

(A free translation of the original in Portuguese)

**MAHLE Metal Leve S.A.**

**Individual and Consolidated  
Financial statements at  
December 31, 2023**

**Mogi Guaçu, São Paulo, March 11, 2024 - MAHLE Metal Leve S.A. (B3: LEVE3)**, a Brazilian leading manufacturer of internal combustion engine components and filters, today announced financial results for the fiscal year 2023. 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, unless otherwise stated.

**Q4 2023 and Full Year 2023 Financial Results Video Conference Call**

**Date: March 12, 2024**

**Time**

12 noon – Brasilia  
3:00 p.m. – London  
11:00 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>

## HIGHLIGHTS

**Net Sales Revenue:** R\$ 4,338.8 million in 2023, which represents an increase of 2.7% compared to 2022. In Q4 2023, net sales revenue was 8.9% lower than in Q4 2022. See details in items [5.1](#), [5.2](#) and [5.3](#).

**Original Equipment – Domestic Market:** In 2023, the Company recorded a fall of 6.2% in domestic sales in the OE segment compared to 2022, while in Q4 2023 the fall was 15.9% compared to Q4 2022 (more information is available in items [5.1](#) and [5.2](#)).

**Original Equipment – Export Market:** In 2023, exports in the OE segment rose by 2.5% compared to 2022. In Q4 2023, the decline was 15.6% compared to Q4 2022 (more information is available in items [5.1](#) and [5.2](#)).

**Aftermarket – Domestic Market:** In 2023, domestic sales in the Aftermarket segment rose by 16.8% compared to 2022. In Q4 2023, the increase was 3.6% compared to Q4 2022 (more information is available in items [5.1](#) and [5.3](#)).

**Aftermarket – Export Market:** In 2023, exports in the Aftermarket segment fell by 22.6% compared to 2022. In Q4 2023, the fall was 15.5% compared to Q4 2022. More information is available in items [5.1](#) and [5.3](#).

**MAHLE Investor Day 2023 and APIMEC Meeting:** On April 3, 2023, the Company hosted an in-person event in the city of São Paulo, where its senior management had an opportunity to talk about the fundamentals of the Company with shareholders, investors and financial analysts. More information is available in [item 7.1](#).

**APIMEC Award:** The public event held by MAHLE Metal Leve on April 3, 2023 was elected the [Best Meeting of 2023](#) among all meetings held in APIMEC Brazil. More information is available in [item 7.2](#).

**Sustainability Report:** The Company published on September 26, 2023 its Sustainability Report 2022, which is available on the Investor Relations website. [Click here](#) to access the report.

**Distributions to Shareholders:** In 2023, the Company paid out R\$ 1,358.0 million in Dividends and Interest on Capital. Information is available in [item 5.17](#).

**Follow-on:** In 2023, there was a primary and secondary follow-on offering of the Company shares. See [item 1](#) in Management Commentary.

Key figures (in BRL million, except where indicated)	2023 (a)	2022 (b)	(a/b)	Q4 2023 (c)	Q3 2023 (d)	Q4 2022 (e)	(c/d)	(c/e)
Net sales revenue	4,338.8	4,224.0	2.7%	1,016.5	1,179.4	1,115.8	-13.8%	-8.9%
EBITDA	917.7	816.7	12.4%	156.9	246.5	171.7	-36.3%	-8.6%
Adjusted EBITDA <sup>1</sup>	917.7	845.0	8.6%	156.9	246.5	202.0	-36.3%	-22.3%
EBITDA margin	21.2%	19.3%	1.9 p.p.	15.4%	20.9%	15.4%	-5.5 p.p.	0 p.p.
Adjusted EBITDA margin <sup>1</sup>	21.2%	20.0%	1.2 p.p.	15.4%	20.9%	18.1%	-5.5 p.p.	-2.7 p.p.
Net profit	748.3	565.3	32.4%	154.1	215.1	123.1	-28.4%	25.2%
Adjusted net profit <sup>2</sup>	748.3	582.6	28.4%	154.1	215.1	142.9	-28.4%	7.8%
Net margin	17.2%	13.4%	3.8 p.p.	15.2%	18.2%	11.0%	-3.0 p.p.	4.2 p.p.
Adjusted net margin <sup>2</sup>	17.2%	13.8%	3.4 p.p.	15.2%	18.2%	12.8%	-3.0 p.p.	2.4 p.p.

<sup>1</sup> Adjusted EBITDA: Details of the adjustments are provided in [item 5.10](#) of this report.

<sup>2</sup> Adjusted net profit: Details of the adjustments are provided in [item 5.13](#) of this report. Net profit and net margin shown in the above table refers to "Profit attributable to owners of the Company" in [item 5](#) of this report.

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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, 2023.

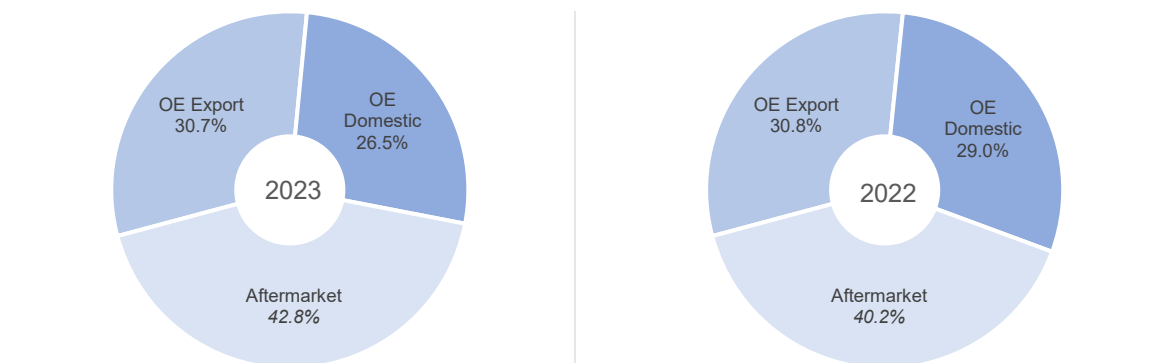
## 1. Management Commentary

MAHLE Metal Leve (the “Company”) 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 have access to 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 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 Company reported growth of 2.7% in net revenue in 2023 compared with 2022, due to positive performance of the Aftermarket segment (+9.3%) and OE exports (+2.5%), offset by the domestic OE sales (-6.2%). The Company’s net revenue in Q4 2023 declined by 8.9% compared with 4Q 2022 as a result of the performance of the Aftermarket segment (+0.9%), domestic OE sales (-15.9%) and OE exports (-15.6%).

The graph below shows source of revenue in 2023 and 2022:



Adjusted EBITDA margin in 2023 was 21.2% (R\$ 917.7 million) versus 20.0% (R\$ 845.0 million with adjustment) in 2022. In Q4 2023, adjusted EBITDA margin was 15.4% (R\$ 156.9 million), while in Q4 2022 adjusted EBITDA margin reached 18.1% (R\$ 202.0 million with adjustment). 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 development centers in South America. MAHLE has established a Global Bio-Mobility Center in Jundiai with dedicated resources for development of biofuels and biomaterials. The exchange of technologies between the Jundiai Tech Center and other MAHLE tech centers contributes to the sophistication and improvement of our products and services that will allow us to meet the requirements of our customers worldwide. Following the recent global trend towards smaller, lighter, more economical and less polluting engines, we have also developed technologies for components of combustion engines, such as components for flex-fuel vehicles.

We believe that these new technologies will enable us to continue to offer our customers components that help them meet recent emission reduction targets. In addition to developing technology for its products, the Company, through its laboratories and team of experts, develops technology and performs engine improvement and testing for customers.

According to the [material fact](#) disclosed by the Company on October 31, 2023 regarding a follow-on share offering:

- (i) The Company filed with the Brazilian Securities Commission (CVM) a follow-on offering of 21,603,858 registered, book-entry shares of the Company's common stock without par value, all of which are free and clear of any encumbrances ("Shares"), comprising (a) a primary distribution of 7,230,500 common shares to be issued by the Company ("Shares of the Primary Offering" and "Primary Offering" respectively); and (b) a secondary distribution of 7,142,858 common shares issued by the Company and held by MAHLE Industriebeteiligungen GmbH ("Mahle GmbH") ("Shares of the Secondary Offering" and "Secondary Offering" respectively), to take place in the Federative Republic of Brazil ("Brazil"), with placement efforts abroad, through the automatic distribution registration procedure under article 26, item II.a of CVM Resolution No. 160 of July 13, 2022 ("CVM Resolution 160") ("Offering"). The Offering was priced at R\$ 28.00 per share and comprises a primary offering of R\$ 202,454,000.00 and a secondary offering of R\$ 200,000,024.00, totaling R\$ 402,454,024.00.

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## 2. Macroeconomic Conditions and Outlook

In 2023, Brazil experienced modest but better-than-expected growth with the expansion of the domestic market giving impetus to the continuous improvement of labor income and social benefits. In particular, household consumption has contributed significantly to GDP, with the services sector leading the growth. Another sector that had a strong performance was agriculture due to a super harvest and oil production exceeded forecasts, thus opening up new opportunities abroad. However, the manufacturing industry saw stagnation due in part to the increase in imports of durable and semi-durable goods, coupled with high interest rates, hindering the resumption of investments.

At the beginning of 2023, Brazil's benchmark interest rate [SELIC](#) was 13.75% per year and closed 2023 at 11.75% per year. At the time of publication of this report, [SELIC](#) rate is expected to close 2024 at 9.00% per year according to the Brazilian Central Bank's Focus report.

According to the [minutes of the 260th Meeting of the Monetary Policy Committee \(Copom\)](#), issued on February 6, 2024, the international environment remains unstable, with discussions about the start of monetary policy easing in many economies and signs of cooling inflation, even though inflation remains high in many countries.

The central banks of major economies are committed to achieving the inflation target despite pressures of the labor markets. In the domestic scenario, recent indicators continue to point to a slowdown in economic activity, as forecasted by Copom. There is moderate economic growth but household consumption remains resilient. In addition, the labor market is heated, with increase in real income.

In the global scenario, the [International Monetary Fund \(IMF\)](#) forecast global growth of 3.1% in 2024 on account of greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8% in 2024. In addition, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary and than assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers.

According to the IMF, policymakers' near-term challenge is to successfully manage the final descent of inflation to target, calibrating monetary policy in response to underlying inflation dynamics. More efficient multilateral coordination is needed to avoid debt distress and create space for investments, as well as to mitigate the effects of climate change.

### 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 reliable, high-quality products with cutting-edge technology, 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.




We own six manufacturing plants, five of which are located in Brazil, in the cities of Mogi Guaçu (two units), São Bernardo do Campo and Arujá, 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 also have one third-party logistics provider in the city of Louveira, State of São Paulo. We have one sales office in the city of Panama. We have a technology center in the city of Jundiai, State of São Paulo, which we believe is one of the largest and most well-equipped engine development centers in South America. In September 2023, the MAHLE Group has appointed the Tech Center in Jundiai to lead the development and application of biofuels and biomaterial technologies to support large-scale decarbonization worldwide, as part of the ICE strategy.

As part of a globally active Group, we are able to exchange knowledge, provide and have constant access to the latest technology and develop new products together with our customers, which we believe are key factors to the high level of market penetration and customer loyalty we have achieved.

### 4. Development of the Automotive Industry

#### 4.1 Development of the Brazilian and Argentine markets and production of vehicles in the major export markets of the Company

2023 x 2022	Vehicles (thousands)	 Brazil	 Argentina	 Total
Sales	Light	2,180.2 11.2%	406.9 8.2%	2,587.1 10.7%
	Heavy-duty	128.5 -10.8%	14.2 -3.4%	142.7 -10.1%
Production	Light	2,203.7 1.3%	610.7 13.7%	2,814.4 3.7%
	Heavy-duty	121.1 -37.5%	6.7 -8.4%	127.8 -36.4%

2023 x 2022	Vehicles (thousands)	 Europe	 North America	 Total
Production	Light	17,766.9 12.3%	15,587.8 9.0%	33,354.7 10.7%
	Heavy-duty	696.2 13.8%	658.9 8.0%	1,355.1 10.9%

## 5. Company's Financial and Economic Performance

Summary of income statement (in BRL million, except percentages)	2023		2022		(a/b)	Q4 2023		Q4 2022		(c/d)
	(a)		(b)			(c)		(d)		
<b>Net operating revenue</b>	4,338.8	100.0%	4,224.0	100.0%	2.7%	1,016.5	100.0%	1,115.8	100.0%	-8.9%
Cost of sales and services	(3,067.3)	-70.7%	(3,090.9)	-73.2%	-0.8%	(750.3)	-73.8%	(839.2)	-75.2%	-10.6%
<b>Gross profit</b>	<b>1,271.5</b>	<b>29.3%</b>	<b>1,133.1</b>	<b>26.8%</b>	<b>12.2%</b>	<b>266.2</b>	<b>26.2%</b>	<b>276.6</b>	<b>24.8%</b>	<b>-3.8%</b>
Selling and distribution expenses	(332.0)	-7.7%	(312.9)	-7.4%	6.1%	(81.9)	-8.1%	(92.8)	-8.3%	-11.7%
General and administrative expenses	(127.8)	-2.9%	(110.1)	-2.6%	16.1%	(32.7)	-3.2%	(30.5)	-2.7%	7.2%
Research and development expenses	(58.2)	-1.3%	(44.2)	-1.0%	31.7%	(15.4)	-1.5%	(9.0)	-0.8%	71.1%
<sup>1</sup> Other operating income (expenses), net	(8.3)	-0.2%	(39.9)	-0.9%	-79.2%	0.0	0.0%	(29.7)	-2.7%	-100.0%
Gain on net monetary position in foreign subsidiary	70.9	1.6%	95.0	2.2%	-25.4%	(4.4)	-0.4%	33.6	3.0%	-113.1%
<b>Profit before finance income and costs and taxes</b>	<b>816.1</b>	<b>18.8%</b>	<b>721.0</b>	<b>17.1%</b>	<b>13.2%</b>	<b>131.8</b>	<b>13.0%</b>	<b>148.2</b>	<b>13.3%</b>	<b>-11.1%</b>
<sup>2</sup> Net finance income (costs)	121.8	2.8%	(9.1)	-0.2%	-1438.5%	28.0	2.8%	(16.5)	-1.5%	-269.7%
Income tax and social contribution	(190.1)	-4.4%	(149.5)	-3.5%	27.2%	(5.7)	-0.6%	(9.6)	-0.9%	-40.6%
<b>Profit for the period</b>	<b>747.8</b>	<b>17.2%</b>	<b>562.4</b>	<b>13.3%</b>	<b>33.0%</b>	<b>154.1</b>	<b>15.2%</b>	<b>122.1</b>	<b>10.9%</b>	<b>26.2%</b>
<b>Profit attributable to owners of the Company</b>	<b>748.3</b>	<b>17.2%</b>	<b>565.3</b>	<b>13.4%</b>	<b>32.4%</b>	<b>154.1</b>	<b>15.2%</b>	<b>123.1</b>	<b>11.0%</b>	<b>25.2%</b>
<sup>3</sup> <b>Adjusted profit attributable to owners of the Company</b>	<b>748.3</b>	<b>17.2%</b>	<b>582.6</b>	<b>13.8%</b>	<b>28.4%</b>	<b>154.1</b>	<b>15.2%</b>	<b>142.9</b>	<b>12.8%</b>	<b>7.8%</b>
Profit attributable to non-controlling interests	(0.5)	0.0%	(2.9)	-0.1%	-82.8%	(0.0)	0.0%	(1.0)	-0.1%	-100.0%
<b>EBITDA</b>	<b>917.7</b>	<b>21.2%</b>	<b>816.7</b>	<b>19.3%</b>	<b>12.4%</b>	<b>156.9</b>	<b>15.4%</b>	<b>171.7</b>	<b>15.4%</b>	<b>-8.6%</b>
<sup>4</sup> <b>Adjusted EBITDA</b>	<b>917.7</b>	<b>21.2%</b>	<b>845.0</b>	<b>20.0%</b>	<b>8.6%</b>	<b>156.9</b>	<b>15.4%</b>	<b>202.0</b>	<b>18.1%</b>	<b>-22.3%</b>

<sup>1</sup> Additional information is available in Notes 16 and 35 to the Financial Statements for the year ended December 31, 2023.

<sup>2</sup> Additional information is available in item [5.11](#) of this report.

<sup>3</sup> Additional information is available in item [5.13](#) of this report.

<sup>4</sup> Additional information is available in 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 exchange rate effects 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)	2023 (a)	2022 (b)	(a/b)	Q4 2023 (c)	Q4 2022 (d)	(c/d)
Original Equipment – Domestic	1,148.1	1,224.6	-6.2%	252.1	299.8	-15.9%
Original Equipment – Export	1,332.1	1,299.0	2.5%	300.6	356.3	-15.6%
<b>Subtotal</b>	<b>2,480.2</b>	<b>2,523.6</b>	<b>-1.7%</b>	<b>552.7</b>	<b>656.1</b>	<b>-15.8%</b>
Aftermarket – Domestic	1,609.9	1,378.9	16.7%	408.3	394.0	3.6%
Aftermarket – Export	248.7	321.5	-22.6%	55.5	65.7	-15.5%
<b>Subtotal</b>	<b>1,858.6</b>	<b>1,700.4</b>	<b>9.3%</b>	<b>463.8</b>	<b>459.7</b>	<b>0.9%</b>
<b>Total</b>	<b>4,338.8</b>	<b>4,224.0</b>	<b>2.7%</b>	<b>1,016.5</b>	<b>1,115.8</b>	<b>-8.9%</b>

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## 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.

The Company's customer base is well diversified with no single customer accounting for more than 10% of the Company's net sales revenue. The Company has a diversified geographical market distribution and customer base mix, mitigating potential risks and seizing market growth opportunities.

### Domestic market:

Sales in the domestic market in 2023 fell by -6.2% due to a volume/price increase, offset by exchange rate effects. In Q4 2023 sales in the domestic market fell by -15.9% due to volume/price and exchange rate effects.

### Export market:

Exports in 2023 grew by +2.5%, driven by the positive volume/price and exchange rate effects. In Q4 2023, exports fell by -15.6% due to volume/price and exchange rate effects.

The table below presents exports in major trading currencies:

Original Equipment						
Exports by currency (in millions)	2023 (a)	2022 (b)	HA % (a/b)	Q4 2023 (c)	Q4 2022 (d)	HA % (c/d)
EUR	66.6	68.6	-3.6%	13.6	16.9	-19.5%
USD	208.1	182.1	14.3%	60.0	53.6	-11.9%
<b>Total equivalent in USD</b>	<b>282.0</b>	<b>262.3</b>	<b>7.5%</b>	<b>77.0</b>	<b>76.8</b>	<b>-0.3%</b>



### 5.3 Aftermarket sales

The Aftermarket offers a wide range of automotive parts and components to workshops and repair shops. 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 spare parts with original equipment quality. The Aftermarket is a more stable market during challenging times since, with the decline in demand for new vehicles, the use of spare parts is the most viable option for consumers.

The Aftermarket portfolio includes internal combustion engine components, air conditioning systems and air management systems, electric systems, equipment for vehicle diagnostics and service work.

MAHLE Metal Leve works to be the leading supplier of automotive parts and components throughout the life cycle of the vehicle in which they are installed. To be its customers' preferred supplier, MAHLE Metal Leve offers an excellent mix of products and services, maintaining the highest level of quality standards and delivering on time. We are committed to expanding our market presence focusing on sustainable growth and leveraging agility to launch new products to the market.

The Company's key competitive advantage lies in its distribution network that has major auto parts distributors and retail chains as direct customers. This structure guarantees support for repair shops throughout the country.

Another important factor is that the Aftermarket has a dedicated structure with teams of technicians and sales partners in the major cities of the country to ensure technical support, training, sales promotions for trade, workshop and engine repair partners, and fleet operators. These actions are part of the program "*Juntos Pra Valer*" ("Together for Real") that was launched by MAHLE Metal Leve to strengthen the brand in the Aftermarket channel and to stay close to users and auto parts shops, offering solutions and tools and generating demand for the Company's products. As part of this program, we launched a distance training portal with technical content and a distance learning course for workshops management in partnership with SEBRAE (Brazilian Support Service for Micro and Small Enterprises) and a technical training center in partnership with SENAI (Brazilian National Service for Industrial Training) in Fortaleza.

We have a dedicated team of engineers for development and launch of products that meet the demands of the Aftermarket, which is a supporting pillar of the Company. In 2023, approximately 900 new part numbers were launched among products and extensions to existing products that are available for sale.

#### Domestic market:

Sales in the domestic market in 2023 grew by +16.8% due to the increase in volume/price and exchange rate effects. In Q4 2023, sales in the domestic market grew by +3.6% due to the increase in volume/price and exchange rate effects.

#### Export market:

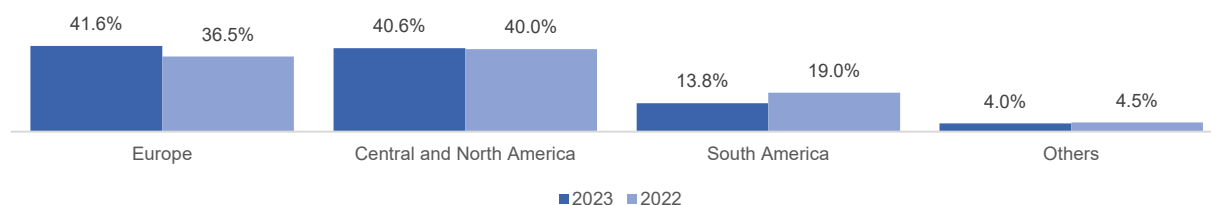
Exports in 2023 fell by -22.6% due to the decrease in volume/price and negative exchange rate effects. In Q4 2023, exports fell by -15.5% due to the decrease in volume/price, offset by exchange rate effects.

The table below shows Aftermarket business segment's exports in major trading currencies:

Aftermarket						
Exports by currency (in millions)	2023 (a)	2022 (b)	HA % (a/b)	Q4 2023 (c)	Q4 2022 (d)	HA % (c/d)
EUR	3.7	3.7	0.0%	1.0	-	-
USD	47.9	59.4	-19.4%	11.8	11.7	0.9%
<b>Total equivalent in USD</b>	<b>52.0</b>	<b>63.7</b>	<b>-18.4%</b>	<b>13.1</b>	<b>11.7</b>	<b>12.0%</b>

## 5.4 Consolidated export by geographical market

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



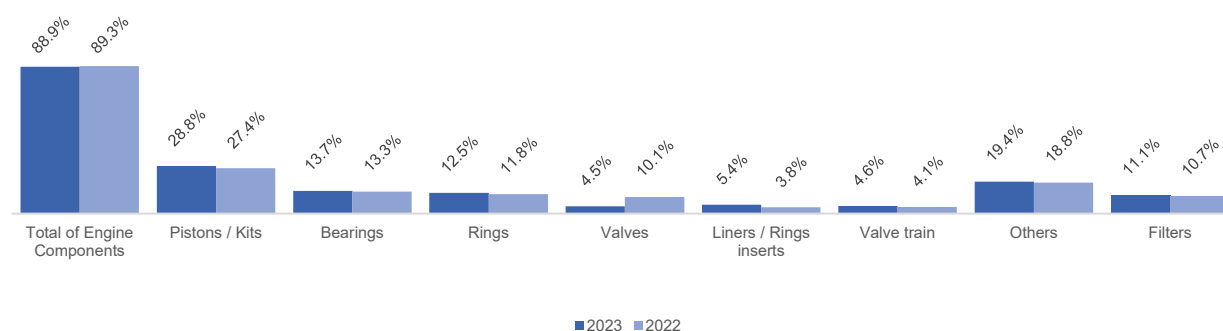
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## 5.5 Net sales by segment and by product

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

Net sales by segment (in BRL million)	2023 (a)	2022 (b)	HA % (a/b)	VA % (a)	VA % (b)	Q4 2023 (c)	Q4 2022 (d)	HA % (c/d)	VA % (c)	VA % (d)
Engine components	3,856.0	3,773.7	2.2%	88.9%	89.3%	899.2	999.6	-10.0%	88.5%	89.6%
Filters	482.8	450.3	7.2%	11.1%	10.7%	117.3	116.2	0.9%	11.5%	10.4%
<b>Total</b>	<b>4,338.8</b>	<b>4,224.0</b>	<b>2.7%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1,016.5</b>	<b>1,115.8</b>	<b>-8.9%</b>	<b>100.0%</b>	<b>100.0%</b>

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



## 5.6 Gross margin

Summary of income statement (in BRL million, except percentages)	2023 (a)		2022 (b)		(a/b)	Q4 2023 (c)		Q4 2022 (d)		(c/d)
Net operating revenue	4,338.8	100.0%	4,224.0	100.0%	2.7%	1,016.5	100.0%	1,115.8	100.0%	-8.9%
Cost of sales and services	(3,067.3)	-70.7%	(3,090.9)	-73.2%	-0.8%	(750.3)	-73.8%	(839.2)	-75.2%	-10.6%
<b>Gross profit</b>	<b>1,271.5</b>	<b>29.3%</b>	<b>1,133.1</b>	<b>26.8%</b>	<b>12.2%</b>	<b>266.2</b>	<b>26.2%</b>	<b>276.6</b>	<b>24.8%</b>	<b>-3.8%</b>

The Company 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. 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)	2023 (a)		2022 (b)		(a/b)	Q4 2023 (c)		Q4 2022 (d)		(c/d)
Net operating revenue	4,338.8	100.0%	4,224.0	100.0%	2.7%	1,016.5	100.0%	1,115.8	100.0%	-8.9%
Selling and distribution expenses	(332.0)	-7.7%	(312.9)	-7.4%	6.1%	(81.9)	-8.1%	(92.8)	-8.3%	-11.7%
General and administrative expenses	(127.8)	-2.9%	(110.1)	-2.6%	16.1%	(32.7)	-3.2%	(30.5)	-2.7%	7.2%

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Selling and distribution expenses were impacted mainly by freight expenses and variable selling expenses, inflation and personnel costs.

The increase in general and administrative expenses is attributable to these expense components: taxes and duties, services, maintenance, materials and utilities, and personnel costs.

Additional information is provided in Notes 31 and 32 to the Financial Statements as of December 31, 2023.

## 5.8 Research and development expenses

The MAHLE Tech Center in Jundiai, State of São Paulo, gives the Company a significant competitive advantage over its competitors in the industry for the improvement and development of internal combustion engine components, engine peripherals and automotive filters.

We will continue to invest in research and development through our Tech Center in Jundiai to anticipate emerging trends and demands in the market and to create technological solutions to promote sustainable mobility with a focus on demands from society and our customers, which will allow us to accelerate our growth and increase our productivity and profit margins.

In addition, we offer our customers advisory and consulting services in automotive engineering, through integrated solutions with the development of virtual projects, using mathematical simulation programs for engines and components and testing and validation of automotive technologies. We thus deepen our competitive advantage and that of our customers by anticipating technological solutions.

Summary of income statement (in BRL million, except percentages)	2023 (a)		2022 (b)		(a/b)	Q4 2023 (c)		Q4 2022 (d)		(c/d)
Net operating revenue	4,338.8	100.0%	4,224.0	100.0%	2.7%	1,016.5	100.0%	1,115.8	100.0%	-8.9%
Research and development expenses	(58.2)	-1.3%	(44.2)	-1.0%	31.7%	(15.4)	-1.5%	(9.0)	-0.8%	71.1%

## 5.9 Other operating income and expenses

Other operating income and expenses (in BRL million)	2023 (a)	2022 (b)	Change (a-b)	Q4 2023 (c)	Q4 2022 (d)	Change (c-d)
Agreement with subsidiary's minority shareholder <sup>1</sup>	0.0	(30.2)	30.2	0.0	(30.2)	30.2
Provision for labor, civil and tax proceedings/reversal	(2.7)	(10.8)	8.1	2.0	(1.3)	3.3
Recovered taxes (Reintegra)	7.6	2.4	5.2	1.4	0.2	1.2
Taxes (PIS and COFINS) on other revenue	(4.3)	(8.5)	4.2	(1.3)	(1.2)	(0.1)
Gain/loss on disposal of assets/other	1.6	(0.7)	2.3	0.1	(0.7)	0.8
Export expenses (Argentina)	0.0	0.0	0.0	0.0	5.1	(5.1)
Provision for obsolescence/reversal	0.6	1.2	(0.6)	0.1	0.7	(0.6)
Provision for losses on products/reversal	(3.4)	(1.8)	(1.6)	(2.4)	(1.8)	(0.6)
Provision for environmental liability/reversal	(1.7)	0.0	(1.7)	0.0	0.0	0.0
Gain on net monetary position	(3.0)	0.0	(3.0)	(0.1)	0.0	(0.1)
Receivables from Limeira city government	(0.1)	6.6	(6.7)	0.0	0.0	0.0
Other income/expenses	(2.9)	1.9	(4.8)	0.2	(0.4)	0.6
<b>Total other operating income (expenses), net</b>	<b>(8.3)</b>	<b>(39.9)</b>	<b>31.6</b>	<b>0.0</b>	<b>(29.7)</b>	<b>29.7</b>

<sup>1</sup> Additional information is provided in Note 16 to the Financial Statements as of December 31, 2023.

## 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	Amount	Margin	EBTIDA: Changes in the period	Amount	Margin
<b>2022 adjusted</b>	<b>845.0</b>	<b>20.0%</b>	<b>Q4 2022 adjusted</b>	<b>202.0</b>	<b>18.1%</b>
Receivables from Limeira city government	1.9		Receivables from Limeira city government	(0.1)	
Agreement with subsidiary's minority shareholder <sup>1</sup>	(30.2)		Agreement with subsidiary's minority shareholder <sup>1</sup>	(30.2)	
<b>2022</b>	<b>816.7</b>	<b>19.3%</b>	<b>Q4 2022</b>	<b>171.7</b>	<b>15.4%</b>
Gross profit	138.4		Gross profit	(10.4)	
Selling and distribution expenses	(19.1)		Selling and distribution expenses	10.9	
General and administrative expenses	(17.7)		General and administrative expenses	(2.2)	
Research and development expenses	(14.0)		Research and development expenses	(6.4)	
Other operating income	31.6		Other operating income	29.7	
Gain/loss on net monetary position	(24.1)		Gain/loss on net monetary position	(38.0)	
Depreciation	5.9		Depreciation	1.6	
<b>2023</b>	<b>917.7</b>	<b>21.2%</b>	<b>Q4 2023</b>	<b>156.9</b>	<b>15.4%</b>

<sup>1</sup> Additional information is provided in Notes 16 and 35 to the Financial Statements as of December 31, 2023.

## 5.11 Finance income and costs

At the end of 2023, the Company recorded a net finance income of R\$ 121.8 million, while in 2022 it recorded net finance costs of R\$ 9.1 million, a positive change of R\$ 130.9 million year-over-year. In Q4 2023, the Company recorded a net finance income of R\$ 28.0 million, and in Q4 2022, net finance costs of R\$ 16.5 million, i.e. a positive change of R\$ 44.5 million.

In 2023, there were two sharp devaluations of the Argentine peso (August and December), which had a direct impact on finance income and costs, coupled with an inflation rate of 211.4%, in addition to impacts from IAS-29:

- Line item "Interest income on financial investments": In 2023, the Company recorded interest income of R\$ 87.3 million, R\$ 54.9 million of which comes from financial investments in Argentina (certificates of bank deposit and bonds);

- Line item “1.1. Exchange rate effects”: From negative exchange rate effects of R\$ 52.0 million, the amount of R\$ 33.0 million relates to exchange rate effects of US dollar-denominated investments in securities (“Debentures”);
- Line item “Net effects from inflation adjustments”: From the net positive amount of R\$ 8.3 million, the negative amount of R\$ 33.2 million related to part of the impacts from the adoption of CPC 42 / IAS 29 *Financial Reporting in Hyperinflationary Economies* was allocated to this line item.

Finance income and costs (in BRL million)	2023 (a)	2022 (b)	Change (a-b)	Q4 2023 (c)	Q4 2022 (d)	Change (c-d)
Interest income on financial investments	87.3	53.8	33.5	(10.5)	22.7	(33.2)
Interest expense on loans and borrowings	(23.3)	(13.7)	(9.6)	(9.3)	(3.2)	(6.1)
Other interest income (expense)	11.0	18.6	(7.7)	(0.4)	4.9	(5.3)
<b>Net interest income (expense) (i)</b>	<b>75.0</b>	<b>58.7</b>	<b>16.2</b>	<b>(20.2)</b>	<b>24.4</b>	<b>(44.6)</b>
1. Exchange rate effects on accounts receivable/accounts payable (1.1. + 1.2.)	(21.5)	(57.0)	35.5	26.2	(32.7)	58.9
1.1. Exchange rate effects	(52.0)	(75.6)	23.6	17.2	(31.2)	48.4
1.2. FX hedge <sup>1</sup>	30.5	18.6	11.9	9.0	(1.5)	10.5
2. Exchange rate effects on foreign exchange contracts (ACC) / export credit notes (NCE)	70.1	44.4	25.7	15.8	(2.1)	17.9
3. Other transactions	(2.3)	(27.4)	25.1	(1.7)	(0.5)	(1.2)
<b>Net foreign exchange gains (losses) and gain (loss) on derivatives (ii) - (1+2+3)</b>	<b>46.3</b>	<b>(40.0)</b>	<b>86.3</b>	<b>40.3</b>	<b>(35.3)</b>	<b>75.6</b>
Net effects from inflation adjustments	8.3	(23.0)	31.3	10.3	(4.9)	15.1
Other	(7.8)	(4.8)	(2.9)	(2.4)	(0.7)	(1.6)
Net effects from inflation adjustments + Other (iii)	0.5	(27.8)	28.3	7.9	(5.6)	13.5
<b>Net finance income (costs) (i + ii + iii)</b>	<b>121.8</b>	<b>(9.1)</b>	<b>130.9</b>	<b>28.0</b>	<b>(16.5)</b>	<b>44.5</b>

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<sup>1</sup> Additional information on Financial Instruments is provided in Note 36 to the Financial Statements as of December 31, 2023.

## 5.12 Income tax and social contribution

The Company recorded an income tax and social contribution expense of R\$ 190.1 million at December 31, 2023 in the consolidated financial statements (expense of R\$ 149.5 million at December 31, 2022), as follows:

- Current tax: R\$ 178.4 million expense incurred principally by the parent company (expense of R\$ 166.3 million at December 31, 2022);
- Deferred tax: R\$ 11.7 million expense with no impact on cash, comprising changes in provisions (income R\$ 16.8 million at December 31, 2022).

Additional information on income tax and social contribution is presented in Note 15 to the Individual and Consolidated Financial Statements as of December 31, 2023.

## 5.13 Net profit and adjusted net profit

Summary of income statement (in BRL million)	2023 (a)	2022 (b)	HA % (a/b)	Q4 2023 (c)	Q4 2022 (d)	HA % (c/d)
<b>Net operating revenue</b>	<b>4,338.8</b>	<b>4,224.0</b>	<b>2.7%</b>	<b>1,016.5</b>	<b>1,115.8</b>	<b>-8.9%</b>
<b>Net profit attributable to owners of the parent</b>	<b>748.3</b>	<b>565.3</b>	<b>32.4%</b>	<b>154.1</b>	<b>123.1</b>	<b>25.2%</b>
Income tax and social contribution (adjustments)	-	(8.9)		-	(10.2)	
Receivables from Limeira city government	-	(4.0)		-	(0.2)	
Agreement with subsidiary's minority shareholder	-	30.2		-	30.2	
<b>Adjusted net profit attributable to owners of the parent</b>	<b>748.3</b>	<b>582.6</b>	<b>28.4%</b>	<b>154.1</b>	<b>142.9</b>	<b>7.8%</b>
Net margin attributable to owners of the parent	17.2%	13.4%	3.8 p.p.	15.2%	11.0%	4.2 p.p.
Adjusted net margin attributable to owners of the parent	17.2%	13.8%	3.4 p.p.	15.2%	12.8%	2.4 p.p.

Additional information on earnings per share is provided in Note 27 to the Financial Statements as of December 31, 2023.

## 5.14 Capital expenditures

The table below shows capital expenditures and total accumulated depreciation for 2023 and 2022:

Capital expenditure & Depreciation (in BRL million)	2023	2022
Capital expenditure	88.3	98.8
Total depreciation	89.7	90.1
Capital expenditure	2023	2022
% of net sales revenue	2.0%	2.3%
% of depreciation	98.4%	109.6%
Net sales revenue	4,338.8	4,224.0

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In 2023, 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.

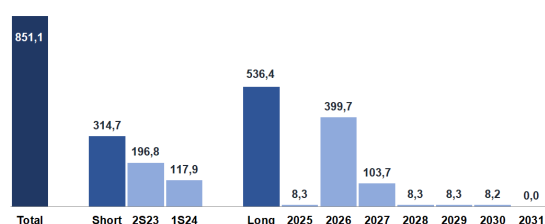
## 5.15 Net financial position

At the end of 2023, the Company's net debt was R\$ 467.9 million, whereas, at the end of 2022, net cash was R\$ 91.4 million. In 2023, the Company paid out R\$ 1,358.0 million in dividends and interest on capital (further information is presented in item 5.17 of this report), which had an impact on its net financial position, as shown below:

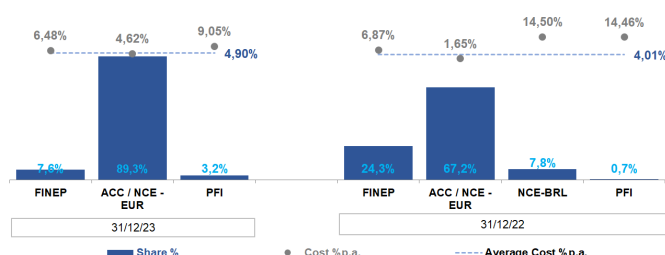
Net financial position (in BRL million)	December 31, 2023 (a)	December 31, 2022 (b)	Change (a-b)	Debt % (a)	Debt % (b)
Cash / bank balances / financial investments / loans (i):	383.3	505.5	(122.2)		
Borrowings (ii) <sup>1</sup> :	(851.2)	(414.1)	(437.1)	100.0%	100.0%
Short-term	(314.7)	(209.9)	(104.8)	37.0%	50.7%
Long-term	(536.5)	(204.2)	(332.3)	63.0%	49.3%
<b>Net financial position (i - ii):</b>	<b>(467.9)</b>	<b>91.4</b>	<b>(559.3)</b>		

<sup>1</sup> Additional information is presented in Note 20.a. to the Financial Statements as of December 31, 2023.

Below are the maturities of the operations allocated to the short and long term in December 2023, which represent 37.0% and 63.0%, respectively, of the financing shown in the table above:



The graphs below show the composition of financing as at December 31st, 2023 and December 31st 2022, by type of funding with their respective costs, as well as the weighted average cost:



## 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 change in 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” (see Note 39 to the Financial Statements as of December 31, 2023).

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 (see Note 26.e. to the Financial Statements as of December 31, 2023).

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 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. The amounts kept aside in this reserve were released for distribution.

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.

Between January and May 2023, the Company had already paid out **R\$ 559.0 million in dividends and interest on capital**, as follows:

Date of approval and record	Record 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 26, 2022	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 27, 2023	April 28, 2023	May 26, 2023	Dividends	Remaining mandatory minimum dividends	2022	32.2	0.251	0.251
April 27, 2023	April 27, 2023	April 28, 2023	May 26, 2023	Dividends	Proposed additional dividends	2022	244.1	1.903	1.903
April 27, 2023	April 27, 2023	April 28, 2023	May 26, 2023	Dividends	Proposed additional dividends out of remaining profit for the prior year	2019	175.6	1.368	1.368

On October 31, 2023, the Company disclosed a **material fact** to the market that a **dividend distribution of R\$ 710.8 million**, at R\$ 5.540000112 per common share, was approved at the meeting of the Board of Directors of the Company held on October 23, 2023 (“Dividends”).

The shareholders who were on the Company’s record as a shareholder on November 1, 2023 inclusive received the Dividends, and the Company’s common shares began trading ex-dividend on November 3, 2023 inclusive. The Company paid out the Dividends in local currency on November 10, 2023 without accrued interest or adjusting for inflation.

Date of approval and record	Record date	Ex-dividend 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)
October 23, 2023	November 1, 2023	November 3, 2023	November 10, 2023	Dividends	Dividends	2023	710.8	5.540000112	5.540000112

At the meeting held on November 7, 2023, the Board of Directors approved the distribution of **R\$ 88.2 million in interest on capital (gross)** relating to the period from January 1, 2023 to September 30, 2023, as follows:

Date of approval and record	Record 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)
November 7, 2023	November 7, 2023	November 13, 2023	December 18, 2023	Interest on capital	January 1, 2023 to September 30, 2023	2023	88.2	0.650992946	0.553344004

At the meeting held on December 18, 2023, the Board of Directors approved the distribution of R\$ 22.8 million in interest on capital (gross) relating to the period from October 1, 2023 to December 31, 2023, as follows:

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Date of approval and record	Record 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 18, 2023	December 21, 2023	December 22, 2023	May 29, 2024	Interest on capital	October 1, 2023 to December 31, 2023	2023	22.8	0.168138231	0.142917497

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

## 6. 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 innovate 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.

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 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.

Our sustainability strategy has been expanded and includes eight strategic areas that are based on the strategic pillar of end-to-end sustainability. We strive to offer sustainable and innovative products in our strategic future fields - electrification, thermal management and efficient internal combustion engines. We believe that a variety of technology solutions for mobility are needed globally to achieve the climate targets as quickly as possible.

Climate change remains a key driver for our industry, and we are proud that MAHLE is on track with its established CO<sub>2</sub> 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.

### 6.1 Environmental

MAHLE Metal Leve is committed to its responsibility towards the promotion of sustainable solutions by reconciling its economic success and business strategy with the requirements of the environment and society.

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



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

The Occupational Health, Safety and Environment (HSE) corporate function develops the regional strategy, coordinates and monitors activities, which include:

- Control and monitoring of atmospheric emissions;
- Control and monitoring of liquid effluents;
- Control and monitoring of water resources;
- Control and monitoring of solid waste;
- Monitoring of noise.

Furthermore, the Company strictly follows the environmental licensing processes by adopting monitoring and procedures required by law and obtaining approvals from the relevant agencies.

The Company is compliant with environmental laws and regulations through the Verde Ghaia system (a software that anticipates new laws and specifies which laws must be complied with in several business environments). In addition, internal audits are conducted by the HSE function to ensure our compliance with statutory environmental requirements.

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

To make this monitoring possible, each business unit has a HSE team to ensure compliance with the regulations and local and regional requirements of MAHLE. The responsibilities of the local HSE teams include monitoring, technical support, critical analyses, recording and assessing key HSE figures and key performance indicators (KPIs). Local HSE teams discuss monthly their results in management meetings and, where necessary, obtain approval of their action plans and investments.

Therefore, KPIs are reported and analyzed on different levels (local, regional and global) to monitor our progress.

#### **Climate protection:**

The MAHLE Group has the goal to be climate neutral by 2040, reducing Scope 1 and 2 emissions until 2030, and Scope 3 emissions by 28% until 2030. We aim to increase energy efficiency by 2% every year.

To achieve these targets, we are acting in the following areas: we use renewable energy sources at two locations - Jundiaí Tech Center and Limeira Distribution Center, and we have programs for 2% reduction of electricity consumption at our plants.

MAHLE has implemented Energy Sprints to enhance energy management. MAHLE trained people of different backgrounds on an energy audit methodology specifically adapted to MAHLE's needs. The main idea is to identify potential energy efficiency potentials and cost savings, but also best practice sharing. The intention is to make the energy sprints an integral part of our continuous improvement and optimization process.

Finally, to discover innovative solutions for raw materials, our engineering team is developing new green products.

## **6.2 Social**

A central element of our corporate strategy is personnel management, evidencing our commitment to attracting, developing and engaging talents with competencies and mindset aligned with our objectives. The excellence in personnel management through personalized and advanced solutions is a key pillar to meet the needs of our diverse business units.

Our highly qualified and innovation-oriented professionals are the driving force behind the transformation that keeps us in a leading position in the automotive industry. We invest heavily in leadership development by offering the tools and training necessary to overcome future challenges with responsibility and efficacy, based on the MAHLE leadership principles – trust each other, inspire for change and lead by example.

MAHLE offers its employees great opportunities to pursue their professional development, preparing them for tomorrow's challenges. By fostering a culture of continuous learning and knowledge sharing, we establish a working environment where the potential of each employee is valued and nurtured. Each employee's unique perspectives and ideas are essential for innovation and performance.

In this context, our commitment to diversity and inclusion is a fundamental pillar of our strategy, reflecting the importance of a diverse workforce that brings different talents, views and experiences. Through inclusive recruiting and development policies, we seek to attract and retain diverse talent, offering specific training to promote equal opportunities and a workplace that celebrates differences as a source of innovation and competitive advantage.

We believe that our corporate success is intrinsically tied to our ability to foster a welcoming and inclusive workplace where everyone can contribute to their full potential. We invest in initiatives that promote dialogue and mutual understanding, strengthening our team cohesion and competitiveness in the market.

We also support local communities in the vicinity of our locations through our Social Responsibility program. Since 2002, we have been promoting the autonomy and independence of people through initiatives in the following areas: education and culture, health and well-being, diversity and inclusion, social and environmental sustainability, based on our Donations and Sponsorship Policy and the MAHLE Business Code.

At December 31, 2023, MAHLE Metal Leve S.A. and its subsidiaries employed 7,196 people.

### 6.3 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 B3’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 MAHLE Investor Relations website.

#### Risk management:

Risk factors are identified and monitored through our risk management system that covers economic, environmental and social aspects since we are exposed to external risks associated with the countries in which we operate or to which we are exporting, such as social and political issues, as well as to internal risks.

We have a risk management policy, which was approved by our Board of Directors and which establishes a risk management framework setting 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 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 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](#) on the MAHLE website <https://mahle.integrityplatform.org/>.

**Prevention of corruption and antitrust law:**

To prevent violations of laws and internal company rules from the outset, we organize regular compliance trainings, covering the topics of antitrust law and prevention of corruption. The trainings 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 takes 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](mailto:dpo.br@mahle.com).

**6.4 Sustainable innovations**

As a forward-thinking development partner to the automotive industry, we offer our customers technological solutions for a wide range of applications. With our innovative products, we are making our contribution to sustainable mobility developing technologies to improve air quality and reduce greenhouse gas emissions.

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](#).

## 7. Investor Relations and Capital Market

In 2023, 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 fundamentals of the Company.

### 7.1 MAHLE Investor Day 2023 & APIMEC Meeting

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

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 OE market and Aftermarket, public financial data, culture and diversity, technology, strategies and sustainability.

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



#### MAHLE Investor Day 2023

[Click here for a teaser of the event.](#)

[Click here for presentation.](#)

[Watch the event replay video.](#)

### 7.2 Quality Award 2023 - APIMEC Brazil: Best Meeting of the year



The public meeting of MAHLE Metal Leve held on April 3, 2023 was elected the [Best Meeting of 2023](#), among all meetings held in APIMEC Brazil (Association of Capital Markets Analysts and Investment Professionals).

The choice was made by a qualified jury based on the evaluations of investment professionals at the end of each public meeting, [according to APIMEC's regulation](#). Approximately 25 thousand professionals participated in APIMEC Brazil's meetings last year, reinforcing their knowledge of the companies analyzed or invested in and helping investor relations professionals deepen understanding of market demands.

According to APIMEC Brazil, the event has contributed to the connection and dissemination of information to the entire market on account of the robustness of the information disclosed, including ESG issues. Furthermore, the preparation of the meeting, the presence of the executive board and the dynamism of the meeting contributed to the overall success of the public event.

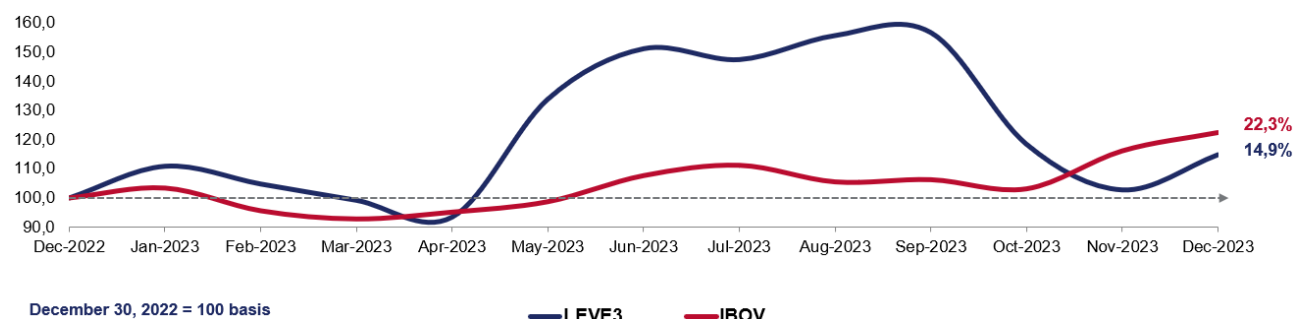
### 7.3 Participation in online events

According to the announcements to the market, the Company participated in online events in 2023 where it could discuss opportunities in the development of the sustainable Mobility.

- On May 24, 2023: “*Trígono Connection*”. Click [here](#) to watch the event.
- On September 14, 2023: “*Live com Sara Invest*”. Click [here](#) to watch the event.

## 7.4. MAHLE METAL LEVE stock performance and free float

The graph below (base 100) shows the market performance of LEVE3 stock and Ibovespa<sup>1</sup> in 2023, and Average Daily Trading Volume (ADTV) and free-float market capitalization:



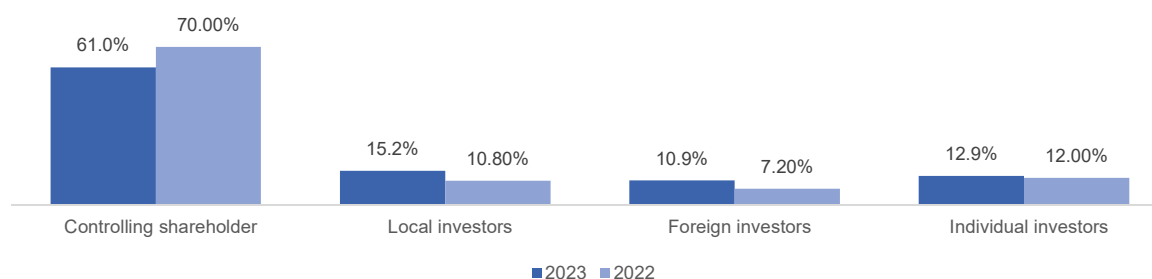
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<sup>1</sup> IBOVESPA is a major market index which tracks the performance of the most liquid stocks traded on Brazil's Stock Exchange B3 - Brasil, Bolsa, Balcão.

Average Daily Trading Volume (in BRL million) and Free Float Market Cap				
Period:	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Trading volume:	7.9	13.5	13.7	29.5
Free float market cap:	0.65%	0.94%	0.76%	1.55%

## 7.5. Ownership structure

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



The following table classifies shareholders by number of shares:

Period	<sup>1</sup> Share price	<sup>2</sup> Total shareholders	1 share	2-10 shares	11-50 shares	51-500 shares	501-5000 shares	5,001-200,000 shares	More than 200,001 shares
Q4 2022	30.77	54,561	2,626	9,254	13,254	23,982	5,013	406	24
Q1 2023	30.52	54,412	2,913	9,650	13,171	23,599	4,685	363	29
Q2 2023	46.54	54,265	3,230	10,113	13,464	23,119	3,936	372	29
Q3 2023	48.25	50,637	3,497	10,543	12,604	20,190	3,372	403	26
Q4 2023	35.34	66,820	4,634	13,645	15,974	26,195	5,781	554	35

<sup>1</sup> Price of MAHLE Metal Leve share at the end of the period.

<sup>2</sup> Total shareholders include controlling shareholders MAHLE Indústria e Comércio Ltda. and MAHLE Industriebeteiligungen GmbH.

## 8. 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 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. Page | 21

## 9. 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 year ended December 31, 2023 and with the opinions expressed in the independent auditor's report.

## 10. Acknowledgements

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

The Management Board of MAHLE Metal Leve



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## **Independent auditor’s report on individual and consolidated financial statements**

The 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 Individual and Consolidated, respectively, which comprise the balance sheet as at December 31, 2023, 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 present fairly, in all material respects, the individual and consolidated financial position of Mahle Metal Leve S.A. as at December 31, 2023, 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).

### **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 each 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.



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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 these matters. 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, 2023, 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 impairment in the amount of R\$ 292,480 thousand. The assessment of its recoverable amount (*impairment test*) involves critical judgments by the Company's management.

As disclosed in 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.





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## **Other matters**

### ***Statements of value added***

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2023, 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.

### ***Audit of prior year corresponding figures***

The amounts corresponding to the individual and consolidated balance sheet as at December 31, 2022 and the respective individual and consolidated statements of income, of comprehensive income, of changes in equity, of cash flows and the value added for the year then ended, and presented for comparative purposes, were previously audited by other independent auditors who issued an audit report on March 7, 2023, unqualified.

### **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



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Board (IASB), 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



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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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related 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 5, 2024

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

Alexandre Fermino Alvares  
Contador CRC SP211793/O

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**MAHLE Metal Leve S.A.**

**Individual and Consolidated  
Financial statements at  
December 31, 2023**

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Individual and Consolidated Financial statements

**At December 31, 2023**

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**MAHLE Metal Leve S.A.**  
**Balance sheet**  
**at December 31, 2023 and 2022**  
*All amounts in thousands of reais*

*(A free translation of the original in Portuguese)*

Assets	Note	Parent Company		Consolidated	
		2023	2022	2023	2022
Cash and cash equivalents	10.a	177,136	279,104	200,328	427,406
Marketable securities	10.b	-	-	152,888	-
Trade and related-party receivables	11	563,507	571,796	627,754	659,339
Inventories	12	413,461	374,166	519,262	544,997
Other taxes recoverable	13	66,638	192,877	84,308	200,651
Income tax and social contribution recoverable	13	44,495	47,662	50,389	55,882
Derivative financial instruments	36	11,663	11,149	13,533	13,159
Other assets		15,741	14,989	24,529	18,615
<b>Total current assets</b>		<b>1,292,641</b>	<b>1,491,743</b>	<b>1,672,991</b>	<b>1,920,049</b>
Other taxes recoverable	13	11,307	11,693	11,524	16,966
Loans to related parties	14	23,895	24,614	30,128	78,054
Judicial deposits linked to judicial proceedings	25	24,360	24,237	24,557	24,546
Deferred tax assets	15.b	15,247	32,001	28,576	32,261
Other assets		27,655	27,161	28,988	30,528
<b>Total long-term assets</b>		<b>102,464</b>	<b>119,706</b>	<b>123,773</b>	<b>182,355</b>
Investments in subsidiaries	16	283,269	427,710	-	-
Property, plant and equipment	17	526,592	537,665	574,163	616,137
Right-of-use assets	17	38,474	45,194	39,744	48,523
Intangible assets	18	390,226	390,097	390,254	390,135
		<b>1,238,561</b>	<b>1,400,666</b>	<b>1,004,161</b>	<b>1,054,795</b>
<b>Total non-current assets</b>		<b>1,341,025</b>	<b>1,520,372</b>	<b>1,127,934</b>	<b>1,237,150</b>
<b>Total assets</b>		<b>2,633,666</b>	<b>3,012,115</b>	<b>2,800,925</b>	<b>3,157,199</b>

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

**MAHLE Metal Leve S.A.**  
**Balance sheet**  
**at December 31, 2023 and 2022**  
*All amounts in thousands of reais*

*(A free translation of the original in Portuguese)*

Liabilities	Note	Parent Company		Consolidated	
		2023	2022	2023	2022
Dividends and interest on capital payable	14	22,817	125,914	22,817	125,914
Trade and related-party payables	19	268,091	251,245	353,781	327,022
Borrowings	20.a	287,833	207,153	314,665	209,875
Lease liabilities	20.b	11,860	9,364	13,554	10,893
Salaries, vacation pay and social charges	21	103,805	95,950	111,071	109,730
Taxes and contributions payable	22	59,428	47,792	62,327	52,749
Income tax and social contribution payable	22	-	-	27,965	15,310
Sundry provision	23	69,177	76,196	71,252	88,017
Provisions for warranties	24	7,292	15,874	7,780	17,662
Derivative financial instruments	36	4,728	7,943	4,728	7,943
Advance from customers		22,023	14,075	25,874	14,193
Other liabilities		41,410	52,918	43,448	59,819
<b>Total current liabilities</b>		<b>898,464</b>	<b>904,424</b>	<b>1,059,262</b>	<b>1,039,127</b>
Deferred tax liabilities	11.b	-	-	-	8,488
Borrowings	17.a	536,491	204,218	536,491	204,218
Lease liabilities	17.b	28,822	35,867	29,288	38,201
Provisions for legal and administrative proceedings	25	244,412	256,166	248,088	262,438
Other liabilities		15,098	24,801	15,078	24,970
<b>Total non-current liabilities</b>		<b>824,823</b>	<b>521,052</b>	<b>828,945</b>	<b>538,315</b>
<b>Total liabilities</b>		<b>1,723,287</b>	<b>1,425,476</b>	<b>1,888,207</b>	<b>1,577,442</b>
<b>Equity</b>	26				
Share capital		1,162,174	966,255	1,162,174	966,255
Profit reserves		230,663	525,040	230,663	525,040
Other comprehensive income		(703,723)	(324,359)	(703,723)	(324,359)
Retained earnings		221,265	419,703	221,265	419,703
<b>Equity attributable to the owners of the parent</b>		<b>910,379</b>	<b>1,586,639</b>	<b>910,379</b>	<b>1,586,639</b>
Non-controlling interests		-	-	2,339	(6,882)
<b>Total equity</b>		<b>910,379</b>	<b>1,586,639</b>	<b>912,718</b>	<b>1,579,757</b>
<b>Total liabilities and equity</b>		<b>2,633,666</b>	<b>3,012,115</b>	<b>2,800,925</b>	<b>3,157,199</b>

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, 2023 and 2022

All amounts in thousands of reais, unless otherwise indicated

(A free translation of the original in Portuguese)

	Note	Parent Company		Consolidated	
		2023	2022	2023	2022
Net revenue	29	3,376,055	3,334,050	4,338,825	4,224,030
Cost of sales and services	30	(2,444,714)	(2,521,816)	(3,067,263)	(3,090,874)
<b>Gross profit</b>		<b>931,341</b>	<b>812,234</b>	<b>1,271,562</b>	<b>1,133,156</b>
Selling expenses and distribution	31	(243,628)	(236,616)	(332,022)	(313,050)
General and administrative expenses	32	(110,633)	(92,655)	(127,837)	(110,073)
Technology and product development costs	33	(51,740)	(36,867)	(58,152)	(44,192)
Other income	35	(1,530)	(39,935)	(8,344)	(39,887)
Gain on net monetary position of foreign subsidiary	39	230,264	161,879	70,876	95,015
Equity in the results of subsidiaries	16	118,794	126,455	-	-
<b>Profit before finance income (costs) and taxation</b>		<b>872,868</b>	<b>694,495</b>	<b>816,083</b>	<b>720,969</b>
Finance income	34	134,366	168,535	490,026	318,018
Finance costs	34	(108,147)	(174,945)	(368,188)	(327,106)
<b>Finance income (costs), net</b>		<b>26,219</b>	<b>(6,410)</b>	<b>121,838</b>	<b>(9,088)</b>
<b>Profit before taxation</b>		<b>899,087</b>	<b>688,085</b>	<b>937,921</b>	<b>711,881</b>
Current income tax and social contribution	15.a	(131,554)	(139,188)	(178,477)	(166,337)
Deferred income tax and social contribution	15.b	(19,288)	16,343	(11,666)	16,816
<b>Income tax and social contribution</b>		<b>(150,842)</b>	<b>(122,845)</b>	<b>(190,143)</b>	<b>(149,521)</b>
<b>Profit for the year</b>		<b>748,245</b>	<b>565,240</b>	<b>747,778</b>	<b>562,360</b>
<b>Profit attributable to</b>					
Owners of the parent				748,245	565,240
Non-controlling interests				(467)	(2,880)
<b>Profit for the year</b>				<b>747,778</b>	<b>562,360</b>
<b>Basic and diluted earnings per share (in reais)</b>	27	<b>5.7693</b>	<b>4.4053</b>	<b>5.7693</b>	<b>4.4053</b>

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, 2023 and 2022

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						Other comprehensive income								
	Share capital	Share issue costs	Legal reserve	Reserve for expansion and modernization	Special reserve	Proposed additional dividends	Total	Carrying value adjustments	Cumulative translation adjustments	Total					
<b>At January 1st, 2022</b>	<b>966,255</b>	<b>-</b>	<b>184,833</b>	<b>157,761</b>	<b>175,572</b>	<b>404,428</b>	<b>922,594</b>	<b>28,358</b>	<b>(202,402)</b>	<b>(174,044)</b>	<b>-</b>	<b>1,714,805</b>	<b>(4,002)</b>	<b>1,710,803</b>	
<b>Equity transactions with shareholders</b>															
Intermediary interest on capital credited	26.c	-	-	-	-	-	-	-	-	-	(107,142)	(107,142)	-	(107,142)	
Prescribed dividends and interest on capital	26.c	-	-	-	-	-	-	-	-	-	184	184	-	184	
Capital transactions with the subsidiary MAHLE Filtróil Ind. Com. de Filtrós Ltda.	16	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Profit for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>565,240</b>	<b>565,240</b>	<b>(2,880)</b>	<b>562,360</b>	
<b>Other comprehensive income</b>															
Cumulative translation adjustments	26.e	-	-	-	-	-	-	-	(156,144)	(156,144)	-	(156,144)	-	(156,144)	
Financial instrument adjustments	26.e	-	-	-	-	-	-	9,652	-	9,652	-	9,652	-	9,652	
Taxes on financial instrument adjustments	26.e	-	-	-	-	-	-	(3,282)	-	(3,282)	-	(3,282)	-	(3,282)	
Realization of deemed cost, net	26.e	-	-	-	-	-	-	(541)	-	(541)	541	-	-	-	
<b>Transactions with shareholders and creation of reserves</b>															
Constitution of legal reserve	26.d	-	-	8,418	-	-	8,418	-	-	-	(8,418)	-	-	-	
Constitution of expansion reserve	26.d	-	-	-	174,028	-	174,028	-	-	-	(174,028)	-	-	-	
Payment of proposed additional dividends		-	-	-	-	(404,428)	(404,428)	-	-	-	-	(404,428)	-	(404,428)	
Proposed additional dividends	26.c	-	-	-	-	(175,572)	419,703	-	-	-	(244,131)	-	-	-	
Remaining mandatory minimum dividends	26.c	-	-	-	-	-	-	-	-	-	(32,246)	-	-	(32,246)	
<b>At December 31, 2022</b>		<b>966,255</b>	<b>-</b>	<b>193,251</b>	<b>331,789</b>	<b>-</b>	<b>419,703</b>	<b>944,743</b>	<b>34,187</b>	<b>(358,546)</b>	<b>(324,359)</b>	<b>-</b>	<b>1,586,639</b>	<b>(6,882)</b>	<b>1,579,757</b>
<b>Equity transactions with shareholders</b>															
Intermediary interest on capital credited	26.c	-	-	-	-	-	-	-	-	-	(111,024)	(111,024)	-	(111,024)	
Prescribed dividends and interest on capital	26.c	-	-	-	-	-	-	-	-	-	54	54	-	54	
Equity transactions - sale of new shares	22.a	202,454	-	-	-	-	-	-	-	-	-	202,454	-	202,454	
Equity transactions - cost of sale of new shares	22.a	-	(9,901)	-	-	-	-	-	-	-	-	(9,901)	-	(9,901)	
Taxes on cost of sale of new shares	22.a	-	3,366	-	-	-	-	-	-	-	-	3,366	-	3,366	
Capital transactions with the subsidiary MAHLE Filtróil Ind. Com. de Filtrós Ltda.	16	-	-	-	-	-	-	-	-	-	-	-	9,688	9,688	
<b>Profit for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>748,245</b>	<b>748,245</b>	<b>(467)</b>	<b>747,778</b>	
<b>Other comprehensive income</b>															
Cumulative translation adjustments	26.e	-	-	-	-	-	-	-	(380,537)	(380,537)	-	(380,537)	-	(380,537)	
Financial instrument adjustments	26.e	-	-	-	-	-	-	2,447	-	2,447	-	2,447	-	2,447	
Taxes on financial instrument adjustments	26.e	-	-	-	-	-	-	(832)	-	(832)	-	(832)	-	(832)	
Realization of deemed cost, net	26.e	-	-	-	-	-	-	(442)	-	(442)	442	-	-	-	
<b>Transactions with shareholders and creation of reserves</b>															
Constitution of legal reserve	26.d	-	-	37,412	-	-	37,412	-	-	-	(37,412)	-	-	-	
Payments of dividends through of reserve for expansion	26.d	-	-	-	(331,789)	-	(331,789)	-	-	-	-	(331,789)	-	(331,789)	
Payment of proposed additional dividends	26.c	-	-	-	-	(419,703)	(419,703)	-	-	-	-	(419,703)	-	(419,703)	
Payment of intermediary dividends	26.c	-	-	-	-	-	-	-	-	-	(379,040)	(379,040)	-	(379,040)	
Proposed additional dividends	26.c	-	-	-	-	221,265	221,265	-	-	-	(221,265)	-	-	-	
<b>At December 31, 2023</b>		<b>1,168,709</b>	<b>(6,535)</b>	<b>230,663</b>	<b>-</b>	<b>-</b>	<b>221,265</b>	<b>451,928</b>	<b>35,360</b>	<b>(739,083)</b>	<b>(703,723)</b>	<b>-</b>	<b>910,379</b>	<b>2,339</b>	<b>912,718</b>

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, 2023 and 2022**
*All amounts in thousands of reais*
*(A free translation of the original in Portuguese)*

	Note	Parent Company		Consolidated	
		2023	2022	2023	2022
<b>Cash flows from operating activities</b>					
Profit before income tax and social contribution		899,087	688,085	937,921	711,881
<b>Adjustments for:</b>					
Depreciation and amortization		99,076	91,424	101,581	95,880
Equity in the results of subsidiaries	16	(118,794)	(126,455)	-	-
Interest and foreign exchange and monetary variations, net		34,350	59,668	(185,098)	(3,919)
Unrealized (losses) gains on derivative financial instruments		(1,281)	1,486	(1,141)	1,629
Results on disposal of property, plant and equipment		(1,342)	722	(1,497)	672
Recognition of provision for impairment of trade receivables		999	2,778	9,100	2,903
Reversal of provision for legal and administrative proceedings	25	(4,265)	(8,646)	(2,597)	(8,540)
Recognition of provisions for warranties	24	1,634	6,897	1,448	8,758
Recognition of sundry provision	23	63,714	80,872	66,967	83,160
Reversal of provision for impairment of property, plant and equipment and intangible assets	0	(598)	(1,158)	(598)	(1,166)
Recognition of provision for inventory loss	12	2,852	4,327	14,301	14,871
Interest expense on lease liability	20.b	5,719	550	5,773	819
Gains on net monetary position	39	(230,264)	(161,879)	(70,876)	(95,015)
Recognized tax credit	13	(12,793)	(40,212)	(12,826)	(40,252)
<b>(Increase) decrease in assets</b>					
Trade and related-party receivables		7,976	(120,719)	23,276	(94,316)
Inventories		(40,626)	(16,509)	31,930	(34,244)
Taxes recoverable		183,050	18,191	164,576	22,578
Other assets		(10,440)	5,641	(5,161)	5,506
<b>Increase (decrease) in liabilities</b>					
Trade and related-party payables		8,140	42,863	18,054	44,544
Salaries, vacation pay and social charges		7,855	6,430	1,341	8,198
Taxes and contributions payable		11,636	18,335	(2,883)	12,486
Other liabilities		(117,057)	(51,421)	(130,754)	(43,188)
<b>Cash provided by operating activities</b>		<b>788,628</b>	<b>501,269</b>	<b>962,837</b>	<b>693,245</b>
Income tax and social contribution paid		(166,669)	(149,776)	(172,471)	(155,232)
<b>Net cash provided by operating activities</b>		<b>621,959</b>	<b>351,493</b>	<b>790,366</b>	<b>538,013</b>
<b>Cash flows from investing activities</b>					
Dividends and interest on capital received from subsidiaries		115,439	159,272	-	-
Loans granted to related parties		(2,750)	(1,710)	(451,843)	(1,121,317)
Loan repayment from related parties		-	-	495,822	1,176,165
Additions to property, plant and equipment	17	(66,779)	(85,667)	(78,083)	(96,281)
Additions to intangible assets	18	(1,499)	(422)	(1,521)	(423)
Acquisition of marketable securities		-	-	(235,477)	-
Settlement of securities		-	-	48,892	-
Capital contribution	16	(981)	-	-	-
Proceeds from sale of property, plant and equipment		2,091	320	2,256	388
<b>Net cash provided by (used in) investing activities</b>		<b>45,521</b>	<b>71,793</b>	<b>(219,954)</b>	<b>(41,468)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings	20.a	480,535	289,333	506,610	292,720
Repayment of principal of borrowings	20.a	(67,172)	(141,866)	(75,487)	(143,028)
Repayment of interest on borrowings	20.a	(11,866)	(6,598)	(12,178)	(6,632)
Repayment of the principal and interest on the lease liability	20.b	(16,198)	(9,444)	(16,746)	(10,785)
Dividends and interest on capital paid	14	(1,344,601)	(543,741)	(1,344,601)	(543,741)
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)	-
<b>Net cash used in financing activities</b>		<b>(766,749)</b>	<b>(412,316)</b>	<b>(750,110)</b>	<b>(411,466)</b>
<b>Effect of foreign exchange variation on cash and cash equivalents</b>		<b>(2,699)</b>	<b>(5,793)</b>	<b>(47,380)</b>	<b>(18,762)</b>
<b>Increase (reduction) in cash and cash equivalents, net</b>		<b>(101,968)</b>	<b>5,177</b>	<b>(227,078)</b>	<b>66,317</b>
<b>Represented by:</b>					
Cash and cash equivalents at the beginning of the year		279,104	273,927	427,406	361,089
Cash and cash equivalents at the end of the year	10.a	177,136	279,104	200,328	427,406
<b>Increase (reduction) in cash and cash equivalents, net</b>		<b>(101,968)</b>	<b>5,177</b>	<b>(227,078)</b>	<b>66,317</b>

**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, 2023 and 2022**
*All amounts in thousands of reais*
*(A free translation of the original in Portuguese)*

	Parent Company		Consolidated	
	2023	2022	2023	2022
<b>Gross revenue</b>	<b>4,404,898</b>	<b>4,329,615</b>	<b>5,259,789</b>	<b>5,171,696</b>
Sales of goods, products and services	4,216,415	4,128,907	5,179,520	5,009,132
Other operating income	189,482	202,955	89,369	166,563
Provision for impairment of trade receivables	(999)	(2,247)	(9,100)	(3,999)
<b>Inputs acquired from third parties</b>	<b>(2,248,885)</b>	<b>(2,473,434)</b>	<b>(2,905,881)</b>	<b>(3,060,548)</b>
(Includes amounts of taxes: ICMS, IPI, PIS and COFINS)				
Cost of sales and services	(1,225,577)	(1,397,893)	(1,777,065)	(1,920,322)
Materials, energy, outsourced services and other	(1,021,224)	(1,080,274)	(1,115,220)	(1,143,296)
Impairment/recovery of assets	(2,084)	4,733	(13,596)	3,070
<b>Gross value added</b>	<b>2,156,013</b>	<b>1,856,181</b>	<b>2,353,908</b>	<b>2,111,148</b>
<b>Depreciation and amortization</b>	<b>(99,076)</b>	<b>(91,424)</b>	<b>(101,581)</b>	<b>(95,880)</b>
<b>Net value added generated by the company</b>	<b>2,056,937</b>	<b>1,764,757</b>	<b>2,252,327</b>	<b>2,015,268</b>
<b>Value added received through transfer</b>	<b>253,160</b>	<b>294,990</b>	<b>490,026</b>	<b>318,018</b>
Equity in the results of investees	118,794	126,455	-	-
Finance income	134,366	168,535	490,026	318,018
<b>Total value added to distribute</b>	<b>2,310,097</b>	<b>2,059,747</b>	<b>2,742,353</b>	<b>2,333,286</b>
<b>Distribution of value added</b>	<b>2,310,097</b>	<b>2,059,747</b>	<b>2,742,353</b>	<b>2,333,286</b>
<b>Personnel and charges</b>	<b>684,251</b>	<b>661,210</b>	<b>752,166</b>	<b>731,374</b>
<b>Taxes and contributions</b>	<b>741,677</b>	<b>630,983</b>	<b>781,662</b>	<b>658,252</b>
<b>Capital providers</b>	<b>135,924</b>	<b>202,314</b>	<b>460,747</b>	<b>381,300</b>
Interest	27,540	12,956	32,414	17,485
Rentals	29,203	28,757	30,584	30,053
Foreign exchange, monetary and other variations	79,181	160,601	397,749	333,762
<b>Share holders</b>	<b>748,245</b>	<b>565,240</b>	<b>747,778</b>	<b>562,360</b>
Dividends and interest on capital	111,024	107,142	111,024	107,142
Retained earnings	637,221	458,098	637,221	458,098
Share of non-controlling interests of retained earnings	-	-	(467)	(2,880)

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

*In thousands of reais, unless otherwise indicated*

### 1. Operations

#### General information

MAHLE Metal Leve S.A. (the Company) 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, 2023 and 2022 includes the Company and its subsidiaries (referred to collectively as the Group).

The Company is engaged in the research, development, manufacture and sale of parts and accessories for internal combustion engines in both domestic and export markets. The Company supplies its products to vehicle manufacturers (passenger cars, trucks, tractors, etc.), replacement parts market, and for stationary and other applications.

The products manufactured by the Company are pistons, piston rings, gudgeon pins, camshafts, bearings, bushes, conrods, ring carriers, thrust washers, anti-polishing ring, cylinder liners and filters, The Company is also engaged in the manufacture of combustion engine valves as well as the marketing of products and provision of technical assistance on the international market.

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

At the meeting held on October 23, 2023, the Board of Directors approved a resolution to undertake a primary and secondary public offering of shares of the Company common stock. The Company filed with the Brazilian Securities Commission (CVM) a public offering of 21,603,858 registered, book-entry shares of the Company's common shares without unit value, all of which free and clear of any encumbrances ("Shares"), comprising (a) a primary offering of 7,230,500 common shares issued by the Company ("Shares of the Primary Offering" and "Primary Offering" respectively); and (b) a secondary offering of 7,142,858 shares of the Company common stock held by MAHLE Industriebeteiligungen GmbH ("Shares of the Secondary Offering" and "Secondary Offering" respectively), in the Federative Republic of Brazil ("Brazil"), with placement efforts abroad.

The Price Per Share was calculated based on the following: (i) the price of shares of the Company's common stock on Brazil's stock exchange B3 at the date the Price Per Share was set; and (ii) indication of interest received from Professional Investors based on the quality and quantity of the demand (by volume and price) for the Shares. The shares were authorized for trading on the B3's *Novo Mercado* segment and the offering price was set at R\$ 28.00 per share. The total amount of the offering was R\$ 402,454, consisting of a primary offering of R\$ 202,454 and a secondary offering of R\$ 200,000.

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

The Company's share capital was increased by R\$ 202,454, from R\$ 966,255 to R\$ 1,168,709 which, net of R\$ 6,535 related to the share issued costs, results in a net increase of R\$ 1,162,174, consisting of 135,539,000 common shares.

### 2. Entities of the group

Subsidiaries	Country	Ownership percentage (%)			
		2023		2022	
		Direct	Indirect	Direct	Indirect
MAHLE Argentina S.A.	Argentina	99.2	0.8	99.2	0.8
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	Brazil	100	-	60	-
MAHLE Metal Leve GmbH	Austria	100	-	100	-
MAHLE Hirschvogel Forjas S.A.	Brazil	51	-	51	-

### 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 Parent Company and consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as well as according to accounting practices adopted in Brazil, and disclose all (and only) the applicable significant information related to the financial statements, which is consistent with the information utilized by management in the performance of its duties.

The issuance of the individual and consolidated financial statements was authorized by the Board of Directors on March 5, 2024. 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.



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For those subsidiaries whose currency of Parent Company and consolidated financial statements is different from the 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 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 income and expense items are translated using the exchange rate at the end of the quarter in conformity with NBC TG 42 (CPC 42) / IAS 29 *Financial Reporting in Hyperinflationary Economies* (Note 39).

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.

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, 2023 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 36 – 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 – 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;

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- 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;
- Note 36 – Fair values of derivative financial instruments: All derivative instruments must be recorded on the balance sheet at fair value on the accrual basis 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).

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– 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 36 – Financial Instruments.

### **6. New and amended standards and interpretations applied for the first time in 2023**

The Group applied for the first-time certain standards and amendments that are effective for annual periods beginning on or after January 1, 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- **IFRS 17 - Insurance Contracts**

IFRS 17 (equivalent to NBC TG 50 (CPC 50) Insurance Contracts) is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 (NBC TG 50 (CPC 50)) replaces IFRS 4 Insurance Contracts (equivalent to NBC TG 11 (CPC 11)).

IFRS 17 (NBC TG 50 (CPC 50)) applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply.

The overall objective of IFRS 17 (NBC TG 50 (CPC 50)) is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 (NBC TG 50 (CPC 50)) is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach);
- A simplified approach (the premium allocation approach) mainly for short-duration contracts;

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The new standard had no impact on the Group's consolidated financial statements.

- **Definition of Accounting Estimates – Amendments to IAS 8**

The amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (equivalent to NBC TG 23 (CPC 23)) clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's consolidated financial statements.

- **Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2**

The amendments to IAS 1 Presentation of Financial Statements (equivalent to NBC TG 26 (CPC 26 (R1))) and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had impact on the Group's disclosures of material accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

- **Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12**

The amendments to IAS 12 Income Tax (equivalent to NBC TG 32 (CPC 32)) narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Group's consolidated financial statements.

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

The amendments to IAS 12 Income tax (equivalent to NBC TG 32 (CPC 32) have been introduced in response to the OECD's BEPS Pillar Two 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 Company's management, together with the MAHLE Group, is assessing the potential impacts of the new legislation/rule on their financial statements as from 2024.

### 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 instruments are measured at fair value;
- Non-derivative financial instruments designated as at fair value through profit or loss are measured at fair value.

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### **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 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. 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.

##### ***iii. 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.

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### ***b. 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 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 39.

#### ***iii. Financial reporting in hyperinflationary economies***

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

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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 39.

### ***c. 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;
- 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.



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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 36 (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:

- 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

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– 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
- 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.

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Financial assets at FVTPL	These assets are subsequently measured at fair value. However, see Note 36 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 36 for financial liabilities designated as hedging instruments.

### **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.

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### ***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.

#### 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.

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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.

### ***d. Inventories***

Inventories are stated 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.

### ***e. 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.

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### ***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 yearly.

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.

### ***f. 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 subsidiaries' equity, 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.

Goodwill is valued at cost, less impairment losses. This goodwill is not amortized on the grounds that it has an indefinite life, thought, 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.

#### ***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.

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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 researches 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.

### ***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.

### ***g. Impairment***

#### ***i. Non-derivative financial assets***

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

The Group measures loss allowances 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

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- 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:

- the borrower 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.



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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 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.

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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).

### ***h. Investments***

Investments in subsidiaries where the Parent Company has control or significant influence at financial statements of parent company 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.

### ***i. Employee benefits***

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

A description of the main benefit plans granted to employees is presented in Note 37.

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### ***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.

### ***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.

### ***j. Provision***

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 risk involved.

#### ***i. Warranties***

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.

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### ***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. Contingencies and judicial deposits linked to judicial proceedings***

The respective provision for contingencies was recorded considering the estimates made by the legal advisors for proceedings in which the likelihood of loss on the respective outcomes was assessed as probable and other unrelated legal obligations.

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.

At December 31, 2023, in order to improve the presentation of its financial information, the Company became to present the amount of judicial deposits linked to judicial proceedings as non-current assets instead of as a deduction from provisions for legal and administrative proceedings, by R\$ 24,360 at the Parent Company (December 31, 2022: R\$ 24,237) and R\$ 24,557 at Consolidated (December 31, 2022: R\$ 24,546), therefore, reclassifying the prior year figures to maintain comparability for the periods.

### ***k. 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.

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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.

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.

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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.

### ***l. Operating 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 business units: the OEM unit, whose customers are vehicle manufacturers, and the Aftermarket unit whose customers are wholesalers and automotive workshops.

The Company has operating controls that demonstrate the nature and timing of the satisfaction of performance obligations in contracts with customers, including: (i) there is convincing evidence that 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 associated costs and possible return of goods can be estimated reliably. If it is probable that discounts will be given and the amount can be measured reliably, then the amount of discount is deducted from gross sales.

### ***m. Finance income and costs***

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.

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Finance costs 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.

### *n. 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	Other States
	State	State	State	
<b>ICMS</b>	4% and 18%	4% and 18%	4% and 20%	4% and 7% to 12%
<b>IPI</b>	3.25% to 20%	3.25% to 20%	3.25% to 20%	3.25% to 20%
<b>PIS</b>	1.65% to 2.30%	1.65% to 2.30%	1.65% to 2.30%	1.65% to 2.30%
<b>COFINS</b>	7.60% to 10.80%	7.60% to 10.80%	7.60% to 10.80%	7.60% to 10.80%
<b>ISS</b>	2% to 5%	2% to 5%	2% to 5%	2% to 5%

These charges are presented as sales deductions in the statement of income.

#### *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.

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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 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.

### ***o. 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 mentioned in Note 27.

As at December 31, 2023 and 2022, 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”.

### ***p. 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.



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

### ***q. Statement of value added***

The Company has prepared separate and consolidated statements of value added, in accordance with Technical Pronouncement NBC TG 09 (CPC 09) – “Statement of value added”, which are presented as an integral part of the Parent Company financial statements in conformity with accounting practices adopted in Brazil applicable to publicly-held companies, while for IFRS this statement represents additional financial information.

### ***r. 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.

- **Amendments to IFRS 16: Lease Liability in a Sale and Leaseback**

In September 2022, the IASB issued amendments to IFRS 16 (equivalent to NBC TG 06 (CPC 06 Leases)) to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16 (equivalent to NBC TG 06 (CPC 06)). Earlier application is permitted and that fact must be disclosed.

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

- **Amendments to IAS 1: Classification of Liabilities as Current or Non-current**

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 (equivalent to NBC TG 26 (CPC 26 (R1)) Presentation of Financial Statements) to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.

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- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

### • **Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7**

In May 2023, the IASB issued amendments to IAS 7 (equivalent to NBC TG 03 (CPC 03 (R2)) Statement of Cash Flows) and IFRS 7 (equivalent to NBC TG 40 (CPC 40 (R1)) Financial Instruments: Disclosures) to 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 are effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

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

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### 9. Segment reporting

#### *i. Operating segments*

The Group determines the operating segments based on the reports used to take strategic operating decisions of the Management. The presentation of the reported information is consistent with the statement of income.

The Group's operating segments are:

- a) Engine components – pistons, pistons rings, valves, conrods, bearings, bushes, thrust washers, cylinder liners, anti-polishing ring, camshafts, gudgeon pins, ring carriers, amongst others. Generally, the products are used in internal combustion engines and automotive vehicles.
- b) Filters - fuel filters, air filters, oil filters, cabin air filters, activated carbon filters and oil separators, valve cover gaskets, air intake system, diesel fuel pre-filter and dust collectors for light and heavy-duty vehicle applications. Manufacture of antibacterial masks. Filter systems for separation of solid contaminants and water like pressure filters, return-line filters, and filter systems for liquid fuel, hydraulic oils and lubricants ISO 100 for application in aboveground and underground storage tanks. Equipment installed at gas stations, transport companies, manufacturers, power plants, among others.

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*In thousands of reais, unless otherwise indicated*

	Consolidated					
	2023			2022		
	Engine components	Filters	Consolidated	Engine components	Filters	Consolidated
<b>Revenue of the reportable segment</b>	<b>3,856,028</b>	<b>482,797</b>	<b>4,338,825</b>	<b>3,773,702</b>	<b>450,328</b>	<b>4,224,030</b>
Cost of sales (*)	(2,703,420)	(363,843)	(3,067,263)	(2,729,856)	(361,018)	(3,090,874)
<b>Gross profit</b>	<b>1,152,608</b>	<b>118,954</b>	<b>1,271,562</b>	<b>1,043,846</b>	<b>89,310</b>	<b>1,133,156</b>
Selling expenses and distribution and Impairment of trade receivables (*)	(293,120)	(38,902)	(332,022)	(277,898)	(35,152)	(313,050)
Administrative expenses (*)	(120,448)	(7,389)	(127,837)	(106,838)	(3,235)	(110,073)
Technology research costs (*)	(44,757)	(13,395)	(58,152)	(33,717)	(10,475)	(44,192)
Other operating income (expenses)	(9,480)	1,136	(8,344)	(40,265)	378	(39,887)
Gains (loss) on net monetary variation	72,686	(1,810)	70,876	93,925	1,090	95,015
<b>Profit before finance income (costs) and taxation</b>	<b>757,489</b>	<b>58,594</b>	<b>816,083</b>	<b>679,053</b>	<b>41,916</b>	<b>720,969</b>
Finance income	468,460	21,566	490,026	305,054	12,964	318,018
Finance costs	(343,758)	(24,430)	(368,188)	(308,418)	(18,688)	(327,106)
<b>Finance income (costs), net</b>	<b>124,702</b>	<b>(2,864)</b>	<b>121,838</b>	<b>(3,364)</b>	<b>(5,724)</b>	<b>(9,088)</b>
<b>Result by reportable segment before income tax and social contribution</b>	<b>882,191</b>	<b>55,730</b>	<b>937,921</b>	<b>675,689</b>	<b>36,192</b>	<b>711,881</b>
<b>Income tax and social contribution</b>	<b>(171,154)</b>	<b>(18,989)</b>	<b>(190,143)</b>	<b>(137,173)</b>	<b>(12,348)</b>	<b>(149,521)</b>
<b>Profit for the year</b>	<b>711,037</b>	<b>36,741</b>	<b>747,778</b>	<b>538,516</b>	<b>23,844</b>	<b>562,360</b>
Non-controlling interests	467	-	467	826	2,054	2,880
<b>Profit for the year</b>	<b>711,504</b>	<b>36,741</b>	<b>748,245</b>	<b>539,342</b>	<b>25,898</b>	<b>565,240</b>
Depreciation/amortization values are included in the functional lines above (*)						
<b>Depreciation and amortization</b>	<b>(91,325)</b>	<b>(10,256)</b>	<b>(101,581)</b>	<b>(88,187)</b>	<b>(7,693)</b>	<b>(95,880)</b>

Net operating revenue comprises revenue from the sale of products and services, where most of service revenue refers to the engine component segment.

	Consolidated					
	2023			2022		
	Engine components	Filters	Consolidated	Engine components	Filters	Consolidated
<b>Assets</b>	<b>2,604,826</b>	<b>196,099</b>	<b>2,800,925</b>	<b>2,957,829</b>	<b>199,370</b>	<b>3,157,199</b>

	Consolidated					
	2023			2022		
	Engine components	Filters	Consolidated	Engine components	Filters	Consolidated
<b>Capital expenditures</b>	<b>74,596</b>	<b>13,714</b>	<b>88,310</b>	<b>81,984</b>	<b>16,798</b>	<b>98,782</b>

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*In thousands of reais, unless otherwise indicated*

### ii. Distribution by geographic area

No customer accounts for more than 10% of total consolidated.

Sales per country	Consolidated			
	2023	%	2022	%
<b>Domestic market (Brazil and Argentina)</b>	<b>2,758,020</b>	<b>63.6%</b>	<b>2,603,508</b>	<b>61.6%</b>
Brasil	2,188,626	50.4%	2,134,235	50.5%
Argentina	569,394	13.1%	469,273	11.1%
<b>Foreign market</b>	<b>1,580,805</b>	<b>36.4%</b>	<b>1,620,522</b>	<b>38.4%</b>
USA	367,939	8.5%	385,807	9.1%
Mexico	238,870	5.5%	234,313	5.5%
Germany	174,912	4.0%	178,169	4.2%
Spain	100,914	2.3%	76,828	1.8%
Sweden	92,655	2.1%	54,534	1.3%
Italy	83,727	1.9%	108,601	2.6%
Austria	53,139	1.2%	26,831	0.6%
France	48,318	1.1%	50,500	1.2%
Portugal	40,053	0.9%	34,368	0.8%
Canada	24,601	0.6%	18,480	0.4%
Paraguay	21,307	0.5%	21,483	0.5%
Chile	20,241	0.5%	21,990	0.5%
Colombia	15,258	0.4%	21,093	0.5%
Bolivia	14,926	0.3%	15,030	0.4%
India	14,252	0.3%	14,925	0.4%
Peru	13,786	0.3%	20,393	0.5%
China	12,371	0.3%	9,824	0.2%
Belgium	11,405	0.3%	15,015	0.4%
Turkey	10,905	0.3%	13,414	0.3%
Uzbekistan	9,092	0.2%	6,429	0.2%
United Kingdom	8,769	0.2%	11,998	0.3%
Japan	8,423	0.2%	7,799	0.2%
Uruguay	8,198	0.2%	12,298	0.3%
Switzerland	8,018	0.2%	10,254	0.2%
Finland	7,534	0.2%	7,281	0.2%
Thailand	6,255	0.1%	6,360	0.2%
Others	164,937	3.8%	236,505	5.6%
<b>Total</b>	<b>4,338,825</b>	<b>100.0%</b>	<b>4,224,030</b>	<b>100.0%</b>

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*In thousands of reais, unless otherwise indicated*

### 10. Cash and cash equivalents and marketable securities

#### a) Cash and cash equivalents

	Parent Company		Consolidated	
	2023	2022	2023	2022
BRL	1,429	1,373	3,926	15,889
ARS (expressed in BRL)	-	-	6,040	9,923
USD (expressed in BRL)	2,950	26,823	2,950	26,823
EUR (expressed in BRL)	1,523	14,288	1,469	1,545
<b>Cash and demand deposits</b>	<b>5,902</b>	<b>42,484</b>	<b>14,385</b>	<b>54,180</b>
BRL	163,589	232,579	168,056	236,895
ARS (expressed in BRL)	-	-	7,298	124,310
USD (expressed in BRL)	2,179	4,331	2,179	4,331
<b>Financial investments</b>	<b>165,768</b>	<b>236,910</b>	<b>177,533</b>	<b>365,536</b>
BRL	5,466	(290)	5,466	(290)
ARS (expressed em BRL)	-	-	2,941	7,935
USD (expressed em BRL)	-	-	3	41
EUR (expressed em BRL)	-	-	-	4
<b>Cash in transit</b>	<b>5,466</b>	<b>(290)</b>	<b>8,410</b>	<b>7,690</b>
<b>Total</b>	<b>177,136</b>	<b>279,104</b>	<b>200,328</b>	<b>427,406</b>

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

Cash equivalents have made as follows:

- BRL – Certificates of bank deposit (CDBs) and resale agreements- these investments accrue interest, on average, at 100.5% p.a. (100.8% p.a. on December 31, 2022) 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 110% p.a. (66% p.a. on December 31, 2022) (BADLAR – Interest rate for term deposits).

- USD - Certificate deposits and Time deposits – These investments accrue interest, on average, at 5.16% p.a. (3.93% p.a. on December 31, 2022), are short-term and have original maturities of less than three months.

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*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	
	2023	2022	2023	2022
USD (expressed em BRL)	-	-	152,888	-
<b>Marketable securities</b>	<b>-</b>	<b>-</b>	<b>152,888</b>	<b>-</b>

- USD – investments in debentures with average interest rate of 5.16% per annum + foreign exchange rate changes. 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. See Note 14 for more details.

They are recorded at amortized cost, which approximates fair value, by the end of the reporting period. Their value reflects the redemption value if they were redeemed at that date. Interest earned on these transactions is included in finance income.

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### 11. Trade accounts receivables and other accounts receivables

	Parent Company		Consolidated	
	2023	2022	2023	2022
<b>Market</b>				
Domestic	377,881	334,352	377,889	334,706
Foreign	65,548	65,318	172,778	218,580
	<b>443,429</b>	<b>399,670</b>	<b>550,667</b>	<b>553,286</b>
Other accounts receivable	2,979	5,948	2,980	5,948
Provision for impairment of trade receivables	(6,667)	(6,354)	(17,238)	(8,929)
	<b>439,741</b>	<b>399,264</b>	<b>536,409</b>	<b>550,305</b>
Related parties (Note 14)	123,766	172,532	91,345	109,034
<b>Total</b>	<b>563,507</b>	<b>571,796</b>	<b>627,754</b>	<b>659,339</b>

The Group's exposure to credit and currency risks relating to trade receivables is disclosed in Note 36.

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

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

	Parent Company		Consolidated	
	2023	2022	2023	2022
Not yet due	420,993	376,041	506,470	516,956
Past due:				
Up to 7 days	3,089	4,427	9,507	10,847
From 8 to 30 days	7,090	10,811	10,419	12,064
From 31 to 60 days	5,242	5,835	8,013	7,379
From 61 to 90 days	2,253	1,768	3,278	3,540
From 91 to 120 days	1,223	791	2,749	995
From 121 to 180 days	960	1,462	6,247	2,072
From 181 to 360 days	1,944	2,370	3,197	2,702
Over 360 days	3,614	2,113	3,767	2,679
(-) Provision for impairment of trade receivables	(6,667)	(6,354)	(17,238)	(8,929)
<b>Total past due deducted provision</b>	<b>18,748</b>	<b>23,223</b>	<b>29,939</b>	<b>33,349</b>
<b>Total of trade receivables</b>	<b>439,741</b>	<b>399,264</b>	<b>536,409</b>	<b>550,305</b>



## MAHLE Metal Leve S.A.

### Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

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.

On December 31, 2023, trade receivables of the Parent Company in the amount of R\$ 18,748 (December 31, 2022 - R\$ 23,223) and Consolidated trade receivables at December 31, 2023 of R\$ 29,939 (December 31, 2022 - R\$ 33,349) were past due but not impaired. These relate to a number of 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 impairment of accounts receivable has been recognized for related parties, but there are no significant accounts.

Changes in the provision for impairment of trade receivables are as follows:

	<b>Parent Company</b>	<b>Consolidated</b>
<b>At January 1st, 2022</b>	<b>(4,201)</b>	<b>(6,872)</b>
Receivables provided for in the period	(7,829)	(10,207)
Receivables reversed in the period	5,051	7,427
Receivables written off definitively	531	542
Foreign exchange variation	94	181
<b>At December 31, 2022</b>	<b>(6,354)</b>	<b>(8,929)</b>
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 / Effect of the currency translation	67	168
<b>At December 31, 2023</b>	<b>(6,667)</b>	<b>(17,238)</b>

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### 12. Inventories

	Parent Company		Consolidated	
	2023	2022	2023	2022
Finished products	175,266	173,613	256,705	289,165
Work in progress	128,863	102,725	134,749	120,257
Raw materials	80,306	80,696	86,252	98,551
Auxiliary materials	8,618	6,932	10,471	12,707
Imports in transit	20,408	10,200	31,085	24,317
<b>Total</b>	<b>413,461</b>	<b>374,166</b>	<b>519,262</b>	<b>544,997</b>

On December 31, 2023, inventory was stated net of provision for losses. 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\$ 50,633 (R\$ 47,949 on December 31, 2022) in the Parent Company and R\$ 62,653 (R\$ 67,430 on December 31, 2022) in the Consolidated accounts.

Changes in the provision for inventory loss are as follows:

	Parent Company	Consolidated
<b>At January 1st, 2022</b>	<b>(44,798)</b>	<b>(62,538)</b>
Reversal of provision	14,955	29,924
Recognition of provision	(19,282)	(44,795)
Inventory written off definitively as loss	1,176	1,176
Effect of the currency translation	-	8,803
<b>At December 31, 2022</b>	<b>(47,949)</b>	<b>(67,430)</b>
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
<b>At December 31, 2023</b>	<b>(50,633)</b>	<b>(62,653)</b>

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### 13. Taxes recoverable

	Parent Company		Consolidated	
	2023	2022	2023	2022
Income tax and social contribution	44,495	47,662	50,389	55,882
<b>Income tax and social contribution recoverable</b>	<b>44,495</b>	<b>47,662</b>	<b>50,389</b>	<b>55,882</b>
COFINS (i)	23,528	127,553	23,528	127,553
ICMS and Excise Tax (IPI)	25,695	30,041	25,743	30,087
Value-added Tax on Sales and Services (ICMS) on purchases of fixed assets	6,408	7,096	6,408	7,096
Import Tax	5,349	720	5,349	1,082
PIS (i)	5,533	27,437	5,533	27,438
Export incentive - Argentina	-	-	5,488	-
I.V.A. (Argentina)	-	-	8,404	3,881
Other	125	30	3,855	3,514
<b>Taxes recoverable</b>	<b>66,638</b>	<b>192,877</b>	<b>84,308</b>	<b>200,651</b>
<b>Current</b>	<b>111,133</b>	<b>240,539</b>	<b>134,697</b>	<b>256,533</b>
PIS and COFINS	-	-	217	193
Value-added Tax on Sales and Services (ICMS) on purchases of fixed assets (ii)	11,307	11,693	11,307	11,693
Export incentive - Argentina	-	-	-	5,080
<b>Non-current</b>	<b>11,307</b>	<b>11,693</b>	<b>11,524</b>	<b>16,966</b>

(i) Tax credit related to exclusion of ICMS from PIS and COFINS tax base.

In the period ended December 31, 2023, the Group recorded additional tax credits of R\$ 5,690 (exclusion of ICMS from the tax base of PIS and COFINS) and accretion of interest of R\$ 7,136 on the tax credits over the period 2017-2023, which were recognized as “other operating income” and “finance income”, respectively, in the statement of income.

In December 2022 the Company began to offset the tax credits relating to the period August 2021 thru December 2022 and filed a claim with the Brazilian Revenue Service for recorded tax credits relating to the period March 2017 thru July 2021. On February 21, 2023, the Brazilian Revenue Service accepted the Company’s tax credit claim. During the period ended December 31, 2023, the Company offset tax credits against tax liabilities (Parent Company and Consolidated) in the amount of R\$ 142,753.

At December 31, 2023, the balances of PIS and COFINS in current assets reflect Company’s expectations of recovery of tax credits in the next 12 months.

(ii) 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.

## MAHLE Metal Leve S.A.

### Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

(iii) Because of the suspension of exemption certificates on VAT by the Argentine government for nine months of 2023, the subsidiary MAHLE Argentina S.A. was unable to utilize the tax credits during the period of suspension. The utilization of the tax credits will be allowed again from March 2024.

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

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 12.31.2023						Parent company									
	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
<b>Companies</b>																
<b>Subsidiaries</b>																
<b>Direct subsidiaries</b>																
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 Filtröl Indústria e Comércio de Filtros Ltda.	-	-	-	-	-	-	-	88	-	81	-	-	-	-	-	
<b>Sub-total Controladas Diretas</b>	<b>88,235</b>		<b>23,895</b>	<b>40</b>			<b>639,317</b>	<b>3,258</b>			<b>302</b>					
<b>Related companies</b>																
MAHLE Afermarket 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 Afermarket 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 Gerenciamento 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 Afermarket 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 Afermarket 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 Afermarket 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 Afermarket 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 Afermarket Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	11	-	
MAHLE Industriebeteiligungen GmbH	-	-	-	-	-	814	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	83	(12)	-	-	-	
<b>Total related companies</b>	<b>35,531</b>		-	<b>70,896</b>		<b>11,816</b>	<b>97,747</b>	<b>59,990</b>	<b>1,382</b>	<b>1,443</b>	<b>150,271</b>	<b>99,176</b>	<b>45</b>	<b>173</b>	<b>13,602</b>	<b>10,654</b>
<b>Total related parties</b>	<b>123,766</b>		<b>23,895</b>	<b>70,936</b>		<b>11,816</b>	<b>737,064</b>	<b>63,248</b>	<b>1,382</b>	<b>1,524</b>	<b>150,573</b>	<b>99,176</b>	<b>45</b>	<b>173</b>	<b>13,602</b>	<b>10,654</b>

\* 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

In thousands of reais, unless otherwise indicated

	Parent company														
	Balances at 12.31.2022						Transactions from 2022								
	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 and Energy	Products	Services	Property, plant and equipment	Commissions	Trademark license	Rent
<b>Companies</b>															
<b>Subsidiaries</b>															
<b>Direct subsidiaries</b>															
MAHLE Argentina S.A.	68,643	60	24,614	149	60	-	132,788	3,389	-	1,468	-	-	-	-	-
MAHLE Metal Leve GmbH	66,426	60	-	-	-	-	487,797	1,835	-	-	-	-	-	-	-
MAHLE Filtroil Indústria e Comércio de Filtros Ltda.	55	60	-	-	-	-	-	174	131	-	-	-	-	-	-
MAHLE Hirschvogel Forjas S.A.	-	-	-	-	-	-	-	44	-	-	-	-	-	-	-
<b>Sub-total Controladas Diretas</b>	<b>135,124</b>		<b>24,614</b>	<b>149</b>			<b>620,585</b>	<b>5,442</b>	<b>131</b>	<b>1,468</b>					
<b>Related companies</b>															
MAHLE Engine Components USA, Inc.	8,946	60	-	1,109	60	-	29,773	275	-	8,620	276	-	-	-	-
MAHLE Aftermarket GmbH	5,124	60	-	9,308	60	-	15,319	2,003	-	5,904	6,047	-	198	-	-
MAHLE Aftermarket S. de R.L. de C.V.	4,538	60	-	-	-	-	10,265	-	-	-	-	-	-	-	-
MAHLE Aftermarket Inc.	4,401	60	-	131	60	-	13,129	992	-	39	-	-	195	-	-
MAHLE Behr Gerenciamento Técnico Brasil Ltda.	2,484	60	-	6,794	60	-	3,444	17,223	1,288	45,661	870	-	-	-	-
MAHLE Componenti Motori Italia S.p.A.	2,324	60	-	185	60	-	18,027	-	-	108	227	-	-	-	-
MAHLE International GmbH	1,923	60	-	10,524	60	-	-	5,772	-	-	47,903	-	-	-	-
MAHLE Compressores do Brasil Ltda.	1,546	60	-	7,104	60	-	1,414	10,186	-	33,898	-	-	-	-	-
MAHLE Componentes de Motor de Mexico, S. de R.L. de C.V.	1,090	60	-	3,517	60	-	1,487	-	-	23,671	2,809	-	-	-	-
MAHLE Sistemas de Filtracion de Mexico S.A. de C.V.	807	60	-	-	-	-	1,191	-	-	-	-	-	-	-	-
MAHLE Motor Parcalari San. Izmir A.S.	696	60	-	250	60	-	3,723	-	-	778	-	-	-	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	676	60	-	-	-	-	1,411	-	-	-	-	-	-	-	-
MAHLE Engine Components (Chongqing) Co., Ltd.	447	60	-	-	-	-	2,022	-	-	-	-	-	-	-	-
MAHLE Engine Components (Yingkou) Co., Ltd.	426	60	-	-	-	-	3,076	-	-	-	-	-	-	-	-
MAHLE Filter Systems USA	397	60	-	-	-	-	519	1,951	-	-	-	-	-	-	-
MAHLE GmbH	330	60	-	21,031	60	-	261	336	-	2,577	16,278	1,660	-	14,773	-
Mahle Industriemotoren-Komponenten GmbH	285	60	-	-	-	-	195	-	-	-	-	-	-	-	-
MAHLE Componentes de Motores S.A.	258	60	-	2	60	-	1,240	27	-	121	-	-	-	-	-
MAHLE Indústria e Comércio Ltda.	199	60	-	2,147	60	73,990	-	2,968	-	1,927	-	-	-	-	10,123
MAHLE Behr GmbH & Co. KG Stuttgart	195	60	-	-	-	-	-	175	-	-	-	-	-	-	-
MAHLE Engine Components India Priv. Ltd.	71	60	-	-	-	-	81	-	-	1	-	-	-	-	-
MAHLE France SAS	62	60	-	-	-	-	337	-	-	-	-	-	-	-	-
MAHLE Trading Japan Co., Ltd.	52	60	-	-	-	-	-	239	-	532	-	-	-	-	-
MAHLE Engine Systems UK Ltd.	49	60	-	3,133	60	-	397	686	-	8,018	623	-	-	-	-
MAHLE Anéis Participações Ltda.	-	-	-	39	60	-	-	-	-	-	-	-	-	-	-
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	37	60	-	-	-	-	105	-	-	-	-	-	-	-	-
MAHLE Electric Drives Slovenja d.o.o.	29	60	-	287	60	-	-	117	-	2,919	-	-	-	-	-
MAHLE Aftermarket Pte. Ltd.	16	60	-	713	60	-	288	-	-	4,566	-	-	-	-	-
MAHLE Industries, Inc.	-	-	-	2,607	60	-	-	-	-	-	2,271	-	-	-	-
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	900	60	-	-	-	-	2,519	-	-	-	-	-
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	592	60	-	-	-	-	2,648	-	-	-	-	-
MAHLE Filtersysteme Austria GmbH	-	-	-	267	60	-	1	-	-	1,745	-	-	-	-	-
MAHLE Holding (China) Co., Ltd.	-	-	-	144	60	-	(236)	-	-	-	583	-	-	-	-
MAHLE Filter Systems Japan Corporation	-	-	-	118	60	-	-	-	-	306	-	-	-	-	-
MAHLE Filtersysteme GmbH	-	-	-	87	60	-	-	-	-	872	-	-	-	-	-
MAHLE Japan Ltd.	-	-	-	65	60	-	-	-	-	469	-	-	-	-	-
MAHLE Aftermarket Italy S.p.A.	-	-	-	30	60	-	-	-	-	1,339	18	-	-	-	-
MAHLE S.A.U.	-	-	-	23	60	-	-	-	-	-	-	-	-	-	-
MAHLE France SARL	-	-	-	23	60	-	-	-	-	9	-	-	-	-	-
MAHLE Engineering Services India Private Limited	-	-	-	9	60	-	-	-	-	9	-	-	-	-	-
MAHLE Automotive Technologies (China) Co., Ltd	-	-	-	8	60	-	-	-	-	648	-	-	-	-	-
MAHLE Filter Systems Philippines Corporation	-	-	-	5	60	-	-	-	-	61	-	-	-	-	-
MAHLE Aftermarket Ltd.	-	-	-	5	60	-	-	-	-	5	-	-	-	-	-
MAHLE Holding (India) Private Limited	-	-	-	2	60	-	-	-	-	1	-	-	-	-	-
MAHLE Ventiltrieb GmbH	-	-	-	-	-	-	1,483	-	-	-	-	-	-	-	-
MAHLE Industriebeteiligungen GmbH	-	-	-	-	-	12,332	-	-	-	-	-	-	-	-	-
MAHLE Engine Components Slovakia s.r.o.	-	-	-	-	-	-	1,218	-	-	-	-	-	-	-	-
MAHLE Polska Sp. z o.o.	-	-	-	-	-	-	18	-	-	-	-	-	-	-	-
MAHLE Anand Filter Systems Private Limited	-	-	-	-	-	-	63	-	-	9	-	-	-	-	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	-	-	-	-	-	-	370	1	-	-	-	-
MAHLE Shared Services Mexico S. de R.L. de C.V.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MAHLE Componente de Motor SRL	-	-	-	-	-	-	-	-	-	204	-	-	-	-	-
MAHLE Behr Service Asia Co., Ltd.	-	-	-	-	-	-	-	-	-	1,195	-	-	-	-	-
Other	-	-	-	-	-	-	181	-	-	-	-	-	-	-	-
<b>Total related companies</b>	<b>37,408</b>		<b>-</b>	<b>71,159</b>		<b>86,322</b>	<b>110,432</b>	<b>42,950</b>	<b>1,288</b>	<b>149,735</b>	<b>79,915</b>	<b>1,660</b>	<b>398</b>	<b>14,773</b>	<b>10,123</b>
<b>Total related parties</b>	<b>172,532</b>		<b>24,614</b>	<b>71,308</b>		<b>86,322</b>	<b>731,017</b>	<b>48,392</b>	<b>1,419</b>	<b>151,203</b>	<b>79,915</b>	<b>1,660</b>	<b>398</b>	<b>14,773</b>	<b>10,123</b>

\* 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

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		
<b>Related companies</b>																	
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 Gerenciamto 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 Industrieteilgungen GmbH	-	-	-	-	-	814	-	-	-	-	-	-	-	-	-		
Others	-	-	-	-	-	-	-	-	-	83	(12)	-	-	-	-		
<b>Total related companies</b>	<b>91,345</b>		<b>30,128</b>	<b>105,592</b>		<b>11,816</b>	<b>493,833</b>	<b>60,082</b>	<b>1,443</b>	<b>164,354</b>	<b>106,943</b>	<b>45</b>	<b>173</b>	<b>15,554</b>	<b>10,654</b>		
<b>Total related parties</b>	<b>91,345</b>		<b>30,128</b>	<b>105,592</b>		<b>11,816</b>	<b>493,833</b>	<b>60,082</b>	<b>1,443</b>	<b>164,354</b>	<b>106,943</b>	<b>45</b>	<b>173</b>	<b>15,554</b>	<b>10,654</b>		

\* 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

In thousands of reais, unless otherwise indicated

	Balances at 12.31.2022							Consolidated								
	Current assets			Non-current assets		Current liabilities		Sales/revenue			Transactions from 2022					
	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	
<b>Related companies</b>																
MAHLE Componentes de Motor de Mexico, S. de R.L. de C.V.	22,268	60	-	3,517	60	-	93,238	-	-	-	23,671	2,809	-	-	-	-
MAHLE Componenti Motori Italia Sp.A.	15,266	60	-	1,622	60	-	108,984	-	-	-	167	227	-	-	-	-
MAHLE Aftermarket GmbH	13,770	60	-	13,808	60	-	96,659	2,003	-	-	21,969	6,047	-	198	-	-
MAHLE Engine Components USA, Inc.	13,269	60	-	2,156	60	-	50,484	275	-	-	8,620	1,426	-	-	-	-
MAHLE France SAS	7,208	60	-	-	-	-	42,408	-	-	-	-	-	-	-	-	-
MAHLE Componentes de Motores S.A.	6,574	60	-	2	60	-	34,890	27	-	-	121	-	-	-	-	-
MAHLE Aftermarket S. de R.L. de C.V.	5,950	60	-	-	-	-	30,269	-	-	-	-	-	-	-	-	-
MAHLE Aftermarket Inc.	5,833	60	-	131	60	-	17,250	992	-	-	224	-	-	195	-	-
MAHLE Behr Gerenciamto Térmico Brasil Ltda.	2,559	60	-	12,109	60	-	3,588	17,223	1,288	-	53,686	870	-	-	-	-
MAHLE International GmbH	1,923	60	-	20,364	60	-	-	5,772	-	-	-	50,786	-	-	-	-
MAHLE Engine Components (Thailand) Co., Ltd.	1,689	60	-	-	-	-	5,605	-	-	-	-	-	-	-	-	-
MAHLE GmbH	1,577	60	-	24,907	60	-	3,101	336	-	-	2,577	16,938	1,660	-	16,185	-
MAHLE Compressores do Brasil Ltda.	1,546	60	-	7,104	60	-	1,414	10,186	-	-	33,898	-	-	-	-	-
Mahle Voelklbruck GMBH	1,504	60	-	-	-	-	(197)	-	-	-	-	-	-	-	-	-
Mahle Industriemotoren-Komponenten GmbH	1,301	60	-	544	60	-	6,969	-	-	-	-	-	-	261	-	-
MAHLE Motor Parcalari San. Izmir A.S.	1,037	60	-	250	60	-	9,856	-	-	-	778	-	-	-	-	-
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	892	60	-	552	60	-	6,587	-	-	-	-	123	-	-	-	-
MAHLE Polska Sp. z o.o.	863	60	-	-	-	-	3,768	-	-	-	-	-	-	-	-	-
MAHLE Sistemas de Filtracion de Mexico S.A. de C.V.	807	60	-	-	-	-	1,191	-	-	-	-	-	-	-	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	676	60	-	-	-	-	1,411	-	-	-	-	-	-	-	-	-
MAHLE Engine Components India Priv. Ltd.	528	60	-	22	60	-	1,510	-	-	-	1	-	-	-	-	-
MAHLE Engine Components (Chongqing) Co., Ltd.	447	60	-	-	-	-	2,022	-	-	-	-	-	-	-	-	-
MAHLE Engine Components (Yingkou) Co., Ltd.	426	60	-	-	-	-	3,076	-	-	-	-	-	-	-	-	-
MAHLE Filter Systems USA	397	60	-	-	-	-	519	1,951	-	-	-	-	-	-	-	-
MAHLE Indústria e Comércio Ltda.	199	60	-	2,147	60	73,990	-	2,968	-	-	1,927	-	-	-	-	10,123
MAHLE Behr GmbH & Co. KG Stuttgart	195	60	-	-	-	-	-	175	-	-	-	-	-	-	-	-
MAHLE Engine Components Slovakia s.r.o.	183	60	-	-	-	-	3,194	-	-	-	-	-	-	-	-	-
MAHLE Trading Japan Co., Ltd.	52	60	-	-	-	-	-	239	-	-	532	-	-	-	-	-
MAHLE Engine Systems UK Ltd.	49	60	-	3,133	60	-	397	686	-	-	8,018	623	-	-	-	-
MAHLE Anéis Participações Ltda.	-	-	-	39	60	-	-	-	-	-	-	-	-	-	-	-
MAHLE Electric Drives Slovenija d.o.o.	29	60	-	823	60	-	-	117	-	-	3,686	-	-	-	-	-
MAHLE Aftermarket Pte. Ltd.	16	60	-	713	60	-	288	-	-	-	4,566	-	-	-	-	-
MAHLE Industries, Inc.	-	-	-	4,006	60	-	-	-	-	-	-	5,709	-	-	-	-
MAHLE Engine Components USA, Inc.	-	-	-	1,154	60	-	-	-	-	-	-	-	-	-	-	-
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	900	60	-	-	-	-	-	2,519	-	-	-	-	-
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	592	60	-	-	-	-	-	2,648	-	-	-	-	-
MAHLE Filtersysteme Austria GmbH	-	-	-	356	60	-	1	-	-	-	1,745	331	-	-	-	-
MAHLE Holding (China) Co., Ltd.	-	-	-	144	60	-	(236)	-	-	-	-	583	-	-	-	-
MAHLE Filter Systems Japan Corporation	-	-	-	118	60	-	-	-	-	-	306	-	-	-	-	-
MAHLE Aftermarket Italy Sp.A.	-	-	-	114	60	-	-	-	-	-	1,962	18	-	-	-	-
MAHLE Filtersysteme GmbH	-	-	-	87	60	-	-	-	-	-	-	872	-	-	-	-
MAHLE Japan Ltd.	-	-	-	65	60	-	-	-	-	-	-	469	-	-	-	-
MAHLE Holding Austria GmbH	-	-	78,054	62	60	-	-	-	-	-	-	-	-	-	-	-
MAHLE S.A.U.	-	-	-	23	60	-	179	-	-	-	-	-	-	-	-	-
MAHLE France SARL	-	-	-	23	60	-	-	-	-	-	-	9	-	-	-	-
MAHLE Engineering Services India Private Limited	-	-	-	9	60	-	-	-	-	-	-	9	-	-	-	-
MAHLE Automotive Technologies (China) Co., Ltd.	-	-	-	8	60	-	-	-	-	-	-	648	-	-	-	-
MAHLE Filter Systems Philippines Corporation	-	-	-	5	60	-	-	-	-	-	61	-	-	-	-	-
MAHLE Aftermarket Ltd.	-	-	-	5	60	-	-	-	-	-	-	-	-	5	-	-
MAHLE Holding (India) Private Limited	-	-	-	2	60	-	-	-	-	-	-	1	-	-	-	-
MAHLE Industriebeteiligungen GmbH	-	-	-	-	-	12,332	-	-	-	-	-	-	-	-	-	-
MAHLE RUS O.O.O.	-	-	-	-	-	-	179	-	-	-	-	-	-	-	-	-
Mahle Izmir AS.	-	-	-	-	-	-	260	-	-	-	-	-	-	-	-	-
MAHLE Ventiltrieb GmbH	-	-	-	-	-	-	1,527	-	-	-	-	-	-	-	-	-
MAHLE Behr Service Asia Co., Ltd.	-	-	-	-	-	-	-	-	-	-	2,653	-	-	-	-	-
MAHLE Industriemotoren-Komponenten GmbH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MAHLE Voelklbruck GmbH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MAHLE Anand Filter Systems Private Limited	-	-	-	-	-	-	63	-	-	-	9	-	-	-	-	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	-	-	-	-	-	-	-	370	1	-	-	-	-
MAHLE Shared Services Mexico S. de R.L. de C.V.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MAHLE Componente de Motor SRL	-	-	-	-	-	-	-	-	-	-	204	-	-	-	-	-
Others	-	-	-	-	-	-	4	-	-	-	-	-	-	-	-	-
<b>Total related companies</b>	<b>109,034</b>		<b>78,054</b>	<b>101,616</b>		<b>86,322</b>	<b>530,458</b>	<b>42,950</b>	<b>1,288</b>	<b>176,917</b>	<b>88,500</b>	<b>1,660</b>	<b>659</b>	<b>16,185</b>	<b>10,123</b>	
<b>Total related parties</b>	<b>109,034</b>		<b>78,054</b>	<b>101,616</b>		<b>86,322</b>	<b>530,458</b>	<b>42,950</b>	<b>1,288</b>	<b>176,917</b>	<b>88,500</b>	<b>1,660</b>	<b>659</b>	<b>16,185</b>	<b>10,123</b>	

\* 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

*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.

At September 30, 2023, the Parent Company MAHLE Metal Leve S.A. made a capital increase in subsidiary MAHLE Filtroil Indústria e Comércio de Filtros Ltda. in the amount of R\$ 29,000 through the conversion of the loan of R\$ 28,018 (December 31, 2022: R\$ 22,941) into capital and a cash contribution of R\$ 981.

At December 31, 2023, the subsidiary MAHLE Argentina S.A. has a loan agreement with the Parent Company in the amount of USD 4,936, equivalent to R\$ 23,895 (December 31, 2022: R\$ 24,614), 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 and A7563. We identified no material risk of loss on the amount receivable by the Parent Company since the risk is hedged with NDF. However, we identified potential risks of foreign exchange losses on the amount owed by the subsidiary MAHLE Argentina to the Parent Company because of the deterioration of the Argentine economy and the Argentine peso depreciation.

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, 2023, the subsidiary has R\$ 30,128 (R\$ 78,054 at December 31, 2022) receivable from these transactions.

The Company has had 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, 2023, the royalty expenses were recorded within "selling expenses - brand license", in the Parent Company in the amount of R\$ 13,602 (R\$ 14,773 at December 31, 2022) and in the Consolidated accounts in the amount of R\$ 15,554 (R\$ 16,185 at December 31, 2022).

### ***Parent Company and ultimate Parent Company***

The Company's direct Parent Company is established as a limited liability company and its corporate name is MAHLE Indústria e Comércio Ltda.

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

*In thousands of reais, unless otherwise indicated*

### ***Dividends and interest on capital receivable***

On May 26, 2023, the Company received net dividends of R\$ 115,439 (R\$ 159,272 on May 27, 2022) from its foreign subsidiary MAHLE Metal Leve GmbH.

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

### ***Dividends and interest on capital payable***

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

	Parent Company and Consolidated				
	Balance 12.31.2022	Addition	Payment	Prescribed dividends and interest on capital	Balance 12.31.2023
MAHLE Indústria e Comércio Ltda.	73,990	741,380	(804,368)	-	<b>11,002</b>
MAHLE Industriebeteiligungen GmbH.	12,332	117,713	(129,231)	-	<b>814</b>
Non-controlling interest	39,592	382,465	(411,002)	(54)	<b>11,001</b>
<b>Total</b>	<b>125,914</b>	<b>1,241,558</b>	<b>(1,344,601)</b>	<b>(54)</b>	<b>22,817</b>

	Parent Company and Consolidated				
	Balance 01.01.2022	Addition	Payment	Prescribed dividends and interest on capital	Balance 12.31.2022
MAHLE Indústria e Comércio Ltda.	74,593	326,289	(326,892)	-	<b>73,990</b>
MAHLE Industriebeteiligungen GmbH.	12,432	54,382	(54,482)	-	<b>12,332</b>
Minorities	38,999	163,144	(162,367)	(184)	<b>39,592</b>
<b>Total</b>	<b>126,024</b>	<b>543,815</b>	<b>(543,741)</b>	<b>(184)</b>	<b>125,914</b>

### ***(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 and termination pay.

	Parenty Company and Consolidated	
	2023	2022
Statutory officers	9,281	7,293
Non-statutory officers	3,867	3,502
<b>Total</b>	<b>13,148</b>	<b>10,795</b>

The officers receive no share-based compensation.

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*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 combined statutory tax rates with the income tax and social contribution expense recorded in the statement of income is as follows:

	Parent Company		Consolidated	
	2023	2022	2023	2022
Profit before income tax and social contribution	899.087	688.085	937.921	711.881
(-) Interest on capital	(111.024)	(107.142)	(111.024)	(107.142)
<b>Profit before income tax and social contribution after interest on capital</b>	<b>788.063</b>	<b>580.943</b>	<b>826.897</b>	<b>604.739</b>
Income tax and social contribution at the statutory rate in Brazil (34%)	(267.941)	(197.521)	(281.145)	(205.611)
Effects of permanent differences:				
Equity in the results of subsidiaries	40.390	42.995	-	-
Overstated (understated) provision in prior year	2.093	(2.462)	2.093	(2.462)
Gain (loss) for the year for which no deferred tax asset was recognized	-	(2.992)	(1.700)	(5.304)
Inflationary effect generated by subsidiary	78.290	55.039	88.060	31.623
Non deductible expenses	(5.053)	(3.908)	(4.745)	8.138
Others, net	1.379	(13.996)	7.294	24.095
<b>Total income tax and social contribution</b>	<b>(150.842)</b>	<b>(122.845)</b>	<b>(190.143)</b>	<b>(149.521)</b>
Current income tax and social contribution	(131.554)	(139.188)	(178.477)	(166.337)
Deferred income tax and social contribution	(19.288)	16.343	(11.666)	16.816
	<b>(150.842)</b>	<b>(122.845)</b>	<b>(190.143)</b>	<b>(149.521)</b>
<b>Effective rate</b>	<b>19,1%</b>	<b>21,1%</b>	<b>23,0%</b>	<b>24,7%</b>

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### **b. Recognized deferred tax assets and liabilities**

Deferred income tax and social contribution were calculated on temporarily non-deductible provision.

#### **i. Breakdown of deferred tax assets and liabilities:**

	Parent Company			
	Assets		Liabilities	
	Balance in 2023	Balance in 2022	Balance in 2023	Balance in 2022
Property, plant and equipment	-	-	(25,847)	(26,743)
Intangible assets	-	-	(97,025)	(97,025)
Tax credit (*)	-	-	(34,773)	(34,773)
Financial incentives - Limeira	-	-	(3,327)	(1,316)
Derivatives	-	106	(4,041)	-
Inventory	17,215	16,302	-	-
Labor risk provision	50,970	54,213	-	-
Other temporarily non-deductible provisions	112,075	121,237	-	-
Tax (assets) liabilities	180,260	191,858	(165,013)	(159,857)
Amount eligible for offsetting	(165,013)	(159,857)	165,013	159,857
Net tax (assets) liabilities	<b>15,247</b>	<b>32,001</b>	<b>-</b>	<b>-</b>

	Consolidated			
	Assets		Liabilities	
	Balance in 2023	Balance in 2022	Balance in 2023	Balance in 2022
Property, plant and equipment	-	-	(38,590)	(42,157)
Intangible assets	-	-	(97,025)	(97,025)
Tax credit (*)	-	-	(34,773)	(34,773)
Financial incentives - Limeira	-	-	(3,327)	(1,316)
Derivatives	-	106	(4,041)	-
Inventory	29,341	19,997	-	-
Provision labor risks	50,970	54,213	-	-
Other temporarily non-deductible provisions	126,021	124,728	-	-
Tax loss carryforwards	-	-	-	-
Tax (assets) liabilities	206,332	199,044	(177,756)	(175,271)
Amount eligible for offsetting	(177,756)	(166,783)	177,756	166,783
Net tax (assets) liabilities	<b>28,576</b>	<b>32,261</b>	<b>-</b>	<b>(8,488)</b>

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

(\*) Refers to PIS and COFINS tax credits obtained by the Company in a lawsuit which was finally resolved in its favor in July 2021 (exclusion of ICMS from PIS/COFINS tax base). According to a court decision, the income tax and social contribution will be levied on these credits when the tax offsetting requests (PER/DCOMP) are homologated by the Brazilian Revenue Service.

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.

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

Parent Company									
	Balance in 01.01.2022	Recognized in profit or loss	Recognized in "taxes to be compensated"	Recognized in other comprehensive income	Balance in 12.31.2022	Recognized in profit or loss	Recognized in equity	Recognized in other comprehensive income	Balance in 12.31.2023
Property, plant and equipment	(27,866)	1,123	-	-	(26,743)	896	-	-	(25,847)
Intangible assets	(97,025)	-	-	-	(97,025)	-	-	-	(97,025)
Tax credit	(36,161)	(3,093)	4,481	-	(34,773)	-	-	-	(34,773)
Financial incentives - Limeira	-	(1,316)	-	-	(1,316)	(2,011)	-	-	(3,327)
Derivatives	3,367	21	-	(3,282)	106	(3,315)	-	(832)	(4,041)
Inventory	15,231	1,071	-	-	16,302	913	-	-	17,215
Labor risk provision	64,898	(10,685)	-	-	54,213	(3,243)	-	-	50,970
Reduction of equity related to stock offering expenses (**)	-	-	-	-	-	(3,366)	3,366	-	-
Other temporarily non-deductible provisions	92,015	29,222	-	-	121,237	(9,162)	-	-	112,075
	<b>14,459</b>	<b>16,343</b>	<b>4,481</b>	<b>(3,282)</b>	<b>32,001</b>	<b>(19,288)</b>	<b>3,366</b>	<b>(832)</b>	<b>15,247</b>
Consolidated									
	Balance in 01.01.2022	Recognized in profit or loss	Recognized in "taxes to be compensated"	Recognized in other comprehensive income	Balance in 12.31.2022	Recognized in profit or loss	Recognized in equity	Recognized in other comprehensive income	Balance in 12.31.2023
Property, plant and equipment	(38,301)	(3,856)	-	-	(42,157)	3,567	-	-	(38,590)
Intangible assets	(97,025)	-	-	-	(97,025)	-	-	-	(97,025)
Tax credit	(36,161)	(3,093)	4,481	-	(34,773)	-	-	-	(34,773)
Financial incentives - Limeira	-	(1,316)	-	-	(1,316)	(2,011)	-	-	(3,327)
Derivatives	3,367	21	-	(3,282)	106	(3,315)	-	(832)	(4,041)
Inventory	14,347	5,650	-	-	19,997	9,344	-	-	29,341
Labor risk provision	64,898	(10,685)	-	-	54,213	(3,243)	-	-	50,970
Reduction of equity related to stock offering expenses (**)	-	-	-	-	-	(3,366)	3,366	-	-
Other temporarily non-deductible provisions	88,409	30,095	-	6,224	124,728	(12,642)	-	13,935	126,021
	<b>(466)</b>	<b>16,816</b>	<b>4,481</b>	<b>2,942</b>	<b>23,773</b>	<b>(11,666)</b>	<b>3,366</b>	<b>13,103</b>	<b>28,576</b>

(\*\*) Considering the tax effects on the amounts recorded directly in equity related to expenses of public offering of shares, the deferred tax effects on profit & loss at December 31, 2023 was R\$ 3,366.

## MAHLE Metal Leve S.A.

### Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

#### *c. Unrecognized deferred tax assets*

On December 31, 2023, tax credits of R\$ 31,098 (R\$ 26,412 in 2022) 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 such credits is basically due to the lack of taxable income for the coming years, as indicated in profit projections prepared by the management of these companies. Under Brazilian tax legislation, tax losses are not subject to a statute of limitations.

	Consolidated	
	2023	2022
Temporary differences	368	1,027
Tax losses	30,730	25,385
	<b>31,098</b>	<b>26,412</b>

#### 16. Investments in subsidiaries

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

	2022				
	Investments accounted for using the equity method	Goodwill	Impairment	Elimination of profit on inventory (Balance at 12/31/2022)	Total
MAHLE Argentina S.A.	275,208	59,549	(59,549)	(3,024)	<b>272,184</b>
MAHLE Metal Leve GmbH	155,992	-	-	(3,386)	<b>152,606</b>
MAHLE Hirschvogel Forjas S.A.	2,920	35,755	(35,755)	-	<b>2,920</b>
<b>Total</b>	<b>434,120</b>	<b>95,304</b>	<b>(95,304)</b>	<b>(6,410)</b>	<b>427,710</b>

# MAHLE Metal Leve S.A.

## Explanatory notes to the financial statements

*In thousands of reais, unless otherwise indicated*

											Interest in equity		
	Interest (%)	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities	Equity	Net revenue	Profit (loss) for the period	Investments	Equity in the results of subsidiaries	Elimination of profit on inventory /other assets (equity)
<b>December 31, 2023</b>	<b>(FY 2023)</b>										<b>(FY 2023)</b>		
<b>Subsidiaries</b>													
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 Filtróil 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)	-
<b>Total</b>		<b>472,175</b>	<b>95,562</b>	<b>567,737</b>	<b>249,073</b>	<b>28,017</b>	<b>277,090</b>	<b>290,647</b>	<b>1,605,641</b>	<b>115,866</b>	<b>286,820</b>	<b>115,935</b>	<b>2,859</b>
<b>December 31, 2022</b>	<b>(FY 2022)</b>										<b>(FY 2022)</b>		
<b>Subsidiaries</b>													
MAHLE Argentina S.A.	99.20	405,200	86,907	492,107	175,016	39,664	214,680	277,427	866,068	5,669	275,208	5,624	602
MAHLE Metal Leve GmbH	100.00	159,011	80,534	239,545	83,553	-	83,553	155,992	649,662	123,536	155,992	123,535	632
MAHLE Filtróil Ind. e Com. de Filtros Ltda.	60.00	1,184	305	1,489	2,247	8,931	11,178	(9,689)	1,746	(5,136)	-	(3,082)	-
MAHLE Hirschvogel Forjas S.A.	51.00	4,592	3,267	7,859	752	1,381	2,133	5,726	-	(1,679)	2,920	(856)	-
<b>Total</b>		<b>569,987</b>	<b>171,013</b>	<b>741,000</b>	<b>261,568</b>	<b>49,976</b>	<b>311,544</b>	<b>429,456</b>	<b>1,517,476</b>	<b>122,390</b>	<b>434,120</b>	<b>125,221</b>	<b>1,234</b>

# MAHLE Metal Leve S.A.

## Explanatory notes to the financial statements

*In thousands of reais, unless otherwise indicated*

The subsidiaries belong to the engine component segment, except the subsidiary MAHLE Filtroil Indústria e Comércio de Filtros Ltda.

### ***MAHLE Argentina S.A.***

As mentioned in Note 18, the Company has an impairment loss of R\$ 68,071 on the goodwill arising from the acquisition of the subsidiary.

### ***MAHLE Filtroil Indústria e Comércio de Filtros Ltda.***

The subsidiary has incurred recurring operating losses and has an accumulated deficit, which led it to take loans from the Parent Company (Note 14).

After an agreement was signed, the non-controlling shareholder transferred all its shares in MAHLE Filtroil Indústria e Comércio de Filtros Ltda. to the Parent Company MAHLE Metal Leve S.A. The agreed amount of R\$ 30,200 (principal + attorney's fee awards) minus related judicial deposits resulted in the amount of R\$ 24,891, which was settled in January 2023.

At December 31, 2023, the Company's interest in the equity of MAHLE Filtroil Indústria e Comércio de Filtros Ltda. is R\$ 477 and is recorded within 'Investments in subsidiaries' in non-current assets.

At September 30, 2023, the share capital of the subsidiary MAHLE Filtroil Indústria e Comércio de Filtros Ltda. was increased by R\$ 29,000, representing 2,900,000 new shares with a par value of R\$ 0.01 per share, which was fully subscribed and paid up through: (i) conversion of a loan obtained from the Parent Company MAHLE Metal Leve S.A. into capital, in the amount of R\$ 28,019; and (ii) a capital contribution of R\$ 981 from the Parent Company MAHLE Metal Leve S.A.

### ***MAHLE Hirschvogel Forjas S.A.***

As of December 31, 2023, the equity interest in subsidiary MAHLE Hirschvogel Forjas S.A. is R\$ 2,433 (R\$ 2,920 on December 31, 2022) and are recorded in non-current liabilities as "Investments in subsidiaries".

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.



## MAHLE Metal Leve S.A.

### Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

#### **MAHLE Metal Leve GmbH**

On the 26th of May 2023, the subsidiary MAHLE Metal Leve GmbH paid dividends to the Company in the amount of R\$ 115,439 for fiscal year 2022 (R\$ 159,272 relating to fiscal year 2021, paid on May 27, 2022).

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### 17. Property, plant and equipment

	Parent Company														
	Property, plant and equipment									Right-of-use assets					
	Land	Buildings and construction	Machinery, equipment and facilities	Furniture and fittings	Vehicles	Construction in progress	Advances to suppliers	Impairment	Sub-total	Right-of-use assets buildings	Right-of-use assets vehicles	Right-of-use assets transportation goods	Right-of-use assets Machinery, equipment and facilities	Sub-total	Total
<b>At January 1st, 2022</b>	<b>52,454</b>	<b>77,092</b>	<b>396,250</b>	<b>3,186</b>	<b>2,775</b>	<b>914</b>	<b>9,908</b>	<b>(7,293)</b>	<b>535,286</b>	<b>5,371</b>	<b>2,094</b>	-	-	<b>7,465</b>	<b>542,751</b>
Total cost	52,454	232,851	2,134,362	25,188	21,852	914	9,908	(7,293)	2,470,236	25,720	6,232	-	-	31,952	2,502,188
Accumulated depreciation	-	(155,759)	(1,738,112)	(22,002)	(19,077)	-	-	-	(1,934,950)	(20,349)	(4,138)	-	-	(24,487)	(1,959,437)
<b>Net book value</b>	<b>52,454</b>	<b>77,092</b>	<b>396,250</b>	<b>3,186</b>	<b>2,775</b>	<b>914</b>	<b>9,908</b>	<b>(7,293)</b>	<b>535,286</b>	<b>5,371</b>	<b>2,094</b>	-	-	<b>7,465</b>	<b>542,751</b>
Additions	-	522	66,702	1,055	851	8,370	10,245	-	87,745	41,296	2,544	768	240	44,848	132,593
Write-offs	-	-	(911)	(3)	(128)	-	-	1,158	116	-	-	-	-	-	116
Transfer	-	-	22,073	293	549	(6,747)	(16,168)	-	-	-	-	-	-	-	-
Depreciation	-	(4,621)	(76,513)	(715)	(894)	-	-	-	(82,743)	(5,370)	(1,749)	-	-	(7,119)	(89,862)
Depreciation/write-off (deemed cost)	-	(2,565)	(174)	-	-	-	-	-	(2,739)	-	-	-	-	-	(2,739)
<b>At December 31, 2022</b>	<b>52,454</b>	<b>70,428</b>	<b>407,427</b>	<b>3,816</b>	<b>3,153</b>	<b>2,537</b>	<b>3,985</b>	<b>(6,135)</b>	<b>537,665</b>	<b>41,297</b>	<b>2,889</b>	<b>768</b>	<b>240</b>	<b>45,194</b>	<b>582,859</b>
Total cost	52,454	233,376	2,171,594	25,338	22,507	2,537	3,985	(6,135)	2,505,656	67,016	8,776	768	240	76,800	2,582,456
Accumulated depreciation	-	(162,948)	(1,764,167)	(21,522)	(19,354)	-	-	-	(1,967,991)	(25,719)	(5,887)	-	-	(31,606)	(1,999,597)
<b>Net book value</b>	<b>52,454</b>	<b>70,428</b>	<b>407,427</b>	<b>3,816</b>	<b>3,153</b>	<b>2,537</b>	<b>3,985</b>	<b>(6,135)</b>	<b>537,665</b>	<b>41,297</b>	<b>2,889</b>	<b>768</b>	<b>240</b>	<b>45,194</b>	<b>582,859</b>
Additions	-	1,926	58,726	1,569	1,824	5,130	6,310	-	75,485	-	6,753	1,513	351	8,617	84,102
Write-offs	-	-	(505)	(1)	(243)	-	-	598	(151)	(2,615)	(68)	-	-	(2,683)	(2,834)
Transfer	-	-	11,949	18	1	(6,828)	(5,140)	-	-	-	-	-	-	-	-
Depreciation	-	(4,650)	(77,526)	(749)	(894)	-	-	-	(83,819)	(7,737)	(3,202)	(1,277)	(438)	(12,654)	(96,473)
Depreciation/write-off (deemed cost)	-	(2,566)	(21)	(1)	-	-	-	-	(2,588)	-	-	-	-	-	(2,588)
<b>At December 31, 2023</b>	<b>52,454</b>	<b>65,138</b>	<b>400,050</b>	<b>4,652</b>	<b>3,841</b>	<b>839</b>	<b>5,155</b>	<b>(5,537)</b>	<b>526,592</b>	<b>30,945</b>	<b>6,372</b>	<b>1,004</b>	<b>153</b>	<b>38,474</b>	<b>565,066</b>
Total cost	52,454	235,302	2,217,792	26,131	22,953	839	5,155	(5,537)	2,555,089	64,401	15,528	2,281	591	82,801	2,637,890
Accumulated depreciation	-	(170,164)	(1,817,742)	(21,479)	(19,112)	-	-	-	(2,028,497)	(33,456)	(9,156)	(1,277)	(438)	(44,327)	(2,072,824)
<b>Net book value</b>	<b>52,454</b>	<b>65,138</b>	<b>400,050</b>	<b>4,652</b>	<b>3,841</b>	<b>839</b>	<b>5,155</b>	<b>(5,537)</b>	<b>526,592</b>	<b>30,945</b>	<b>6,372</b>	<b>1,004</b>	<b>153</b>	<b>38,474</b>	<b>565,066</b>

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

	Consolidated														Sub-total	Total
	Property, plant and equipment								Right-of-use assets							
	Land	Buildings and construction	Machinery, equipment and facilities	Furniture and fittings	Vehicles	Construction in progress	Advances to suppliers	Impairment	Right-of-use assets buildings	Right-of-use assets vehicles	Right-of-use assets transportation goods	Right-of-use assets Machinery, equipment and facilities				
<b>At January 1st, 2022</b>	<b>52,512</b>	<b>90,658</b>	<b>468,062</b>	<b>3,318</b>	<b>4,666</b>	<b>914</b>	<b>5,100</b>	<b>(7,381)</b>	<b>617,849</b>	<b>5,887</b>	<b>2,095</b>	-	-	<b>7,982</b>	<b>625,831</b>	
Total cost	52,512	251,884	2,391,721	25,499	32,657	914	5,100	(7,381)	2,752,906	28,036	6,232	-	-	34,268	2,787,174	
Accumulated depreciation	-	(161,226)	(1,923,659)	(22,181)	(27,991)	-	-	-	(2,135,057)	(22,149)	(4,137)	-	-	(26,286)	(2,161,343)	
<b>Net book value</b>	<b>52,512</b>	<b>90,658</b>	<b>468,062</b>	<b>3,318</b>	<b>4,666</b>	<b>914</b>	<b>5,100</b>	<b>(7,381)</b>	<b>617,849</b>	<b>5,887</b>	<b>2,095</b>	-	-	<b>7,982</b>	<b>625,831</b>	
Additions	-	569	70,647	1,057	1,124	8,370	16,592	-	98,359	45,651	2,544	768	240	49,203	147,562	
Write-offs	-	-	(928)	(3)	(128)	-	-	1,166	107	-	-	-	-	-	107	
Transfer	-	393	25,125	382	548	(6,747)	(19,701)	-	-	-	-	-	-	-	-	
Depreciation	-	(4,651)	(79,320)	(733)	(1,007)	-	-	-	(85,711)	(6,504)	(1,749)	-	-	(8,253)	(93,964)	
Depreciation/write-off (deemed cost)	-	(2,565)	(174)	-	-	-	-	-	(2,739)	-	-	-	-	-	(2,739)	
Gain on monetary items, net	-	8,857	20,781	-	221	-	27	-	29,886	1,054	-	-	-	1,054	30,940	
Effect of the currency translation	(23)	(7,911)	(37,955)	(69)	(899)	-	5,213	30	(41,614)	(1,463)	-	-	-	(1,463)	(43,077)	
<b>At December 31, 2022</b>	<b>52,489</b>	<b>85,350</b>	<b>466,238</b>	<b>3,952</b>	<b>4,525</b>	<b>2,537</b>	<b>7,231</b>	<b>(6,185)</b>	<b>616,137</b>	<b>44,625</b>	<b>2,890</b>	<b>768</b>	<b>240</b>	<b>48,523</b>	<b>664,660</b>	
Total cost	52,489	254,626	2,443,259	25,589	34,583	2,537	7,231	(6,185)	2,814,129	71,324	8,776	768	240	81,108	2,895,237	
Accumulated depreciation	-	(169,276)	(1,977,021)	(21,637)	(30,058)	-	-	-	(2,197,992)	(26,699)	(5,886)	-	-	(32,585)	(2,230,577)	
<b>Net book value</b>	<b>52,489</b>	<b>85,350</b>	<b>466,238</b>	<b>3,952</b>	<b>4,525</b>	<b>2,537</b>	<b>7,231</b>	<b>(6,185)</b>	<b>616,137</b>	<b>44,625</b>	<b>2,890</b>	<b>768</b>	<b>240</b>	<b>48,523</b>	<b>664,660</b>	
Additions	-	3,316	58,928	1,756	1,824	6,303	14,662	-	86,789	-	6,753	1,513	351	8,617	95,406	
Write-offs	-	-	(506)	(1)	(243)	-	-	598	(152)	(2,615)	(68)	-	-	(2,683)	(2,835)	
Transfer	-	807	20,887	30	65	(6,828)	(14,961)	-	-	-	-	-	-	-	-	
Depreciation	-	(4,677)	(79,353)	(765)	(962)	-	-	-	(85,757)	(8,362)	(3,201)	(1,277)	(438)	(13,278)	(99,035)	
Depreciation/write-off (deemed cost)	-	(2,566)	(21)	(1)	-	-	-	-	(2,588)	-	-	-	-	-	(2,588)	
Gain on monetary items, net	-	12,250	34,711	-	1,112	-	108	-	48,181	1,342	-	-	-	1,342	49,523	
Effect of the currency translation	(25)	(18,376)	(66,995)	(198)	(1,645)	(38)	(1,201)	31	(88,447)	(2,777)	-	-	-	(2,777)	(91,224)	
<b>At December 31, 2023</b>	<b>52,464</b>	<b>76,104</b>	<b>433,889</b>	<b>4,773</b>	<b>4,676</b>	<b>1,974</b>	<b>5,839</b>	<b>(5,556)</b>	<b>574,163</b>	<b>32,213</b>	<b>6,374</b>	<b>1,004</b>	<b>153</b>	<b>39,744</b>	<b>613,907</b>	
Total cost	52,464	250,458	2,391,921	26,286	30,881	1,974	5,839	(5,556)	2,754,267	65,275	15,529	2,281	591	83,676	2,837,943	
Accumulated depreciation	-	(174,354)	(1,958,032)	(21,513)	(26,205)	-	-	-	(2,180,104)	(33,062)	(9,155)	(1,277)	(438)	(43,932)	(2,224,036)	
<b>Net book value</b>	<b>52,464</b>	<b>76,104</b>	<b>433,889</b>	<b>4,773</b>	<b>4,676</b>	<b>1,974</b>	<b>5,839</b>	<b>(5,556)</b>	<b>574,163</b>	<b>32,213</b>	<b>6,374</b>	<b>1,004</b>	<b>153</b>	<b>39,744</b>	<b>613,907</b>	

## MAHLE Metal Leve S.A.

### Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

#### *Deemed cost*

#### *Changes in deemed cost*

	Parent Company and Consolidated				
	01.01.2022	Depreciation / write-off (deemed cost)	12.31.2022	Depreciation / write-off (deemed cost)	12.31.2023
Land	46,905	-	46,905	-	46,905
Buildings and construction	32,102	(2,565)	29,537	(2,566)	26,971
Machinery, equipment and facilities	1,537	(174)	1,363	(21)	1,342
Furniture and fittings	12	-	12	(1)	11
Vehicles	1	-	1	-	1
	<b>80,557</b>	<b>(2,739)</b>	<b>77,818</b>	<b>(2,588)</b>	<b>75,230</b>

#### *Depreciation method 2023 and 2022*

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

Depreciation method of acquisition and construction cost	Weighted useful life (in years)
Buildings and construction	25 years
Machinery, equipment and facilities	10 years
Furniture and fittings	10 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
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 maintained in the year of valuation.

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### **Provision for impairment**

The Group has recorded provision at an amount sufficient to cover any impairment losses on property, plant and equipment, which relates substantially to the 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 losses at December 31, 2023 is R\$ 5,537 (R\$ 6,135 at December 31, 2022) and R\$ 5,556 (R\$ 6,185 at December 31, 2022), respectively.

### **18. Intangible assets**

	Annual amortization rates (%)	Parent Company		Consolidated	
		2023	2022	2023	2022
Goodwill on merger with subsidiary:					
MAHLE Participações Ltda. (a) (rings business)	-	568,612	568,612	568,612	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	53,520	52,391	55,751	55,988
Other (b)	-	-	344	75	713
Usage right and concessions (a)	-	5,665	5,665	5,665	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)
Provision for impairment of intangible assets (other)	-	-	(344)	-	(343)
		<b>448,468</b>	<b>447,339</b>	<b>450,774</b>	<b>451,306</b>
<b>Accumulated amortization</b>		<b>(58,242)</b>	<b>(57,242)</b>	<b>(60,520)</b>	<b>(61,171)</b>
		<b>390,226</b>	<b>390,097</b>	<b>390,254</b>	<b>390,135</b>

(a) Indefinite useful life

(b) finite useful life

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### *Statement of changes in intangible assets*

	Parent Company				
	Goodwill on acquisition of subsidiaries (merged or not)	Cost of acquisition and installation of software	Usage right and concessions	Other	Total
<b>At January 1st, 2022</b>	<b>379,958</b>	<b>2,379</b>	<b>8,884</b>	<b>-</b>	<b>391,221</b>
Additions	-	422	-	-	422
Amortization	-	(1,522)	(24)	-	(1,546)
<b>At December 31, 2022</b>	<b>379,958</b>	<b>1,279</b>	<b>8,860</b>	<b>-</b>	<b>390,097</b>
Additions	-	1,499	-	-	1,499
Amortization	-	(1,346)	(24)	-	(1,370)
<b>At December 31, 2023</b>	<b>379,958</b>	<b>1,432</b>	<b>8,836</b>	<b>-</b>	<b>390,226</b>

	Consolidated				
	Goodwill on acquisition of subsidiaries (merged or not)	Cost of acquisition and installation of software	Usage right and concessions	Other	Total
<b>At January 1st, 2022</b>	<b>379,958</b>	<b>2,436</b>	<b>8,884</b>	<b>25</b>	<b>391,303</b>
Additions	-	423	-	-	423
Amortization	-	(1,531)	(24)	(5)	(1,560)
Effect of the currency translation	-	(21)	-	(5)	(26)
Discontinued operations	-	(5)	-	-	(5)
<b>At December 31, 2022</b>	<b>379,958</b>	<b>1,302</b>	<b>8,860</b>	<b>15</b>	<b>390,135</b>
Additions	-	1,521	-	-	1,521
Write-offs	-	(9)	-	-	(9)
Amortization	-	(1,351)	(24)	-	(1,375)
Effect of the currency translation	-	(13)	-	(9)	(22)
Discontinued operations	-	4	-	-	4
<b>At December 31, 2023</b>	<b>379,958</b>	<b>1,454</b>	<b>8,836</b>	<b>6</b>	<b>390,254</b>

### *Impairment*

Management is continually monitoring the operations and did not identify as at December 31, 2023 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

*In thousands of reais, unless otherwise indicated*

### **Key assumptions**

The main rates used for the period from 2023 to 2028 to determine the subsidiaries' valuation through discounted cash flows were as follows:

	<b>Dezembro/2023</b>	<b>Dezembro/2022</b>
	<b>Nominal model</b>	<b>Nominal model</b>
	<b>MAHLE Metal</b>	<b>MAHLE Metal</b>
	<b>Leve S.A (Rings)</b>	<b>Leve S.A (Rings)</b>
a. Risk free rate	2.75%	1.75%
b. Country risk premium	4.90%	3.93%
c. Market premium	7.00%	7.00%
d. Unleveraged beta	0.90	0.90
e. Cost of equity (b + c) x d	10.71%	9.84%
f. Discount rate	14.56%	13.34%
g. Inflation rate	4.20%	4.68%
h. Growth	2.06%	2.60%

### **Discount rate**

The discount rate applied to cash flow projections for CGU of MAHLE Metal Leve S.A. (rings business) 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 assumed 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), the projections were made in nominal terms and included, in addition to the growth rates of the sales volume, price restatements for inflation.

For cash-generating unit of MAHLE Metal Leve S.A. (rings business), the annual growth rate into perpetuity was 2.06% based on management's expectations.

### **Exchange rate**

The exchange rates used in the 2023-2028 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

*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 15.2 pp in the margin for the projected years and an increase in the discount rate from 14.56% to 22.87% - would result in a recoverable amount similar to the carrying amount.

### **19. Suppliers**

	Parent Company		Consolidated	
	2023	2022	2023	2022
Suppliers - Third Party				
Raw material	141,414	136,834	191,957	182,223
Services	55,741	43,103	56,232	43,183
	<b>197,155</b>	<b>179,937</b>	<b>248,189</b>	<b>225,406</b>
Related parties (Note 14)	70,936	71,308	105,592	101,616
	<b>268,091</b>	<b>251,245</b>	<b>353,781</b>	<b>327,022</b>

The Group's exposure to currency and liquidity risks in connection with accounts payable to suppliers is disclosed in Note 36.

### ***Commitments assumed***

As of December 31, 2023 and 2022, 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 definite period, the last maturity date is December 31, 2024, as shown in the table below:

	Parent Company e	
	2023	2022
Legal process	3,256	4,419
Eletric power	649	9,382
	<b>3,905</b>	<b>13,801</b>



# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### 20. Borrowings and lease liabilities

#### a) Borrowings

Description	Average cost	Parent company		Consolidated		
		2023	2022	2023	2022	
<b>Borrowings in local currency (BRL)</b>						
FINEP (Long-Term Interest Rate (TJLP) + 5.00% p.a. - 6.00% p.a.)	5.55%	4,817	33,387	4,817	33,387	
NCE Itaú ( Interest Rate CDI + 1,25% p.a.)	14.90%	-	32,401	-	32,401	
FINEP II (Long-Term Interest Rate (TJLP) + 5.00% p.a. - 5.00% p.a.)	6.55%	59,562	67,395	59,562	67,395	
	<b>6.48%</b>	<b>64,379</b>	<b>133,183</b>	<b>64,379</b>	<b>133,183</b>	
<b>Borrowings in foreign currency</b>						
		<b>Currency</b>				
PFI Patagonia (Interest Rate 9,05% a.a)	9.05%	USD (expressed in BRL)	-	-	26,832	2,722
NCE ITAÚ (Interest Rate 5,30% a.a.)	5.30%	EUR (expressed in BRL)	195,300	-	195,300	-
NCE CITI (Interest Rate 6,96% a.a.)	6.96%	USD (expressed in BRL)	190,745	-	190,745	-
NCE ITAÚ (Interest Rate 5,05% a.a.)	5.05%	EUR (expressed in BRL)	100,713	-	100,713	-
NCE SANTANDER (Interest Rate 2,26% a.a.)	2.26%	EUR (expressed in BRL)	138,925	141,387	138,925	141,387
NCE INTESA (Interest Rate 4,70% a.a.)	4.70%	EUR (expressed in BRL)	134,262	136,801	134,262	136,801
	<b>9.23%</b>		<b>759,945</b>	<b>278,188</b>	<b>786,777</b>	<b>280,910</b>
	<b>4.90%</b>		<b>824,324</b>	<b>411,371</b>	<b>851,156</b>	<b>414,093</b>
Current - borrowings in local currency			14,646	70,352	14,646	70,352
Current - borrowings in foreign currency			273,187	136,801	300,019	139,523
<b>Total current</b>			<b>287,833</b>	<b>207,153</b>	<b>314,665</b>	<b>209,875</b>
Non-current - borrowings in local currency			49,733	62,831	49,733	62,831
Non-current - borrowings in foreign currency			486,758	141,387	486,758	141,387
<b>Total non-current</b>			<b>536,491</b>	<b>204,218</b>	<b>536,491</b>	<b>204,218</b>

In 2023, the Parent Company took bank loans amounting to R\$ 480,535 (2022: R\$ 289,333) and R\$ 506,610 – Consolidated (2022: R\$ 292,720), as follows:

- EUR 18,703 (USD 20,258  $\equiv$  BRL 100,000) - NCE<sup>1</sup> with average cost of 5.05% per annum, and maturities until May 2026.
- EUR 36,211 (USD 38,702  $\equiv$  BRL 190,000) - NCE<sup>1</sup> with average cost of 5.30% per annum and maturities between February and November 2026.
- USD 39,000 (EUR 36,490  $\equiv$  BRL 190,535) - NCE<sup>1</sup> with average cost of 4.89% per annum and maturities between February 2026 and November 2027.

The Argentinean subsidiary took bank loans amounting to R\$ 26,075 (2022: R\$ 2,722), as follows:

- ARS 181,919 (USD 1,089  $\equiv$  BRL 5,275) - PFI<sup>2</sup> with average exchange rate cost + 9.05% per annum and repayable in March 2024.
- ARS 24,002 (USD 144  $\equiv$  BRL 698) - PFI<sup>2</sup> with average exchange rate cost + 9.05% per annum and repayable in June 2024.

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

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- ARS 14,585 (USD 87 ≡ BRL 423) - PFI<sup>2</sup> with average exchange rate cost + 9.05% per annum and repayable in August 2024.

<sup>1</sup> Nota de Crédito à Exportação

<sup>2</sup> Proyectos Federales de Innovación  
ARS, EUR and USD thousands

Reconciliation of changes in equity with proceeds from borrowings:

Changes in borrowings in 2023 were as follows:

Parent Company							
Cash Flow							
12.31.2022	Addition	Principal Amortization	Amortization Interest	Monetary Variation	Exchange Variation	Appropriation of interest	12.31.2023
411,371	480,535	(67,172)	(11,866)	569	(88,029)	98,916	824,324
Consolidated							
Cash Flow							
12.31.2022	Addition	Principal Amortization	Amortization Interest	Monetary Variation	Exchange Variation	Appropriation of interest	12.31.2023
414,093	506,610	(75,487)	(12,178)	569	(81,811)	99,360	851,156
Parent Company							
Cash Flow							
01.01.2022	Addition	Principal Amortization	Amortization Interest	Monetary Variation	Exchange Variation	Appropriation of interest	12.31.2022
262,380	289,333	(141,866)	(6,598)	844	(24,428)	31,706	411,371
Consolidated							
Cash Flow							
01.01.2022	Addition	Principal Amortization	Amortization Interest	Monetary Variation	Exchange Variation	Appropriation of interest	12.31.2022
262,380	292,720	(143,028)	(6,632)	844	(23,978)	31,787	414,093

On December 31, 2023, long-term borrowings mature as follows:

Parent Company and Consolidated	
2023	
From January 2025	8,439
2026	399,644
2027	103,631
2028	8,259
2029	8,259
2030	8,259
	<b>536,491</b>

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### **Restrictive covenants**

FINEP I: This financing was obtained from the Financing Agency for Studies and Projects (FINEP) to partially fund (at an average of 64%) the expenses incurred in several projects of the program "Innovation in MAHLE Components and Systems" and is collateralized by a bank guarantee with maturity on february 15, 2024. This financing is based on the TJLP interest rate (6.55 % p.a. as of December 31, 2023) plus a bank spread of 5% p.a. less an equalization rate of 6% p.a. 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 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, 2024. This financing is based on the TJLP interest rate (6.55 % p.a. as of December 31, 2023) 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.

On December 31, 2023, the Company did not have delinquent principal and interest payments and had not breached any provisions of the agreements with FINEP.

### **b) Lease obligations**

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

*In thousands of reais, unless otherwise indicated*

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

<b>Contracts by term and discount rate</b>	<b>Terms of the lease</b>	<b>Discount rate</b>
Lease of buildings (Argentina)	3 years	13.41%
Lease of buildings (Brazil)	5 years	14.24%
Lease of vehicles (Brazil)	3 years	14.24% to 15.49%
Lease of transportation goods (Brazil)	1 year and 2 years	14.24% to 15.49%
Lease of machinery and equipment (Brazil)	1 year	14.24%

The movement in lease liabilities is shown below:

	<b>Parent Company</b>	<b>Consolidated</b>
<b>Balance at January 1st, 2022</b>	<b>9,277</b>	<b>9,818</b>
Addition	44,848	49,202
Lease payments	(9,444)	(10,785)
Interest	550	819
Effect of the currency translation	-	40
<b>Balance at December 31, 2022</b>	<b>45,231</b>	<b>49,094</b>
Addition	8,617	8,617
Baixa	(2,687)	(2,687)
Lease payments	(16,198)	(16,746)
Interest	5,719	5,773
Effect of the currency translation	-	(1,209)
<b>Balance at December 31, 2023</b>	<b>40,682</b>	<b>42,842</b>

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## Explanatory notes to the individual and consolidated financial statements

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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	Consolidated	Parent Company	Consolidated
	2023	2023	2022	2022
30 days	990	1,117	955	1,072
De 31 to 90 days	1,980	2,239	1,909	2,148
de 91 to 365 days	8,890	10,198	6,501	7,674
2024	-	-	8,433	10,264
2025	9,540	10,006	8,292	8,795
2026	9,362	9,362	9,071	9,071
2027	9,920	9,920	10,070	10,070
<b>Total</b>	<b>40,682</b>	<b>42,842</b>	<b>45,231</b>	<b>49,094</b>
Current	11,860	13,554	9,364	10,893
Non current	28,822	29,288	35,867	38,201
<b>Total</b>	<b>40,682</b>	<b>42,842</b>	<b>45,231</b>	<b>49,094</b>

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

The movement in right-of-use assets is shown below:

<b>Building lease contract</b>	<b>Parent Company</b>	<b>Consolidated</b>
<b>Balance at January 1st, 2022</b>	<b>5,371</b>	<b>5,887</b>
Addition	41,296	45,651
Depreciation	(5,370)	(6,502)
Gains on net monetary position	-	1,054
Effect of the currency translation	-	(1,465)
<b>Balance at December 31, 2022</b>	<b>41,297</b>	<b>44,625</b>
Write-offs	(2,615)	(2,615)
Depreciation	(7,737)	(8,362)
Gains on net monetary position	-	1,342
Effect of the currency translation	-	(2,777)
<b>Balance at December 31, 2023</b>	<b>30,945</b>	<b>32,213</b>

<b>Vehicle lease contract</b>	<b>Parent Company</b>	<b>Consolidated</b>
<b>Balance at January 1st, 2022</b>	<b>2,094</b>	<b>2,095</b>
Addition	2,544	2,544
Depreciation	(1,749)	(1,749)
<b>Balance at December 31, 2022</b>	<b>2,889</b>	<b>2,890</b>
Addition	6,753	6,753
Write-offs	(68)	(68)
Depreciation	(3,202)	(3,201)
<b>Balance at December 31, 2023</b>	<b>6,372</b>	<b>6,374</b>

<b>Vehicle lease contract</b>	<b>Parent Company</b>	<b>Consolidated</b>
<b>Balance at January 1st, 2022</b>	<b>-</b>	<b>-</b>
Addition	768	768
<b>Balance at December 31, 2022</b>	<b>768</b>	<b>768</b>
Addition	1,513	1,513
Depreciation	(1,277)	(1,277)
<b>Balance at December 31, 2023</b>	<b>1,004</b>	<b>1,004</b>

## MAHLE Metal Leve S.A.

### Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

<b>Machinery and equipment lease contract</b>	<b>Parent Company</b>	<b>Consolidated</b>
<b>Balance at January 1st, 2022</b>	-	-
Addition	240	240
<b>Balance at December 31, 2022</b>	<b>240</b>	<b>240</b>
Addition	351	351
Depreciation	(438)	(438)
<b>Balance at December 31, 2023</b>	<b>153</b>	<b>153</b>
<b>Total right-of-use assets</b>	<b>38,474</b>	<b>39,744</b>

#### 21. Salaries, vacation pay and social charges

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Accrued vacation pay	47,807	43,626	51,589	50,672
Employee profit sharing	35,617	35,219	36,809	37,408
INSS /FGTS	17,001	16,427	17,001	16,454
Other social security obligations	3,380	678	5,672	5,196
<b>Total</b>	<b>103,805</b>	<b>95,950</b>	<b>111,071</b>	<b>109,730</b>

#### 22. Taxes and contributions payable

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>State taxes</b>	<b>24,298</b>	<b>19,526</b>	<b>24,627</b>	<b>20,427</b>
ICMS payable	24,298	19,526	24,340	19,538
Other	-	-	287	889
<b>Federal taxes</b>	<b>35,130</b>	<b>28,266</b>	<b>37,568</b>	<b>31,993</b>
Import tax	11,021	8,604	11,476	9,251
COFINS payable	10,278	8,110	10,278	8,117
IRRF	6,258	5,634	6,258	5,649
IPI payable	5,398	4,195	5,514	4,678
PIS payable	2,175	1,719	2,176	1,720
Other	-	4	1,866	2,578
<b>Municipal taxes</b>	<b>-</b>	<b>-</b>	<b>132</b>	<b>329</b>
<b>Taxes and contributions payable</b>	<b>59,428</b>	<b>47,792</b>	<b>62,327</b>	<b>52,749</b>
Income tax and social contribution	-	-	27,965	15,310
<b>Income tax and social contribution payable</b>	<b>-</b>	<b>-</b>	<b>27,965</b>	<b>15,310</b>
<b>Current liabilities</b>	<b>59,428</b>	<b>47,792</b>	<b>90,292</b>	<b>68,059</b>

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### 23. Sundry provision

	Parent Company						Total
	Losses on contracts	Commercial bonuses	Electric power	Employee benefits	Non-controlling agreement (*)	Other	
<b>At January 1st, 2022</b>	<b>9,374</b>	<b>21,952</b>	<b>13,587</b>	<b>323</b>	-	-	<b>45,236</b>
Reversal	(739)	(1,124)	-	(44)	-	-	(1,907)
Payment	-	(24,369)	(13,587)	(2,144)	-	(4,504)	(44,605)
Increase in provision	3,211	32,484	9,078	3,303	30,200	4,504	82,780
Reclassification	-	-	-	-	(5,309)	-	(5,309)
<b>At December 31, 2022</b>	<b>11,846</b>	<b>28,943</b>	<b>9,078</b>	<b>1,438</b>	<b>24,891</b>	-	<b>76,196</b>
Reversal	(2,567)	(6,509)	-	-	-	-	(9,077)
Payment	-	(31,831)	(9,078)	(3,898)	(30,200)	(1,035)	(76,041)
Increase in provision	5,871	49,163	9,418	3,460	-	4,878	72,790
Reclassification	-	-	-	-	5,309	-	5,309
<b>At December 31, 2023</b>	<b>15,150</b>	<b>39,766</b>	<b>9,418</b>	<b>1,000</b>	-	<b>3,843</b>	<b>69,177</b>

	Consolidated							Total
	Losses on contracts	Commercial bonuses	Restructuring	Electric power	Employee benefits	Non-controlling agreement (*)	Other	
<b>At January 1st, 2022</b>	<b>11,182</b>	<b>21,953</b>	<b>684</b>	<b>14,543</b>	<b>326</b>	-	<b>1,507</b>	<b>50,195</b>
Reversal	(1,365)	(1,124)	-	-	(44)	-	(44)	(2,578)
Payment	-	(24,369)	-	(14,543)	(2,148)	-	(5,716)	(46,775)
Increase in provision	3,211	32,484	-	9,669	3,308	30,200	6,866	85,738
Effect of the currency translation	(825)	-	-	-	-	-	(836)	(1,661)
Reclassification	-	-	-	-	-	(5,309)	8,407	3,098
<b>At December 31, 2022</b>	<b>12,203</b>	<b>28,944</b>	<b>684</b>	<b>9,669</b>	<b>1,442</b>	<b>24,891</b>	<b>10,184</b>	<b>88,017</b>
Reversal	(2,567)	(6,509)	-	-	(1)	-	(18)	(9,095)
Payment	-	(31,831)	-	(9,669)	(3,898)	(30,200)	(2,237)	(77,835)
Increase in provision	5,965	49,163	-	9,715	3,460	-	7,759	76,062
Effect of the currency translation	(285)	-	-	-	-	-	(2,514)	(2,799)
Reclassification	-	-	-	-	-	5,309	(8,407)	(3,098)
<b>At December 31, 2023</b>	<b>15,316</b>	<b>39,767</b>	<b>684</b>	<b>9,715</b>	<b>1,003</b>	-	<b>4,767</b>	<b>71,252</b>

(\*) In December 2022 the Company recorded a provision of R\$ 30,200 (acquisition price) related to the settlement of the lawsuit involving the minority shareholder of the subsidiary MAHLE Filtróil Indústria de Filtros Ltda. minus R\$ 5,309 (judicial deposits) and the payment was settled on January 31, 2023.

#### *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.



# MAHLE Metal Leve S.A.

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*In thousands of reais, unless otherwise indicated*

### **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.

- **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:

	<b>Parent Company</b>	<b>Consolidated</b>
<b>At January 1st, 2022</b>	<b>9,991</b>	<b>10,835</b>
Reversal	(2,238)	(2,238)
Payment	(1,014)	(1,697)
Complement	9,135	10,996
Effect of the currency translation	-	(234)
<b>At December 31, 2022</b>	<b>15,874</b>	<b>17,662</b>
Reversal	(3,110)	(3,485)
Payment	(10,216)	(10,841)
Increase in provision	4,744	4,933
Effect of the currency translation	-	(489)
<b>At December 31, 2023</b>	<b>7,292</b>	<b>7,780</b>

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*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 respective provision for contingencies was recorded considering the estimates made by the legal advisors for proceedings in which the likelihood of loss on the respective outcomes was assessed as probable and other unrelated legal obligations.

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

	Parent Company					Total
	Civil and labor	Tax	Environmental liability	Subtotal	Judicial deposits	
<b>At January 1st, 2022</b>	<b>190,876</b>	<b>62,485</b>	<b>28,128</b>	<b>281,489</b>	<b>(23,641)</b>	<b>257,848</b>
Increase in provision	47,803	23,626	-	71,429	(4,070)	67,359
Monetary restatements	17,876	7,174	-	25,050	124	25,174
Used	(30,902)	(320)	(2,098)	(33,320)	1,807	(31,513)
Reversal	(57,796)	(22,279)	-	(80,075)	169	(79,906)
Transfer	(8,407)	-	-	(8,407)	1,374	(7,033)
<b>At December 31, 2022</b>	<b>159,450</b>	<b>70,686</b>	<b>26,030</b>	<b>256,166</b>	<b>(24,237)</b>	<b>231,929</b>
Increase in provision	43,002	12,547	1,690	57,239	(4,003)	53,236
Monetary restatements	15,665	9,045	-	24,710	212	24,922
Used	(30,130)	(466)	(1,603)	(32,199)	1,726	(30,473)
Reversal	(46,483)	(15,021)	-	(61,504)	1,274	(60,230)
Transfer	-	-	-	-	668	668
<b>At December 31, 2023</b>	<b>141,504</b>	<b>76,791</b>	<b>26,117</b>	<b>244,412</b>	<b>(24,360)</b>	<b>220,052</b>

## MAHLE Metal Leve S.A.

### Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

	Consolidated					
	Civil and labor	Tax	Environmental liability	Subtotal	Judicial deposits	Total
<b>At January 1st, 2022</b>	<b>195,908</b>	<b>66,707</b>	<b>28,128</b>	<b>290,743</b>	<b>(24,124)</b>	<b>266,619</b>
Increase in provision	49,063	23,712	-	72,775	(4,070)	68,703
Monetary restatements	18,573	8,102	-	26,675	117	26,792
Used	(32,500)	(320)	(2,098)	(34,918)	1,807	(33,111)
Reversal	(58,732)	(22,583)	-	(81,315)	169	(81,146)
Transfer	(8,407)	-	-	(8,407)	1,555	(6,852)
Effect of the currency translation	(1,078)	(2,037)	-	(3,115)	-	(3,115)
<b>At December 31, 2022</b>	<b>162,827</b>	<b>73,581</b>	<b>26,030</b>	<b>262,438</b>	<b>(24,546)</b>	<b>237,892</b>
Increase in provision	43,993	12,723	2,662	59,378	(4,003)	55,374
Monetary restatements	17,072	9,349	-	26,421	229	26,651
Used	(31,717)	(466)	(1,603)	(33,786)	1,758	(32,028)
Reversal	(46,954)	(15,021)	-	(61,975)	1,275	(60,699)
Transfer	-	-	-	-	730	730
Effect of the currency translation	(1,773)	(2,264)	(351)	(4,388)	-	(4,388)
<b>At December 31, 2023</b>	<b>143,448</b>	<b>77,902</b>	<b>26,738</b>	<b>248,088</b>	<b>(24,557)</b>	<b>223,531</b>

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 provision relates mainly to the projection of expenditure required to preserve environmental areas used by the Group.

The main indexes for monetarily restating the contingencies are the basic interest rate (SELIC) and the monetary restatement indexes provided by the Superior Labor Court and law courts, when applicable.

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With respect to CVM Official Letter 1/2023, Brazil's Federal Supreme Court (STF) ruled that a final decision ("res judicata") about taxes paid continually loses its effect after a ruling of the STF in the opposite way. Pursuant to legislation and jurisprudence, a decision, even a final decision, retains its effects while the factual and legal circumstances giving rise to the judgment remain the same. Once these change, the decision may lose its effects.

Based on the CVM Official Letter, the Company states that the Parent Company and its subsidiaries make tax payments regularly and that there is no decision supporting non-payment. The Company has a provision for social security contribution on vacation bonus. At December 31, 2032 the amount of the provision is R\$ 15,783 (December 31, 2022 – R\$ 12,420).

### ***i. Proceedings involving the risk of possible loss***

On December 31, 2023, the Group had labor, civil and tax proceedings brought before the proper authorities in the amount of R\$ 72,252 (December 31, 2022 - R\$ 76,959), 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.

### ***ii. Incentivo Municipal***

The Company has 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 definitive decision on the motions for clarification of judgment and, therefore, it became virtually certain that the inflow of economic benefits will arise and that the Company has control over such assets, despite uncertainty as to the length of time it will take to enforce the judgment as to the method of payment.

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. At December 31, 2023, the net balance of the asset is R\$ 6,459 (December 31, 2022: R\$ 2,609).

# MAHLE Metal Leve S.A.

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### **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, at December 31, 2023 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

*In thousands of reais, unless otherwise indicated*

### 26. Equity

#### *a. Share capital*

Subscribed and paid-up capital was represented by the following number of shares with no par value:

	Number of shares			
	2023		2022	
Mahle Indústria e Comércio Ltda.	76,985,100	56.8%	76,985,132	60.0%
Mahle Industriebeteiligungen GmbH	5,687,992	4.2%	12,830,850	10.0%
Non-controlling shareholders	52,865,908	39.0%	38,492,518	30.0%
<b>Total</b>	<b>135,539,000</b>	<b>100.0%</b>	<b>128,308,500</b>	<b>100.0%</b>

At the meeting held on October 23, 2023, the Board of Directors approved an increase of the Company's share capital of R\$ 202,454, by the issue of 7,230,500 new registered, book-entry, common shares without par value, at the price of R\$ 28.00 per share, which were paid up in the Stock Offering.

Subscribed and paid-up capital at December 31, 2023 is R\$ 1,168,709 (December 31, 2022: R\$ 966,255), R\$ 1,162,174 net of share issue costs, and consists of 135,539,000 (December 31, 2022: 128,308,500) registered, book-entry common shares without par value.

The Company is authorized to increase its capital up to the limit of R\$ 50,000,000 (fifty million) 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.

#### *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

*In thousands of reais, unless otherwise indicated*

### *c. Appropriation of profit for the year*

Profit for the year was appropriated as follows:

	2023	2022
<b>Profit for the year</b>	<b>748,245</b>	<b>565,240</b>
Legal reserve	(37,412)	(8,418) (*)
Realization/write-off of deemed cost of property, plant and equipment, net of taxes	442	541
Prescribed dividends and interest on capital	54	184
<b>Basis for calculation of dividends</b>	<b>711,329</b>	<b>557,547</b>
<b>Minimum mandatory dividends - 25%</b>	<b>177,832</b>	<b>139,388</b>
<b>Minimum mandatory dividends:</b>		
Intermediary dividends, paid during the year	66,808	-
Remaining mandatory minimum dividends (a)	-	32,246
Interest on equity paid during the year	88,235	-
Interest on capital payable	22,789	107,142
	<b>177,832</b>	<b>139,388</b>
<b>Remaining distribution :</b>		
Intermediary dividends, paid during the year	312,232	-
Proposed additional dividends (b)	221,265	244,131
Constitution of expansion reserve (c)	-	174,028
	<b>533,497</b>	<b>418,159</b>
<b>Interest on capital and dividends on profit for the year</b>	<b>711,329</b>	<b>557,547</b>
<b>Percentage in relation to the calculation base</b>	<b>100%</b>	<b>100%</b>
<b>Proposed additional dividends on prior year's remaining profits (d)</b>	<b>-</b>	<b>175,572</b>
<b>Total proposed additional dividends of the year, prior year's remaining profits and Constitution of expansion reserve (a+b+c+d)</b>	<b>221,265</b>	<b>625,977</b>
Interest on capital/dividends paid per common share in reais:		
Gross	R\$ 0.819131	R\$ 0.835035
Net	R\$ 0.696262	R\$ 0.709780
Proposed additional dividends per common share in reais	R\$ 1.632482	R\$ 1.902688
Remaining mandatory minimum dividends per common share in reais	R\$ 0.000000	R\$ 0.251316
Number of common shares	135,539,000	128,308,500

(\*) Legal reserve - constituted limited to a maximum of 20% of the share capital

On December 18, 2023, the Board of Directors approved the distribution of interest on capital in the gross amount of R\$ 22,789, relating to the period between October 1, 2023 and December 31, 2023. The payment of this interest on capital will be made on May 29, 2024, at R\$ 0.1681382319 per common share with 15% withholding income tax, resulting in net interest on capital at R\$ 0.1429174971 per common share.

On November 7, 2023, the Board of Directors approved the distribution of interest on capital in the gross amount of R\$ 88,235, relating to the period between January 1, 2023 and September 30, 2023. This interest on capital was paid on December 18, 2023 at R\$ 0.6509929467 per common share with 15% withholding income tax, resulting in net interest on capital at R\$ 0.5533440047 per common share.

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## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

On October 31, 2023, the Board of Directors approved the payment of intermediary dividends relating to the period from January 1, 2023 to June 30, 2023 in the amount of R\$ 379,040, and intermediary dividends through of the prior years' revenue reserve (revenue reserve for expansion and modernization) in the amount of R\$ 331,789. The dividends were paid on November 10, 2023 at R\$ 5.540000112 per common share, without withholding income tax, in accordance with Law No. 9.249/95, article 10.b.

At the General Meeting held on April 27, 2023, the shareholders approved the distribution of additional dividends for prior years in the gross amount of R\$ 175,572, at R\$ 1.368347636, additional dividends in the gross amount of R\$ 244,131, at R\$ 1.902687663, and mandatory dividends in the gross amount of R\$ 32,246, at R\$ 0.251316164, without 15% withholding income tax, pursuant to Law No. 9.249/95, article 10. These dividends were paid on May 26, 2023.

### ***d. Revenue 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, 2022, this reserve was increased by R\$ 174,028 to fund future investments for the next three years, according to the capital budget approved by the Company's management on March 7, 2023. The total balance of the reserve is R\$ 331,789.

On October 31, 2023, the Board of Directors approved the payment of interim dividends out of prior years' revenue reserve (revenue reserve for expansion and modernization) in the amount of R\$ 331,789. The dividends were paid on November 10, 2023, without withholding income tax in conformity with Law No. 9.249/95, article 10.b.



# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### ***e. Other comprehensive income***

#### ***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. At December 31, 2023, the Company recorded cumulative translation adjustments of R\$ (-) R\$ 380,537 ((-) R\$ 156,144 at December 31, 2022). 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.

#### ***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 2023, net of taxes, at (+) R\$ 1,615 (In 2022 (+) R\$ 6,370) 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\$ 442 in 2023 (2022 - R\$ 541). 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.

## **27. Earnings per share (EPS)**

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

Basic EPS is calculated by dividing the profit for the year attributable to common equity holders of the parent by the weighted average number of common shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to common equity holders of the parent by the weighted average number of common shares outstanding during the year after adjusting for the effects of all dilutive potential common shares. The Company shares at the balance sheet date are not subject to any instrument with potential dilutive effects.

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

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

	2023	2022
<b>Profit attributable to owners of the parent</b>	<b>748,245</b>	<b>565,240</b>
Weighted average number of common shares	129,695,171	128,308,500
<b>Basic earnings per share (R\$ per share)</b>	<b>5.76926</b>	<b>4.40532</b>

There are no diluted earnings per share for the Company.

## 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	
		2023	2022	2023	2022
Borrowings	20.a	824,324	411,371	851,156	414,093
Cash and cash equivalents	10.a	(177,136)	(279,104)	(200,328)	(427,406)
Marketable securities	10.b	-	-	(152,888)	-
Loans to related parties, net	14	(23,895)	(24,614)	(30,128)	(78,054)
<b>Net indebtedness</b>		<b>623,293</b>	<b>107,653</b>	<b>467,812</b>	<b>(91,367)</b>
Total equity		910,379	1,586,639	912,718	1,579,757
<b>Total equity + net indebtedness</b>		<b>1,533,672</b>	<b>1,694,292</b>	<b>1,380,530</b>	<b>1,488,390</b>
<b>Financial leverage index - %</b>		<b>41%</b>	<b>6%</b>	<b>34%</b>	<b>-6%</b>

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### 29. Net operating revenue

	Parent Company		Consolidated	
	2023	2022	2023	2022
Gross revenue				
Products	4,200,250	4,093,874	5,451,146	5,262,941
Services	86,508	73,358	83,250	67,916
<b>Total revenue with products + services</b>	<b>4,286,758</b>	<b>4,167,232</b>	<b>5,534,396</b>	<b>5,330,857</b>
Deductions from sales:				
Taxes on sales	(840,360)	(794,857)	(840,695)	(795,313)
Discounts, returns and sales incentives	(70,343)	(38,325)	(354,876)	(311,514)
<b>Net operating revenue</b>	<b>3,376,055</b>	<b>3,334,050</b>	<b>4,338,825</b>	<b>4,224,030</b>

Revenue is derived from two markets: 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 geographic market and by segment:

	Parent Company		Consolidated	
	2023	2022	2023	2022
<b>Geographic market</b>				
South America included domestic market	2,460,476	2,466,704	2,975,968	2,911,632
Europe	711,700	610,231	657,244	591,173
Central and North America	171,842	217,456	641,537	649,057
Africa, Asia, Oceania and Middle East	32,037	39,659	64,076	72,168
	<b>3,376,055</b>	<b>3,334,050</b>	<b>4,338,825</b>	<b>4,224,030</b>
<b>Revenue by market</b>				
Original equipment	1,993,348	2,005,578	2,480,152	2,523,645
Aftermarket	1,382,707	1,328,472	1,858,673	1,700,385
	<b>3,376,055</b>	<b>3,334,050</b>	<b>4,338,825</b>	<b>4,224,030</b>

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### 30. Cost of sales

The cost of sales comprises raw materials and other materials required for the production of the Group's products. In the engine components segment, the main raw materials are metal commodities, such as aluminum, nickel iron, cast iron, steel, copper, nickel, tin, silicon, magnesium, bronze and iron alloy, amongst others. In the filters segment, the main raw materials are resins, filter papers and activated carbon, amongst others. Other inputs for the production of both engine components and filters include electric power, fuels, natural gas, liquefied petroleum gas and plastic, wood, paper and cardboard packaging.

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	
	2023	2022	2023	2022
Raw material and others materials	(1,237,908)	(1,360,245)	(1,494,118)	(1,652,845)
Personnel and benefits	(674,972)	(657,783)	(711,737)	(699,684)
Utilities and services	(222,571)	(213,645)	(230,431)	(222,852)
Depreciation and amortization	(90,442)	(83,192)	(92,720)	(87,350)
Other	(218,821)	(206,951)	(538,257)	(428,143)
<b>Total</b>	<b>(2,444,714)</b>	<b>(2,521,816)</b>	<b>(3,067,263)</b>	<b>(3,090,874)</b>

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### 31. Selling and distribution expenses

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

Selling expenses by nature are as follows:

	Parent Company		Consolidated	
	2023	2022	2023	2022
Freight	(87,905)	(93,472)	(102,836)	(109,157)
Personnel and benefits	(61,456)	(56,830)	(81,225)	(74,573)
Professional services/service orders	(24,400)	(14,755)	(33,535)	(19,694)
Variable selling expenses	(15,629)	(18,111)	(30,023)	(35,949)
Brand license	(13,602)	(14,773)	(15,554)	(16,185)
Advertising	(10,412)	(5,099)	(12,224)	(6,377)
General expenses	(10,310)	(12,045)	(19,098)	(19,916)
Travel and entertainment allowance	(4,652)	(3,203)	(5,087)	(3,732)
Depreciation	(1,491)	(1,247)	(1,566)	(1,330)
Provision/Reversal of provision for impairment of trade receivables	(999)	(2,778)	(9,100)	(2,903)
Other expenses	(12,772)	(14,303)	(21,774)	(23,234)
<b>Total</b>	<b>(243,628)</b>	<b>(236,616)</b>	<b>(332,022)</b>	<b>(313,050)</b>

### 32. 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	
	2023	2022	2023	2022
Personnel and benefits	(37,109)	(33,693)	(46,750)	(42,758)
Professional services/service orders	(29,157)	(23,691)	(33,168)	(28,980)
Management	(13,148)	(10,795)	(13,148)	(10,795)
Taxes	(7,071)	(5,949)	(7,119)	(6,010)
Maintenance	(6,579)	(3,867)	(7,422)	(4,174)
Depreciation	(3,848)	(3,331)	(3,970)	(3,463)
Materials and utilities	(3,642)	(3,577)	(4,414)	(4,561)
Travel and entertainment allowance	(652)	(641)	(895)	(809)
Other expenses	(9,427)	(7,111)	(10,951)	(8,523)
<b>Total</b>	<b>(110,633)</b>	<b>(92,655)</b>	<b>(127,837)</b>	<b>(110,073)</b>

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### 33. Technology and product development costs

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 costs of technology and product development by nature are as follows:

	Parent Company		Consolidated	
	2023	2022	2023	2022
Personnel and benefits	(27,804)	(23,166)	(29,625)	(24,785)
General expenses	(8,582)	(692)	(12,027)	(5,106)
Materials/utilities	(3,497)	(4,596)	(3,578)	(4,697)
Depreciation	(3,296)	(3,654)	(3,323)	(3,736)
Professional services/service orders	(2,998)	(2,577)	(3,731)	(3,461)
Maintenance	(2,446)	(1,672)	(2,455)	(1,697)
Other (expenses) income	(3,117)	(510)	(3,413)	(710)
	<b>(51,740)</b>	<b>(36,867)</b>	<b>(58,152)</b>	<b>(44,192)</b>

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### 34. Finance income and costs, net

	Parent Company		Consolidated	
	2023	2022	2023	2022
<b>Finance income</b>				
Interest	48,759	41,956	107,383	76,050
Exchange variation (a)	35,871	75,000	287,980	183,332
Derivative financial instruments (c)	33,678	41,080	33,676	41,115
Monetary variation gains	9,556	3,362	54,481	10,378
Other	6,502	7,137	6,506	7,143
	<b>134,366</b>	<b>168,535</b>	<b>490,026</b>	<b>318,018</b>
<b>Finance costs</b>				
Exchange variations (b)	(42,263)	(109,945)	(272,105)	(241,871)
Monetary variation losses	(32,781)	(26,479)	(46,227)	(33,419)
Interest	(27,546)	(12,946)	(32,420)	(17,319)
Derivative financial instruments (d)	(3,166)	(22,704)	(3,163)	(22,521)
Other	(2,391)	(2,871)	(14,273)	(11,976)
	<b>(108,147)</b>	<b>(174,945)</b>	<b>(368,188)</b>	<b>(327,106)</b>
<b>Finance income (costs), net</b>	<b>26,219</b>	<b>(6,410)</b>	<b>121,838</b>	<b>(9,088)</b>
<b>Summary of foreign exchange variations (a+b)</b>	<b>(6,392)</b>	<b>(34,945)</b>	<b>15,875</b>	<b>(58,539)</b>
Trade payables	3,246	3,486	(7,280)	(17,175)
Borrowings	8,600	4,274	(18,282)	19,874
Loan receivable	(1,809)	(1,620)	66,141	10,129
Interest on capital receivable	-	(25,412)	-	(25,412)
Cash and cash equivalents	(2,699)	(5,793)	(39,992)	(29,987)
Lease obligations (IFRS 16)	-	-	(3,121)	(1,955)
Trade receivables	(13,768)	(9,812)	18,372	(13,946)
Other	38	(68)	37	(67)
<b>Summary of derivative instruments (c+d)</b>	<b>30,512</b>	<b>18,376</b>	<b>30,513</b>	<b>18,594</b>
Income	33,678	41,080	33,676	41,115
Expenses	(3,166)	(22,704)	(3,163)	(22,521)
<b>Net result of foreign exchange variations and derivative financial instruments</b>	<b>24,120</b>	<b>(16,569)</b>	<b>46,388</b>	<b>(39,945)</b>

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### 35. Other operating income and expenses, net

	Parent Company		Consolidated	
	2023	2022	2023	2022
<b>Other income</b>				
Reversal of provision for labor, civil and tax contingencies	61,506	80,075	61,976	81,011
Taxes recovered (Reintegra)	7,614	2,288	7,614	2,416
Reversal of provision for product losses	2,567	739	2,567	1,365
Gains on disposal of assets /other	1,841	187	2,071	271
Reversal of provision for obsolescence (Property, plant and equipment )	600	1,158	600	1,158
Gain on monetary items	-	-	64,459	28,388
Credit right – Limeira process	-	6,589	-	6,589
Other income	7,400	6,538	8,392	6,698
	<b>81,528</b>	<b>97,574</b>	<b>147,679</b>	<b>127,896</b>
<b>Other expenses</b>				
Provision for labor, civil and tax contingencies and other procedural expenses	(63,052)	(90,413)	(64,686)	(91,765)
Provision for product losses	(5,871)	(3,211)	(5,965)	(3,211)
PIS and COFINS on other income	(4,237)	(8,443)	(4,268)	(8,479)
Provision for Environmental	(1,690)	-	(1,690)	-
Losses on disposal of assets /other	(504)	(928)	(514)	(982)
Provision for losses on agreement (*)	-	(30,200)	-	(30,200)
Losses on monetary items	-	-	(67,442)	(26,772)
Quality provision	-	(22)	-	(22)
Other expenses	(7,704)	(4,292)	(11,458)	(6,352)
	<b>(83,058)</b>	<b>(137,509)</b>	<b>(156,023)</b>	<b>(167,783)</b>
<b>Other operating income (Expenses), net</b>	<b>(1,530)</b>	<b>(39,935)</b>	<b>(8,344)</b>	<b>(39,887)</b>

(\*) In December 2022, the amount of R\$ 30,200 (acquisition price) was recognized for the owners' agreement on the dispute involving the non-controlling shareholder of MAHLE Filtroil Indústria de Filtros Ltda. The amount was settled in January 2023 (Note 16).



# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### 36. 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					
		2023			2022		
		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	11,368	-	11,368	42,194	-	42,194
Financial investments	10.a	165,768	-	165,768	236,910	-	236,910
Trade receivables	11/14	570,174	-	570,174	578,150	-	578,150
Receivables from and loans to related parties	14	23,895	-	23,895	24,614	-	24,614
Unrealized gains on derivatives	36	-	11,663	11,663	-	11,149	11,149
<b>Total</b>		<b>771,205</b>	<b>11,663</b>	<b>782,868</b>	<b>881,868</b>	<b>11,149</b>	<b>893,017</b>

Liabilities	Note	Parent Company					
		2023			2022		
		Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total	Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total
Payables to related parties	14/19	(70,936)	-	(70,936)	(71,308)	-	(71,308)
Trade payables	19	(197,155)	-	(197,155)	(179,937)	-	(179,937)
Lease liabilities	20.b	(40,682)	-	(40,682)	(45,231)	-	(45,231)
Borrowings	20.a	(824,324)	-	(824,324)	(411,371)	-	(411,371)
Unrealized losses on derivatives	36	-	(4,728)	(4,728)	-	(7,943)	(7,943)
<b>Total</b>		<b>(1,133,097)</b>	<b>(4,728)</b>	<b>(1,137,825)</b>	<b>(707,847)</b>	<b>(7,943)</b>	<b>(715,790)</b>

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*In thousands of reais, unless otherwise indicated*

Assets	Note	Consolidated					
		2023			2022		
		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	22,795	-	22,795	61,870	-	61,870
Financial investments	10.a	177,533	-	177,533	365,536	-	365,536
Marketable securities	10.b	152,888	-	152,888	-	-	-
Trade receivables	11/14	644,992	-	644,992	668,268	-	668,268
Receivables from and loans to related parties	14	30,128	-	30,128	78,054	-	78,054
Unrealized gains on derivatives	36	-	13,533	13,533	-	13,159	13,159
<b>Total</b>		<b>1,028,336</b>	<b>13,533</b>	<b>1,041,869</b>	<b>1,173,728</b>	<b>13,159</b>	<b>1,186,887</b>

Liabilities	Note	Consolidated					
		2023			2022		
		Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total	Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total
Payables to related parties	14/19	(105,592)	-	(105,592)	(101,616)	-	(101,616)
Trade payables	19	(248,189)	-	(248,189)	(225,406)	-	(225,406)
Lease liabilities	20.b	(42,842)	-	(42,842)	(49,094)	-	(49,094)
Borrowings	20.a	(851,156)	-	(851,156)	(414,093)	-	(414,093)
Unrealized losses on derivatives	36	-	(4,728)	(4,728)	-	(7,943)	(7,943)
<b>Total</b>		<b>(1,247,779)</b>	<b>(4,728)</b>	<b>(1,252,507)</b>	<b>(790,209)</b>	<b>(7,943)</b>	<b>(798,152)</b>

### - 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);

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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 supposed to approximate fair values.

The table below presents an analysis of financial instruments that are measured at fair value compared to the carrying amount after initial recognition and their respective fair value hierarchies.

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Assets	Note	Parent Company				Consolidated				Level
		2023		2022		2023		2022		
		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	11,368	11,368	42,194	42,194	22,795	22,795	61,870	61,870	2
Financial investments	10.a	165,768	165,768	236,910	236,910	177,533	177,533	365,536	365,536	2
Marketable securities	10.b	-	-	-	-	152,888	152,888	-	-	2
Trade receivables	11/14	570,174	570,174	578,150	578,150	644,992	644,992	668,268	668,268	2
Receivables from and loans to related parties	14	23,895	23,895	24,614	24,614	30,128	30,128	78,054	78,054	2
Unrealized gains on derivatives	36	11,663	11,663	11,149	11,149	13,533	13,533	13,159	13,159	2
<b>Total</b>		<b>782,868</b>	<b>782,868</b>	<b>893,017</b>	<b>893,017</b>	<b>1,041,869</b>	<b>1,041,869</b>	<b>1,186,887</b>	<b>1,186,887</b>	
<b>Liabilities</b>										
Payables to related parties	14/19	(70,936)	(70,936)	(71,308)	(71,308)	(105,592)	(105,592)	(101,616)	(101,616)	2
Trade payables	19	(197,155)	(197,155)	(179,937)	(179,937)	(248,189)	(248,189)	(225,406)	(225,406)	2
Lease liabilities	20.b	(40,682)	(40,682)	(45,231)	(45,231)	(42,842)	(42,842)	(49,094)	(49,094)	2
Borrowings	20.a	(824,324)	(824,324)	(411,371)	(411,371)	(851,156)	(851,156)	(414,093)	(414,093)	2
Unrealized losses on derivatives	36	(4,728)	(4,728)	(7,943)	(7,943)	(4,728)	(4,728)	(7,943)	(7,943)	2
<b>Total</b>		<b>(1,137,825)</b>	<b>(1,137,825)</b>	<b>(715,790)</b>	<b>(715,790)</b>	<b>(1,252,507)</b>	<b>(1,252,507)</b>	<b>(798,152)</b>	<b>(798,152)</b>	

### - 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.

<u>Parent Company</u>		2023						
	Note	Risk	Provision	Total	2023	2024	2025	2026
<b>Financial instruments</b>								
NDF	36	Exchange	6,196	6,196		5,153	1,043	-
Commodities	36	Exchange	740	740		740	-	-
<b>Total</b>			<b>6,936</b>	<b>6,936</b>	<b>-</b>	<b>5,893</b>	<b>1,043</b>	<b>-</b>

<u>Parent Company</u>		2022						
	Note	Risk	Provision	Total	2023	2024	2025	2026
<b>Financial instruments</b>								
NDF	36	Exchange	2,930	2,930	3,193	(262)	-	-
Commodities	36	Exchange	276	276	276	-	-	-
<b>Total</b>			<b>3,206</b>	<b>3,206</b>	<b>3,469</b>	<b>(262)</b>	<b>-</b>	<b>-</b>

### 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.

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).

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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 – 1<sup>st</sup> to 6<sup>th</sup> month following the base date;
- ii) 50% of the net foreign exchange risk exposure – 7<sup>th</sup> to 9<sup>th</sup> month following the base date; and
- iii) 25% of the net foreign exchange risk exposure – 10<sup>th</sup> to 24<sup>th</sup> 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 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.

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 – 1<sup>st</sup> and 2<sup>nd</sup> quarter subsequent to the base date;
- ii) 50% of the net exposure – 3<sup>rd</sup> quarter subsequent to the base date; and
- iii) 25% of the net exposure – 4<sup>th</sup> quarter subsequent to the base date.

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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.

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.

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### 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, 2023, 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.

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.

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*In thousands of reais, unless otherwise indicated*

		2023					
		Carrying amount	Cash Flow	Up to 1 year	1 - 2 years	2 - 5 years	More than 5 years
<b>Consolidated</b>							
	Note						
<b>Liabilities</b>							
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	36	(4,728)	(4,728)	(4,728)	-	-	-
<b>Total</b>		<b>(1,252,507)</b>	<b>(1,278,079)</b>	<b>(683,472)</b>	<b>(147,409)</b>	<b>(422,741)</b>	<b>(24,457)</b>

		2022					
		Carrying amount	Cash Flow	Up to 1 year	1 - 2 years	2 - 5 years	More than 5 years
<b>Consolidated</b>							
	Note						
<b>Liabilities</b>							
Payables to related parties	14/19	(101,616)	(101,616)	(101,616)	-	-	-
Trade payables	19	(225,406)	(225,406)	(225,406)	-	-	-
Lease liabilities	20.b	(49,094)	(49,094)	(10,893)	(38,201)	-	-
Borrowings (*)	20.a	(414,093)	(450,500)	(181,536)	(196,310)	(36,322)	(36,332)
Unrealized losses on derivatives	36	(7,943)	(7,943)	(7,943)	-	-	-
<b>Total</b>		<b>(798,152)</b>	<b>(834,559)</b>	<b>(527,394)</b>	<b>(234,511)</b>	<b>(36,322)</b>	<b>(36,332)</b>

(\*) 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	
		2023	2022	2023	2022
Cash, demand deposits and cash in transit	10.a	11,368	42,194	22,795	61,870
Financial investments	10.a	165,768	236,910	177,533	365,536
Marketable securities	10.b	-	-	152,888	-
Trade receivables	11/14	570,174	578,150	644,992	668,268
Receivables from and loans to related parties	14	23,895	24,614	30,128	78,054
Unrealized gains on derivatives	36	11,663	11,149	13,533	13,159
<b>Total</b>		<b>782,868</b>	<b>893,017</b>	<b>1,041,869</b>	<b>1,186,887</b>

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 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.



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The Group considers that there is no significant risk of concentration of credit in relation to customers:

<b>Trade receivables</b>				
<b>Counterparties with external credit rating (Standard &amp; Poor's)</b>				
Counterparties unrated external de crédito	Parent Company		Consolidated	
	2023	2022	2023	2022
<i>Top 20 largest client receivable balances</i>	263,778	212,325	291,664	290,721
<i>Other third parties (without external credit rating)</i>	182,630	193,293	261,983	268,513
<i>Related parties</i>	123,766	172,532	91,345	109,034
<b>Total trade receivables and others</b>	<b>570,174</b>	<b>578,150</b>	<b>644,992</b>	<b>668,268</b>

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	
		2023	2022	2023	2022
Cash, demand deposits and cash in transit	10.a	11,368	42,194	22,795	61,870
Financial investments	10.a	165,768	236,910	177,533	365,536
Marketable securities	10.b	-	-	152,888	-
Borrowings	20.a	(824,324)	(411,371)	(851,156)	(414,093)
<b>Total</b>		<b>(647,188)</b>	<b>(132,267)</b>	<b>(497,940)</b>	<b>13,313</b>

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.

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### 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).

At December 31, 2023, the Group's exposure in USD (EUR and JPY equivalents in USD) was USD 11,752 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, 2023			
Item	USD thousand	EUR thousand (*)	JPY thousand (**)
	Parent Company	Parent Company	Parent Company
(+) Trade receivables	32,326	7,069	-
(+) Demand deposits (in foreign currency)	274	285	-
(+) Receivable - Dividends (TEUR)	-	51,048	-
(-) Advances on export exchange contract	-	(51,048)	-
(-) Imports	(5,358)	(8,529)	(113,494)
(-) Currency forwards - sale	(13,389)	-	-
<b>(=) Net balance of foreign exchange exposure</b>	<b>13,853</b>	<b>(1,175)</b>	<b>(113,494)</b>

Net balance of foreign exchange exposure in USD (EUR and JPY equivalents in USD) - in thousands		
Currency	Parent Company	
USD	13,853	
EUR	(1,299)	(*) For EUR / USD 1.1054
JPY	(802)	(**) For JPY / USD 141.47575
<b>Total</b>	<b>11,752</b>	

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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
2024 (Jan-Dec)	(10,995)	4,447	5.3236	40.4%
2025 (Jan-Aug)	(8,390)	2,097	5.7175	25.0%
<b>Total</b>	<b>(19,385)</b>	<b>6,544</b>	<b>5.4498</b>	<b>33.8%</b>

Parent Company (EUR)				
Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	% Hedged
2024 (Jan-Dec)	(19,476)	8,405	6.1109	43.2%
2025 (Jan-Aug)	(13,962)	3,761	6.1668	26.9%
<b>Total</b>	<b>(33,438)</b>	<b>12,166</b>	<b>6.1282</b>	<b>36.4%</b>

Parent Company (JPY)				
Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	% Hedged
2024 (Jan-Dec)	479,985	(258,085)	0.0490	53.8%
2025 (Jan-Aug)	330,542	(93,610)	0.0463	28.3%
<b>Total</b>	<b>810,527</b>	<b>(351,695)</b>	<b>0.0483</b>	<b>43.4%</b>

### - 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.

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*In thousands of reais, unless otherwise indicated*

Sensitivity analysis table – foreign exchange exposure of December 31, 2023.

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, 2023, 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	7.2620	4.9452	32,095
25% better	6.0516	4.9452	15,328
Probable scenario	4.8413	13,853	4.9452 (1,439)
25% worse	3.6310	4.9452	(18,205)
50% worse	2.4207	4.9452	(34,971)

(\*) Amounts in thousands

(\*\*) Average rate of remittance of the bills of exchange that comprise the net balance of foreign exchange expo

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	2.6758	5.3481	3,140
25% better	4.0137	5.3481	1,568
Probable scenario	5.3516	(1,175)	5.3481 (4)
25% worse	6.6895	5.3481	(1,576)
50% worse	8.0274	5.3481	(3,148)

(\*) Amounts in thousands

(\*\*) Average rate of remittance of the bills of exchange that comprise the net balance of foreign exchange expo

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	0.0171	(0.0336)	(5,755)
25% better	0.0257	(0.0336)	(6,731)
Probable scenario	0.0342	(113,494)	(0.0336) (7,698)
25% worse	0.0428	(0.0336)	(8,672)
50% worse	0.0513	(0.0336)	(9,637)

(\*) Amounts in thousands

(\*\*) Average rate of remittance of the bills of exchange that comprise the net balance of foreign exchange expo

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*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*

Sensitivity table of derivative operations in EUR, USD and JPY in NDFs on the net balance of exports/imports to be made in December, 2023																
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	Total Adjustment in RS thousand
50% better	2.4207	6,544	5.4498	19,823	15,841	2.6758	12,166	6.1282	42,001	32,553	0.0513	(351,695)	0.0483	1,072	6,017	62,896
25% better	3.6310	6,544	5.4498	11,903	7,921	4.0137	12,166	6.1282	25,724	16,276	0.0428	(351,695)	0.0483	(1,937)	3,008	35,690
Probable scenario	4.8413	6,544	5.4498	3,982	-	5.3516	12,166	6.1282	9,448	-	0.0342	(351,695)	0.0483	(4,945)	-	8,485
25% worse	6.0516	6,544	5.4498	(3,938)	(7,920)	6.6895	12,166	6.1282	(6,829)	(16,277)	0.0257	(351,695)	0.0483	(7,954)	(3,009)	(18,721)
50% worse	7.2620	6,544	5.4498	(11,858)	(15,840)	8.0274	12,166	6.1282	(23,106)	(32,554)	0.0171	(351,695)	0.0483	(10,963)	(6,018)	(45,927)

The selling rates published on December 31, 2023, 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

*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:

Foreign currency	Weighted average forward rate - value for settlement	Notional value - thousand		
		Parent company		
		2023	2022	
Liability position	EUR	6.12810	12,166	15,425
Liability position	USD	5.08518	19,933	32,045
Asset position	JPY	0.04919	(351,695)	(1,060,550)

Foreign currency	Weighted average forward rate - value for settlement	Fair market value - thousand		
		Parent company and Consolidated		
		2023	2022	
Liability position	EUR	6.12810	6,795	5,546
Liability position	USD	5.08518	3,214	2,250
Asset position	JPY	0.04919	(4,454)	(5,815)

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, 2023, and 2022:

Asset position	Weighted average price on maturity	Notional value - metric tons	
		Parent Company	
		2023	2022
<b>Commodities</b>			
Copper	8,394	88	247
Aluminum	2,174	213	209
<b>TOTAL</b>		<b>301</b>	<b>456</b>

## MAHLE Metal Leve S.A.

### Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

Asset position	Weighted average price on maturity	Notional value (fair market value)	
		Parent Company	
		2023	2022
<b>Commodities</b>			
<b>Copper</b>	<b>8,394</b>	306	(3,251)
<b>Aluminum</b>	<b>2,174</b>	434	1,367
<b>TOTAL</b>		<b>740</b>	<b>(1,884)</b>

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)	410	(264)	2,425	64.4%
<b>Total</b>	<b>410</b>	<b>(264)</b>	<b>2,425</b>	<b>64.4%</b>

Parent company (COPPER)				
Year	Net Exposure (Tons)	Notional Value - Hedge (Tons)	Average Price - Portfolio Swap	% Hedged
2024 (Jan - Oct)	150	(98)	8,119	65.3%
<b>Total</b>	<b>150</b>	<b>(98)</b>	<b>8,119</b>	<b>65.3%</b>

#### - 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, 2023. 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.

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

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.

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
<b>Copper</b>				
50% better		12,714		1,840
25% better		10,595		938
Probable scenario	88	8,476	8,394	35
25% worse		6,357		(868)
50% worse		4,238		(1,771)
<b>Aluminum</b>				
50% better		3,503		1,370
25% better		2,919		768
Probable scenario	213	2,336	2,174	166
25% worse		1,752		(436)
50% worse		1,168		(1,038)

The selling rates of the USD published on December 31, 2023, by the Brazilian Central Bank and the metal prices published on the same date by the LME were used.



# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

The results from foreign exchange and commodity derivative financial instruments affected the Company's and its subsidiaries' information as presented below:

	2023		2022	
	Parent Company	Consolidated	Parent Company	Consolidated
<b>Results of derivatives (exports/imports/loan)</b>				
<b>Provisions</b>				
- Operations on accounts receivable and payable	(BS) 3,728	3,729	2,625	2,842
<b>Cash effect</b>				
- Operations on accounts receivable and payable	26,784	26,784	15,751	15,752
	Note 34 <b>30,512</b>	<b>30,513</b>	<b>18,376</b>	<b>18,594</b>
<b>Total Derivative Operations - Net Finance Result</b>	<b>30,512</b>	<b>30,513</b>	<b>18,376</b>	<b>18,594</b>
Exchange variations (gains and losses)	(6,392)	15,875	(34,945)	(58,539)
Results of derivatives (exports/imports/loan)	30,512	30,513	18,376	18,594
Gross sales	(53,389)	(53,389)	(17,750)	(17,750)
Cost of sales	44,925	44,925	16,328	16,328
<b>Effects of Foreign Exchange Variations and Financial Instruments on Profit and Loss</b>	<b>15,656</b>	<b>37,924</b>	<b>(17,991)</b>	<b>(41,367)</b>
<b>Gross result</b>				
<b>Gross sales</b>				
- Settlements with cash effect	(53,389)	(53,389)	(17,750)	(17,750)
	<b>(53,389)</b>	<b>(53,389)</b>	<b>(17,750)</b>	<b>(17,750)</b>
<b>Cost of sales</b>				
- Settlements with cash effect	44,925	44,925	16,328	16,328
	<b>44,925</b>	<b>44,925</b>	<b>16,328</b>	<b>16,328</b>
<b>Total Derivative Operations - Gross Result</b>	<b>(8,464)</b>	<b>(8,464)</b>	<b>(1,422)</b>	<b>(1,422)</b>
<b>Equity</b>				
<b>Provisions</b>				
- Operations on sales to be made	(BS) (4,298)	(4,298)	(2,315)	(2,315)
- Operations on commodities	(BS) (740)	(740)	(276)	(276)
Deferred income tax and social contribution	1,713	1,713	(881)	(881)
<b>Total Derivative Operations - Equity</b>	<b>(3,325)</b>	<b>(3,325)</b>	<b>(3,472)</b>	<b>(3,472)</b>
<b>Provision for unrealized losses and gains on derivatives</b>				
<b>(BS) - Sum of the net balance sheet</b>				
Balance sheet assets	11,663	13,533	11,149	13,159
Balance sheet liabilities	(4,728)	(4,728)	(7,943)	(7,943)
<b>Balance sheet, net</b>	<b>6,935</b>	<b>8,805</b>	<b>3,206</b>	<b>5,216</b>

### Guarantees

The Group had no guarantee deposits relating to these derivative instruments for the periods presented above (December 31, 2023 and 2022).

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### **37. 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.

For the year ended December 31, 2023, the Group recognized a provision for profit sharing in the amount of R\$ 49,286 (R\$ 47,433 in 2022) – Parent Company and R\$ 49,296 (R\$ 47,438 in 2022) – 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. Annually, the Manager conducts an actuarial valuation of the plan in order to determine possible adjustments to the contribution levels.

The Group contributed to the private pension plan an amount of R\$ 2,161 in 2023 (R\$ 2,428 in 2022).

### **38. 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 2023 the insurance coverage for operational risks (combined property damages and lost profits) is R\$ 2,111,328 (2022 - R\$ 5,210,490).

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### 39. 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 financial statements of the Parent Company and on the consolidated financial statements at December 31, 2023 and 2022 are as follows:

	2023	2022
<b>Reconciliation of result adjustments</b>		
Gain on monetary position of investments from parent company - reflex recomposition	230,264	161,879
Gain on monetary position of investments from subsidiary - reflex recomposition	1,857	1,296
Loss on monetary position of subsidiary MAHLE Argentina S.A.	(161,245)	(68,160)
<b>Gain on monetary item, result (consolidated)</b>	<b>70,876</b>	<b>95,015</b>

The main requirements of the accounting standards to determine the above-mentioned restatement are:

- i) 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;
- ii) 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);
- iii) All items in the statement of income are restated by applying a general price index (IPC);
- iv) 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 211.5% in 2023 (inflation of 94.8% in 2022). The restated statement of income is translated at the official exchange rate at the end of each quarter.

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### **Board of Directors**

#### **Principal members**

Peter Paul Wilhelm Grunow  
Heinz Konrad Junker  
Wolfgang Werner Ernst Fritz Fritzemeyer  
Eduardo Augusto Rocha Pocetti  
Reginaldo Ferreira Alexandre

#### **Alternate members**

Dimas Lazarini Silveira Costa  
Camila Pagliato Figueiredo  
Flávio Venturelli Helú  
Juliana Gonçalves Soares  
Luiz Tarquínio Sardinha Ferro

### **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**

José Gomes Rodrigues da Silva  
Marcio de Oliveira Santos  
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 direct tax manager  
Accountant - CRC 1SP 248941/O-2

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

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 2024 will require funds of R\$ 108.7 million (Company Issuer) R\$ 120.3 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.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### **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 27, 2023, 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, 2023 and notes to the financial statements, (iii) the Management's Proposal for allocation of profit for the year, and (iv) the Capital Budget for fiscal year 2024.

In the performance of its duties, the Board met seven (7) times ordinarily and extraordinarily during 2023 and in the first quarter of 2024, in-person and virtually, to analyze the Quarterly Information for fiscal year 2023 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;
- Result of the Occupational Health and Safety Audit carried out by the Human Resources;
- Analysis of the impacts of the new legislation concerning Transfer Pricing;
- Follow-on Offering of the Company, increase of the Company's share capital and Declaration of Dividends;
- Potential impacts on the Argentinean subsidiary of the economic situation in Argentina;
- Analysis of the impairment test for the piston ring business;

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

- Activities and findings of the Internal Audit and Risk Management, shared with the Audit Committee.

### **Conclusion**

Based on the documents examined, analyses performed, information provided by the management board related to the fiscal year and the unmodified audit opinion issued by **EY Auditores Independentes**, dated March 5, 2024, the Supervisory Board is of the unanimous 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 5, 2024.

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Axel Erhard Brod – Chairman

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Helio Carlos de Lamare Cox – Effective Member

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Michael Lehmann – Effective Member

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

**MAHLE METAL LEVE S.A**  
**CNPJ/MF No. 60.476.884/0001-87**  
**NIRE No. 35.3.0001506.1**

**PUBLICLY TRADED COMPANY**  
**REPORT OF THE MAHLE NON-STATUTORY AUDIT COMMITTEE FOR FISCAL**  
**YEAR 2023**

### **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, and 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, 2023 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 2023 to February 2024, the Committee held eight 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.



# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

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 fiscal year 2023, 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 Related-party Transactions;
- 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. Review and presentation of recommendations concerning the Quarterly Financial Statements of the Company for 2023; and
- vii. Review and presentation of recommendations concerning the Annual Financial Statements of the Company for the financial year ended December 31, 2023, accompanied by the management report and the independent auditors' report.

# MAHLE Metal Leve S.A.

## Explanatory notes to the individual and consolidated financial statements

*In thousands of reais, unless otherwise indicated*

### **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, 2023 and submit the approval of the financial statements to ratification by the Ordinary General Meeting of Shareholders.

São Paulo, March 5, 2024.

**Eduardo Augusto Rocha Pocetti**

Coordinator and Member of the Audit Committee

**Orlando Octávio de Freitas Junior**

Member of the Audit Committee

**Peter Paul Wilhelm Grunow**

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, Mombaça, 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, 2023, and thus authorize their completion.

Mogi Guaçu, March 05, 2024.

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Sergio Pancini de Sá  
CEO

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Claudio Cesar Braga  
Finance Director

(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, 2023.

Mogi Guaçu, March 05, 2024.

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Sergio Pancini de Sá  
CEO

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Claudio Cesar Braga  
Finance Director