31.2024	Consolidated 12.31.2023
Until 12 months	10,960	11,860	12,255	13,554
13 to 24 months	9,269	9,540	9,919	10,006
25 to 36 months	9,718	9,362	10,288	9,362
37 to 48 months	92	9,920	648	9,920
49 to 60 months	60	-	297	-
Total	30,099	40,682	33,407	42,842
Current	10,960	11,860	12,255	13,554
Non current	19,139	28,822	21,152	29,288
Total	30,099	40,682	33,407	42,842

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

21. Salaries, vacation pay and social charges

	Parent Company		Consolidated	
	2024	2023	2024	2023
Accrued vacation pay	54,778	47,807	66,149	51,589
Employee profit sharing	38,048	35,617	47,062	36,809
INSS /FGTS	28,887	17,001	30,236	17,001
Other social security obligations	3,288	3,380	8,997	5,672
Total	125,001	103,805	152,444	111,071

22. Taxes and contributions payable

	Parent Company		Consolidated	
	2024	2023	2024	2023
State taxes	13,237	24,298	14,199	24,627
ICMS payable	13,237	24,298	13,239	24,340
Other	-	-	960	287
Federal taxes	32,830	35,130	42,861	37,568
Import tax	11,389	11,021	12,044	11,476
COFINS payable	8,328	10,278	8,328	10,278
IRRF	6,946	6,258	13,678	6,258
IPI payable	4,416	5,398	4,895	5,514
PIS payable	1,751	2,175	1,751	2,176
Other	-	-	2,165	1,866
Municipal taxes	-	-	547	132
Taxes and contributions payable	46,067	59,428	57,607	62,327
Income tax and social contribution	-	-	7,138	27,965
Income tax and social contribution payable	-	-	7,138	27,965
Current liabilities	46,067	59,428	64,745	90,292

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

23. Sundry provision

Parent Company							
	Losses on contracts	Commercial bonuses	Electric power	Employee benefits	Non-controlling agreement	Other	Total
At January 1st, 2023	11,846	28,943	9,078	1,438	24,891	-	76,196
Reversal	(2,567)	(6,509)	-	-	-	-	(9,076)
Payment	-	(31,831)	(9,078)	(3,898)	(30,200)	(1,035)	(76,042)
Increase in provision	5,871	49,163	9,418	3,460	-	4,878	72,790
Reclassification	-	-	-	-	5,309	-	5,309
At December 31, 2023	15,150	39,766	9,418	1,000	-	3,843	69,177
Reversal	(2,055)	(3,924)	-	(747)	-	-	(6,726)
Payment	-	(48,431)	(9,418)	(2,853)	-	(952)	(61,654)
Increase in provision	517	53,356	10,413	2,600	-	952	67,838
Merger (Note 16)	-	2,159	-	-	-	-	2,159
At December 31, 2024	13,612	42,926	10,413	-	-	3,843	70,794

	Consolidated							
	Losses on contracts	Commercial bonuses	Restructuring	Electric power	Employee benefits	Non-controlling agreement	Other	Total
At January 1st, 2023	12,203	28,943	684	9,669	1,438	24,891	10,189	88,017
Reversal	(2,567)	(6,509)	-	-	-	-	(18)	(9,094)
Payment	-	(31,831)	-	(9,669)	(3,898)	(30,200)	(2,237)	(77,835)
Increase in provision	5,965	49,163	-	10,770	3,460	-	7,759	77,117
Effect of the currency translation	(285)	-	-	(1,055)	-	-	(2,515)	(3,855)
Reclassification	-	-	-	-	-	5,309	(8,407)	(3,098)
At December 31, 2023	15,316	39,766	684	9,715	1,000	-	4,771	71,252
Reversal	(2,055)	(3,924)	-	-	(1,174)	-	(5,029)	(12,182)
Payment	(30)	(48,431)	-	(9,715)	(3,448)	-	(2,943)	(64,567)
Increase in provision	2,237	53,356	-	11,949	3,985	-	6,459	77,986
Effect of the currency translation	(11)	-	-	46	-	-	98	133
Discount to present value	-	-	-	(29)	-	-	(70)	(99)
Merger (Note 16)	-	2,159	-	-	-	-	-	2,159
Balance arising from acquisition of subsidiary	30	-	-	-	1,052	-	6,112	7,194
At December 31, 2024	15,487	42,926	684	11,966	1,415	-	9,398	81,876

Provision for losses on contracts

Provision for losses on contracts is recognized in an amount sufficient to cover losses on sales contracts already entered into and for estimates of losses, on which management expects to incur negative margins.

Provision for commercial bonus

- Billing bonus program**

This a customer benefit that is granted on meeting billing targets, according to the planning developed by the organization.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

- Marketing campaigns**

The goal is to increase sales to the distributors of MAHLE products, promote growth, raise competitiveness and further strengthen the brand in the market.

Such incentives are exclusively applied in commercial strategies to expand market share and increase customers share of wallet.

24. Provision for warranties

The Group guarantees the quality of its products, assuming responsibility for providing replacements and repairs for customers for defective products.

The Group recognizes provision for warranties calculated on the sale of products, based on historical percentages of expenditure and cases already identified on which the Company and its subsidiaries estimate they will incur expenditure in order to replace and repair products, including recalls:

	Parent Company	Consolidated
At January 1st, 2023	15,874	17,662
Reversal	(3,110)	(3,485)
Payment	(10,216)	(10,841)
Increase in provision	4,744	4,933
Effect of the currency translation	-	(489)
At December 31, 2023	7,292	7,780
Reversal	(324)	(517)
Payment	(8,169)	(8,680)
Increase in provision	43,054	44,348
Effect of the currency translation	-	106
Discount to present value	-	(19)
Balance arising from acquisition of subsidiary	-	5,700
At December 31, 2024	41,853	48,718

In the fourth quarter of 2024, the addition to the warranty provision was due to the potential cash disbursement for repairs of oil filters in the amount of R\$ 32,181.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

25. Provision for contingencies and judicial deposits linked to judicial proceedings

The Group is a party to civil, labor and tax proceedings in progress both at the administrative and judicial level, which, when applicable, are supported by judicial deposits. The provision for these proceedings were recorded considering the estimates made by management assisted by their legal advisors, for proceedings in which the likelihood of loss was assessed as probable and other unrelated legal obligations.

According to management's assessment, contingencies are as follows:

	Parent Company					
	Civil and labor	Tax	Environmental liability	Subtotal	Judicial deposits	Total
At January 1st, 2023	159,450	70,686	26,030	256,166	(24,237)	231,929
Increase in provision	43,002	12,547	1,690	57,239	(4,003)	53,236
Monetary restatements	15,667	9,045	-	24,712	212	24,924
Used	(30,130)	(466)	(1,603)	(32,199)	1,726	(30,473)
Reversal	(46,485)	(15,021)	-	(61,506)	1,274	(60,232)
Transfer	-	-	-	-	668	668
At December 31, 2023	141,504	76,791	26,117	244,412	(24,360)	220,052
Increase in provision	38,589	11,486	29,388	79,463	(3,875)	75,588
Monetary restatements	14,653	5,009	-	19,662	(90)	19,572
Used	(26,447)	(7,702)	(2,335)	(36,484)	2,752	(33,732)
Reversal	(28,153)	(19,125)	-	(47,278)	336	(46,942)
Transfer	-	-	-	-	779	779
At December 31, 2024	140,146	66,459	53,170	259,775	(24,458)	235,317

	Consolidated					
	Civil and labor	Tax	Environmental liability	Subtotal	Judicial deposits	Total
At January 1st, 2023	162,827	73,581	26,030	262,438	(24,546)	237,892
Increase in provision	43,993	12,723	2,662	59,378	(4,003)	55,375
Monetary restatements	17,073	9,349	-	26,422	229	26,651
Used	(31,717)	(466)	(1,603)	(33,786)	1,758	(32,028)
Reversal	(46,955)	(15,021)	-	(61,976)	1,275	(60,701)
Transfer	-	-	-	-	730	730
Effect of the currency translation	(1,773)	(2,264)	(351)	(4,388)	-	(4,388)
At December 31, 2023	143,448	77,902	26,738	248,088	(24,557)	223,531
Increase in provision	39,958	11,486	29,542	80,986	(3,875)	77,111
Monetary restatements	16,598	5,990	-	22,588	(100)	22,488
Used	(27,698)	(7,702)	(2,335)	(37,735)	2,753	(34,982)
Reversal	(28,390)	(19,183)	-	(47,573)	343	(47,230)
Transfer	-	-	-	-	778	778
Effect of the currency translation	45	5	3	53	-	53
Discount to present value	-	(55)	(51)	(106)	-	(106)
Balance arising from acquisition of subsidiary	4,752	865	-	5,617	(346)	5,271
At December 31, 2024	148,713	69,308	53,897	271,918	(25,004)	246,914

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

The civil provision is related to consumer relations, compensation claims for commercial representation and distribution, service providers, work accidents and professional fees.

The labor provision relates mainly of claims filed by former employees for sums of money resulting from employment relationships and various suits for damages. The reversals are due to settlement agreements made with claimants.

Transfers relate to judicial deposits not related to the balance of provision for contingencies, and therefore, they are reclassified to other asset accounts.

The tax provision with respect to PIS, COFINS, FINSOCIAL, ICMS, IPI, IRPJ and CSSL, social security, royalties and drawbacks relates mainly to state and federal procedural assessments that are already being heard in court or not. They refer mainly to litigation with respect to the appropriate interpretation of the tax legislation.

The environmental liability provisions relate to estimated costs necessary for protecting and restoring environmental sites according to the timetable of the works in each site, which will occur gradually over time.

With respect to the areas that may have been contaminated by its activities, the Company recorded at the date of these financial statements the existence of sites in which the presence of organochlorines was identified due to the use of solvents in the Company's past operations and/or operations of entities acquired by the Company, which requires the adoption of contaminated site remediation measures. The sites are under a dedicated environmental management of the Company.

The Company has an estimate of costs of environmental management for the "Santo Amaro" site in the city of São Paulo, State of São Paulo (former location of Metal Leve S.A.), the sites in Itajubá, State of Minas Gerais, and in Mauá, State of São Paulo (former location of Cofap). The balance of the environmental liability provisions as at December 31, 2024, after additions, is R\$ 53,897.

The main indexes for updating contingencies are the SELIC rate (Brazilian Base Interest Rate) and the monetary update indices provided by the Superior Labor Court and Justice Courts, when applicable.

Contingencies with a remote loss prognosis are not disclosed, due to the remote possibility of any disbursement occurring upon settlement, in line with CPC 25/IAS 37 - Provisions, Contingent Liabilities, and Contingent Assets."

i. Proceedings involving the risk of possible loss

On December 31, 2024, the Group had labor, civil, environmental and tax proceedings brought before the proper authorities in the amount of R\$ 332,731 (December 31, 2023 - R\$ 72,252), which were assessed by the Group's management as having a risk of possible loss, and, therefore, were not provided for in the financial statements.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

ICPC 22/IFRIC 23 – Uncertainty over Income Tax Treatments

The Company was contesting the tax assessments issued in prior years related to taxation of profits earned by its subsidiaries domiciled abroad. On October 16, 2024, the Company received a new tax assessment concerning the same issue relating to 2021 and 2022 fiscal years. The Company argues that the assessments are illegal and is contesting them at the administrative level. The Company's legal advisors continue to maintain the position regarding the uncertain tax treatment with a possible loss probability, as per ICPC 22/IFRIC 23 - Uncertainty over Income Tax Treatments. The amount under dispute based on the best estimate of management in conjunction with its legal advisors, is approximately R\$ 260,917 (this amount is included in the above-mentioned amount of cases assessed as possible losses).

ii. Tax incentive granted by Municipality

The Company had a contingent asset related to the municipal financial incentive proceeding which was judged in favor of it in September 2019.

The asset was considered contingent due to significant uncertainty relating to the length of time it would take to enforce a judgment as to the method and amount of payment.

In July 2022, the Company obtained a certificate of final, unappealable decision, then it became virtually certain that the gain will occur and that the Company has control over the asset, even though the asset is a receivable, and some uncertainty exists about the length of time it will take to have a definitive solution as to the method of payment.

In June 2024, the Company's asset was recognized by the Limeira city government and included in the municipal budget, thus the gain became more certain to be realized.

The asset was recognized to the extent it is realizable, based on management's best estimate of cash flows to be generated from the asset.

On December 31, 2024, the net balance of the asset is R\$ R\$ 38,143 (December 31, 2023- R\$ 6,459)

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Contingent assets

a) Compulsory loan - Eletrobrás

The Eletrobrás compulsory loan was created by Law 4156/62, with the aim of increasing the funds from the federal government for investments in the expansion of the national electricity sector. Said Law was regulated by Decree Law 1512/76, charging companies with a monthly consumption equal to or above 2,000 kw/h according to the electricity bills issued by the electricity distribution companies. The annual amount of the contributions between 1977 and 1993 constitutes credit in favor of the contribution payers.

The legislation set a maximum term of 20 years for returning the compulsory loan to the contribution payers, giving Eletrobras the option to advance this return through the conversion of the credits into shares of its stock. Before converting the credits into shares, the credits were adjusted based on an index and quantifier called Standard Unit (UP).

The compulsory loan was charged to companies monthly through their electricity bills and consolidated during the year but only adjusted by UP in January of the following year, causing lack of monthly monetary adjustment during the years of payment as well as interest. This procedure resulted in significant financial loss to the contribution payers, especially during periods in which the monthly inflation rates were very high. In order to recover the adequate monetary adjustment and interest lost by applying the methodology of Eletrobrás, the Company filed a lawsuit seeking credits arising from the monetary adjustment of the principal, interest, interest in arrears and other amounts owed by Eletrobras on compulsory loans.

There was a judgment on the merits and Eletrobras filed an appeal, which was denied, and the judgment became final and unappealable in 2019 in favor of the Company, however there is yet the phase where the judgment will be enforced and the actual amounts to be settled will be determined. The final favorable court decision obtained allows us to conclude that future economic benefits may flow to the Company. Receiving an unappealable, final favorable court decision allows us to believe that an inflow of economic benefits may occur in the future. However, on December 31, 2024 there are significant uncertainties about the amount and timing of those inflows. Therefore, it is not practicable to determine that it is virtually certain that an inflow of economic benefits will arise and that the Company controls the assets, implying that the potential gain is not recognized in the financial statements until it turns virtually certain.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

26. Equity

a. Share capital

Subscribed and paid-up capital in 2024 and 2023 comprises:

	Number of shares	
Mahle Indústria e Comércio Ltda.	76,985,132	56.8%
Mahle Industriebeteiligungen GmbH	5,687,992	4.2%
Non-controlling shareholders	52,865,876	39.0%
Total	135,539,000	100.0%

The Company is authorized to increase its capital up to the limit of R\$ 50,000,000 (fifty million of reais) common shares, regardless of statutory reform, by resolution of the Board of Directors, which will determine the number of shares issued, the period of issuance and payment conditions.

Increase of share capital with reserve

At the Extraordinary General Meeting held on December 9, 2024, the shareholders approved an increase of the Company's share capital in the amount of R\$ 230,663, without issue of new shares but transferring funds from the legal reserve account to the capital account.

At December 31, 2024, the Company's share capital is R\$ 1,399,372, fully subscribed and paid up, comprising 135,539,000 book-entry common shares without par value.

b. Policies for distribution of dividends and interest on capital

Every fiscal year the shareholders have the right to receive mandatory minimum dividends of 25% of the profit, considering mainly the following adjustments:

- subtraction of the sums earmarked for the legal reserve and provision for contingencies.
- addition of the effects of the adoption of fair value with deemed cost.

Under the bylaws, the Company has the right to prepare half-yearly or interim balance sheets and, based on these balance sheets, the Board of Directors may approve the distribution of interim dividends.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

c. Appropriation of profit for the year

Profit for the year was appropriated as follows:

	2024	2023
Profit for the year	541,390	748,245
Legal reserve	(27,070)	(37,412)
Realization/write-off of deemed cost of property, plant and equipment, net of taxes	605	442
Prescribed dividends and interest on capital	100	54
Basis for calculation of dividends	515,025	711,329
Minimum mandatory dividends - 25%	128,756	177,832
Minimum mandatory dividends:		
Intermediary dividends, paid during the year	-	66,808
Remaining mandatory minimum dividends (a)	29,834	-
Interest on capital paid during the year	73,082	88,235
Interest on capital payable	25,840	22,789
	128,756	177,832
Remaining distribution :		
Intermediary dividends, paid during the year	-	312,232
Proposed additional dividends (b)	228,614	221,265
Constitution of expansion reserve (c)	157,655	-
	386,269	533,497
Interest on capital and dividends on profit for the year	515,025	711,329
Percentage in relation to the calculation base	100%	100%
Total proposed additional dividends of the year, prior year's remaining profits and Constitution of expansion reserve (a+b+c)	416,103	221,265
Interest on capital/dividends paid per common share in reais:		
Gross	R\$ 0.729845	R\$ 0.819131
Net	R\$ 0.620368	R\$ 0.696262
Proposed additional dividends per common share in reais	R\$ 1.686700	R\$ 1.632482
Remaining mandatory minimum dividends per common share in reais	R\$ 0.220113	R\$ 0.000000
Number of common shares	135,539,000	135,539,000

On December 16, 2024, the Board of Directors approved the distribution of interest on capital in the gross amount of R\$ 25,840, relating to the period between October 1, 2024 and December 31, 2024. The payment of this interest on capital will be made on May 28, 2025, at R\$ 0.1906468121 per common share with 15% withholding income tax, resulting in net interest on capital at R\$ 0.1620497903 per common share.

On November 5, 2024, the Board of Directors approved the distribution of interest on capital in the gross amount of R\$ 73,082, relating to the period between January 1, 2024 and September 30, 2024. This interest on capital was paid on December 18, 2024 at R\$ 0.5391982101 per common share with 15% withholding income tax, resulting in net interest on capital at R\$ 0.4583184786 per common share.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

At the General Meeting held on April 29, 2024, the shareholders approved the payment of additional dividends for the fiscal year ended December 31, 2023, in the amount of R\$ 221,265, which was paid on May 29, 2024, corresponding to R\$ 1.632482 per common share, without withholding income tax, pursuant to Law 9,249/95, Article 10.b.

d. Profit reserves

Legal reserve

In accordance with the Corporation Law, the Company credits 5% of the profit for the year to the legal reserve, up to the limit of 20% of the paid-up capital or of 30% of the capital considering the sum of this reserve and the amount of capital reserves. Once these limits are reached, allocations to the legal reserve are not mandatory. The legal reserve can only be used to increase capital or offset losses.

Reserve for expansion and modernization

The reserve for expansion and modernization is intended for use in investments established in the capital budget in conformity with Article 196 of the Brazilian Corporation Law, to fund future investments to be implemented in the next three years according to the budget prepared by Management.

At December 31, 2024, the Company earmarked R\$ 157,655 as a reserve for future investments to be made in 2025, according to the capital budget approved by the Company's management on November 5, 2024 and by the Board of Directors on March 11, 2025. This reserve will be submitted to the Ordinary and Extraordinary General Meeting for approval.

e. Carrying value adjustments

Carrying value adjustments

The Company recognizes under this heading:

- The effects of carrying value adjustments relating to the effective portion of gains or losses on cash flow hedges, which are recognized in 2024, net of taxes, at (+) R\$ 7,019 (In 2023 (+) R\$ 1,615) in the parent and in the Consolidated accounts.
- The adjustments for the adoption of the deemed cost of property, plant and equipment, net at R\$ 605 in 2024 (2023 - R\$ 442). The deemed cost is accrued to property, plant and equipment recorded in carrying value adjustments, according to the depreciation, disposal or write-off of the respective item of property, plant and equipment, against retained earnings.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Cumulative translation adjustments

The Company recognizes under this heading the cumulative effect of the currency translation of the financial statements of its subsidiaries that keep accounting records in a functional currency different from the Parent Company's functional currency. On December 31, 2024, the Company recorded cumulative translation adjustments of R\$ (+) R\$ 19,094 ((-) R\$ 380,537 at December 31, 2023). This cumulative effect will be reversed in the statement of income as a gain or loss only in the event of the sale or write-off of the investment.

Accounting adjustments for transactions between shareholders

The transactions with or between entities under common control, even when the transactions are between individuals that are totally independent of each other, which have valid economic reasons and reflect usual market conditions, will be consolidated in accordance with applicable accounting standards as into the same accounting entity.

In accordance with IFRS 10/CPC 36 (R3) Consolidated Financial Statements, any difference between the amount at which non-controlling interests are recorded and the fair value of the amount received or paid must be recognized directly in equity attributable to controlling shareholders. Under ICPC 09 (R2) Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements and Equity Method of Accounting, the individual financial statements must reflect the situation of the individual subsidiary without taking into consideration that it is linked to the concept of economic entity as a whole, including equity of the parent company and subsidiary, which therefore should be equal. Thus, even if the transaction has been conducted under normal market conditions and with effective cash disbursement, an accounting adjustment to the individual financial statements is required at the amount of the provision for goodwill paid against the entity's equity in order to ensure comparability of the individual and consolidated financial statements.

27. Earnings per share (EPS)

In compliance with CVM Resolution 636/2010 which approved Technical Pronouncement NBC TG 41/ IAS 33 (CPC 41) - Earnings per share, the Company presents the following information on earnings per share.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2024	2023
Profit attributable to owners of the parent	541,390	748,245
Weighted average number of common shares	135,539,000	129,695,171
Basic earnings per share (R\$ per share)	3.9943	5.7693

There are no diluted earnings per share for the Company.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

28. Capital management

The Executive Board's policy is to retain a solid capital base to maintain the confidence of investors, creditors and the market and ensure future growth of the business, monitoring capital return and also the level of dividends to shareholders.

The Group monitors its capital based on the financial leverage index as follows:

	Note	Parent Company		Consolidated	
		2024	2023	2024	2023
Borrowings	20.a	1,030,672	824,324	1,035,123	851,156
Cash and cash equivalents	10.a	(179,108)	(177,136)	(291,793)	(200,328)
Marketable securities	10.b	-	-	(66,429)	(152,888)
Loans to related parties, net	14	(31,918)	(23,895)	(24,009)	(30,128)
Net indebtedness		819,646	623,293	652,892	467,812
Total equity		768,444	910,379	770,597	912,718
Total equity + net indebtedness		1,588,090	1,533,672	1,423,489	1,380,530
Financial leverage index - %		52%	41%	46%	34%

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

29. Net operating revenue

Revenue is derived from two markets: Original equipment (OEM), where customers are car makers, and Aftermarket, where customers are large auto parts distributors and engine overhaul companies.

The following table shows sales by geography and by market:

	Parent Company		Consolidated	
	2024	2023	2024	2023
Gross revenue				
Products	4,504,685	4,200,250	5,780,499	5,451,146
Services	103,782	86,508	89,727	83,250
Total revenue with products + services	4,608,467	4,286,758	5,870,226	5,534,396
Deductions from sales:				
Taxes on sales	(916,142)	(840,360)	(962,744)	(840,695)
Discounts , returns and sales incentives	(90,884)	(70,343)	(349,502)	(354,876)
Net revenue	3,601,441	3,376,055	4,557,980	4,338,825
Revenue by market				
Original equipment	1,978,902	1,993,348	2,606,768	2,480,152
Aftermarket	1,622,539	1,382,707	1,951,212	1,858,673
Net revenue	3,601,441	3,376,055	4,557,980	4,338,825

30. Cost of sales

Cost of sales includes cost of raw materials and other materials used in the manufacture of our products.

The main raw materials used in the Powertrain and Charging segment (formerly Engine Components) are metal commodities such as aluminum, iron, nickel iron, cast iron, steel, copper, nickel, tin, silicon, magnesium, bronze and iron alloy, among others. Materials, aluminum carcass, aluminum pistons, steel coils and steel clutch plates, steel latch, steel shafts, bronze disks, auxiliary materials, etc.

The main raw materials used in the Thermal and Fluid Systems segment (formerly Filters) are resins, filter papers and activated carbon, among others. Other inputs for production in both the Powertrain and Charging (formerly Engine Components) and the Thermal and Fluid Systems (formerly Filters) segments are electric power, fuels, natural gas, liquefied petroleum gas (LPG) and plastic, wood, paper and cardboard packaging.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

This account also includes direct labor (e.g. factory work) and indirect labor (e.g. maintenance, engineering and tooling) and the depreciation of machinery and equipment used in the production process.

Cost of sales by nature are as follows:

	Parent Company		Consolidated	
	2024	2023	2024	2023
Raw material and others materials	(1,254,429)	(1,237,908)	(1,668,430)	(1,494,118)
Personnel and benefits	(708,172)	(674,972)	(771,496)	(711,737)
Utilities and services	(247,786)	(222,571)	(264,634)	(230,431)
Depreciation and amortization	(91,662)	(90,442)	(96,351)	(92,720)
Other	(228,015)	(218,821)	(457,956)	(538,257)
Total	(2,530,064)	(2,444,714)	(3,258,867)	(3,067,263)

31. Expenses by nature

31.1 Selling and distribution expenses

Selling and distribution expenses comprise mainly sales personnel expenses as well as commission on sales, freight, customs fees, advertising and brand license costs.

Selling and distribution expenses by nature are as follows:

	Parent Company		Consolidated	
	2024	2023	2024	2023
Freight	(82,673)	(87,905)	(96,275)	(102,836)
Personnel and benefits	(68,433)	(61,456)	(89,380)	(81,225)
Professional services/service orders	(26,456)	(24,400)	(34,842)	(33,535)
Variable selling expenses	(14,110)	(15,629)	(24,323)	(30,023)
Brand license	(13,251)	(13,602)	(14,937)	(15,554)
Advertising	(8,887)	(10,412)	(10,980)	(12,224)
General expenses	(13,184)	(10,310)	(25,417)	(19,098)
Travel and entertainment allowance	(4,891)	(4,652)	(6,385)	(5,087)
Depreciation	(1,311)	(1,491)	(1,388)	(1,566)
Provision/Reversal of provision for impairment of trade receivables	239	(999)	6,710	(9,100)
Discounts and bonuses	-	-	(20,662)	-
Other expenses	(13,517)	(12,772)	(25,349)	(21,774)
Total	(246,474)	(243,628)	(343,228)	(332,022)

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

31.2 General and administrative expenses

General and administrative expenses comprise mainly salaries, charges and benefits for administrative personnel and outsourced professional services.

General and administrative expenses by nature are as follows:

	Parent Company		Consolidated	
	2024	2023	2024	2023
Personnel and benefits	(44,796)	(37,109)	(56,255)	(46,750)
Professional services/service orders	(31,998)	(29,157)	(33,963)	(33,168)
Management	(13,757)	(13,148)	(13,757)	(13,148)
Taxes	(8,328)	(7,071)	(8,379)	(7,119)
Maintenance	(5,066)	(6,579)	(5,343)	(7,422)
Depreciation	(4,488)	(3,848)	(4,432)	(3,970)
Materials and utilities	(3,776)	(3,642)	(4,789)	(4,414)
Travel and entertainment allowance	(1,199)	(652)	(1,400)	(895)
Other expenses	(13,001)	(9,427)	(12,317)	(10,951)
Total	(126,409)	(110,633)	(140,635)	(127,837)

31.3 Technology and product research and development expenses

Research and development expenses include: (i) expenses for development of pistons, rings, bearings, fuel filters, air filters, oil filters, canister, valve cover, for the light and heavy-duty vehicle market, in compliance with emissions regulation (PROCONVE) and the energy efficiency legislation for light vehicles (Rota2030); (ii) expenses for improvement of existing products; (iii) expenses for improvement of production processes; (iv) expenses for projects for decarbonization of mobility and use of biofuels and biomaterials; (v) development of digitalization, numerical simulation and industry 4.0 to assist and improve the development of components and processes.

The technology and product research and development expenses by nature are as follows:

	Parent Company		Consolidated	
	2024	2023	2024	2023
Personnel and benefits	(29,459)	(27,804)	(32,302)	(29,625)
General expenses	(7,221)	(8,582)	(12,295)	(12,027)
Materials/utilities	(2,773)	(3,497)	(2,959)	(3,578)
Maintenance	(2,593)	(2,446)	(2,602)	(2,455)
Professional services/service orders	(2,576)	(2,998)	(3,190)	(3,731)
Depreciation	(2,541)	(3,296)	(2,553)	(3,323)
Other (expenses) income	(2,739)	(3,117)	(3,144)	(3,413)
	(49,902)	(51,740)	(59,045)	(58,152)

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

32. Finance income and expenses, net

	Parent Company		Consolidated	
	2024	2023	2024	2023
Finance income				
Exchange variation	171,543	35,871	309,353	287,980
Interest	29,772	48,759	46,497	107,383
Monetary variation gains	29,477	9,556	83,985	54,481
Derivative financial instruments	10,449	33,678	11,565	33,676
Other	7,318	6,502	7,318	6,506
	248,559	134,366	458,718	490,026
Finance expenses				
Exchange variations	(298,382)	(42,263)	(411,826)	(272,105)
Interest	(65,062)	(27,546)	(69,304)	(32,420)
Derivative financial instruments	(48,101)	(3,166)	(48,426)	(3,163)
Monetary variation losses	(39,460)	(32,781)	(88,594)	(46,227)
Other	(3,089)	(2,391)	(11,655)	(14,273)
	(454,094)	(108,147)	(629,805)	(368,188)
Finance income (expenses), net	(205,535)	26,219	(171,087)	121,838

33. Other operating income and expenses, net

	Parent Company		Consolidated	
	2024	2023	2024	2023
Other income				
Reversal of provision for labor, civil and tax contingencies	47,278	61,506	47,573	61,976
Reversal of Loss provision of credit right- Limeira city incentive	37,336	-	37,336	-
Taxes recovered (Reintegra)	9,977	7,614	9,977	7,614
Reversal of provision for product losses	2,055	2,567	2,055	2,567
Reversal of provision for obsolescence (Property, plant and equipment)	1,445	600	1,445	600
Gains on disposal of assets /other	-	1,841	105	2,071
Gain on monetary items	-	-	(605)	64,459
Other income	24,211	7,400	25,515	8,392
	122,302	81,528	123,401	147,679
Other expenses				
Provision for labor, civil and tax contingencies	(59,535)	(63,052)	(60,959)	(64,686)
Provision for Environmental	(29,388)	(1,690)	(29,544)	(1,690)
PIS and COFINS on other income	(5,403)	(4,237)	(5,672)	(4,268)
Provision for product losses	(517)	(5,871)	(1,674)	(5,965)
Losses on disposal of assets /other	(276)	(504)	(277)	(514)
Losses on monetary items	-	-	(2,555)	(67,442)
Other expenses	(19,769)	(7,704)	(27,674)	(11,458)
	(114,888)	(83,058)	(128,355)	(156,023)
Other operating income (expenses), net	7,414	(1,530)	(4,954)	(8,344)

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

34. Financial instruments

I. Financial instruments and risk management

The financial instruments are presented in the financial statements and classified in accordance with guidance in NBC TG 40 (CPC 40/48) IFRS 7/9 – Financial Instruments, permitting the user of the information to assess the financial condition of the Group.

The financial instruments are not used for speculative purposes and the table below shows their classification:

Assets	Note	Parent Company					
		2024			2023		
		Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total	Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total
Cash, demand deposits and cash in transit	10.a	32,825	-	32,825	11,368	-	11,368
Financial investments	10.a	146,283	-	146,283	165,768	-	165,768
Trade receivables	11/14	648,368	-	648,368	570,174	-	570,174
Receivables from and loans to related parties	14	31,918	-	31,918	23,895	-	23,895
Unrealized gains on derivatives	34	-	4,397	4,397	-	11,663	11,663
Total		859,394	4,397	863,791	771,205	11,663	782,868

Liabilities	Note	Parent Company					
		2024			2023		
		Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total	Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total
Payables to related parties	14/19	(552,706)	-	(552,706)	(70,936)	-	(70,936)
Trade payables	14/19	(274,130)	-	(274,130)	(197,155)	-	(197,155)
Lease liabilities	20.b	(30,099)	-	(30,099)	(40,682)	-	(40,682)
Borrowings	20.a	(1,030,672)	-	(1,030,672)	(824,324)	-	(824,324)
Unrealized losses on derivatives	34	-	(9,733)	(9,733)	-	(4,728)	(4,728)
Total		(1,887,607)	(9,733)	(1,897,340)	(1,133,097)	(4,728)	(1,137,825)

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

		Consolidated					
		2024			2023		
Assets	Note	Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total	Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total
Cash, demand deposits and cash in transit	10.a	60,948	-	60,948	22,795	-	22,795
Financial investments	10.a	230,845	-	230,845	177,533	-	177,533
Marketable securities	10.b	66,429	-	66,429	152,888	-	152,888
Trade receivables	11/14	772,581	-	772,581	644,992	-	644,992
Receivables from and loans to related parties	14	24,009	-	24,009	30,128	-	30,128
Unrealized gains on derivatives	34	-	5,313	5,313	-	13,533	13,533
Total		1,154,812	5,313	1,160,125	1,028,336	13,533	1,041,869

Liabilities	Note	Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total	Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total
Payables to related parties	14/19	(590,085)	-	(590,085)	(105,592)	-	(105,592)
Trade payables	14/19	(393,628)	-	(393,628)	(248,189)	-	(248,189)
Lease liabilities	20.b	(33,407)	-	(33,407)	(42,842)	-	(42,842)
Borrowings	20.a	(1,035,123)	-	(1,035,123)	(851,156)	-	(851,156)
Unrealized losses on derivatives	34	-	(9,758)	(9,758)	-	(4,728)	(4,728)
Total		(2,052,243)	(9,758)	(2,062,001)	(1,247,779)	(4,728)	(1,252,507)

- Evaluation of the business model to determine the classification of financial instruments

- Cash and cash equivalents and financial investments: the Group manages these transactions based on the amortized cost, which approximates fair value, so that they are measured and recognized at amortized cost;
- Trade receivables and loans to related parties: for these assets the Company has as business model the maintenance of receivables according to the contractual cash flows, and it is not Company's practice to have these cash flows advanced through discounting or assignment of receivables. Additionally, the payment feature of these receivables was also evaluated and the conclusion was that they meet the payment criteria of "principal and interest" only, with no leverage feature, and are therefore classified as amortized cost;
- Unrealized gains on derivatives: the Company uses derivatives for hedging purposes only and adopts the hedge accounting procedure for these transactions. Accordingly, they are classified as derivatives designated for cash flow hedge and recorded at fair value.

- Fair value hierarchy and measurement

The financial instruments that are measured at fair value after initial recognition must be grouped in Levels 1 to 3 based on the observable level of the fair value.

Level 1 – prices quoted (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

- Fair value calculation

Level 2 - Derivative financial instruments were included in this level. The value of these instruments was determined as follows:

- The values of derivative financial instruments (NDFs) were calculated using the discounted cash flow method, which consists of:

- a) The difference between the future exchange rate contracted for the settlement of each contract, and the future exchange rate of "B3" a valid for the mark-to-market (MTM) date of the US dollar, euro and yen is determined. In the absence of a future rate for the maturity date disclosed by "B3", an interpolation is made of the rate for that date;
- b) The result of the above difference is multiplied by the notional value of each operation;
- c) The amounts obtained in item "b" are brought to present value at the Interbank Deposit (DI) curve of "B3" valid for the MTM date.

- The values of commodity derivative financial instruments are calculated using the "market fair value", i.e.:

- a) The difference between the future price of the metal (USD/tons) contracted for the settlement of each contract, and the future price of the metal (USD/tons) published by Bloomberg for the maturity date of each contract, valid on the MTM date. In the absence of a future price for the maturity date of a given contract, an interpolation is made of the price of the metal for that date;
- b) The result of the above difference is multiplied by the contracted volume in tons and the US dollar rate (Ptax sale) valid for the MTM date.

- Fair value versus carrying amount

The carrying amounts of financial investments, trade receivables, trade payables and borrowings, less impairment loss for trade receivables, are approximately equal to their fair values.

The table below presents an analysis of financial instruments' fair value compared to its carrying amount after initial recognition and their respective fair value hierarchies.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Assets		Note		Parent Company				Consolidated				Level
				2024		2023		2024		2023		
				Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	
Cash, demand deposits and cash in transit	10.a	32,825	32,825	11,368	11,368	60,948	60,948	22,795	22,795	2		
Financial investments	10.a	146,283	146,283	165,768	165,768	230,845	230,845	177,533	177,533	2		
Marketable securities	10.b	-	-	-	-	66,429	66,429	152,888	152,888	2		
Trade receivables	11/14	642,294	642,294	563,507	563,507	760,583	760,583	627,754	627,754	2		
Receivables from and loans to related parties	14	31,918	31,918	23,895	23,895	24,009	24,009	30,128	30,128	2		
Unrealized gains on derivatives	34	4,397	4,397	11,663	11,663	5,313	5,313	13,533	13,533	2		
Total		857,717	857,717	776,201	776,201	1,148,127	1,148,127	1,024,631	1,024,631			
Liabilities												
Payables to related parties	14	(552,706)	(552,706)	(70,936)	(70,936)	(590,085)	(590,085)	(105,592)	(105,592)	2		
Trade payables	14/19	(274,130)	(274,130)	(197,155)	(197,155)	(393,628)	(393,628)	(248,189)	(248,189)	2		
Lease liabilities	20.b	(30,099)	(30,099)	(40,682)	(40,682)	(33,407)	(33,407)	(42,842)	(42,842)	2		
Borrowings	20.a	(1,030,672)	(1,030,672)	(824,324)	(824,324)	(1,035,123)	(1,035,123)	(851,156)	(851,156)	2		
Unrealized losses on derivatives	34	(9,733)	(9,733)	(4,728)	(4,728)	(9,758)	(9,758)	(4,728)	(4,728)	2		
Total		(1,897,340)	(1,897,340)	(1,137,825)	(1,137,825)	(2,062,001)	(2,062,001)	(1,252,507)	(1,252,507)			

- Hedge accounting

The Group adopts hedge accounting to minimize its exposure to volatility in currency and commodity price. The hedge accounting policy is properly formalized and sets out the hedged items; the authorized hedging instruments; and the method of assessing the effectiveness of the hedging relationship.

Parent Company		2024						
	Note	Risk	Provision	Total	2023	2024	2025	2026
Financial instruments								
NDF	34	Exchange	(4,016)	(4,016)			(4,016)	-
Commodities	34	Exchange	(1,320)	(1,320)			(1,320)	-
Total			(5,336)	(5,336)			(5,336)	-

Parent Company		2023						
	Note	Risk	Provision	Total	2023	2024	2025	2026
Financial instruments								
NDF	34	Exchange	6,195	6,195		5,152	1,043	-
Commodities	34	Exchange	740	740		740	-	-
Total			6,935	6,935	-	5,892	1,043	-

Hedging objective and strategy:

Currency hedge

The purpose of the currency hedge program is to minimize foreign exchange risks that may arise in adverse times in the market and that may adversely affect the Group's profitability.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

The foreign exchange hedging policy is to hedge the entire position of budgeted cash flow (budget) as well as the actual cash flow (balance sheet) denominated and/or indexed in a foreign currency using derivative financial instruments (NDF - Non-deliverable Forwards).

For the budgeted cash flow, this policy covers different levels and time horizons, so as to reach the following levels of hedge at the end of the current month (base date):

- i) 75% of the net foreign exchange risk exposure – 1st to 6th month following the base date;
- ii) 50% of the net foreign exchange risk exposure – 7th to 9th month following the base date; and
- iii) 25% of the net foreign exchange risk exposure – 10th to 24th month following the base date.

The net foreign exchange risk exposure for the months following the time horizon of the budget will be based on the budget itself or its latest version (reviewed by the business areas on a quarterly basis).

For the actual cash flow, the policy is to hedge 100% of the net foreign exchange risk exposure (denominated and/or indexed in a foreign currency).

Commodity hedging (metal raw materials)

The purpose of the commodity hedging program is to minimize the risks of fluctuations in metal raw material prices (aluminum, nickel and copper) quoted on the London Metal Exchange (LME), which may arise during adverse times in the market and which would adversely affect the Group's profitability.

The commodity hedging policy is to hedge the planned volumes of budgeted metal purchase cash flows (budget) using swaps.

The risks inherent in metal commodities are calculated for each of the metals most used by the Company: aluminum, copper, tin and nickel. The calculation is based on the consumption of each metal according to the list of products to which the metal is applied, multiplied by the average price of the metal as disclosed by the London Market Exchange (LME) for the month preceding the check. The quantity considered in the risk calculation is the total quantity of metal applied in the production, by subtracting the quantity whose price increase is passed on to customers under the agreement. In 2023, only copper had a risk of over USD 1 million, which is the maximum amount of risk the Company assumes. The hedge program is executed for risk above USD 1 million.

Based on the net annual operational risk calculated for metals, a hedge was needed only for copper.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

The execution of this policy covers different levels and time horizons so as to reach the following levels of hedge at the end of each quarter of the calendar year (base date):

Year 1:

- i) 75% of the net exposure – 1st and 2nd quarter subsequent to the base date;
- ii) 50% of the net exposure – 3rd quarter subsequent to the base date; and
- iii) 25% of the net exposure – 4th quarter subsequent to the base date.

Year 2/Year 3:

- i) up to 25% of the net exposure

The percentage of the commodity hedging operations for the Year 2 and Year 3 subsequent to the base date shall be defined by the Global Committee together with the Regional Procurement Department. This decision shall be based on a study of historical average prices of metals for the last 5 and 10 years versus the prices quoted on the LME at the time of the hedging operations.

The net exposure for the quarters following the time horizon of the budget will be based on the budget itself or its latest version (reviewed by the business areas on a quarterly basis).

II. Risk management

Overview

The Company's risk management objectives are to preserve the value of the financial assets; preserve the liquidity of the financial assets; ensure that the Company has financial resources to conduct its business, including expansion.

Basically, risks are classified into two categories - strategic/operational and economic/financial

- a) Strategic/operational risks (including, but not limited to, demand behavior, competition and significant changes in industry structure) are addressed by the Group's management model. These are classified as operational risk and business risk.

a.1) Operational risk

Operational risks arise from all the Group's operations. Operational risk is the risk of direct or indirect losses arising from a variety of causes related to the Group's processes, personnel, technology and infrastructure and external factors, other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

The Group has a Technological Center for the purpose of prospecting the need for process restructuring and the adaptation of production engineering, minimizing the operational risks and consequently reducing the potential impacts on the financial flow and damage to its reputation, and seeking cost effectiveness in order to avoid any operating restrictions. Also, the Group's processes are reviewed by administrative areas on an ongoing basis.

a.2) Business risk

Potential political restrictions, the emergence of new competitors and significant changes in the macroeconomic environment are the main components of this risk. To minimize any impacts from this risk, the Group seeks to manage its expectations for billing and results in the most conservative manner possible in relation to the global scenarios.

The Group's management has a policy of preparing a budget for the following year, as well as a strategic plan for another four years after the budget. These are coordinated and consolidated worldwide by the Parent Company jointly with local senior management. In the course of the year, the budget is reassessed on two different occasions.

- b) Economic/financial risks mainly reflect the behavior of macroeconomic variables, such as the prices of metals used by the Group (aluminum, copper and nickel), exchange and interest rates, which have direct impacts on operations, as well as the characteristics of the financial instruments used by the Group. These risks are monitored by senior management, which is actively involved in the Group's operational management, by reference to the Group's global policies. At December 31, 2024, the Company did not enter into hedge transactions for tin and nickel because the level of risk was acceptable according to global policies.

The main economic/financial risks considered by the Group include:

- Liquidity risk;
- Credit risk;
- Risk of fluctuation in interest rates;
- Risk of fluctuation in exchange rates;
- Market risk - fluctuations in the prices of inputs (commodities).

b.1) Liquidity risk

The Group's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to pay its obligations as they fall due under all market conditions, to avoid incurring significant losses or adversely affecting the Group's reputation.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

The table below shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of currency negotiation agreements at the net position, as well as financial assets that are used to manage this risk.

<u>Consolidated</u>		2024					
	Note	Carrying amount	Cash Flow	Up to 1 year	1 - 2 years	2 - 5 years	More than 5 years
Liabilities							
Payables to related parties	14/19	(590,085)	(590,085)	(590,085)	-	-	-
Trade payables	19	(393,628)	(393,628)	(393,628)	-	-	-
Lease liabilities	20.b	(33,407)	(33,407)	(12,255)	(21,152)	-	-
Borrowings (*)	20.a	(1,035,123)	(1,094,738)	(82,434)	(431,426)	(538,225)	(42,654)
Unrealized losses on derivatives	34	(9,758)	(9,758)	(9,758)	-	-	-
Total		(2,062,001)	(2,121,616)	(1,088,160)	(452,578)	(538,225)	(42,654)

<u>Consolidated</u>		2023					
	Note	Carrying amount	Cash Flow	Up to 1 year	1 - 2 years	2 - 5 years	More than 5 years
Liabilities							
Payables to related parties	14/19	(105,592)	(105,592)	(105,592)	-	-	-
Trade payables	19	(248,189)	(248,189)	(248,189)	-	-	-
Lease liabilities	20.b	(42,842)	(45,953)	(11,486)	(34,467)	-	-
Borrowings (*)	20.a	(851,156)	(873,617)	(313,477)	(112,942)	(422,741)	(24,457)
Unrealized losses on derivatives	34	(4,728)	(4,728)	(4,728)	-	-	-
Total		(1,252,507)	(1,278,079)	(683,472)	(147,409)	(422,741)	(24,457)

(*) Cash flows are presented at the nominal amount, not at amortized cost as in the accounting books.

b.2) Credit risk

Credit risk is the risk of the Group incurring financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arises mainly from receivables, mostly from recurring customers, demand deposits, cash in transit and financial investments.

The carrying amount of financial assets that represent the maximum exposure to credit risk on the date of these financial statements was as follows:

Assets	Note	Parent Company		Consolidated	
		2024	2023	2024	2023
Cash, demand deposits and cash in transit	10.a	32,825	11,368	60,948	22,795
Financial investments	10.a	146,283	165,768	230,845	177,533
Marketable securities	10.b	-	-	66,429	152,888
Trade receivables	11/14	648,368	570,174	772,581	644,992
Receivables from and loans to related parties	14	31,918	23,895	24,009	30,128
Unrealized gains on derivatives	34	4,397	11,663	5,313	13,533
Total		863,791	782,868	1,160,125	1,041,869

The Group also has policies for granting credit to its customers, where credit limits and monitoring criteria are pre-established and consist of systematic checking and pre-billing to

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

verify items such as late payments and the available balance of the invoicing limit. Market information on customers is also important in the context of the granting and management of credit.

The Group considers that there is no significant risk of concentration of credit in relation to customers:

Counterparties unrated external de crédito	Parent Company		Consolidated	
	2024	2023	2024	2023
<i>Top 20 largest client receivable balances</i>	181,686	263,778	312,365	291,664
<i>Other third parties (without external credit rating)</i>	320,399	182,630	377,340	261,983
<i>Related parties</i>	146,283	123,766	82,876	91,345
Total trade receivables and others	648,368	570,174	772,581	644,992

The table above of accounts receivable from customers does not consider losses to the recoverable value of impairment of trade receivables.

With respect to financial institutions, the Group operates only with banks with a minimum risk rating of AA (Fitch National Long-Term or equivalent from Moody's or Standard & Poor's).

b.3) Risk of fluctuation in interest rates

This risk arises from the possibility of the Group incurring losses as a result of fluctuations in interest rates on its financial assets and liabilities.

Aiming at mitigating this risk, the Group seeks to diversify the raising of funds in terms of fixed or floating rates with papers pegged to the CDI rate and TJLP, so that any results originating from the volatility of these indexes do not drive material impacts.

The carrying value of financial instruments that represent the maximum exposure to the interest rate risk on the balance sheet date was:

Assets	Note	Parent Company		Consolidated	
		2024	2023	2024	2023
Cash, demand deposits and cash in transit	10.a	32,825	11,368	60,948	22,795
Financial investments	10.a	146,283	165,768	230,845	177,533
Marketable securities	10.b	-	-	66,429	152,888
Borrowings	20.a	(1,030,672)	(824,324)	(1,035,123)	(851,156)
Total		(851,564)	(647,188)	(676,901)	(497,940)

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

This rate condition being considered, the Group believes that fluctuations in interest rates will not result in any material impact on its results. Accordingly, the Group maintains financial assets or liabilities bearing fixed interest rates at amortized cost and does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model.

b.4) Risk of fluctuation in exchange rates

This arises from the possibility of fluctuations in the exchange rates of the foreign currencies used by the Group for the sale of products and the contracting of financial instruments.

The Group follows the Group's global policy for managing the risk of fluctuation in exchange rates. The main instrument to mitigate this risk is to use derivatives. The Group has a short position (USD and euro) since there is a significant currency volume due to the export market and, consequently, there is a risk of Brazilian currency appreciation relative to these currencies. In the case of JPY transactions, the Group has a long position.

The Group contracts hedge instruments both for the exchange exposure originating from the operations incurred and already reflected in the balance sheet (effective cash flow) and exposure arising from the expectations outlined in the budget (budgeted cash flow).

On December 31, 2024, the Group's exposure in USD (EUR and JPY equivalents in USD) was USD (140,846) thousand in the Parent Company in the Consolidated accounts, as shown below:

Foreign exchange exposure arising from accounts receivable and payable in foreign currency at December 31, 2024			
Item	USD thousand	EUR thousand (*)	JPY thousand (**)
	Parent Company	Parent Company	Parent Company
(+) Trade receivables	30,733	5,901	-
(+) Demand deposits (in foreign currency)	3,421	1,587	-
(-) Advances on export exchange contract	-	(148,549)	-
(-) Imports	(6,218)	(883)	(159,755)
(-) Currency forwards - sale	(18,560)	(2,180)	94,000
(=) Net balance of foreign exchange exposure	9,376	(144,124)	(65,755)

Net balance of foreign exchange exposure in USD (EUR and JPY equivalents in USD) - in thousands	
Currency	Parent Company and Consolidated
USD	9,376
EUR	(149,803)
JPY	(419)
Total	(140,846)

(*) Parity EUR / USD 1.0394
(**) Parity JPY / USD 156.88624

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Additionally, we present the notional value of NDFs for hedging the Group's budget:

Parent Company (USD)				
Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	% Hedged
2025 (Jan-Aug)	(23,390)	2,097	5.3113	9.0%
Total	(23,390)	2,097	5.3113	9.0%

Parent Company (EUR)				
Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	% Hedged
2025 (Jan-Aug)	(13,757)	3,761	6.1668	27.3%
Total	(13,757)	3,761	6.1668	27.3%

Parent Company (JPY)				
Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	% Hedged
2025 (Jan-Aug)	329,900	(93,609)	0.0463	28.4%
Total	329,900	(93,609)	0.0463	28.4%

- Sensitivity analysis

For the purposes of carrying out sensitivity analysis of market risks, the Group analyzes together asset and liability positions indexed to a foreign currency.

For the sensitivity analysis of transactions indexed in foreign currency, management adopted as a probable scenario the amounts accounted for and determined at the exchange rates disclosed by the Brazilian Central Bank. For other scenarios, the depreciation and appreciation of the exchange rates were considered as references for calculating the amounts recorded in the books under those scenarios. The other scenarios were estimated with appreciation and depreciation of the real of 25% and 50%, compared to the probable scenario.

Under NBC TG 40 (CPC-40) Sensitivity Analysis, management performed an exchange rate volatility study and identified the percentage change between the lowest and highest rate, so management believes that the percentages of 25% and 50% applied to sensitivity analyses reflect and cover the most likely scenarios.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Sensitivity analysis table – foreign exchange exposure of December 31, 2024.

The methodology adopted for the calculation of the balances in the table below consisted of replacing the closing foreign exchange rate used for the purposes of accounting records with the stressed rates, in accordance with the scenarios below:

The selling rates published on December 31, 2024, by the Brazilian Central Bank for USD, EUR and JPY were used in this sensitivity analysis.

	Parent Company USD			
	USD/BRL exchange rate for settlement of bills of exchange	* Net balance of foreign exchange exposure - USD	** Average rate of bills of exchange	Total BRL
50% better	9.2885		5.8571	32,173
25% better	7.7404		5.8571	17,658
Probable scenario	6.1923	9,376	5.8571	3,143
25% worse	4.6442		5.8571	(11,372)
50% worse	3.0962		5.8571	(25,886)

(*) Amounts in thousands

(**) Average rate of remittance of the bills of exchange that comprise the net balance of foreign exchange exposure

	Parent Company EUR			
	EUR/BRL exchange rate for settlement of bills of exchange	* Net balance of foreign exchange exposure - EUR	** Average rate of bills of exchange	Total BRL
50% better	3.2182		6.4236	461,971
25% better	4.8272		6.4236	230,075
Probable scenario	6.4363	(144,124)	6.4236	(1,835)
25% worse	8.0454		6.4236	(233,745)
50% worse	9.6545		6.4236	(465,654)

(*) Amounts in thousands

(**) Average rate of remittance of the bills of exchange that comprise the net balance of foreign exchange exposure

	Parent Company JPY			
	JPY/BRL exchange rate for settlement of bills of exchange	* Net balance of foreign exchange exposure - JPY	** Average rate of bills of exchange	Total BRL
50% better	0.0197		0.0143	(355)
25% better	0.0296		0.0143	(1,006)
Probable scenario	0.0395	(65,755)	0.0143	(1,655)
25% worse	0.0493		0.0143	(2,302)
50% worse	0.0592		0.0143	(2,952)

(*) Amounts in thousands

(**) Average rate of remittance of the bills of exchange that comprise the net balance of foreign exchange exposure

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Budgeted cash flow - exposure in foreign currency

The Group projects and conducts its transactions based on its current cash flows, which means that subsequent changes in the exchange rates can result in expenditure for the Group. To hedge its future cash flow against currency fluctuations, the Group uses forward contracts for USD, EUR and JPY (NDF).

Sensitivity analysis table

Parent Company sensitivity analysis table – cash flow derivatives portfolio for the period ended December 31, 2024																
Scenario	USD/BRL exchange rate for settlement of operations	Notional value - USD (thousand)	Weighted average rate at maturity (%)	Adjustment in RS thousand	P&L potential Impacts in RS thousand	EUR/BRL exchange rate for settlement of operations	Notional value - EUR (thousand)	Weighted average rate at maturity (*)	Adjustment in RS thousand	P&L potential Impacts in RS thousand	JPY/BRL exchange rate for settlement of operations	Notional value - JPY (thousand)	Weighted average rate at maturity (%)	Adjustment in RS thousand	P&L potential Impacts in RS thousand	P&L Total potential Impacts in RS thousand
50% better	3.0962	2,097	5.3113	4,646	6,494	3.2182	3,761	6.1668	11,090	12,104	0.0592	(93,609)	0.0463	1,208	1,847	16,944
25% better	4.6442	2,097	5.3113	1,399	3,247	4.8272	3,761	6.1668	5,038	6,052	0.0493	(93,609)	0.0463	284	923	6,721
Probable scenario	6.1923	2,097	5.3113	(1,848)	-	6.4363	3,761	6.1668	(1,014)	-	0.0395	(93,609)	0.0463	(639)	-	(3,501)
25% worse	7.7404	2,097	5.3113	(5,095)	(3,247)	8.0454	3,761	6.1668	(7,065)	(6,051)	0.0296	(93,609)	0.0463	(1,563)	(924)	(13,723)
50% worse	9.2885	2,097	5.3113	(8,342)	(6,494)	9.6545	3,761	6.1668	(13,117)	(12,103)	0.0197	(93,609)	0.0463	(2,487)	(1,848)	(23,946)

The selling rates published on December 31, 2024, by the Brazilian Central Bank for USD, EUR and JPY were used.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

All the instruments are traded with top-tier banks on an organized over-the-counter market, duly registered with the Clearing House for the Custody and Financial Settlement of Securities, as presented below:

Weighted average forward rate - value for settlement			Notional value - thousand	
			Parent company	
Foreign currency			2024	2023
Liability position	EUR	6.26833	5,941	12,166
Liability position	USD	6.10895	20,657	19,933
Asset position	JPY	0.04245	(187,609)	(351,695)

Weighted average forward rate - value for settlement			Fair market value - thousand	
			Parent company and Consolidated	
(1) Foreign currency			2024	2023
Liability position	EUR	6.26833	(1,909)	6,795
Liability position	USD	6.10895	(1,756)	3,214
Asset position	JPY	0.04245	(382)	(4,454)

b.5) Market risk, fluctuations in prices of inputs (commodities).

This risk arises from possible fluctuations in prices of the main raw materials used in the Group's production process, which are: aluminum, copper and nickel.

To minimize and manage this risk, the Group contracts derivative transactions to hedge against fluctuations in the prices of these raw materials, in compliance with the Group's hedging policy.

The table below presents the outstanding position on December 31, 2024, and 2023:

		Notional value - metric tons	
		Parent company	
<u>Asset position</u>	Weighted average price on maturity	2024	2023
<u>Commodities</u>			
Copper	8,920	96	88
Aluminum	2,538	234	213
TOTAL		330	301

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

<u>Asset position</u>	Weighted average price on maturity	Notional value (fair market value)	
		Parent company	
		2024	2023
Commodities			
Copper	8,920	(931)	306
Aluminum	2,538	(353)	434
TOTAL		(1,284)	740

Additionally, we present the notional value of the commodities to protect the economic plan of the Company.

Parent Company (ALUMINUM)				
Year	Net Exposure (Tons)	Notional Value - Hedge (Tons)	Average Price - Portfolio Swap	% Hedged
2024 (Jan - Oct)	458	(234)	2,562	51.1%
Total	458	(234)	2,562	51.1%

Parent Company (COPPER)				
Year	Net Exposure (Tons)	Notional Value - Hedge (Tons)	Average Price - Portfolio Swap	% Hedged
2024 (Jan - Oct)	524	(96)	9,487	18.3%
Total	524	(96)	9,487	18.3%

- Sensitivity analysis table

For the purposes of carrying out the sensitivity analysis of market risks, the Group analyzes together long and short positions of the prices of commodities (copper and aluminum).

For the sensitivity analysis of commodity transactions, management adopted as a probable scenario the amounts recognized in its books, determined by projected prices disclosed by the LME and exchange rates published by the Brazilian Central Bank at December 31, 2024. As a reference, the depreciation and appreciation of the prices used for accounting records were considered for the other scenarios. The scenarios were estimated with appreciation and depreciation of 25% and 50%, respectively, of prices in the probable scenario.

The methodology adopted for calculating the balances presented in the table below consisted of replacing the closing exchange rate and commodity prices at December 31, 2023 used for the purposes of accounting records with the stressed rates and prices calculated in accordance with the following scenarios.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

Sensitivity analysis on results of operations of purchase of commodity swap contracts - Parent Company				
Commodity	Volume in metric tons	Settlement price on maturity (USD/metric ton)	Weighted average price on maturity (USD/metric ton)	Total adjustment BRL
Copper				
50% better	96	13,379	8,920	2,651
25% better		11,149		1,326
Probable scenario		8,920		-
25% worse		6,690		(1,326)
50% worse		4,460		(2,651)
Aluminum				
50% better	234	3,770	2,538	1,784
25% better		3,141		873
Probable scenario		2,513		(37)
25% worse		1,885		(947)
50% worse		1,257		(1,858)

The selling rates of the USD published on December 31, 2024, by the Brazilian Central Bank and the metal prices published on the same date by the LME were used.

The results from foreign exchange and commodity derivative financial instruments affected the Company's and its subsidiaries' information as presented below:

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

		2024		2023	
		Parent Company	Consolidated	Parent Company	Consolidated
Results of derivatives (exports/imports/loan)					
Provisions					
- Operations on accounts receivable and payable	(BS)	(1,245)	(1,571)	3,728	3,729
Cash effect					
- Operations on accounts receivable and payable		(36,407)	(35,290)	26,784	26,784
	Note 32	(37,652)	(36,861)	30,512	30,513
Total Derivative Operations- Net Finance Result		(37,652)	(36,861)	30,512	30,513
Exchange variations (gains and losses)					
Results of derivatives (exports/imports/loan)		(126,839)	(102,473)	(6,392)	15,875
Gross sales		(37,652)	(36,861)	30,512	30,513
Cost of sales		(4,251)	(4,251)	(53,389)	(53,389)
Effects of Foreign Exchange Variatons and Financial Instruments on Profit and Loss		3,375	3,375	44,925	44,925
		(165,367)	(140,210)	15,656	37,924
Gross result					
Gross sales					
- Settlements with cash effect		(4,251)	(4,251)	(53,389)	(53,389)
		(4,251)	(4,251)	(53,389)	(53,389)
Cost of sales					
- Settlements with cash effect		3,375	3,375	44,925	44,925
		3,375	3,375	44,925	44,925
Total Derivative Operations - Gross Result		(876)	(876)	(8,464)	(8,464)
Equity					
		Parent Company	Consolidated	Parent Company	Consolidated
Provisions					
- Operations on sales to be made	(BS)	4,275	4,275	(4,298)	(4,298)
- Operations on commodities	(BS)	1,320	1,320	(740)	(740)
Deferred income tax and social contribution		(1,901)	(1,901)	1,713	1,713
Total Derivative Operations - Equity		3,694	3,694	(3,325)	(3,325)
		2024		2023	
		Parent Company	Consolidated	Parent Company	Consolidated
Provision for unrealized losses and gains on derivatives					
(BS) - Sum of the net balance sheet					
Balance sheet assets		4,397	5,313	11,663	13,533
Balance sheet liabilities		(9,733)	(9,758)	(4,728)	(4,728)
Balance sheet, net		(5,336)	(4,445)	6,935	8,805

Guarantees

The Group had no guarantee deposits relating to these derivative instruments for the periods presented above (December 31, 2024 and 2023).

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

35. Employee benefits

The employee benefits offered by the Group are mainly granted on a monthly basis and recognized in the accounting records accordingly. There are no post-employment benefits, pension funds or other benefits that require specific accounting treatment.

As of December 31, 2024, the Group recognized a provision for profit sharing in the amount of R\$ 56,679 (R\$ 49,286 in 2023) – Parent Company and R\$ 57,728 (R\$ 49,296 in 2023) – Consolidated. The employee profit sharing payment follows the rules set forth in the collective labor agreement. That agreement establishes conditions to be met, as summarized herein: i) production goals for a predetermined number of workers; ii) maintenance of the absenteeism level up to previously defined annual average absence rate in relation to standard hours worked; and iii) maintenance of the scrap level up to the previously defined annual average scrap rate in relation to the number of parts produced.

Supplementary pension plan - defined contribution

In September 2006, the Group joined a free benefit-generating private pension plan, managed by Bradesco Vida e Previdência S.A. (the Manager), offering all its employees the option to participate. The contributions are defined according to salary bracket.

The Group contributed to the private pension plan an amount of R\$ 2,493 in 2024 (R\$ 2,161 in 2023).

36. Insurance

The Group has a policy of taking out insurance coverage for assets subject to risks at amounts considered sufficient to cover losses, considering the nature of its activity. The risk assumptions adopted, given their nature, have not been made part of the scope of an audit and, accordingly, were not examined by our independent auditors. The insurance is contracted with leading insurance companies with the advice of specialist insurance brokers.

For 2024 the insurance coverage for operational risks (combined property damages and lost profits) is R\$ 2,360,000 (2023 - R\$ 2,111,328).

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated financial statements for the years ended December 31, 2024 and 2023

In thousands of reais, unless otherwise indicated

37. Application of NBC TG 42 (CPC 42) / IAS 29 - Financial Reporting in Hyperinflationary Economies

Since July 2018 Argentina is considered a hyperinflationary economy and the Group applies NBC TG 42 (CPC 42)/IAS 29 - Financial Reporting in Hyperinflationary Economies to its subsidiary MAHLE Argentina S.A., whose functional currency is the Argentine peso.

As a result, NBC TG 42 (CPC 42)/IAS 29 Financial Reporting in Hyperinflationary Economies require that the results of the operations of the subsidiary MAHLE Argentina S.A. are restated by applying the the Consumer Price Index (CPI) determined by the Central Bank of Argentina. The impacts on the interim financial statements in the Parent Company and Consolidated are as follows:

	2024	2023
Net effect of IAS 29 on the individual financial statements of MAHLE Argentina	(157,050)	(161,055)
Effect of IAS 29 on the application of equity method on the subsidiary results (Note 16)	214,106	230,264
Net effect of IAS 29 on the reflex impact on the application of the equity method on the subsidiary results	1,720	1,857
Net effect of IAS 29 on non-monetary assets of subsidiary	58,776	71,066
Effect of IAS 29 on Consolidated amounts, representing effects of inflation on subsidiary's results	57,897	(190)
Gains on net monetary position in foreign subsidiary	116,673	70,876

The main requirements of the accounting standards to determine the above-mentioned restatement are:

- Monetary assets and liabilities that are carried at amounts current at the balance sheet date (Argentine peso) are not restated because they are already expressed in terms of the monetary unit current at the end of the reporting period;
- Non-monetary assets and liabilities not carried at amounts current at the balance sheet date and components of equity are restated by applying a general price index (IPC);
- All items of the income statement are restated by applying the applicable conversion factors (CPI), with a corresponding entry in the line item "Gains on net monetary position of foreign subsidiary". Therefore, the net effect of IAS 29 on consolidated financial statements refers only to the inflation adjustment to non-monetary assets as shown in the line item "Net effect of IAS 29 on non-monetary assets of subsidiary".
- The effect of inflation on the net monetary position (Parent Company and Consolidated) is presented in the statement of income within "Gain on net monetary position of foreign subsidiary".

The statement of income was restated by applying the Consumer Price Index which reached at 118.2% on December 31, 2024 (inflation of 211.4% on December 31, 2023). The restated statement of income is translated at the official exchange rate at the end of each quarter.

Board of Directors

Principal members

Peter Paul Wilhelm Grunow
Heinz Konrad Junker
Wolfgang Werner Ernst Fritz Fritzemeyer
Eduardo Augusto Rocha Pocetti
Reginaldo Ferreira Alexandre

Executive Board

Sergio Pancini de Sá - Chief Executive and Investor Relations Officer
Claudio Cesar Braga – Chief Financial Officer

Fiscal Conciul

Principal members

Axel Erhard Brod
Hélio Carlos de Lamare Cox
Michael Lehmann

Alternate members

Flávio Venturelli Helú
Dimas Lazarini Silveira Costa
Maria Elvira Lopes Gimenez

Audit Committee

Eduardo Augusto Rocha Pocetti
Peter Paul Wilhelm Grunow
Orlando Octavio de Freitas Junior

Technical specialist

Daniel de Oliveira Camargo
Accounting and tax manager
Accountant - CRC 1SP 248941/O-2

* * *

MAHLE Metal Leve S.A.
CNPJ nº 60.476.884/0001-87
Publicly traded company

Proposal for Capital Budget

The investments included in the capital budget of MAHLE Metal Leve S.A. for 2025 will require funds of R\$ 117.4 million (Company Issuer) R\$ 157.7 million (Consolidated) for: a) new products; b) increase of capacity; c) rationalization; d) tooling; e) quality; f) land and buildings; g) research and development equipment; h) information technology; i) environment; j) intangible assets; k) maintenance; and l) other, which will be submitted to the next Ordinary General Meeting of Shareholders for approval.

The Management.

MAHLE Metal Leve S.A.

Report of the Supervisory Board

The Supervisory Board of MAHLE Metal Leve S.A. (the “Company”), elected at the Ordinary General Meeting on April 29, 2024, in accordance with article 163 of Law 6.404/76 and the bylaws of the Company, has examined (i) the Management Report, (ii) the Financial Statements for the financial year ended December 31, 2024 and notes to the financial statements, (iii) the Management’s Proposal for allocation of profit for the year, and (iv) the Capital Budget for financial year 2025.

In the performance of its duties, the Board met ordinarily and extraordinarily during 2024 and in the first quarter of 2025, in-person and virtually, to analyze the Quarterly Information for financial year 2024 and to discuss general issues with the members of the Board of Directors, the Audit Committee, the Executive Board and respective teams, and the Independent Auditors.

The main issues that have been analyzed, discussed, and supervised by the Supervisory Board were:

- Implementation of the recommendations of the Independent Auditors regarding internal control;
- Analysis of the impacts of the Tax Reform;
- Discussion about the allocation of the Legal Reserve with issue of an opinion on the increase of share capital;
- Update about environmental liabilities;
- Discussion about the results of the Transfer Price studies under OECD’s rules and Minimum Tax (Pillar Two);
- Analysis of impairment tests;
- Activities and findings of the Internal Audit and Risk Management;
- Update about activities of the Compliance function, the Brazilian General Data Protection Law (LGPD) and ESG;
- Monitoring the acquisition of MAHLE Compressores do Brasil Ltda. and MAHLE Aftermarket Thermal do Brasil with issue of an opinion on merger.

Conclusion

Based on the documents examined, analyses performed, information provided by the management board related to the financial year and the unmodified audit opinion issued by **EY Auditores Independentes**, dated March 11, 2025, the Supervisory Board is of the opinion that the documents referred to in the first paragraph present fairly the financial position of the Company and should be submitted for approval of the General Meeting of Shareholders.

Jundiaí, March 11, 2025.

Axel Erhard Brod – Chairman

Helio Carlos de Lamare Cox – Effective Member

Michael Lehmann – Effective Member

MAHLE METAL LEVE S.A
CNPJ/MF N° 60.476.884/0001-87
NIRE N° 35.3.0001506.1
PUBLICLY TRADED COMPANY

Report of the MAHLE Non-Statutory audit committee for financial year 2024

1. GENERAL INFORMATION

The non-statutory Audit Committee (the “Committee”) of MAHLE Metal Leve S.A. (the “Company”) is a committee of the Company’s Board of Directors (the “Board”) that enjoys operational autonomy and has its own budget approved by the Board. The primary responsibilities of the Committee are to assist the Board in overseeing the financial reporting process and related internal controls, risk management and compliance.

The Committee started its activities on March 31, 2022. At the meeting held on March 8, 2022, the Company’s Board of Directors approved the Audit Committee Charter that is currently in effect. At the meeting on April 29, 2024, the Board of Directors elected three effective members of the Audit Committee for a term ending at the date of the Ordinary General Meeting of Shareholders to whom the Company’s accounts for the financial year ended December 31, 2024 shall be submitted for approval.

2. ROLES AND RESPONSIBILITIES

The roles and responsibilities of the Committee are laid out in the Audit Committee Charter. The Committee makes judgments and forms its opinions based on the results of the work performed and the information provided by the Executive Board, the Company’s employees, the Internal Auditors and the Independent External Auditors (Ernst & Young Auditores Independentes S/S Ltda).

From March 2024 to February 2025, the Committee held six meetings to discuss the functioning of the areas under its responsibility, monitoring the activities of the internal audit function and internal controls, any deficiencies in their working processes, control systems, action plans, and evaluating and monitoring the Company’s risk exposures.

The main matters discussed and activities performed during the year include:

- i. Discussion and evaluation of the external auditor independence policies, knowledge and evaluation of the work plan for financial year 2024, levels of relevance of identified areas of risk, and level of satisfaction with the evidence and information obtained from the Company;

- ii. Evaluation of the procedures adopted by the Compliance (whistleblowing channel), Accounting, Tax, Internal Control, Internal Audit and Information Technology departments, determining that they are adequate;
- iii. Discussion and analysis of the results of the Audit of the Information Technology routines;
- iv. Monitoring of the Annual Internal Audit Plan, its execution, reports issued, knowledge of findings and recommendations, and actions taken by the Company's management;
- v. Discussion, analysis and assessment of the risks associated with the Company's internal controls;
- vi. Discussion, analysis and adjustments to reporting lines of the Information Technology and Risk Management & Internal Controls functions;
- vii. Review and presentation of recommendations concerning the Quarterly Financial Statements of the Company for the quarters of the financial year 2024; and
- viii. Review and presentation of recommendations concerning the Annual Financial Statements of the Company for the financial year ended December 31, 2024, accompanied by the management report and the independent auditors' report.

4. CONCLUSION AND OPINION

In fulfilling their responsibilities under the law and the Audit Committee Charter and based on the activities carried out during the year and the information provided by the Company and Ernst & Young Auditores Independentes S/S Ltda., the Committee members **unanimously recommend that the Board of Directors approve the financial statements of MAHLE Metal Leve S.A.** and notes to the financial statements for the financial year ended December 31, 2024 and submit the approval of the financial statements to ratification by the Ordinary General Meeting of Shareholders.

São Paulo, March 11, 2025.

Eduardo Augusto Rocha Pocetti

Coordinator and Member of the Audit Committee

Peter Paul Wilhelm Grunow

Member of the Audit Committee

Orlando Octávio de Freitas Junior

Member of the Audit Committee

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Representation by officers on the parent company and consolidated financial statements

MAHLE Metal Leve S.A.
CNPJ No. 60.476.884/0001-87
Publicly-held company

REPRESENTATION

Messrs. Sergio Pancini de Sá and Claudio Cesar Braga, executive officers of MAHLE Metal Leve S.A., with its head office at Avenida Ernst MAHLE, 2000, Mombança, in the city of Mogi Guaçu, State of São Paulo, in conformity with item VI of Article 25 of CVM Instruction 586, of June 08, 2017, do hereby declare that:

They have reviewed and discussed, and agree with, the parent company and consolidated financial statements of MAHLE Metal Leve S.A. for the year ended December 31, 2024, and thus authorize their completion.

Mogi Guaçu, March 11, 2025.

Sergio Pancini de Sá
CEO

Claudio Cesar Braga
Chief Financial and Investor Relations Officer

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Representation by officers on the independent auditor's report on the financial statements

MAHLE Metal Leve S.A.
CNPJ No. 60.476.884/0001-87
Publicly-held company

REPRESENTATION

Messrs. Sergio Pancini de Sá and Claudio Cesar Braga, executive officers of MAHLE Metal Leve S.A., with its head office at Avenida Ernst MAHLE, 2000, Mombaça, in the city of Mogi Guaçu, State of São Paulo, in conformity with item V of Article 25 of CVM Instruction 586, of June 8, 2017, do hereby declare that:

They have reviewed and discussed, and agree with, the opinion expressed by Ernst & Young Auditores Independentes S.S., on the parent company and consolidated financial statements of MAHLE Metal Leve S.A. for the year ended December 31, 2024.

Mogi Guaçu, March 11, 2025.

Sergio Pancini de Sá
CEO

Claudio Cesar Braga
Chief Financial and Investor Relations Officer