

Mogi Guaçu, São Paulo, August 9, 2023 - MAHLE Metal Leve S.A. (B3: LEVE3), a Brazilian leading manufacturer of components for the internal combustion engine as well as filtration systems, today announced financial results for the second quarter of 2023. Unless otherwise stated, the financial and operating information contained herein is presented on a consolidated basis and in Brazilian real (BRL) and was prepared in accordance with the Brazilian Corporation Law.

Q2 2023 Financial Results Video Conference Call

Date: August 10, 2023

Time

12 noon – Brasília
4:00 p.m. – London
11:00 a.m. – New York

To participate in:

[CLICK ON THIS LINK](#)

Choose the language you wish to hear the call in: Portuguese, or simultaneous translation into English.

MAHLE Investor Relations website:

<https://ri.mahle.com.br>



FINANCIAL HIGHLIGHTS

Net Sales Revenue: R\$ 1,120.7 million in Q2 2023, which represents an increase of 9.9% compared to Q2 2022 (R\$ 1,019.4 million). Net sales revenue was R\$ 2,142.9 million in H1 2023, which represents an increase of 12.2% compared to H1 2022 (R\$ 1,909.4 million).

Company's performance by market:	Q2 2023 x Q2 2022	H1 2023 x H1 2022
Original Equipment – Domestic market	↓ 2.8%	↑ 2.8%
Original Equipment – Export market	↑ 17.9%	↑ 15.1%
Aftermarket – Domestic market	↑ 23.4%	↑ 28.2%
Aftermarket – Export market	↓ 25.7%	↓ 23.3%
Total change in revenue:	↑ 9.9%	↑ 12.2%

Further details on changes in revenue are presented in items [4.1](#), [4.2](#) and [4.3](#) of this release.

MAHLE Investor Day 2023 and APIMEC Meeting: On April 3, 2023, MAHLE hosted its fully in-person Investor Day in the city of São Paulo. It was an opportunity for top management to present the Company's fundamentals to shareholders, investors and financial analysts. Further information is provided in [item 5.1](#) of this release.

Distributions to shareholders: In 2023, the Company has paid out R\$ 559.0 million in dividends and interest on capital. Further details are available in [item 4.16](#) of this release.

Key figures

(in BRL million, except percentages)	Q2 2023 (a)	Q1 2023 (b)	Q2 2022 (c)	(a/b)	(a/c)	H1 2023 (d)	H1 2022 (e)	(a/b)
Net sales revenue	1,120.7	1,022.2	1,019.4	9.6%	9.9%	2,142.9	1,909.4	12.2%
EBITDA	254.2	260.1	181.5	-2.3%	40.1%	514.3	360.0	42.9%
EBITDA margin	22.7%	25.4%	17.8%	-2.7 p.p.	4.9 p.p.	24.0%	18.9%	5.1 p.p.
Net profit	193.1	186.0	114.9	3.8%	68.1%	379.1	237.9	59.4%
Net margin	17.2%	18.2%	11.3%	-1.0 p.p.	5.9 p.p.	17.7%	12.5%	5.2 p.p.

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1. Management Commentary

We operate in a highly competitive industry. In a competitive environment, we are always seeking to maintain 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 chart below shows the Company's revenue by business segment in H1 2023 and H1 2022:

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In Q2 2023, EBITDA margin was 22.7% (R\$ 254.2 million) versus 17.8% (R\$ 181.5 million) in Q2 2022. In H1 2023, EBITDA margin was 24.0% (R\$ 514.3 million) versus 18.9% (R\$ 360.0 million) in H1 2022. See item [4.10](#) of this release for more information about changes in EBITDA.

From a technology perspective, we continue to assume a leading role in the ongoing development of the sustainable combustion engine. We believe that employing biofuels, synthetic fuels and green hydrogen presents an even greater opportunity to cut carbon emissions. We are primarily concentrating on exploiting further emission savings potential with technologies designed to increase energy efficiency.

Successful decarbonization is a key strategic goal at MAHLE. We are working flat out on promising technologies for the low-emission mobility of tomorrow with a focus on a variety of engine platforms of the future. Only if the state and society allow all technologies for sustainable transport will the transport transition succeed for the climate, the economy and society.

Our business model, technological pioneering and good governance provide crucial support in today's turbulent environment. We have adapted products for the internal combustion engine that can run on biofuels and we are also developing engine components for the use of hydrogen as a fuel. We see potential for the expansion of our product portfolio and segments, and we will take advantage of market opportunities for launching new products, suitably aligned with our objectives and competencies.

2. About MAHLE Metal Leve

MAHLE Metal Leve is a Brazilian manufacturer of components for the internal combustion engine and filter systems for the automotive industry. We manufacture state-of-the-art products and are continuously investing in research and development of new products and new production processes.

MAHLE Metal Leve has been operating in Brazil since the 1950's and has a large portfolio of products and integrated solutions, as well as customized applications and components developed in close cooperation with key customers. In the original equipment market, MAHLE customers are vehicle manufacturers. MAHLE Aftermarket business unit supplies trade, workshop and engine repair partners.

MAHLE Metal Leve has five production sites: four are located in Brazil, being two in the city of Mogi Guaçu, State of São Paulo, one in the city of São Bernardo do Campo, State of São Paulo, and one in the city of Itajubá, State of Minas Gerais, and the fifth one is located in the city of Rafaela, Argentina. MAHLE Metal Leve has two distribution centers: one in the city of Limeira, State of São Paulo, and one in Buenos Aires, Argentina, and one research and development center in the city of Jundiaí, State of São Paulo, which we believe is one of the largest and most well-equipped tech centers in Latin America for the development of components and integrated solutions for the internal combustion engine. This structure enable us to create value and move with agility to offer our customers customized solutions as well as innovative technologies, products and processes.

As part of the globally active MAHLE Group, we are able to continuously exchange knowledge within the Group, both provide and have access to cutting-edge technologies, and develop customized product solutions in close cooperation with our customers, which is a key driver of the high customer loyalty we enjoy today.

3. Automotive industry

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3.1 Development of the Brazilian and Argentine markets and production of vehicles in the major export markets

H1 2023 vs. H1 2022	Vehicles (thousands)	Brazil	Argentina	Total
Sales	Light	934.7 9.6%	206.9 14.1%	1,141.5 10.4%
	Heavy-duty	63.9 -1.6%	7.3 -5.2%	71.2 -2.0%
Production	Light	1,075.3 6.8%	295.8 21.4%	1,371.0 9.7%
	Heavy-duty	56.7 -33.4%	3.1 -11.3%	59.9 -32.5%

H1 2023 vs. H1 2022	Vehicles (thousands)	Europe	North America	Total
Production	Light	9,050.1 14.8%	7,917.1 11.5%	16,967.2 13.2%
	Heavy-duty	320.4 10.3%	350.3 25.9%	670.7 17.9%

4. Company's Financial and Economic Performance

Summary of the income statement (in BRL million, except percentages)	Q2 2023 (a)			Q2 2022 (b)			H1 2023 (c)			H1 2022 (d)		
			(a/b)								(c/d)	
Net sales	1,120.7	100.0%	9.9%	1,019.4	100.0%		2,142.9	100.0%	1,909.4	100.0%	12.2%	
Cost of sales	(781.5)	-69.7%	2.8%	(760.3)	-74.6%		(1,485.7)	-69.3%	(1,414.2)	-74.1%	5.1%	
Gross profit	339.2	30.3%	30.9%	259.1	25.4%		657.2	30.7%	495.2	25.9%	32.7%	
Selling and distribution expenses	(87.5)	-7.8%	13.3%	(77.2)	-7.6%		(163.1)	-7.6%	(134.5)	-7.0%	21.3%	
General and administrative expenses	(32.0)	-2.9%	6.0%	(30.2)	-3.0%		(61.2)	-2.9%	(53.4)	-2.8%	14.6%	
Research and development expenses	(14.4)	-1.3%	27.4%	(11.3)	-1.1%		(27.3)	-1.3%	(22.7)	-1.2%	20.3%	
Other operating income (expenses), net	(3.6)	-0.3%	-52.6%	(7.6)	-0.7%		(0.4)	0.0%	(12.3)	-0.6%	-96.7%	
Gain on net monetary position in foreign subsidiary ¹	26.7	2.4%	12.2%	23.8	2.3%		58.0	2.7%	40.2	2.1%	44.3%	
Profit before finance income and costs and taxes	228.4	20.4%	45.8%	156.6	15.4%		463.2	21.6%	312.5	16.4%	48.2%	
Net finance income (costs)	29.4	2.6%	-700.0%	(4.9)	-0.5%		44.2	2.1%	(8.9)	-0.5%	-596.6%	
Income tax and social contribution	(64.8)	-5.8%	70.5%	(38.0)	-3.7%		(128.5)	-6.0%	(67.3)	-3.5%	90.9%	
Profit for the period	193.0	17.2%	69.7%	113.7	11.2%		378.9	17.7%	236.3	12.4%	60.3%	
Profit attributable to owners of the Company	193.1	17.2%	68.1%	114.9	11.3%		379.1	17.7%	237.9	12.5%	59.4%	
Profit attributable to non-controlling interests	(0.1)	0.0%	-91.7%	(1.2)	-0.1%		(0.2)	0.0%	(1.6)	-0.1%	-87.5%	
EBITDA	254.2	22.7%	40.1%	181.5	17.8%		514.3	24.0%	360.0	18.9%	42.9%	

¹ Additional information is available in Note 34 to the Interim Financial Statements for the Period ended June 30, 2023.

4.1 Net sales by market

For the Company, Domestic Market comprises revenue from its operations in Brazil and Argentina. The following table presents sales by market and volume/price and exchange rate effects period-over-period:

Net sales by market (in BRL million, except percentages)	Q2 2023 (a)	Q2 2022 (b)	(a/b)	H1 2023 (c)	H1 2022 (d)	(c/d)
Original Equipment – Domestic market	295.4	303.8	-2.8%	585.4	569.3	2.8%
Original Equipment – Export market	357.2	302.9	17.9%	674.1	585.5	15.1%
Subtotal	652.6	606.7	7.6%	1.259.5	1.154.8	9.1%
Aftermarket – Domestic market	405.8	328.8	23.4%	758.0	591.1	28.2%
Aftermarket – Export market	62.3	83.9	-25.7%	125.4	163.5	-23.3%
Subtotal	468.1	412.7	13.4%	883.4	754.6	17.1%
Total	1,120.7	1,019.4	9.9%	2,142.9	1,909.4	12.2%

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4.2 Original equipment sales

The Company has a diversified customer portfolio, which includes all vehicle manufacturers in Brazil. We manufacture high-quality products with innovative technology and are continuously investing in research and development of new products and production processes. We are always seeking to grow close relationships with our key customers by developing integrated solutions tailored to suit their needs, with an unwavering commitment to technology excellence and project confidentiality - this is a key differentiator in our industry.

Domestic market:

Sales in the domestic market in Q2 2023 declined -2.8% due to a +1.2% volume/price increase that was offset by the impact of unfavorable exchange rates of -4.0%. In H1 2023, sales in the domestic market grew +2.8%, reflecting a +6.0% volume/price increase and the impact of unfavorable exchange rates of -3.2%.

Export market:

Sales in the export market in Q2 2023 grew +17.9% due to a +13.6% volume/price increase coupled with the impact of favorable exchange rates of +4.3%. In H1 2023, sales in the export market grew +15.1% due to a +12.0% volume/price increase coupled with the impact of favorable exchange rates of +3.1%. The table below presents exports in major trading currencies:

Exports by currency (in millions)	Q2 2023 (a)	Q2 2022 (b)	HA % (a/b)	Exports by currency (in millions)	H1 2023 (c)	H1 2022 (d)	HA % (c/d)
EUR	17.3	17.5	-1.1%	EUR	35.0	34.2	2.3%
USD	51.4	41.0	25.4%	USD	93.6	78.1	19.8%
Total equivalent in USD	69.9	60.0	16.5%	Total equivalent in USD	131.3	115.0	14.2%

4.3 Aftermarket sales

MAHLE actively works to be the leading supplier of automotive parts and components throughout the life of the vehicle in which they are installed. Our aim is to offer an excellent mix of products and services and efficient delivery, ensuring we remain the best choice of our customers, all in line with the highest global quality standards. We are committed to expanding our market presence by focusing on sustainable growth and improving the efficiency of bringing new products to market. Consistent with our commitment to serving the entire chain, we work closely with our customers to help them increase their sales.

Domestic market:

Sales in the domestic market in Q2 2023 grew by +23.4% due to a +74.9% volume/price increase and the impact of unfavorable exchange rates of -51.5%. In H1 2023, sales in the domestic market grew by +28.2% due to a +71.2% volume/price increase and the impact of unfavorable exchange rates of -43.0%.

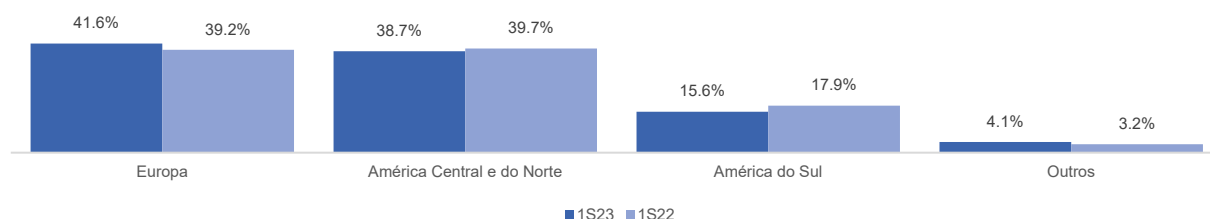
Export market:

Exports in Q2 2023 fell -25.7%, reflecting a -22.4% volume/price reduction and the impact of unfavorable exchange rates of -3.3%. In H1 2023, exports fell -23.3%, due to a -19.9% volume/price reduction and the impact of unfavorable exchange rates of -3.4%. The table below shows Aftermarket business segment's exports in major trading currencies:

Exports by currency (in millions)	Q2 2023 (a)	Q2 2022 (b)	HA % (a/b)	Exports by currency (in millions)	H1 2023 (c)	H1 2022 (d)	HA % (c/d)
EUR	1.7	1.7	0.0%	EUR	2.2	2.3	-4.3%
USD	12.1	16.3	-25.8%	USD	23.9	30.5	-21.6%
Total equivalent in USD	14.1	18.2	-22.5%	Total equivalent in USD	26.3	33.0	-20.3%

4.4 Consolidated export by geographical market

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

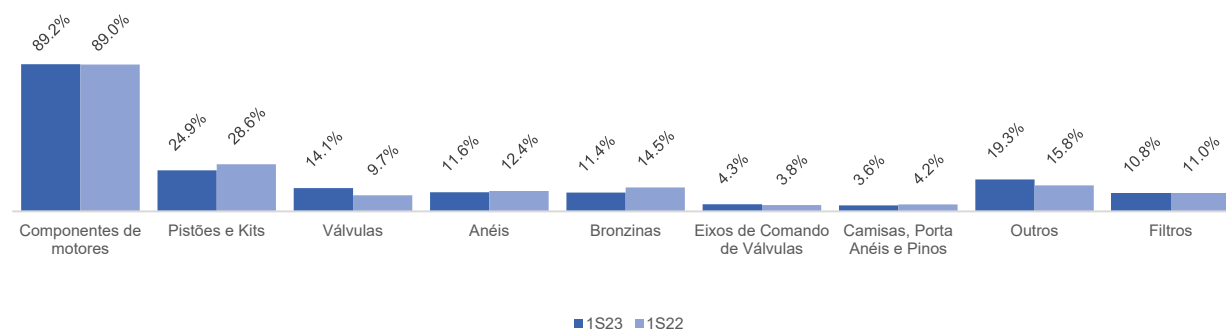


4.5 Net sales by segment and by product

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

Net sales by segment (in BRL million)	Q2 2023 (a)	Q2 2022 (b)	HA % (a/b)	VA % (a)	VA % (b)	H1 2023 (c)	H1 2022 (d)	HA % (c/d)	VA % (c)	VA % (d)
Engine components	1,001.8	912.8	9.8%	89.4%	89.5%	1,912.0	1,700.0	12.5%	89.2%	89.0%
Filters	118.9	106.6	11.5%	10.6%	10.5%	230.9	209.4	10.3%	10.8%	11.0%
Total	1,120.7	1,019.4	9.9%	100.0%	100.0%	2,142.9	1,909.4	12.2%	100.0%	100.0%

The graph below shows sales by product category compared to total sales in H1 2023 and H1 2022:



4.6 Gross margin

Summary of income statement (in BRL million, except percentages)	Q2 2023 (a)			Q2 2022 (b)			(a/b)			H1 2023 (c)			H1 2022 (d)			(c/d)					
Net sales	1,120.7	100.0%	1,019.4	100.0%	9.9%	2,142.9	100.0%	1,909.4	100.0%	12.2%	Cost of sales	(781.5)	-69.7%	(760.3)	-74.6%	2.8%	(1,485.7)	-69.3%	(1,414.2)	-74.1%	5.1%
Gross profit	339.2	30.3%	259.1	25.4%	30.9%	657.2	30.7%	495.2	25.9%	32.7%											

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MAHLE focuses on activities and actions to achieve productivity increases and synergies in the production processes, which may partially offset cost increases. This is particularly vital in the current market environment, where the prices of raw materials and commodities are highly volatile in the entire supply chain.

4.7 Selling, general and administrative expenses

Summary of income statement (in BRL million, except percentages)	Q2 2023 (a)			Q2 2022 (b)			(a/b)			H1 2023 (c)			H1 2022 (d)			(c/d)					
Net sales	1,120.7	100.0%	1,019.4	100.0%	9.9%	2,142.9	100.0%	1,909.4	100.0%	12.2%	Selling and distribution expenses	(87.5)	-7.8%	(77.2)	-7.6%	13.3%	(163.1)	-7.6%	(134.5)	-7.0%	21.3%
General and administrative expenses	(32.0)	-2.9%	(30.2)	-3.0%	6.0%	(61.2)	-2.9%	(53.4)	-2.8%	14.6%											

Selling and distribution expenses rose due to increased freight costs, advertising costs and higher personnel costs.

General and administrative expenses rose due to increased maintenance expenses, materials and utilities expenses, service expenses and personnel costs.

Further information is presented in Notes 26 and 27 to the Interim Financial Statements as of June 30, 2023.

4.8 Research and development expenses

Summary of income statement (in BRL million, except percentages)	Q2 2023 (a)			Q2 2022 (b)			(a/b)			H1 2023 (c)			H1 2022 (d)			(c/d)					
Net sales	1,120.7	100.0%	1,019.4	100.0%	9.9%	2,142.9	100.0%	1,909.4	100.0%	12.2%	Research and development expenses	(14.4)	-1.3%	(11.3)	-1.1%	27.4%	(27.3)	-1.3%	(22.7)	-1.2%	20.3%

Research and development expenses are driven by market demand, regional technology trends and auto industry incentive programs, in particular the motor vehicle emission control program known as PROCONVE and the fuel efficiency program called ROTA2030.

We believe that continuously investing in research and development is of paramount importance and focusing on technological innovation in developing and launching new products in the market is one of our strongest competitive differentiators.

We have the second largest research and development center in South America for powertrain technology, combustion engine components and integrated solutions, and solutions to sustainable mobility and decarbonization.

4.9 Other operating income and expenses

Other operating income and expenses (in BRL million)	Q2 2023 (a)	Q2 2022 (b)	Change (a-b)	H1 2023 (c)	H1 2022 (d)	Change (c-d)
Recovered taxes (Reintegra)	5.6	0.4	5.2	5.9	1.9	4.0
Provision for labor, civil and tax proceedings/reversal	(2.8)	(6.5)	3.7	(0.2)	(11.1)	10.9
Export expenses (Argentina)	0.0	(1.7)	1.7	0.0	(3.3)	3.3
Gain/loss on disposal of assets/other	0.2	0.0	0.2	1.9	0.0	1.9
Agreement with subsidiary's minority shareholder	0.0	0.0	0.0	(1.3)	0.0	(1.3)
Provision for obsolescence/reversal	0.2	0.3	(0.1)	0.4	0.3	0.1
Taxes (PIS and COFINS) on other revenue	(0.7)	0.0	(0.7)	(1.9)	0.0	(1.9)
Provision for losses on products/reversal	(1.0)	0.0	(1.0)	(1.0)	0.0	(1.0)
Gain on net monetary position	(1.2)	0.4	(1.6)	(1.5)	0.5	(2.0)
Provision for environmental liability/reversal	(1.7)	0.0	(1.7)	(1.7)	0.0	(1.7)
Other income/expenses	(2.2)	(0.5)	(1.7)	(1.0)	(0.6)	(0.4)
Total other operating income (expenses), net	(3.6)	(7.6)	4.0	(0.4)	(12.3)	11.9

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4.10 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)	Amount	Margin	EBTIDA: Changes in the period (in BRL million)	Amount	Margin
Q2 2022	181.5	17.8%	H1 2022	360.0	18.9%
Gross profit	80.1		Gross profit	162.0	
Selling and distribution expenses	(10.3)		Selling and distribution expenses	(28.6)	
General and administrative expenses	(1.8)		General and administrative expenses	(7.8)	
Research and development expenses	(3.1)		Research and development expenses	(4.6)	
Other operating income, net	4.0		Other operating income, net	11.9	
Gain in net monetary position of foreign subsidiary	2.9		Gain in net monetary position of foreign subsidiary	17.9	
Depreciation	0.9		Depreciation	3.5	
Q2 2023	254.2	22.7%	H1 2023	514.3	24.0%

4.11 Finance income and costs

As shown in the table below, at the end of Q2 2023, the Company recorded net finance income of R\$ 29.4 million versus net finance costs of R\$ 4.9 million in Q2 2022, an improvement of R\$ 34.3 million year-over-year. In H1 2023, the Company recorded net finance income of R\$ 44.2 million, an improvement of R\$ 53.1 million compared to H1 2022.

Finance income and costs (in BRL million)	Q2 2023 (a)	Q2 2022 (b)	Change (a-b)	H1 2023 (c)	H1 2022 (d)	Change (c-d)
Interest income on financial investments	28.3	10.9	17.4	51.0	20.7	30.3
Interest expense on loans and borrowings	(4.4)	(2.9)	(1.5)	(8.7)	(5.3)	(3.4)
Other interest income	2.3	4.3	(2.0)	7.4	8.7	(1.3)
Net interest income (i)	26.2	12.3	13.9	49.7	24.1	25.6
1. Exchange rate effects on accounts receivable/accounts payable (1.1. + 1.2.)	(15.8)	2.4	(18.2)	(30.9)	(13.1)	(17.8)
1.1. Exchange rate effects	(24.8)	4.9	(29.7)	(50.9)	(31.7)	(19.2)
1.2. FX-hedge ¹	9.0	(2.5)	11.5	20.0	18.6	1.4
2. Exchange rate effects on foreign exchange contracts (ACC) / export credit notes (NCE)	26.1	(4.7)	30.8	39.5	22.9	16.6
3. Other transactions	(1.9)	(3.1)	1.2	(3.2)	(25.4)	22.2
Net foreign exchange gains (losses) and gain (loss) on derivatives (ii) - (1+2+3)	8.4	(5.4)	13.8	5.4	(15.6)	21.0
Net effects from inflation adjustments	(3.6)	(8.5)	4.9	(7.3)	(14.1)	6.8
Other	(1.6)	(3.3)	1.7	(3.6)	(3.3)	(0.3)
Net effects from inflation adjustments + Other (iii)	(5.2)	(11.8)	6.6	(10.9)	(17.4)	6.5
Net finance income (costs) (i + ii + iii)	29.4	(4.9)	34.3	44.2	(8.9)	53.1

¹ Additional information on financial instruments is available in Note 31 to the Interim Financial Statements as of June 30, 2023.

4.12 Income tax and social contribution

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The Company recorded an income tax and social contribution expense of R\$ 128.5 million at June 30, 2023 in the consolidated financial statements (expense of R\$ 67.3 million at June 30, 2022), as follows:

- Current tax: R\$ 120.8 million expense incurred principally by the parent company;
- Deferred tax: R\$ 7.7 million expense with no impact on cash, comprising mainly changes in provisions.

Additional information on income tax and social contribution is presented in Note 11 to the Interim Financial Statements as of June 30, 2023.

4.13 Net profit

Summary of income statement (in BRL million, except percentages)	Q2 2023 (a)			Q2 2022 (b)			H1 2023 (c)			H1 2022 (d)		
Net sales	1,120.7	100.0%		1,019.4	100.0%	9.9%	2,142.9	100.0%		1,909.4	100.0%	12.2%
Net profit attributable to owners of the parent	193.1	17.2%		114.9	11.3%	68.1%	379.1	17.7%		237.9	12.5%	59.4%
Net margin attributable to owners of the parent		17.2%			11.3%	5.9 p.p.		17.7%			12.5%	5.2 p.p.

Additional information on earnings per share (EPS) is provided in Note 23 to the Interim Financial Statements as of June 30, 2023.

4.14 Capital expenditures

In H1 2023, capital expenditures were R\$ 22.0 million (R\$ 34.7 million in H1 2022), primarily for research and development equipment, new machinery and equipment to increase productivity and quality, new products, building improvements, information technology, among others. Historically, there is a seasonality to capital expenditures as the amounts tend to increase over the year.

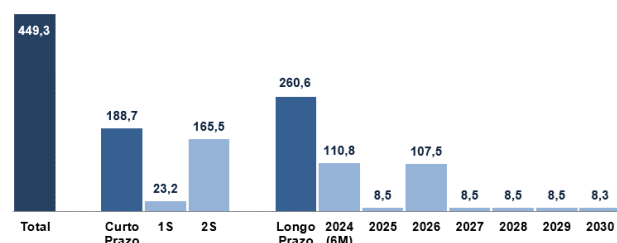
4.15 Net assets and liabilities position

At the end of H1 2023, the Company's net debt was R\$ 155.2 million while, at the end of 2022, net cash was R\$ 91.3 million, as shown below:

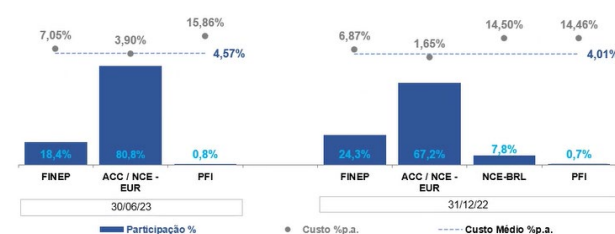
Net assets and liabilities position (in BRL million)	June 30, 2023 (a)	December 31, 2022 (b)	Change (a-b)	Debt % (a)	Debt % (b)
Cash and cash equivalents / bank balances / loans / marketable securities (i):	309.3	505.4	(196.1)		
Borrowings (ii):	(449.3)	(414.1)	(35.2)	100%	100%
Short-term	(188.7)	(209.9)	21.2	42.0%	50.7%
Long-term	(260.6)	(204.2)	(56.4)	58.0%	49.3%
Loans from related parties (iii) ¹	(15.2)	-	(15.2)		
Net cash (debt) (i - ii - iii):	(155.2)	91.3	(246.5)		

¹ Additional information on financial instruments is available in Note 10 to the Interim Financial Statements as of June 30, 2023.

Set out below are the maturities of borrowings classified into short-term and long-term at the end of H1 2023, representing 42.0% and 58.0%, respectively, of borrowings shown in the above table:



Shown below is the detailed breakdown of borrowings at the end of H1 2023 by facility with respective costs and weighted average cost:



4.16 Distribution of dividends and interest on capital to shareholders

At the Ordinary General Meeting held on April 27, 2023, the shareholders approved the distribution of **dividends of R\$ 451.9 million**, as follows:

- R\$ 276.3 million of remaining mandatory minimum dividends and proposed additional dividends relating to the fiscal year 2022; and
- R\$ 175.6 million of proposed additional dividends out of remaining profit for the prior year: In 2020, the Company created a special reserve for dividends in accordance with paragraph 4 of article 202 of the Brazilian Corporation Law due to the COVID-19 pandemic. Now, as the pandemic has abated, the withheld amounts were released.

At the same Ordinary General Meeting, the shareholders approved the distribution of **R\$ 107.1 million of interest on capital (gross)** relating to the fiscal year 2022.

In 2023, the Company has already paid out **R\$ 559.0 million in dividends and interest on capital**, as follows:

Date of approval	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 26, 2022	January 2, 2023	January 26, 2023	Interest on capital	January 1, 2022 to December 31, 2022	2022	107.1	0.835	0.710
April 27, 2023	April 28, 2023	May 26, 2023	Dividends	Remaining mandatory minimum dividends	2022	32.2	0.251	0.251
April 27, 2023	April 28, 2023	May 26, 2023	Dividends	Proposed additional dividends	2022	244.1	1.903	1.903
April 27, 2023	April 28, 2023	May 26, 2023	Dividends	Proposed additional dividends out of remaining profit for the period year	2019	175.6	1.368	1.368
Total paid out in 2023						559.0	4.357	4.232

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

5. Investor Relations and Capital Market

During H1 2023, our Investor Relations department continued working a number of initiatives to improve internal processes and the flow of information and intensify interactions with investors, shareholders and the overall financial community, as well as communicate the Company's fundamentals.

5.1 MAHLE Investor Day 2023 & APIMEC Meeting

Listed companies hold events to provide investors with information on strategic matters in a more transparent way.



MAHLE Investor Day 2023

On April 3, 2023, MAHLE Metal Leve held in São Paulo its Investor Day 2023 & APIMEC Meeting – a great opportunity to discuss topics such as: the fundamentals of the original equipment market and Aftermarket, public financial data, culture and diversity, technology, strategies and sustainability.

The material of the event is available at the MAHLE Investor Relations website. Scan the QR code or click on the links below to access the material in Portuguese:



Click here for a teaser of the event.



Click here for presentation.



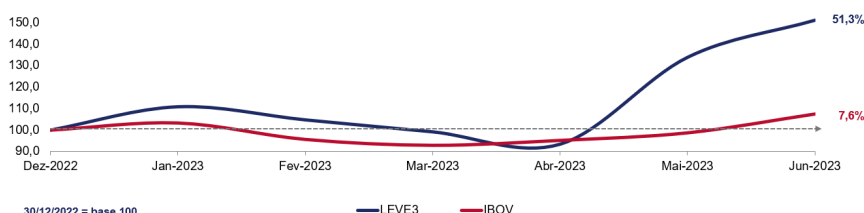
Watch the event replay video.

5.2 Participation in online events

According to the “[Announcement to the Market](#)” issued by the Company, it participated on May 24, 2023 in the online event *Trígono Connection*, where the participants could discuss the “opportunities in the development of the sustainable mobility”. Click [here](#) to watch the event.

5.3. MAHLE stock performance and free float

The graph below (base 100) shows the market performance of LEVE3 stock and Ibovespa¹ during H1 2023, and Average Daily Trading Volume (ADTV) and free-float market capitalization:

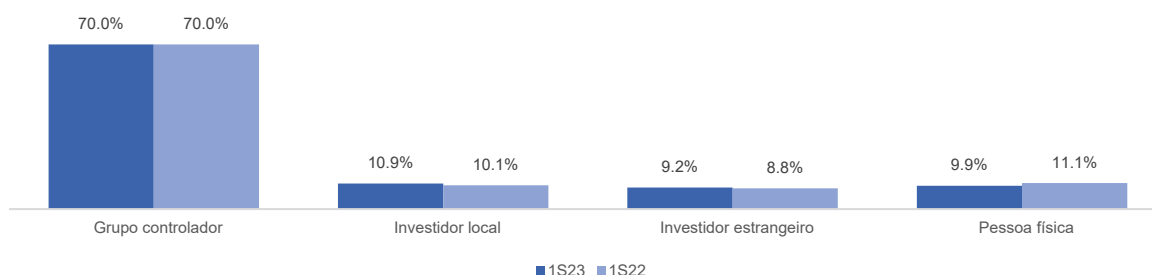


¹ IBOVESPA is a major market index which tracks the performance of the most liquid stocks traded on Brazil's Stock Exchange B3 – Brasil, Bolsa, Balcão.

Average Daily Trading Volume (in BRL million) and Free Float Market Cap				
Period:	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Trading volume:	4.5	5.8	7.9	13.5
Free float market cap %:	0.48%	0.55%	0.65%	0.94%

5.4. Ownership structure of the Company

At the end of H1 2023 and H1 2022, the Company’s ownership structure by investor category is as follows:



6. 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 second quarter of 2023, 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.

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7. 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 interim financial statements for the period ended June 30, 2023 and the conclusions expressed in the independent auditor's report.

8. Acknowledgements

We would like to thank our employees, shareholders, customers and suppliers for their continued support and confidence during the second quarter of 2023.

The Management Board

9. Appendices

9.1. Balance sheet

Balance Sheet (Consolidated)	June 30, 2023	December 31, 2022
Assets	3,010.2	3,132.7
Current assets	1,892.0	1,920.0
Cash and cash equivalents	50.2	61.9
Marketable securities	104.2	-
Financial investments	154.8	365.5
Trade accounts receivable	748.6	659.3
Inventories	610.0	545.0
Recoverable taxes	94.7	200.7
Income tax and social contribution recoverable	56.3	55.9
Other assets	73.2	31.7
Non-current assets	1,118.2	1,212.7
Deferred taxes	32.2	32.3
Loans to related parties	-	78.1
Recoverable taxes	11.1	17.0
Property, plant and equipment	584.4	616.1
Intangible assets	389.5	390.1
Long-term assets in use	46.7	48.5
Other assets	54.3	30.6
Liabilities	3,010.2	3,132.7
Current liabilities	979.5	1,039.2
Salaries, vacation and social charges	141.5	109.7
Trade accounts payable	388.5	327.0
Lease liability	11.3	10.9
Income tax and social contribution payable	42.1	52.7
Borrowings	188.7	209.9
Provisions	81.4	105.7
Other liabilities	126.0	223.3
Non-current liabilities	602.5	513.8
Borrowings	260.6	204.2
Trade accounts payable	36.6	38.2
Deferred taxes	13.3	8.5
Provisions	254.7	237.9
Other liabilities	37.3	25.0
Consolidated shareholder's equity	1,428.2	1,579.7
Capital stock	966.3	966.3
Revenue reserves	525.0	525.0
Special reserve	-	419.7
Retained earnings (accumulated deficit)	379.3	-
Other comprehensive income	37.5	34.2
Cumulative translation adjustments	(482.5)	(358.6)
Non-controlling interests	2.6	(6.9)

9.2. Statement of income

Income Statement (Consolidated)	June 30, 2023 (a)	June 30, 2022 (b)	Var. (a/b)
Net sales revenue	2,142.9	1,909.4	12.2%
Cost of sales	(1,485.7)	(1,414.2)	5.1%
Gross income	657.2	495.2	32.7%
Operating income (expenses)	(194.0)	(182.7)	6.1%
Selling expenses	(162.1)	(134.8)	20.3%
Gains/losses on the recoverable value of accounts receivable	(1.0)	0.3	-433.3%
General and administrative expenses	(61.2)	(53.4)	14.6%
Technology and product development expenses	(27.3)	(22.7)	20.3%
Other operating income (expenses), net	(0.4)	(12.3)	-96.7%
Gains/losses on net monetary position	58.0	40.2	44.3%
Profit before finance income and costs	463.2	312.5	48.2%
Finance income	172.6	154.5	11.7%
Finance costs	(128.4)	(163.4)	-21.4%
Income and social contribution taxes	507.4	303.6	67.1%
Current Income tax and social contribution	(120.8)	(74.5)	62.1%
Deferred Income tax and social contribution	(7.7)	7.2	-206.9%
Profit for the period	378.9	236.3	60.3%
Attributable to: Owners of the parent	379.1	237.9	59.4%
Attributable to: Non-controlling-interests	(0.2)	(1.6)	-87.5%
Basic and diluted earnings per share (in reais)	2.95413	1.85369	59.4%

9.3. Statement of cash flows

Statement Of Cash Flows (Consolidated)	June 30, 2023	June 30, 2022
Cash flows from operating activities		
Profit (losses) before tax	507.4	303.5
Depreciation and amortization	51.0	47.6
Interest and monetary and exchange variations, net	(50.7)	12.0
Losses/(gains) on derivative financial instruments	(2.8)	6.2
Result on disposal of property, plant and equipment	(2.2)	(0.0)
Provision (reversal) for impairment of trade receivables	1.0	(0.7)
Provision (reversal) for contingencies and legal obligations	(1.1)	7.6
Provision (reversal) for guarantees	1.8	(0.7)
Other provisions (reversal)	29.4	15.9
Recognition (reversal) of provision for impairment of the property, plant and equipment and i	(0.4)	(0.3)
Provision (reversal) for losses on inventories	8.3	3.8
Interest expense on lease liability	2.6	0.4
PIS / COFINS (taxes)	(11.7)	(40.2)
Gain / loss on monetary variation, net	(58.0)	(21.2)
Changes in assets and liabilities	-	-
Trade accounts receivable and related parties	(89.6)	(127.1)
Inventories	(65.9)	(95.4)
Recoverable taxes	115.3	13.6
Other assets	(32.2)	(18.9)
Trade accounts payable and related parties	63.8	90.2
Salaries, accrual for vacation and social charges	31.8	27.2
Taxes and contributions payable	(17.1)	9.3
Other liabilities	(62.0)	(19.2)
Cash from operations	418.7	213.6
Income tax and social contribution paid	(81.2)	(54.6)
Net cash used in operating activities	337.5	159.0
Net Cash from Investment Activities	(32.6)	54.5
Loans granted to related subsidiaries	(317.3)	(657.0)
Loan repayments received from related parties	390.9	748.2
Additions to property, plant and equipment	(24.3)	(36.9)
Additions to intangible assets	(0.1)	(0.1)
Marketable securities acquisition	(101.5)	-
Settlement of bonds and securities	17.2	-
Proceeds from sales of property, plant and equipment	2.5	0.3
Net Cash from Financing Activities	(494.9)	(373.3)
Proceeds from borrowings	104.1	289.3
Repayment of principal of loans	(52.8)	(123.4)
Payment of interest on loans	(8.6)	(3.5)
Dividends and interest on capital paid	(544.2)	(529.4)
Related Party Loans	164.6	-
Payment of Related Party Loans	(149.1)	-
Repayment of the principal of the lease liability	(8.9)	(6.3)
Effect of foreign exchange variation on cash and cash equivalents	(32.3)	(23.1)
Net increase in cash and cash equivalents	(222.3)	(182.9)
Cash and cash equivalents at the beginning of the period	427.4	361.1
Cash and cash equivalents at the end of the period	205.1	178.2
Net increase in cash and cash equivalents	(222.3)	(182.9)

For more information, please visit the Center of Results on MAHLE investor Relations website <https://ri.mahle.com.br/informacoes-financeiras/central-de-resultados/>

