

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

**Individual and Consolidated
Interim Financial Statement as of June
30, 2024 and for the three and six-month
periods then ended**

Mogi Guaçu, São Paulo, August 14, 2024 - MAHLE Metal Leve S.A. (B3: LEVE3), a Brazilian leading manufacturer of internal combustion engine components and filters, today announced its second quarter 2024 results. Unless otherwise indicated, the financial and operational information in this release is presented on a consolidated basis and in Brazilian real (BRL), in accordance with the Brazilian Corporation Law.

Q2 2024 Financial Results Video Conference Call

Date: August 15, 2024

Time

12 noon – Brasilia
4:00 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

MAHLE Metal Leve is qualified for green mobility incentives under Brazil's National Green Mobility and Innovation Program ("MOVER"): Our research and development center is ready to develop technologies that meet the program demands (additional information is available in item [5](#) of this report).

AEA ESG Awards 2024: MAHLE Metal Leve received on June 13, 2024 an honorable mention at the awards from the Brazilian Association of Automotive Engineering (AEA) on the article "Driving the Future: MAHLE's journey towards innovation and excellence through the power of talents".

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

Net sales revenue and operational performance: Despite the fall in production of heavy-duty vehicles in export markets and of light vehicles in the domestic market which resulted in a 2.5% fall in net revenue in the six-month period, the Company maintained consistent operational performance (operating profit).

Key figures

(in BRL million, except percentages)	Q2 2024 (a)	Q2 2023 (b)	(a/b)	H1 2024 (c)	H1 2023 (d)	(c/d)
Net sales revenue	1,068.9	1,120.7	-4.6%	2,089.6	2,142.9	-2.5%
EBITDA	224.0	254.2	-11.9%	512.1	514.3	-0.4%
Adjusted EBITDA ¹	216.1	254.2	-15.0%	504.2	514.3	-2.0%
EBITDA margin	21.0%	22.7%	-1.7 p.p.	24.5%	24.0%	0.5 p.p.
Adjusted EBITDA margin ¹	20.2%	22.7%	-2.5 p.p.	24.1%	24.0%	0.1 p.p.
Net profit	88.6	193.1	-54.1%	288.9	379.1	-23.8%
Adjusted net profit ²	83.4	193.1	-56.8%	283.7	379.1	-25.2%
Net margin	8.3%	17.2%	-8.9 p.p.	13.8%	17.7%	-3.9 p.p.
Adjusted net margin ²	7.8%	17.2%	-9.4 p.p.	13.6%	17.7%	-4.1 p.p.

¹ Additional information is available in item [4.10](#) of this report.

² Additional information is available in item [4.13](#) of this report.

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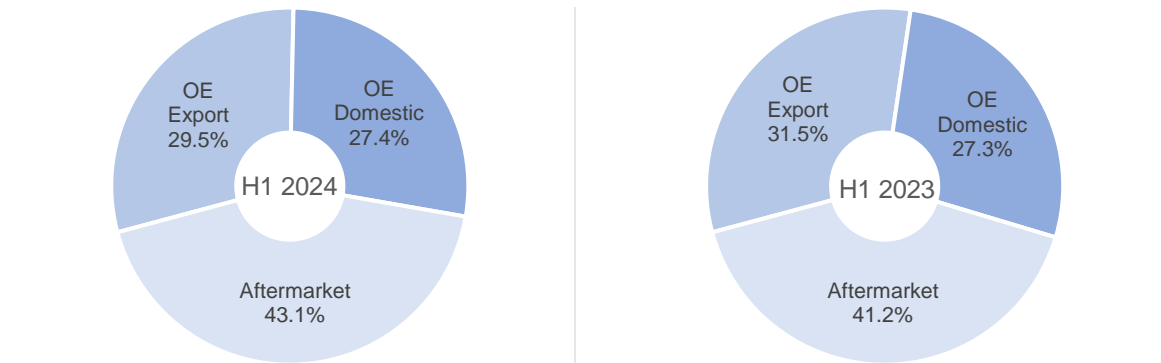
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1. Management Commentary

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 decline in the Company's net revenue for the first six months of 2024 compared with the first six months of 2023 (-2.5%) was due to the performance of the Aftermarket segment (+1.9%), domestic OE sales (-2.1%) and OE exports (-8.6%).

The graph below shows source of revenue in the first six months of 2024 and 2023:



MAHLE Metal Leve offers a broad portfolio of products and integrated solutions, which at many times have been developed in close collaboration with major customers to meet their specific needs. The Company's management believes that efficiency in service delivery and product customization is possible in part due to the fact that being part of the MAHLE Group allows the Company to 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.

Adjusted EBITDA margin in Q2 2024 was 20.2% (R\$ 216.1 million) versus 22.7% (R\$ 254.2 million) in Q2 2023. Adjusted EBITDA margin in H1 2024 was 24.1% (R\$ 504.2 million) versus 24.0% (R\$ 514.3 million) in H1 2023. More information on EBITDA is available in item [4.10](#) of this report.

MAHLE Metal Leve is one of the companies authorized in April 2024 to receive tax incentives under the National Green Mobility and Innovation Program (Mover) once all requirements have been met, having actively contributed to creating this public policy. Further information is available in item [5](#) of this report.



On June 13, 2024, MAHLE Metal Leve received an honorable mention from the Brazilian Association of Automotive Engineering (AEA) on the article about MAHLE's people management practices entitled "Driving the Future: MAHLE's journey towards innovation and excellence through the power of talents". The Company received this recognition among many projects of other companies from the Brazilian automotive industry.

To keep pace with the changes in the automotive industry and ensure compliance with ESG guidelines and the UN Sustainable Development Goals, the Company has demonstrated a strong commitment to hiring and developing talents in all its initiatives, recognizing the importance of a diverse workforce to achieve innovation and success. Through a global research, 91% of employees provided valuable insights for developing strategic actions to foster a more inclusive and supportive work environment.

These actions reflect the Company's commitment to creating a future where all employees feel valued and motivated to contribute to the Company's success. The Company works actively to incorporate diversity, equity and inclusion in its organizational culture, structures and processes, promoting a culture of respect, inclusion and innovation. The Company promotes initiatives, such as Cultural Practices, to inspire and connect with its employees, making it easier to identify internal talents and develop innovative solutions. Visit the [hotsite](#) of the award for further information.



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

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

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

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

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

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

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

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.

3. Development of the Automotive Industry

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

H1 2024 x H1 2023	Vehicles (thousands)	 Brazil	 Argentina	 Total			
Sales ¹	Light	1,078.3	15.4%	162.0	-21.7%	1,240.3	8.7%
	Heavy-duty	65.6	2.8%	5.6	-22.9%	71.3	0.1%
Production ¹	Light	1,058.8	-1.5%	216.7	-26.7%	1,275.6	-7.0%
	Heavy-duty	79.1	39.4%	3.0	-26.4%	82.1	35.0%

H1 2024 x H1 2023	Vehicles (thousands)	 Europe	 North America	 Total			
Production ²	Light	9,087.5	-3.0%	8,097.8	1.5%	17,185.2	-0.9%
	Heavy-duty	351.3	0.6%	330.8	-3.7%	682.1	-1.6%

¹ Source: Anfavea, Fenabrave, Adefa, IHS, Acara & Indec.

² Source: IHS

4. Company's Financial and Economic Performance

Summary of income statement (in BRL million, except percentages)	Q2 2024 (a)		Q2 2023 (b)		(a/b)	H1 2024 (c)		H1 2023 (d)		(c/d)
Net operating revenue	1,068.9	100.0%	1,120.7	100.0%	-4.6%	2,089.6	100.0%	2,142.9	100.0%	-2.5%
Cost of sales and services	(742.5)	-69.5%	(781.5)	-69.7%	-5.0%	(1,445.5)	-69.2%	(1,485.7)	-69.3%	-2.7%
Gross profit	326.4	30.5%	339.2	30.3%	-3.8%	644.1	30.8%	657.2	30.7%	-2.0%
Selling and distribution expenses	(76.1)	-7.1%	(87.5)	-7.8%	-13.0%	(147.3)	-7.0%	(163.1)	-7.6%	-9.7%
General and administrative expenses	(40.2)	-3.8%	(32.0)	-2.9%	25.6%	(75.3)	-3.6%	(61.2)	-2.9%	23.0%
Research and development expenses	(15.9)	-1.5%	(14.4)	-1.3%	10.4%	(29.4)	-1.4%	(27.3)	-1.3%	7.7%
Other operating income (expenses), net	(1.5)	-0.1%	(3.6)	-0.3%	-58.3%	(2.5)	-0.1%	(0.4)	0.0%	525.0%
Operating profit	192.7	18.0%	201.7	18.0%	-4.5%	389.6	18.6%	405.2	18.9%	-3.8%
Gain on net monetary position in foreign subsidiary	5.8	0.5%	26.7	2.4%	-78.3%	71.7	3.4%	58.0	2.7%	23.6%
Profit before finance income and costs and taxes	198.5	18.6%	228.4	20.4%	-13.1%	461.3	22.1%	463.2	21.6%	-0.4%
Net finance income (costs)	(50.4)	-4.7%	29.4	2.6%	-271.4%	(38.6)	-1.8%	44.2	2.1%	-187.3%
Profit before taxes	148.1	13.9%	257.8	23.0%	-42.6%	422.7	20.2%	507.4	23.7%	-16.7%
Income tax and social contribution	(59.6)	-5.6%	(64.8)	-5.8%	-8.0%	(134.0)	-6.4%	(128.5)	-6.0%	4.3%
Profit for the period	88.5	8.3%	193.0	17.2%	-54.1%	288.7	13.8%	378.9	17.7%	-23.8%
Profit attributable to owners of the Company	88.6	8.3%	193.1	17.2%	-54.1%	288.9	13.8%	379.1	17.7%	-23.8%
¹ Adjusted profit attributable to owners of the Company	83.4	7.8%	193.1	17.2%	-56.8%	283.7	13.6%	379.1	17.7%	-25.2%
Profit attributable to non-controlling interests	(0.1)	0.0%	(0.1)	0.0%	0.0%	(0.2)	0.0%	(0.2)	0.0%	0.0%
EBITDA	224.0	21.0%	254.2	22.7%	-11.9%	512.1	24.5%	514.3	24.0%	-0.4%
² Adjusted EBITDA	216.1	20.2%	254.2	22.7%	-15.0%	504.2	24.1%	514.3	24.0%	-2.0%

¹ Additional information is available in item 4.13 of this report.

² Additional information is available in item 4.10 of this report.

4.1. 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 [4.16](#) of this report for more information).

Net sales by market (in BRL million, except percentages)	Q2 2024 (a)	Q2 2023 (b)	(a/b)	H1 2024 (c)	H1 2023 (d)	(c/d)
Original Equipment – Domestic	296.6	295.4	0.4%	573.2	585.4	-2.1%
Original Equipment – Export	312.9	357.2	-12.4%	615.8	674.1	-8.6%
Subtotal	609.5	652.6	-6.6%	1,189.0	1,259.5	-5.6%
Aftermarket – Domestic	387.6	405.8	-4.5%	750.1	758.0	-1.0%
Aftermarket – Export	71.8	62.3	15.2%	150.5	125.4	20.0%
Subtotal	459.4	468.1	-1.9%	900.6	883.4	1.9%
Total	1,068.9	1,120.7	-4.6%	2,089.6	2,142.9	-2.5%

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4.2. 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.

4.3. 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.

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 standards of quality 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.

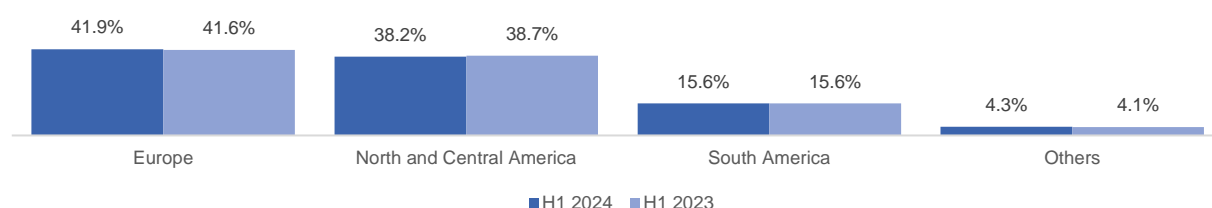
The Company's key competitive advantage lies in its distribution network that has major auto parts distributors and retail chains as direct customers. This structure guarantees support for repair shops throughout the country. Another important factor is that the Aftermarket has a dedicated structure 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 communication and relationship program "*Juntos Pra Vale*" ("Together to thrive") 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 an important pillar of the Company's growth.

4.4. Consolidated export by geographical market

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

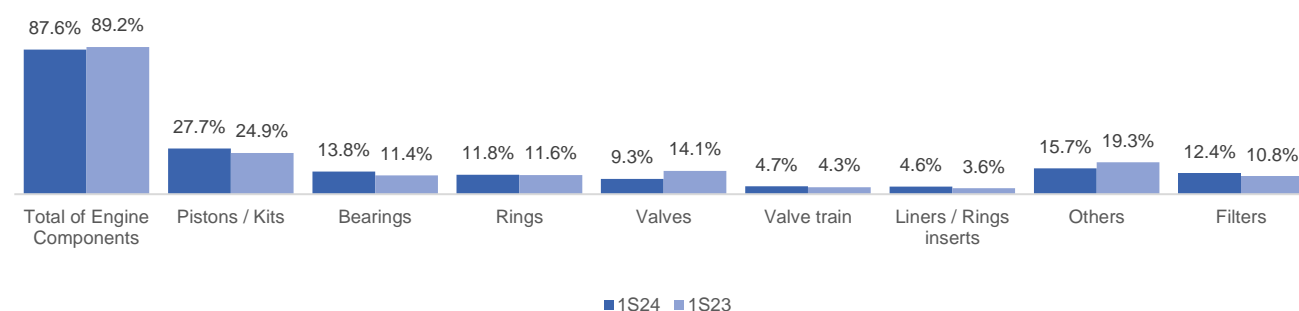


4.5. Net sales by segment and by product

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

Net sales by segment (in BRL million, except percentages)	Q2 2024			Q2 2023			H1 2024			H1 2023		
	(a)	(b)	(a/b)	(c)	(d)	(c/d)	(e)	(f)	(e/f)			
Engine components	941.7	88.1%	-6.0%	1,001.8	89.4%	-6.0%	1,829.6	87.6%	1,912.0	89.2%	-4.3%	
Filters	127.2	11.9%	7.0%	118.9	10.6%	7.0%	260.0	12.4%	230.9	10.8%	12.6%	
Total	1,068.9	100.0%	-4.6%	1,120.7	100.0%	-4.6%	2,089.6	100.0%	2,142.9	100.0%	-2.5%	

The graph below shows total sales by product category in H1 2024 and H1 2023:



4.6. Gross margin

Summary of income statement (in BRL million, except percentages)	Q2 2024 (a)		Q2 2023 (b)		(a/b)	H1 2024 (c)		H1 2023 (d)		(c/d)
Net operating revenue	1,068.9	100.0%	1,120.7	100.0%	-4.6%	2,089.6	100.0%	2,142.9	100.0%	-2.5%
Cost of sales and services	(742.5)	-69.5%	(781.5)	-69.7%	-5.0%	(1,445.5)	-69.2%	(1,485.7)	-69.3%	-2.7%
Gross profit	326.4	30.5%	339.2	30.3%	-3.8%	644.1	30.8%	657.2	30.7%	-2.0%

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4.7. Selling, general and administrative expenses

Summary of income statement (in BRL million, except percentages)	Q2 2024 (a)		Q2 2023 (b)		(a/b)	H1 2024 (c)		H1 2023 (d)		(c/d)
Net operating revenue	1,068.9	100.0%	1,120.7	100.0%	-4.6%	2,089.6	100.0%	2,142.9	100.0%	-2.5%
Selling and distribution expenses	(76.1)	-7.1%	(87.5)	-7.8%	-13.0%	(147.3)	-7.0%	(163.1)	-7.6%	-9.7%
General and administrative expenses	(40.2)	-3.8%	(32.0)	-2.9%	25.6%	(75.3)	-3.6%	(61.2)	-2.9%	23.0%

4.8. 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)	Q2 2024 (a)		Q2 2023 (b)		(a/b)	H1 2024 (c)		H1 2023 (d)		(c/d)
Net operating revenue	1,068.9	100.0%	1,120.7	100.0%	-4.6%	2,089.6	100.0%	2,142.9	100.0%	-2.5%
Research and development expenses	(15.9)	-1.5%	(14.4)	-1.3%	10.4%	(29.4)	-1.4%	(27.3)	-1.3%	7.7%

4.9. Other operating income and expenses

Other operating income and expenses (in BRL million)	Q2 2024 (a)	Q2 2023 (b)	Change (a-b)	H1 2024 (c)	H1 2023 (d)	Change (c-d)
Reversal of provision for loss on receivables from Limeira city government	37.3	-	37.3	37.3	-	37.3
Gain on net monetary position	4.8	(1.2)	6.0	9.0	(1.5)	10.5
Provision for losses on products/reversal	(0.5)	(1.0)	0.5	(0.5)	(1.0)	0.5
Provision for obsolescence/reversal	0.6	0.2	0.4	0.7	0.4	0.3
Provision for labor, civil and tax proceedings/reversal	(11.4)	(2.8)	(8.6)	(15.7)	(0.2)	(15.5)
Taxes (PIS and COFINS) on other revenue	(1.0)	(0.7)	(0.3)	(1.7)	(1.9)	0.2
Gain/loss on disposal of assets/others	(0.1)	0.2	(0.3)	(0.1)	1.9	(2.0)
Recovered taxes (Reintegra)	2.0	5.6	(3.6)	2.3	5.9	(3.6)
Provision for environmental liability/reversal	(29.5)	(1.7)	(27.8)	(29.5)	(1.7)	(27.8)
Other income/expenses	(3.7)	(2.2)	(1.5)	(4.3)	(2.3)	(2.0)
Total other operating income (expenses), net	(1.5)	(3.6)	2.1	(2.5)	(0.4)	(2.1)

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4.10. Operating result measured by EBITDA

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

EBTIDA: Changes in the period (in BRL million, except percentages)	Amount	Margin	EBTIDA: Changes in the period (in BRL million, except percentages)	Amount	Margin
Q2 2023	254.2	22.7%	H1 2023	514.3	24.0%
Gross profit	(12.8)		Gross profit	(13.1)	
Selling and distribution expenses	11.4		Selling and distribution expenses	15.8	
General and administrative expenses	(8.2)		General and administrative expenses	(14.1)	
Research and development expenses	(1.5)		Research and development expenses	(2.1)	
Other operating income	2.1		Other operating expenses	(2.1)	
Loss on net monetary position	(20.9)		Gain on net monetary position	13.7	
Depreciation	(0.3)		Depreciation	(0.3)	
Q2 2024	224.0	21.0%	H1 2024	512.1	24.5%
Reversal of provision for loss on receivables from Limeira city government	(37.3)		Reversal of provision for loss on receivables from Limeira city government	(37.3)	
Provision for environmental liability	29.4		Provision for environmental liability	29.4	
Adjusted Q2 2024	216.1	20.2%	Adjusted H1 2024	504.2	24.1%

4.11. Finance income and costs

At the end of Q2 2024, the Company recorded net finance costs of R\$ 50.4 million versus a net finance income of R\$ 29.4 million in Q2 2023, representing a reduction of R\$ 79.8 million year over year.

In H1 2024, the Company recorded net finance costs of R\$ 38.6 million versus a net finance income of R\$ 44.2 million in H1 2023, representing a reduction of R\$ 82.8 million year over year.

Finance income and costs (in BRL million)	Q2 2024 (a)	Q2 2023 (b)	Change (a-b)	H1 2024 (c)	H1 2023 (d)	Change (c-d)
Interest income on financial investments	10.6	28.3	(17.7)	20.7	51.0	(30.3)
Interest expense on loans and borrowings	(7.6)	(4.4)	(3.2)	(18.4)	(8.7)	(9.7)
Other interest income	0.2	2.3	(2.1)	0.7	7.4	(6.7)
Net interest income (expense) (i)	3.2	26.2	(23.0)	3.0	49.7	(46.7)
1. Exchange rate effects on accounts receivable/accounts payable (1.1. + 1.2.)	5.9	(15.6)	21.4	26.1	(30.9)	56.9
1.1. Exchange rate effects	25.6	(24.7)	50.3	46.7	(50.9)	97.6
1.2. FX hedge	(19.7)	9.2	(28.9)	(20.7)	20.1	(40.7)
2. Exchange rate effects on foreign exchange contracts (ACC) / export credit notes (NCE)	(83.0)	26.1	(109.1)	(83.4)	39.5	(123.0)
3. Other transactions	0.0	(1.9)	1.9	0.0	(3.2)	3.2
Net foreign exchange gains (losses) and gain (loss) on derivatives (ii) - (1+2+3)	(77.1)	8.7	(85.8)	(57.4)	5.5	(62.8)
Net monetary variation	24.9	(3.6)	28.5	17.9	(7.3)	25.2
Others	(1.4)	(1.8)	0.5	(2.1)	(3.6)	1.6
Net monetary variation + Others (iii)	23.5	(5.5)	28.9	15.8	(11.0)	26.7
Net finance income (costs) (i + ii + iii)	(50.4)	29.4	(79.8)	(38.6)	44.2	(82.8)

The balances of interest income on financial investments for 2023 include the impact of foreign exchange rates on bonds of the Argentine subsidiary, which was reclassified to the line item "1.1 Exchange rate effects" at December 31, 2023.

For comparison purposes, the table below highlights the changes in **green**:

Finance income and costs (in BRL million)	Q2 2024 (a)	Q2 2023 (b)	Change (a-b)	H1 2024 (c)	H1 2023 (d)	Change (c-d)
Interest income on financial investments	10.6	12.1	(1.5)	20.7	13.3	7.4
Interest expense on loans and borrowings	(7.6)	(4.4)	(3.2)	(18.4)	(8.7)	(9.7)
Other interest income	0.2	2.3	(2.1)	0.7	7.4	(6.7)
Net interest income (i)	3.2	10.0	(6.8)	3.0	12.0	(9.0)
1. Exchange rate effects on accounts receivable/accounts payable (1.1. + 1.2.)	5.9	0.6	5.2	26.1	6.9	19.2
1.1. Exchange rate effects	25.6	(8.5)	34.1	46.7	(13.2)	59.9
1.2. FX hedge ¹	(19.7)	9.2	(28.9)	(20.7)	20.1	(40.7)
2. Exchange rate effects on foreign exchange contracts (ACC) / export credit notes (NCE)	(83.0)	26.1	(109.1)	(83.4)	39.5	(123.0)
3. Other transactions	0.0	(1.9)	1.9	0.0	(3.2)	3.2
Net foreign exchange gains (losses) and gain (loss) on derivatives (ii) - (1+2+3)	(77.1)	24.8	(101.9)	(57.4)	43.2	(100.6)
Net monetary variation	24.9	(3.6)	28.5	17.9	(7.3)	25.2
Others	(1.4)	(1.8)	0.5	(2.1)	(3.6)	1.6
Net monetary variation + Others (iii)	23.5	(5.5)	28.9	15.8	(11.0)	26.7
Net finance income (costs) (i + ii + iii)	(50.4)	29.4	(79.8)	(38.6)	44.2	(82.8)

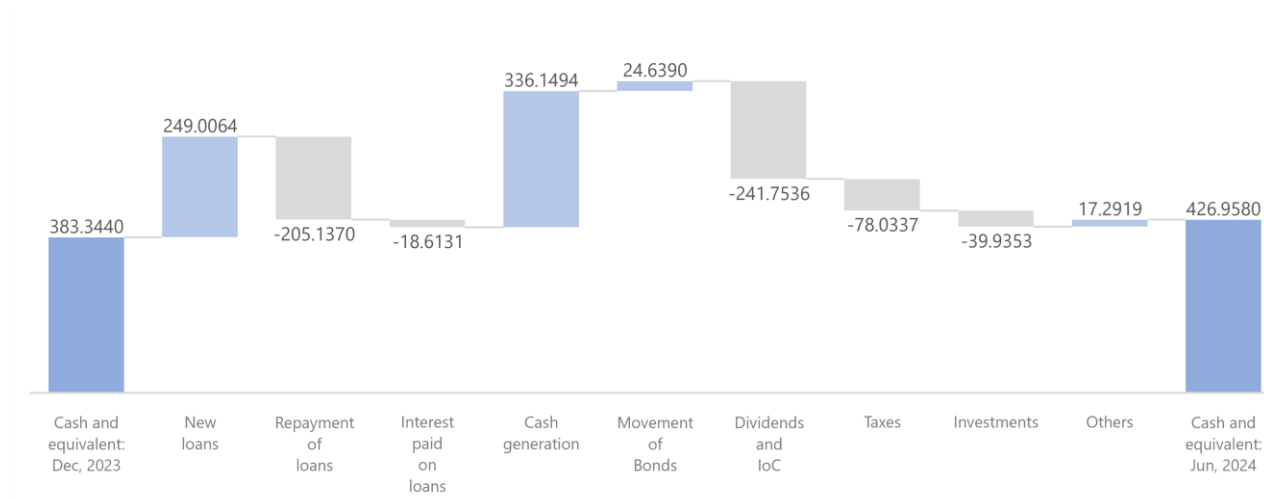
The amounts in the line item "2. Exchange rate effects on foreign exchange contracts (ACC) / export credit notes (NCE)" refer to the impact of foreign exchange rates on foreign currency-denominated loans. It should be considered that the Brazilian real (BRL) has depreciated by 10.3% against the euro in Q2 2024, where the EUR-BRL exchange rate was 5.3979 at March 31, 2024 and 5.9547 at June 30, 2024. Additionally, the average volume of loans has increased from

R\$ 451.7 million in Q2 2023 to R\$ 963.5 million in Q2 2024 (R\$ 430.3 million in H1 2023 to R\$ 914.1 million in H1 2024), as follows:

Interest rate and volume (average)	Q2 2024 (a)	Q2 2023 (b)	Change (a-b)	H1 2024 (c)	H1 2023 (d)	Change (c-d)
Interest rate of financial investments	10.6%	17.2%	-6.6%	11.0%	23.7%	-12.7%
Cost of debt	5.2%	4.7%	0.4%	5.1%	4.5%	0.6%
Financial investments – average (in BRL million)	191.1	190.0	0.6%	199.7	249.8	-20.1%
Debt – average (in BRL million)	(963.5)	(451.7)	213.3%	(914.1)	(430.3)	112.5%

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It is also important to note that the loans taken in October 2023 and May 2024 were based on the volume of future exports, which mature in 2024, 2026 and 2027, as shown in item 4.15. of this report. Therefore, the exchange rate depreciation of loans did not have any impact on cash generation, as shown below:



4.12. Income tax and social contribution

The Company recorded an income tax and social contribution expense of R\$ 134.0 million at June 30, 2024 in the consolidated financial statements (expense of R\$ 128.5 million at June 30, 2023), as follows:

- Current tax: R\$ 104.4 million expense incurred principally by the parent company (expense of R\$ 120.8 million at June 30, 2023);
- Deferred tax: R\$ 29.6 million expense with no impact on cash, comprising principally changes in provisions (expense of R\$ 7.7 million at June 30, 2023).

Additional information on income tax and social contribution is presented in Note 11 to the Interim Financial Statements for the period ended June 30, 2024.

4.13. Net profit and adjusted net profit

Summary of income statement (in BRL million, except percentages)	Q2 2024			Q2 2023			H1 2024			H1 2023		
	(a)		(b)	(a/b)	(c)		(d)	(c/d)				
Net operating revenue	1,068.9	100.0%	1,120.7	100.0%	-4.6%	2,089.6	100.0%	2,142.9	100.0%	-2.5%		
Net profit attributable to owners of the parent	88.6	8.3%	193.1	17.2%	-54.1%	288.9	13.8%	379.1	17.7%	-23.8%		
Income tax and social contribution (adjustments)	2.7		-			2.7		-				
Reversal of provision for loss on receivables from Limeira city government	(37.3)		-			(37.3)		-				
Provision for environmental liability	29.4		-			29.4		-				
Adjusted net profit attributable to owners of the parent	83.4	7.8%	193.1	17.2%	-56.8%	283.7	13.6%	379.1	17.7%	-25.2%		

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4.14. Capital expenditures

The table below shows capital expenditures and total accumulated depreciation for H1 2024 and H1 2023:

Capital expenditure and depreciation (in BRL million, except percentages)	H1 2024 (a)	H1 2023 (b)	(a/b)
Capital expenditure	29.1	22.0	32.3%
Total depreciation	44.7	44.7	-
Capital expenditure: % of net sales revenue	1.4%	1.0%	+0.4 p.p.
Capital expenditure: % of depreciation	65.1%	49.1%	+16.0 p.p.
Net sales revenue	2,089.6	2,142.9	-2.5%

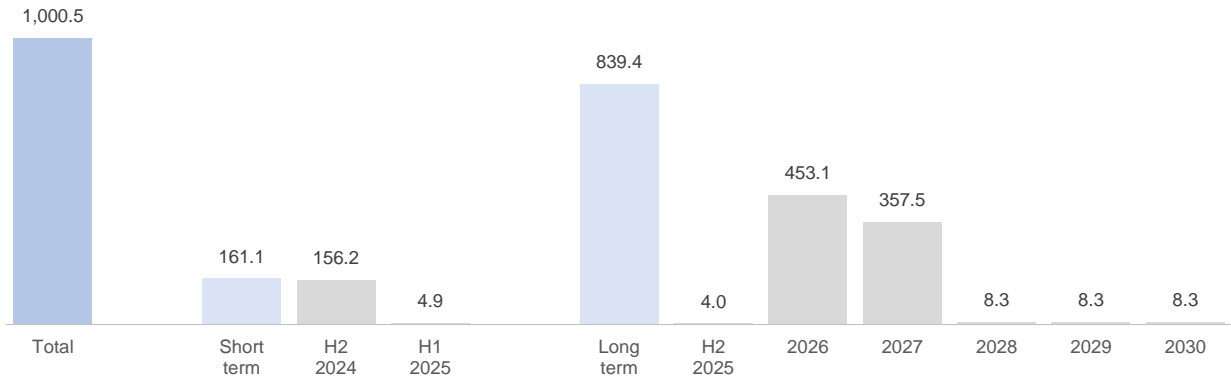
In H1 2024, we invested in equipment for research and development, new machinery and equipment to increase productivity and quality, new products, building improvements, information technology, among others.

4.15. Net financial position

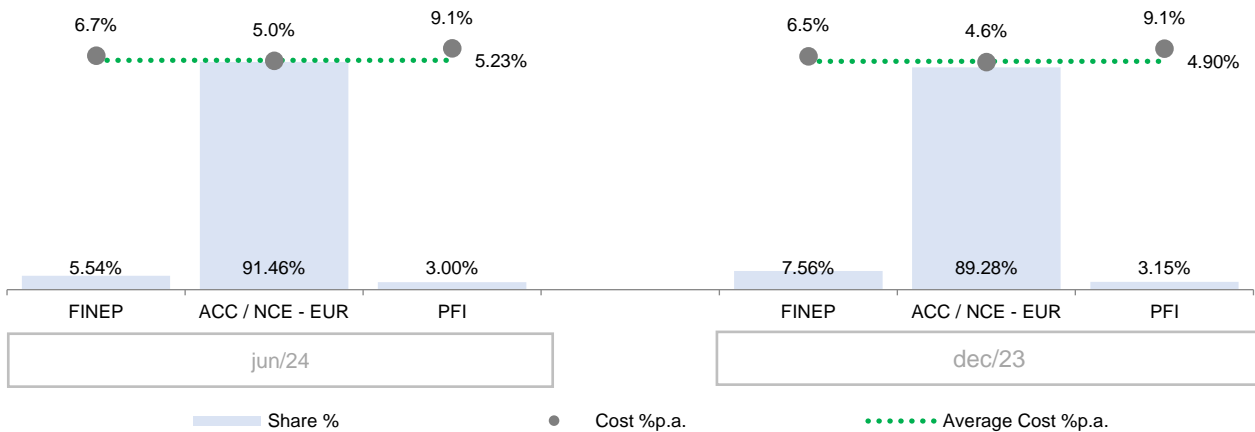
At the end of H1 2024, the Company's net debt was R\$ 573.5 million while, at the end of 2023, net debt was R\$ 467.9 million, representing an increase of 22.6% in net debt, as shown below:

Net financial position (in BRL million)	June 30, 2024 (a)	December 31, 2023 (b)	Change (a-b)
Cash / bank balances / financial investments / loans (i):	427.0	383.3	43.7
Borrowings (ii):	(1,000.5) 100.0%	(851.2) 100.0%	(149.3)
<i>Short-term</i>	(161.1) 16.1%	(314.7) 37.0%	153.6
<i>Long-term</i>	(839.4) 83.9%	(536.5) 63.0%	(302.9)
Net financial position (i - ii):	(573.5)	(467.9)	(105.6)
Net debt / EBITDA	0.63x	0.51x	

At the end of H1 2024, the maturities of borrowings classified into short-term and long-term represent 16.1% and 83.9%, respectively, of borrowings shown in the table below:



Shown below is the detailed breakdown of borrowings at June 30, 2024 and December 31, 2023 by facility with respective costs and weighted average cost:



4.16. Subsidiary MAHLE Argentina S.A.

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

Reconciliation of adjustments (in BRL million)	Q2 2024	Q2 2023	H1 2024	H1 2023
Gain on net monetary position of investment – subsidiary	50.6	57.7	149.5	104.6
Loss on net monetary position of subsidiary MAHLE Argentina S.A.	-44.7	-30.9	-77.8	-46.6
Gain on net monetary position in the consolidated income statement	5.8	26.8	71.7	58.0

For the purposes of translation of the financial statements of the subsidiary in Argentina from the functional currency of the subsidiary (ARS) to the presentation currency of the Parent company MAHLE Metal Leve (BRL), the effects of the translation of the financial statements are recognized as “cumulative translation adjustments” in other comprehensive income in equity.

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

4.17. Distribution of dividends to shareholders

At the Extraordinary and Ordinary General Meeting held on April 29, 2024, the shareholders approved the distribution of additional dividends of R\$ 221.3 million, which is the remaining balance relating to fiscal year 2023, as follows:

Date of approval and record	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)
April 29, 2024	April 30, 2024	May 29, 2024	Dividends	Proposed additional dividends	2023	221.3	1.632	1.632

This amount plus dividends approved in 2023 represent the distribution of 100.0% of profit for the year (after legal deductions).

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

5. MAHLE Metal Leve is qualified for green mobility incentives under the National Green Mobility and Innovation Program (“MOVER”)

The National Green Mobility and Innovation Program (“MOVER”) was created in December 2023 and regulated in March 2024, replacing the prior program “Rota 2023”. The Program aims to promote sustainable mobility in the country by offering financial and tax incentives to encourage the development of less polluting and more efficient technologies and innovations. Companies that are taxed under the actual profit regime, manufacture products in the country, and have expenditures on research and development in the country can benefit from the Program.

MAHLE Metal Leve collaborated actively in the creation of this public policy and was one of the companies authorized to participate in the Program in April 2024, shortly after the program’s regulation, once all requirements have been met.

MOVER establishes mandatory requirements for the automotive industry, where vehicles sold must comply with energy efficiency criteria, vehicle safety, recyclability, use of low-carbon fuels and nationalization rate, requiring local suppliers to develop new vehicle technologies, which can lead to the development of the local market.

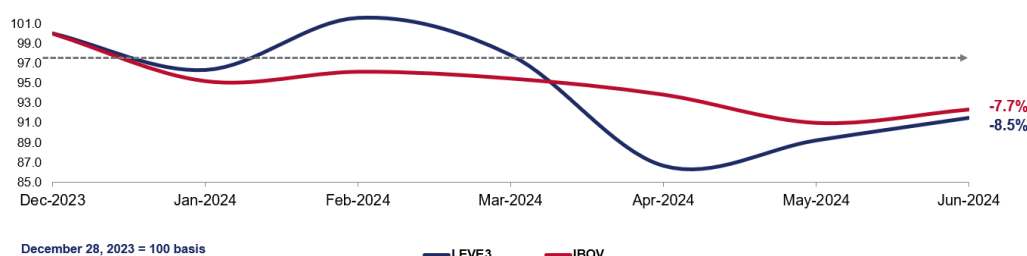
Through its research and development center and its portfolio of products focused on energy efficiency and emissions reduction, MAHLE Metal Leve is ready to meet the market demands and seize the opportunities opened up by MOVER.

6. Investor Relations and Capital Market

During the first half of 2024, our IR department maintained open and frequent communication with investors and the general market. In addition, it works to deliver accurate and timely information to investors about the Company's fundamentals.

6.1. MAHLE Metal Leve stock performance and free float

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

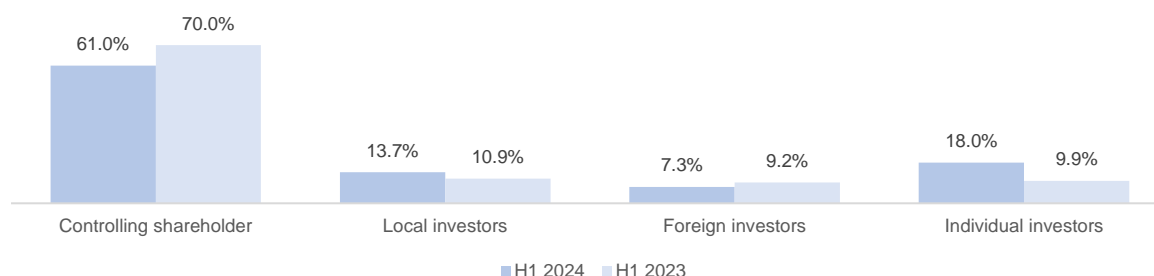


¹ IBOVESPA is a major market index which tracks the performance of the most liquid stocks traded on Brazil's Stock Exchange B3 - Brasil, Bolsa, Balcão.

Average Daily Trading Volume (in BRL million) and Free Float Market Cap				
Period:	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Trading volume:	13.7	29.5	19.9	13.1
Free float market cap:	0.76%	1.55%	1.09%	0.76%

6.2. Ownership structure

At the end of Q2 2024 and Q2 2023, the Company's ownership structure by investor category is as follows:



The following table classifies shareholders by number of shares:

Period	¹ Share price	² Total shareholders	1 share	2-10 shares	11-50 shares	51-500 shares	501-5000 shares	5,001-200,000 shares	> 200,001 shares
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
Q1 2024	34.57	87,217	6,497	19,421	21,053	32,570	7,076	565	33
Q2 2024	32.34	98,869	7,283	22,138	23,729	36,823	8,222	644	28

¹ Price of MAHLE Metal Leve S.A. share at the end of the period.

² Total shareholders include controlling shareholders MAHLE Indústria e Comércio Ltda. and MAHLE Industriebeteiligungen GmbH.

7. Independent Auditors

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

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

8. Executive Board's Declaration

In compliance with the provisions of CVM Resolution 80/22, the Executive Board hereby declares that it has discussed, reviewed and agrees with the financial statements for the period ended June 30, 2024 and with the conclusions expressed in the independent auditor's report.

9. Acknowledgements

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

The Management Board.

The consolidated financial statements, including notes to the consolidated financial statements, and the independent auditor's report issued by Ernst & Young Auditores Independentes S/S Ltda are available on the CVM's website (<https://www.gov.br/cvm/pt-br>) and on B3's website (https://www.b3.com.br/pt_br/). You also may access this information on our Investor Relations website at <https://ri.mahle.com.br/informacoes-financeiras/central-de-resultados/> or using this QR Code.



A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly Information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil, the International Financial Reporting Standards – IFRS and rules of the CVM.

Independent auditor's review report on quarterly information

The Shareholders, Board of Directors and Officers
MAHLE Metal Leve S.A.
Mogi Guaçu - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of MAHLE Metal Leve S.A. (the "Company"), contained in the Quarterly Information Form (ITR), for the quarter ended June 30, 2024, comprising the balance sheet as of June 30, 2024 and the respective statements of income and of comprehensive income for the three and six-month periods then ended, and of changes in shareholders' equity and of cash flows for the six-month period then ended, and notes, including material accounting policies and other explanatory information.

Responsibilities of management for the interim financial information

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with NBC TG 21 *Demonstração Intermediária* and IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR) and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added (SVA) for the six-month period ended June 30, 2024, prepared under the responsibility of the Company's management, and presented as supplementary information for IAS 34 purposes. These statements have been subject to review procedures performed in conjunction with the review of quarterly information to conclude that they are reconciled with interim financial information and accounting records, as applicable, and if their form and content are consistent with the criteria defined in NBC TG 09 Statement of Added Value. Based on our review, we are not aware of any fact that leads us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria established in the Technical Pronouncement and is consistent with respect to the individual and consolidated interim financial information taken as whole.

Campinas, August 13, 2024.

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

Alexandre Fermino Alvares
Contador CRC-SP211793/O

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

**Individual and Consolidated
Interim Financial Statement as of June
30, 2024 and for the three and six-month
periods then ended**

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Individual and Consolidated Interim Financial Statement
as of June 30, 2024 and for the three and six-month periods then ended

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MAHLE Metal Leve S.A.**Balance sheet****at June 30, 2024 and December 31, 2023***All amounts in thousands of reais**(A free translation of the original in Portuguese)*

Assets	Note	Parent Company		Consolidated	
		06.30.2024	12.31.2023	06.30.2024	12.31.2023
Cash and cash equivalents	6.a	217,088	177,136	238,372	200,328
Marketable securities	6.b	-	-	177,527	152,888
Trade and related-party receivables	7	707,037	563,507	763,474	627,754
Inventories	8	459,284	413,461	649,384	519,262
Other taxes recoverable	9	51,140	66,638	73,915	84,308
Income tax and social contribution recoverable	9	47,264	44,495	61,929	50,389
Derivative financial instruments	29	8,265	11,663	8,720	13,533
Other assets		19,535	15,741	45,755	24,529
Total current assets		1,509,613	1,292,641	2,019,076	1,672,991
Other taxes recoverable	9	10,327	11,307	10,498	11,524
Loans to related parties	10	28,042	23,895	11,059	30,128
Judicial deposits linked to judicial proceedings	21	24,599	24,360	24,799	24,557
Deferred tax assets	11.b	17,460	15,247	18,240	28,576
Other assets		89,442	27,655	90,860	28,988
Investments in subsidiaries	12	362,794	283,269	-	-
Property, plant and equipment	13	507,919	526,592	592,314	574,163
Right-of-use assets	13	30,980	38,474	32,386	39,744
Intangible assets	14	389,568	390,226	389,596	390,254
Total non-current assets		1,461,131	1,341,025	1,169,752	1,127,934
Total assets		2,970,744	2,633,666	3,188,828	2,800,925

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

MAHLE Metal Leve S.A.
Balance sheet (continuing)
at June 30, 2024 and December 31, 2023

All amounts in thousands of reais

(A free translation of the original in Portuguese)

Liabilities	Note	Parent Company		Consolidated	
		06.30.2024	12.31.2023	06.30.2024	12.31.2023
Dividends and interest on capital payable	10	2,328	22,817	2,328	22,817
Trade and related-party payables	15	332,856	268,091	444,034	353,781
Borrowings	16.a	131,116	287,833	161,130	314,665
Lease liabilities	16.b	10,057	11,860	11,074	13,554
Salaries, vacation pay and social charges	17	132,287	103,805	146,774	111,071
Taxes and contributions payable	18	50,925	59,428	53,075	62,327
Income tax and social contribution payable	18	6,029	-	27,539	27,965
Sundry provision	19	65,739	69,177	72,018	71,252
Provisions for warranties	20	10,728	7,292	11,400	7,780
Derivative financial instruments	29	13,578	4,728	13,578	4,728
Advance from customers		24,495	22,023	24,495	25,874
Other liabilities		34,901	41,410	38,914	43,448
Total current liabilities		815,039	898,464	1,006,359	1,059,262
Deferred tax liabilities	11.b	-	-	18,823	-
Borrowings	16.a	839,421	536,491	839,421	536,491
Lease liabilities	16.b	23,756	28,822	24,291	29,288
Provisions for legal and administrative proceedings	21	286,801	244,412	292,087	248,088
Other liabilities		12,137	15,098	12,143	15,078
Total non-current liabilities		1,162,115	824,823	1,186,765	828,945
Total liabilities		1,977,154	1,723,287	2,193,124	1,888,207
Equity	22				
Share capital		1,162,174	1,162,174	1,162,174	1,162,174
Profit reserves		230,663	230,663	230,663	230,663
Other comprehensive income		(688,558)	(703,723)	(688,558)	(703,723)
Proposed additional dividends		-	221,265	-	221,265
Retained earnings		289,311	-	289,311	-
Equity attributable to the owners of the parent		993,590	910,379	993,590	910,379
Non-controlling interests		-	-	2,114	2,339
Total equity		993,590	910,379	995,704	912,718
Total liabilities and equity		2,970,744	2,633,666	3,188,828	2,800,925

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

MAHLE Metal Leve S.A.
Statement of income
Quarters and Periods ended June 30, 2024 and 2023
All amounts in thousands of reais, unless otherwise indicated
(A free translation of the original in Portuguese)

	Note	Parent Company			
		2024		2023	
		2Q2024	1H2024	2Q2023	1H2023
Net revenue	24	861,592	1,703,009	887,054	1,715,807
Cost of sales and services	25	(588,221)	(1,172,489)	(633,608)	(1,224,220)
Gross profit		273,371	530,520	253,446	491,587
Selling expenses and distribution	26.1	(57,528)	(111,720)	(67,006)	(128,636)
General and administrative expenses	26.2	(35,210)	(66,985)	(27,981)	(54,132)
Technology and product research and development expenses	26.3	(13,709)	(25,439)	(13,353)	(24,463)
Other operating income and expenses, net	28	(3,939)	(8,841)	(2,421)	1,111
Gain on net monetary position of foreign subsidiary	32	50,168	148,338	57,231	103,759
Equity in the results of subsidiaries	12	(18,879)	(10,311)	33,545	67,531
Profit before finance income (expenses) and income tax and social contribution		194,274	455,562	233,461	456,757
Finance income	27	111,312	130,812	32,705	65,271
Financial expenses	27	(181,887)	(216,315)	(19,903)	(40,773)
Finance income (expenses), net		(70,575)	(85,503)	12,802	24,498
Profit before income tax and social contribution		123,699	370,059	246,263	481,255
Current	11.a	(28,024)	(82,566)	(60,268)	(103,985)
Deferred	11.a	(7,007)	1,511	6,967	1,770
Income tax and social contribution		(35,031)	(81,055)	(53,301)	(102,215)
Profit for the period		88,668	289,004	192,962	379,040
Basic and diluted earnings per share (in reais)	23	0.6542	2.1323	1.5039	2.9541

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

MAHLE Metal Leve S.A.
Statement of income
Quarters and Periods ended June 30, 2024 and 2023
All amounts in thousands of reais
(A free translation of the original in Portuguese)

	Note	Consolidated			
		2024		2023	
		2Q2024	1H2024	2Q2023	1H2023
Net revenue	24	1,068,843	2,089,553	1,120,797	2,142,948
Cost of sales and services	25	(742,498)	(1,445,451)	(781,530)	(1,485,689)
Gross profit		326,345	644,102	339,267	657,259
Selling expenses and distribution	26.1	(76,055)	(147,293)	(87,551)	(163,143)
General and administrative expenses	26.2	(40,191)	(75,259)	(32,040)	(61,221)
Technology and product research and development expenses	26.3	(15,939)	(29,409)	(14,396)	(27,312)
Other operating income and expenses, net	28	(1,462)	(2,455)	(3,632)	(399)
Gain on net monetary position of foreign subsidiary	32	5,834	71,700	26,767	58,031
Profit before finance income (expenses) and income tax and social contribution		198,532	461,386	228,415	463,215
Finance income	27	173,382	242,654	90,115	172,568
Financial expenses	27	(223,774)	(281,233)	(60,761)	(128,384)
Finance income (expenses), net		(50,392)	(38,579)	29,354	44,184
Profit before income tax and social contribution		148,140	422,807	257,769	507,399
Current	11.a	(31,734)	(104,375)	(69,283)	(120,820)
Deferred	11.a	(27,895)	(29,653)	4,428	(7,719)
Income tax and social contribution		(59,629)	(134,028)	(64,855)	(128,539)
Profit for the period		88,511	288,779	192,914	378,860
Profit attributable to					
Owners of the parent		88,668	289,004	192,962	379,040
Non-controlling interests		(157)	(225)	(48)	(180)
Profit for the period		88,511	288,779	192,914	378,860
Basic and diluted earnings per share (in reais)	23	0.6542	2.1323	1.5039	2.9541

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

MAHLE Metal Leve S.A.
**Statement of comprehensive income
Quarters and periods ended June 30, 2024 and 2023**
All amounts in thousands of reais
(A free translation of the original in Portuguese)

	Note	Parent Company			
		2024		2023	
		2Q2024	1H2024	2Q2023	1H2023
Profit for the period		88,668	289,004	192,962	379,040
Comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Change in cash flow hedge, net		(3,811)	(2,066)	1,734	5,338
Income tax and social contribution on cash flow hedge	11.b ii	1,296	702	(589)	(1,815)
Cumulative translation adjustments		21,124	16,836	(73,286)	(123,912)
Other comprehensive income		18,609	15,472	(72,141)	(120,389)
Total comprehensive income for the period, net of income tax and social contribution		107,277	304,476	120,821	258,651

The accompanying notes are an integral part of these interim financial statements.
MAHLE Metal Leve S.A.
**Statement of comprehensive income
Quarters and periods ended June 30, 2024 and 2023**
All amounts in thousands of reais
(A free translation of the original in Portuguese)

	Note	Consolidated			
		2024		2023	
		2Q2023	1H2024	2Q2023	1H2023
Profit for the period		88,511	288,779	192,914	378,860
Comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Change in cash flow hedge, net		(3,811)	(2,066)	1,734	5,338
Income tax and social contribution on cash flow hedge	11.b ii	1,296	702	(589)	(1,815)
Cumulative translation adjustments		21,124	16,836	(73,286)	(123,912)
Other comprehensive income		18,609	15,472	(72,141)	(120,389)
Total comprehensive income for the period, net of income tax and social contribution		107,120	304,251	120,773	258,471
Comprehensive income attributable to:					
Owners of the parent		107,277	304,476	120,821	258,651
Non-controlling interests		(157)	(225)	(48)	(180)
Total comprehensive income		107,120	304,251	120,773	258,471

The accompanying notes are an integral part of these interim financial statements.

MAHLE Metal Leve S.A.

Statement of changes in equity

Period ended June 30, 2024

All amounts in thousands of reais

(A free translation of the original in Portuguese)

Note	Attributable to owners of the parent													Total equity
	Profit reserves						Other comprehensive income			Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests		
	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	
At December 31, 2023	1,168,709	(6,535)	230,663	-	-	221,265	451,928	35,360	(739,083)	(703,723)	-	910,379	2,339	912,718
Equity transactions with shareholders														
Profit for the period	-	-	-	-	-	-	-	-	-	-	289,004	289,004	(225)	288,779
Other comprehensive income	22.c													
Cumulative translation adjustments	-	-	-	-	-	-	-	-	16,836	16,836	-	16,836	-	16,836
Financial instrument adjustments	-	-	-	-	-	-	-	(2,066)	-	(2,066)	-	(2,066)	-	(2,066)
Taxes on financial instrument adjustments	-	-	-	-	-	-	-	702	-	702	-	702	-	702
Realization of deemed cost, net	-	-	-	-	-	-	-	(307)	-	(307)	307	-	-	-
Transactions with shareholders and creation of reserves														
Proposed additional dividends	22.b	-	-	-	-	(221,265)	(221,265)	-	-	-	-	(221,265)	-	(221,265)
At June 30, 2024	1,168,709	(6,535)	230,663	-	-	-	230,663	33,689	(722,247)	(688,558)	289,311	993,590	2,114	995,704

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

MAHLE Metal Leve S.A.

Statement of changes in equity

Period ended June 30, 2023

All amounts in thousands of reais

(A free translation of the original in Portuguese)

Note	Attributable to owners of the parent										Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Profit reserves					Other comprehensive income								
	Share capital	Legal reserve	Reserve for expansion and modernization	Proposed additional dividends	Total	Carrying value adjustments	Cumulative translation adjustments	Total						
At December 31, 2022	966,255	193,251	331,789	419,703	944,743	34,187	(358,546)	(324,359)	-	1,586,639	(6,882)	1,579,757		
Equity transactions with shareholders														
Prescribed dividends and interest on capital	-	-	-	-	-	-	-	-	54	54	-	54		
Transactions with subsidiary - MAHLE Filtróil Ind. Com. de Filtrós Ltda.	-	-	-	-	-	-	-	-	-	-	9,687	9,687		
Profit for the period	-	-	-	-	-	-	-	-	379,040	379,040	(180)	378,860		
Other comprehensive income	22.c													
Cumulative translation adjustments	-	-	-	-	-	-	(123,912)	(123,912)	-	(123,912)	-	(123,912)		
Financial instrument adjustments	-	-	-	-	-	5,338	-	5,338	-	5,338	-	5,338		
Taxes on financial instrument adjustments	-	-	-	-	-	(1,815)	-	(1,815)	-	(1,815)	-	(1,815)		
Realization of deemed cost, net	-	-	-	-	-	(222)	-	(222)	222	-	-	-		
Transactions with shareholders and creation of reserves														
Payment of proposed additional dividends	22.b	-	-	(419,703)	(419,703)	-	-	-	-	(419,703)	-	(419,703)		
At June 30, 2023	966,255	193,251	331,789	-	525,040	37,488	(482,458)	(444,970)	379,316	1,425,641	2,625	1,428,266		

anying notes are an integral part of these individual and consolidated interim financial statements.

MAHLE Metal Leve S.A.
Statement of cash flows
Periods ended June 30, 2024 and 2023
All amounts in thousands of reais
(A free translation of the original in Portuguese)

	Note	Parent Company		Consolidated	
		06.30.2024	06.30.2023	06.30.2024	06.30.2023
Cash flows from operating activities					
Profit before income tax and social contribution		370,059	481,255	422,807	507,399
Adjustments for:					
Depreciation and amortization		50,111	49,534	50,777	51,048
Equity in the results of subsidiaries	12	10,311	(67,531)	-	-
Interest and foreign exchange and monetary variations, net		121,850	5,728	140,713	(51,037)
Unrealized (losses) gains on derivative financial instruments		10,181	(2,800)	11,596	(2,754)
Results on disposal of property, plant and equipment		137	(1,701)	137	(2,188)
Recognition of provision for impairment of trade receivables		(155)	1,167	(848)	967
Reversal of provision for legal and administrative proceedings	21	39,871	(1,205)	40,446	(1,086)
Recognition of provisions for warranties	20	4,167	2,047	4,298	1,845
Recognition of sundry provision	19	35,509	27,187	40,210	29,411
Reversal of provision for impairment of property, plant and equipment and intangible assets		(746)	(359)	(746)	(359)
Recognition of provision for inventory loss	8	445	2,764	6,421	8,347
Interest expense on lease liability	16.b	2,340	2,508	2,356	2,604
Gains on net monetary position of foreign subsidiary	32	(148,338)	(103,759)	(71,700)	(58,031)
Recognized tax credit		-	(11,682)	-	(11,705)
(Increase) decrease in assets					
Trade and related-party receivables		(143,520)	(36,367)	(135,709)	(89,582)
Inventories		(45,928)	(87,813)	(136,996)	(65,881)
Taxes recoverable		14,342	123,271	(26,016)	115,331
Other assets		(65,738)	(19,193)	(83,259)	(32,237)
Increase (decrease) in liabilities					
Trade and related-party payables		75,636	59,452	101,120	63,845
Salaries, vacation pay and social charges		28,482	33,037	35,703	31,783
Taxes and contributions payable		(8,503)	(12,473)	(7,855)	(17,146)
Other liabilities		(54,834)	(48,594)	(57,304)	(61,993)
Cash provided by operating activities		295,678	394,473	336,150	418,581
Income tax and social contribution paid		(74,917)	(77,485)	(78,034)	(81,205)
Net cash provided by operating activities		220,762	316,988	258,117	337,376
Cash flows from investing activities					
Dividends and interest on capital received from subsidiaries	10 and 12	72,815	115,439	-	-
Loans granted to related parties		-	(2,750)	(299,869)	(317,268)
Loan repayment from related parties		-	-	325,496	391,041
Additions to property, plant and equipment	13	(35,076)	(21,856)	(39,923)	(24,312)
Additions to intangible assets	14	(12)	(92)	(12)	(92)
Acquisition of marketable securities		-	-	(37,959)	(101,490)
Settlement of securities		-	-	54,153	17,150
Proceeds from sale of property, plant and equipment		-	1,971	-	2,459
Net cash provide by (used in) investing activities		37,727	92,712	1,886	(32,512)
Cash flows from financing activities					
Proceeds from borrowings	16.a	218,276	100,000	249,006	104,066
Repayment of principal of borrowings	16.a	(173,084)	(48,538)	(205,137)	(52,756)
Repayment of interest on borrowings	16.a	(17,052)	(8,393)	(18,613)	(8,631)
Repayment of the principal and interest on the lease liability	16.b	(7,950)	(8,235)	(8,900)	(8,929)
Dividends and interest on capital paid	10	(241,754)	(544,194)	(241,754)	(544,194)
Loans from related parties		-	-	-	164,630
Loan repayments to related parties		-	-	-	(149,090)
Net cash used in financing activities		(221,564)	(509,360)	(225,398)	(494,904)
Effect of foreign exchange variation on cash and cash equivalents		3,027	(2,430)	3,439	(32,306)
Increase (reduction) in cash and cash equivalents, net		39,952	(102,090)	38,044	(222,346)
Represented by:					
Cash and cash equivalents at the beginning of the period		177,136	279,104	200,328	427,406
Cash and cash equivalents at the end of the period	6.a	217,088	177,014	238,372	205,060
Increase (reduction) in cash and cash equivalents, net		39,952	(102,090)	38,044	(222,346)

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

MAHLE Metal Leve S.A.**Statement of value added**

Periods ended June 30, 2024 and 2023

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent Company		Consolidated	
	06.30.2024	06.30.2023	06.30.2024	06.30.2023
Gross revenue	2,276,849	2,189,451	2,602,879	2,579,849
Sales of goods, products and services	2,131,193	2,127,414	2,517,737	2,551,282
Other operating income	145,502	62,739	84,294	29,257
Provision for impairment of trade receivables	154	(702)	848	(690)
Inputs acquired from third parties	(1,019,792)	(1,122,577)	(1,306,190)	(1,391,049)
(Includes amounts of taxes: ICMS, IPI, PIS and COFINS)				
Cost of sales and services	(524,596)	(634,361)	(746,427)	(869,774)
Materials, energy, outsourced services and other	(495,557)	(485,843)	(555,882)	(519,023)
Impairment/recovery of assets	361	(2,373)	(3,881)	(2,252)
Gross value added	1,257,057	1,066,874	1,296,689	1,188,800
Depreciation and amortization	(50,111)	(49,534)	(50,777)	(51,048)
Net value added generated by the company	1,206,946	1,017,340	1,245,912	1,137,752
Value added received through transfer	120,501	132,802	242,653	172,568
Equity in the results of subsidiaries	(10,311)	67,531	-	-
Finance income	130,812	65,271	242,653	172,568
Total value added to distribute	1,327,447	1,150,142	1,488,565	1,310,320
Distribution of value added	1,327,447	1,150,142	1,488,565	1,310,320
Personnel and charges	374,703	337,121	410,232	368,938
Taxes and contributions	430,481	382,184	486,460	409,039
Capital providers	233,259	51,797	303,094	153,483
Interest	20,092	10,612	22,411	13,533
Rentals	17,614	12,115	18,346	12,884
Foreign exchange, monetary and other variations	195,553	29,070	262,337	127,066
Shareholders	289,004	379,040	288,779	378,860
Retained earnings	289,004	379,040	289,004	379,040
Share of non-controlling interests of retained earnings	-	-	(225)	(180)

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

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 (*in thousand of reais*), unless otherwise indicated.

1. Operations

General information

MAHLE Metal Leve S.A. (the “Company” or “Group”) is an entity domiciled in Brazil. The registered address of the Company's head office is Ernst Mahle Avenue, number 2000, Zip Code 13.846.146, Mogi Guaçu, São Paulo. The Company's Consolidated (Consolidated) and Individual (Parent Company) financial statements for the years ended June 30, 2024, and 2023 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 is the listing segment with the highest standards of corporate governance.

2. Entities of the Company

Subsidiaries	Country	Ownership percentage (%)			
		06.30.2024		12.31.2023	
		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	-	100	-
MAHLE Metal Leve GmbH	Austria	100	-	100	-
MAHLE Hirschvogel Forjas S.A.	Brazil	51	-	51	-

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 *(in thousand of reais), unless otherwise indicated.*

3. Basis of preparation

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

The individual and consolidated interim financial statements of the Company have been prepared in accordance with IAS 34/CPC 21 (R1) *Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”) and the Brazilian Accounting Pronouncements Committee (“CPC”), respectively, and disclose the same information as that used by management in running the business.

In addition, the quarterly information does not include all annual financial statement requirements in accordance with IAS 1/CPC 26 (R1) *Presentation of Financial Statements* and, therefore, it should be read together with the parent company and consolidated financial statements of MAHLE Metal Leve S.A. on December 31, 2023.

The preparation of interim financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s material accounting policies. The assumptions and judgments made by management relating to the use of estimates applied in these quarterly financial statements are consistent with those applied in the financial statements for the year ended December 31, 2023 authorized for issue by the Board of Directors on March 5, 2024, per Note 5 of the financial statements for the year ended December 31, 2023.

The issuance of the individual and consolidated interim financial statements was authorized by the Company’s Board of Directors on August 13, 2024.

4. Material accounting policies

These individual and consolidated interim financial statements have been prepared under the same material accounting policies as described and disclosed in Note 8 to the financial statements for the year ended December 31, 2023.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 *(in thousand of reais), unless otherwise indicated.*

5. Segment reporting

1) Information of reportable segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. The Group identifies its operating segments based on the reports regularly used by the chief operating decision maker to make strategic operational decisions. The measurement of the reported information is consistent with the statement of income.

There was no change in the segment structure presented in the financial statements on December 31, 2023.

	Consolidated					
	2Q2024			2Q2023		
	Engine components	Filters	Consolidated	Engine components	Filters	Consolidated
Revenue of the reportable segment	941,661	127,182	1,068,843	1,001,892	118,905	1,120,797
Cost of sales and services (*)	(648,540)	(93,958)	(742,498)	(691,313)	(90,217)	(781,530)
Gross profit	293,121	33,224	326,345	310,579	28,688	339,267
Selling expenses and distribution (*)	(66,317)	(9,738)	(76,055)	(76,961)	(10,590)	(87,551)
General and administrative expenses (*)	(37,359)	(2,832)	(40,191)	(30,831)	(1,209)	(32,040)
Technology and product research and development expenses (*)	(11,785)	(4,154)	(15,939)	(11,012)	(3,384)	(14,396)
Other operating income and expenses, net	(4,351)	2,889	(1,462)	(3,760)	128	(3,632)
Gain on net monetary position of foreign subsidiary	4,313	1,521	5,834	26,922	(155)	26,767
Profit before finance income (expenses) and income tax and social contribution	177,622	20,910	198,532	214,937	13,478	228,415
Finance income	164,487	8,895	173,382	87,014	3,101	90,115
Finance expenses	(215,740)	(8,034)	(223,774)	(56,337)	(4,424)	(60,761)
Finance income (expenses), net	(51,253)	861	(50,392)	30,677	(1,323)	29,354
Result by reportable segment before income tax and social contribution	126,369	21,771	148,140	245,614	12,155	257,769
Depreciation/amortization values are included in the functional lines above (*)						
Depreciation and amortization	(22,737)	(2,734)	(25,471)	(23,221)	(2,443)	(25,664)

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 *(in thousand of reais), unless otherwise indicated.*

	Consolidated					
	06.30.2024			06.30.2023		
	Engine components	Filters	Consolidated	Engine components	Filters	Consolidated
Revenue of the reportable segment	1,829,591	259,962	2,089,553	1,912,019	230,929	2,142,948
Cost of sales and services (*)	(1,255,243)	(190,208)	(1,445,451)	(1,310,674)	(175,015)	(1,485,689)
Gross profit	574,348	69,754	644,102	601,345	55,914	657,259
Selling expenses and distribution (*)	(128,857)	(18,436)	(147,293)	(143,056)	(20,087)	(163,143)
General and administrative expenses (*)	(70,290)	(4,969)	(75,259)	(58,104)	(3,117)	(61,221)
Technology and product research and development expenses (*)	(21,840)	(7,569)	(29,409)	(20,935)	(6,377)	(27,312)
Other operating income and expenses, net	(5,205)	2,750	(2,455)	(847)	448	(399)
Gain on net monetary position of foreign subsidiary	67,589	4,111	71,700	56,385	1,646	58,031
Profit before finance income (expenses) and income tax and social contribution	415,745	45,641	461,386	434,788	28,427	463,215
Finance income	228,906	13,748	242,654	166,164	6,404	172,568
Finance expenses	(269,845)	(11,388)	(281,233)	(119,154)	(9,230)	(128,384)
Finance income (expenses), net	(40,939)	2,360	(38,579)	47,010	(2,826)	44,184
Result by reportable segment before income tax and social contribution	374,806	48,001	422,807	481,798	25,601	507,399
Income tax and social contribution	(117,698)	(16,330)	(134,028)	(119,812)	(8,727)	(128,539)
Profit for the period	257,108	31,671	288,779	361,986	16,874	378,860
Non-controlling interests	225	-	225	180	-	180
Profit for the period	257,333	31,671	289,004	362,166	16,874	379,040
Depreciation/amation values are included in the functional lines above (*)						
Depreciation and amortization	(45,303)	(5,474)	(50,777)	(46,373)	(4,675)	(51,048)

Revenue of the reportable segment comprises revenue from the sale of products and services, where most of the service revenue is in engine components segment.

	Consolidated					
	06.30.2024			12.31.2023		
	Engine components	Filters	Consolidated	Engine components	Filters	Consolidated
Assets of reportable segments	2,922,623	266,205	3,188,828	2,604,826	196,099	2,800,925

	Consolidated					
	06.30.2024			06.30.2023		
	Engine components	Filters	Consolidated	Engine components	Filters	Consolidated
Capital expenditures	19,948	9,116	29,064	17,671	4,344	22,015

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 (in thousand of reais), unless otherwise indicated.

2) Net operating revenue by Country

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

	Consolidated							
	2Q2024	%	1H2024	%	2Q2023	%	1H2023	%
Domestic market (Brazil and Argentina)	684,123	64.0%	1,323,236	63.3%	701,268	62.6%	1,343,447	62.7%
Brasil	590,824	55.3%	1,131,745	54.2%	553,593	49.4%	1,075,728	50.2%
Argentina	93,300	8.7%	191,491	9.2%	147,675	13.2%	267,719	12.5%
Foreign market	384,720	36.0%	766,317	36.7%	419,529	37.4%	799,501	37.3%
USA	113,075	10.6%	203,376	9.7%	97,965	8.7%	187,452	8.7%
Germany	49,650	4.6%	94,375	4.5%	42,947	3.8%	82,307	3.8%
Mexico	26,837	2.5%	70,918	3.4%	53,062	4.7%	103,258	4.8%
Sweden	24,025	2.2%	48,663	2.3%	23,376	2.1%	46,960	2.2%
Spain	20,113	1.9%	42,030	2.0%	26,112	2.3%	47,782	2.2%
Italy	18,168	1.7%	45,015	2.2%	26,582	2.4%	51,323	2.4%
Portugal	9,881	0.9%	18,136	0.9%	10,982	1.0%	22,857	1.1%
Austria	9,778	0.9%	19,314	0.9%	10,785	1.0%	21,653	1.0%
France	9,357	0.9%	18,997	0.9%	12,865	1.1%	26,340	1.2%
Others	103,836	9.7%	205,493	9.8%	114,853	10.2%	209,569	9.8%
Total	1,068,843	100.0%	2,089,553	100.0%	1,120,797	100.0%	2,142,948	100.0%

6. Cash and cash equivalents and marketable securities

a) Cash and cash equivalents

	Parent Company		Consolidated	
	06.30.2024	12.31.2023	06.30.2024	12.31.2023
BRL	2,504	1,429	2,856	3,926
ARS (expressed in BRL)	-	-	10,308	6,040
USD (expressed in BRL)	34,602	2,950	34,602	2,950
EUR (expressed in BRL)	24,442	1,523	25,495	1,469
Cash and demand deposits	61,548	5,902	73,261	14,385
BRL	146,483	163,589	150,996	168,056
ARS (expressed in BRL)	-	-	1,391	7,298
USD (expressed in BRL)	2,224	2,179	2,224	2,179
Financial investments	148,707	165,768	154,611	177,533
BRL	6,833	5,466	6,833	5,466
ARS (expressed em BRL)	-	-	3,663	2,941
USD (expressed em BRL)	-	-	4	3
Cash in transit	6,833	5,466	10,500	8,410
Total	217,088	177,136	238,372	200,328

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

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated interim financial statements

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Financial investments (cash equivalents) primarily include:

- BRL – Certificates of bank deposit (CDBs) and resale agreements- these investments accrue interest, on average, at 100.3% p.a. (100.5% p.a. on December 31, 2023) of the CDI and are held only with Brazilian top-tier banks.
- ARS – Certificates of bank deposits (CDBs) – are fixed-income investments with a maturity of thirty (30) days and average interest rate of 35% per annum based on the interest rate of fixed-term deposit (BADLAR) (110% per annum at December 31, 2023).
- USD - Certificate of deposits and Time deposits – These investments accrue interest, on average, at 3.30% p.a. (5.16% p.a. on December 31, 2023), are short-term and have original maturities of less than three months.

Cash in transit refers to cash receipts from customers with the respective settlement 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	
	06.30.2024	12.31.2023	06.30.2024	12.31.2023
USD (expressed em BRL)	-	-	177,527	152,888
Marketable securities	-	-	177,527	152,888

- USD – investments in debentures with average interest rate of 1.51% per annum + foreign exchange rate changes (5.16 % p.a. on December 31, 2023). These securities are traded in the Argentine market from low-risk companies with a rating equal to or higher than AA by Fitch Ratings. These securities are used as collateral since they are indexed to the U.S. dollar for future payment abroad, and the Central Bank of Argentina has imposed several restrictions on payments abroad.

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

Interest earned on these transactions is included in finance income.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 (in thousand of reais), unless otherwise indicated.

7. Trade and related-party receivables

	Parent Company		Consolidated	
	06.30.2024	12.31.2023	06.30.2024	12.31.2023
Market				
Domestic	425,342	377,881	425,342	377,889
Foreign	94,368	65,548	238,526	172,778
	519,710	443,429	663,868	550,667
Other accounts receivable	4,566	2,979	4,566	2,980
Provision for impairment of trade receivables	(6,657)	(6,667)	(17,227)	(17,238)
	517,619	439,741	651,207	536,409
Related parties (Note 10)	189,418	123,766	112,267	91,345
Total	707,037	563,507	763,474	627,754

The Group's exposure to credit and currency risks relating to trade receivables is disclosed in Note 29.

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	
	06.30.2024	12.31.2023	06.30.2024	12.31.2023
Not yet due	482,469	420,993	606,199	506,470
Past due:				
Up to 7 days	13,559	3,089	18,239	9,507
From 8 to 30 days	11,852	7,090	15,470	10,419
From 31 to 60 days	5,170	5,242	8,473	8,013
From 61 to 90 days	3,548	2,253	4,084	3,278
From 91 to 120 days	678	1,223	639	2,749
From 121 to 180 days	1,042	960	2,139	6,247
From 181 to 360 days	2,090	1,944	9,182	3,197
Over 360 days	3,868	3,614	4,009	3,767
(-) Provision for impairment of trade receivables	(6,657)	(6,667)	(17,227)	(17,238)
Total past due deducted provision	35,150	18,748	45,008	29,939
Total of trade receivables	517,619	439,741	651,207	536,409

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 (in thousand of reais), unless otherwise indicated.

In the table above which shows the provision for impairment of trade receivables (past due over 120 days), the amounts of returns of goods and advances from customers are excluded so as to reflect the economic substance of the potential loss.

On June 30, 2024, trade receivables of the Parent Company in the amount of R\$ 35,150 (December 31, 2023 - R\$ 18,748) and Consolidated trade receivables in the amount of R\$ 45,008 (December 31, 2023 - R\$ 29,939) were past due but not impaired. These balances related to certain customers in the original equipment and aftermarket markets without any recent history of default, nor is expected any losses on the realization of such credits.

No provision for expected credit losses has been recognized for related parties, since are assessed as lower credit risk.

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

	Parent Company	Consolidated
At December 31, 2023	(6,667)	(17,238)
Receivables provided for in the period	(4,528)	(8,236)
Receivables reversed in the period	4,683	9,084
Receivables written off definitively	62	68
Foreign exchange variation / Effect of the currency translation	(207)	(905)
At June 30, 2024	(6,657)	(17,227)

8. Inventories

	Parent Company		Consolidated	
	06.30.2024	12.31.2023	06.30.2024	12.31.2023
Finished products	180,653	175,266	315,640	256,705
Work in progress	146,951	128,863	163,860	134,749
Raw materials	87,589	80,306	101,835	86,252
Auxiliary materials	10,523	8,618	15,424	10,471
Imports in transit	33,568	20,408	52,625	31,085
Total	459,284	413,461	649,384	519,262

On June 30, 2024, inventories are presented net of the provision for losses, which represent losses to products with a negative margin, tooling, quality issues, out-of-specification materials, obsolescence and slow-moving items in the amount of R\$ 51,019 (R\$ 50,633 on December 31, 2023) in the Parent Company and R\$ 69,785 (R\$ 62,653 on December 31, 2023) in the Consolidated financial statements.

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Explanatory notes to the individual and consolidated interim financial statements

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Changes in the provision for inventory losses are as follows:

	Parent Company	Consolidated
At December 31, 2023	(50,633)	(62,653)
Reversal of provision	6,168	13,986
Recognition of provision	(6,613)	(20,407)
Inventory written off definitively as loss	59	59
Effect of the currency translation	-	(770)
At June 30, 2024	(51,019)	(69,785)

9. Income tax and social contribution recoverable and other taxes recoverable

	Parent Company		Consolidated	
	06.30.2024	12.31.2023	06.30.2024	12.31.2023
Income tax and social contribution	47,264	44,495	61,929	50,389
Income tax and social contribution recoverable	47,264	44,495	61,929	50,389
COFINS (i)	17,517	23,528	17,517	23,528
ICMS and Excise Tax (IPI)	18,655	25,695	18,745	25,743
Value-added Tax on Sales and Services (ICMS) on purchases of fixed assets	6,242	6,408	6,242	6,408
Import Tax	4,342	5,349	4,342	5,349
PIS (i)	4,258	5,533	4,258	5,533
Export incentive - Argentina	-	-	6,493	5,488
I.V.A. (Argentina) (iii)	-	-	13,943	10,027
Other	126	125	2,375	2,232
Taxes recoverable	51,140	66,638	73,915	84,308
Current	98,404	111,133	135,844	134,697
PIS and COFINS	-	-	171	217
Value-added Tax on Sales and Services (ICMS) on purchases of fixed assets (ii)	10,327	11,307	10,327	11,307
Non-current	10,327	11,307	10,498	11,524

(i) In June 2024, it refers to the tax credit arising from the exclusion of ICMS from the PIS and COFINS tax base in the amount of R\$ 12,294, which is expected to be utilized within 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 interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 *(in thousand 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 was allowed as from March 2024. The change in the period is primarily due to the increase in operations and in cost of domestic items purchased (local inflation) and imported items (depreciation of the peso to the US dollar).

Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 (in thousand of reais), unless otherwise indicated.

10. Related parties

(a) Transactions with Related parties

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

	Parent Company								
	Balances at 06.30.2024				Transactions from 01.01.2024 to 06.30.2024				
	Current assets		Non-current assets	Current liabilities		Sales/revenue		Purchases	
	Receivables (Note 7)	Payment term in days (***)	Loan	Suppliers (Note 15)	Payment term in days (***)	Products	Other	Products	Other
Companies									
Subsidiaries									
Direct subsidiaries									
MAHLE Argentina S.A.	77,209	60	28,042	100	60	55,493	1,413	88	-
MAHLE Metal Leve GmbH	65,071	60	-	-	-	240,554	8	-	-
Sub-total Direct subsidiaries	142,280		28,042	100		296,047	1,421	88	-
Related companies									
MAHLE Engine Components USA, Inc.	6,990	60	-	5,456	60	12,816	-	13,171	1,318
MAHLE Behr Gerenciamento Térmico Brasil Ltda.	5,859	60	-	7,990	60	1,487	10,518	20,895	927
MAHLE Industriebeteiligungen GmbH	5,561	60	-	-	-	-	-	-	-
MAHLE Aftermarket GmbH	5,277	60	-	7,090	60	8,464	2,068	1,816	5,593
MAHLE Compressores do Brasil Ltda.	3,570	60	-	16,429	60	1,543	5,615	29,049	-
MAHLE Aftermarket Inc.	3,054	60	-	117	60	2,808	792	33	165
MAHLE International GmbH	2,798	60	-	18,604	60	-	6,332	-	26,363
MAHLE Filter Systems USA	2,759	60	-	-	-	-	8,695	-	-
MAHLE Filtersysteme Austria GmbH	2,367	60	-	232	60	3,060	-	714	-
MAHLE Componentes de Motores S.A.	2,066	60	-	-	-	3,345	7	62	-
MAHLE Engine Components Slovakia s.r.o.	1,965	60	-	2	60	3,804	-	1	2
MAHLE Indústria e Comércio Ltda.	1,189	60	-	2,250	60	1	2,114	1,056	5,157 (**)
MAHLE Componenti Motori Italia S.p.A.	843	60	-	109	60	4,035	-	-	-
MAHLE Engine Components India Priv. Ltd.	685	60	-	-	-	1,376	-	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	501	60	-	-	-	650	-	-	-
MAHLE Engine Components (Yingkou) Co., Ltd.	402	60	-	-	-	1,447	-	-	-
MAHLE Aftermarket S. de R.L. de C.V.	395	60	-	-	-	9,234	-	-	-
MAHLE GmbH	367	60	-	26,022	60	493	158	697	21,969 (*)
MAHLE Engine Components (Chongqing) Co., Ltd.	195	60	-	-	-	950	-	-	-
MAHLE Trading Japan Co., Ltd.	125	60	-	132	60	-	117	129	-
MAHLE France SAS	81	60	-	-	-	286	-	-	-
MAHLE Aftermarket South Africa (PTY)	80	60	-	-	-	287	-	-	-
MAHLE Industriemotoren-Komponenten GmbH	35	60	-	-	-	156	-	-	-
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	31	60	-	-	-	87	-	-	-
MAHLE Electric Drives Slovenija d.o.o.	8	60	-	556	60	-	16	1,446	-
MAHLE Motorsports Inc	6	60	-	-	-	5	-	-	-
MAHLE Industries, Inc.	4	60	-	3,289	60	10	-	-	595
MAHLE Anand Filter Systems Private Limited	2	60	-	-	-	29	-	-	-
MAHLE Engine Systems UK Ltd.	-	-	-	3,943	60	(1)	-	4,149	-
MAHLE Filtersysteme GmbH	-	-	-	2,318	60	-	-	-	2,318
MAHLE Aftermarket Pte. Ltd.	-	-	-	1,564	60	-	-	3,192	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	1,316	60	-	-	92	613
Mahle Automotive Technologies (China) Co., Ltd	-	-	-	734	60	-	-	-	734
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	471	60	-	-	597	-
MAHLE Polska Sp. z o.o.	-	-	-	460	60	-	-	361	69
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	338	60	-	-	515	-
MAHLE Engine Components Japan Corporation	-	-	-	246	60	65	-	-	31
MAHLE Holding (China) Co., Ltd.	-	-	-	165	60	-	-	-	314
MAHLE Filter Systems Japan Corporation	-	-	-	118	60	-	-	80	-
MAHLE France SARL	-	-	-	25	60	-	-	-	-
MAHLE Componente de Motor SRL	-	-	-	16	60	-	-	40	-
MAHLE Filter Systems Philippines Corporation	-	-	-	11	60	-	-	5	-
MAHLE Blechtechnologie GmbH	-	-	-	5	60	-	-	-	5
MAHLE Japan Ltd.	-	-	-	3	60	-	-	-	6
MAHLE Holding (India) Private Limited	-	-	-	3	60	-	-	-	1
MAHLE S.A.U.	-	-	-	3	60	-	-	-	-
MAHLE Aftermarket Italy S.p.A.	-	-	-	2	60	-	-	787	2
MAHLE Aftermarket Ltd.	-	-	-	2	60	-	-	-	2
MAHLE Motor Parcalari San. Izmir A.S.	-	-	-	-	-	2,168	-	539	-
MAHLE Componentes de Motor de Mexico, S. de R.L. de C.V.	(77)	60	-	464	60	1,638	33	5,172	-
Other	-	-	-	-	-	-	-	-	1
Total related companies	47,138		-	100,485		60,243	36,465	84,598	66,185
Total related parties	189,418		28,042	100,585		356,290	37,886	84,686	66,185

* Brand license of R\$ 7,485

** Rent of R\$ 5,157

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

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	Parent Company									
	Balances at 12.31.2023					Transactions from 01.01.2023 to 06.30.2023				
	Current assets		Non-current assets	Current liabilities			Sales/revenue		Purchases	
	Receivables (Note 7)	Payment term in days (***)	Loan	Suppliers (Note 15)	Payment term in days (***)	Dividends and interest on capital payable	Products	Other	Products	Other
Companies										
Subsidiaries										
Direct subsidiaries										
MAHLE Metal Leve GmbH	49,988	60	-	-	-	-	286,775	27	-	-
MAHLE Argentina S.A.	38,239	60	23,895	40	60	-	69,488	1,628	285	-
MAHLE Hirschvogel Forjas S.A.	8	60	-	-	-	-	-	23	-	-
MAHLE Filtroil Indústria e Comércio de Filtros Ltda.	-	-	-	-	-	-	-	156	-	-
Sub-total Direct subsidiaries	88,235		23,895	40		-	356,263	1,834	285	-
Related companies										
MAHLE Aftermarket S. de R.L. de C.V.	5,932	60	-	-	-	-	3,640	-	469	-
MAHLE Engine Components USA, Inc.	4,433	60	-	2,800	60	-	11,022	17	4,085	1,081
MAHLE Aftermarket GmbH	4,322	60	-	13,419	60	-	6,240	1,478	2,749	4,667
MAHLE International GmbH	3,257	60	-	10,276	60	-	-	4,505	-	26,463
MAHLE Behr Gerenciamento Técnico Brasil Ltda.	3,161	60	-	5,672	60	-	2,023	10,940	23,790	566
MAHLE Filter Systems USA	2,777	60	-	-	-	-	411	1,724	-	-
MAHLE Polska Sp. z o.o.	2,149	60	-	503	60	-	5	1,382	153	-
MAHLE Compressores do Brasil Ltda.	1,684	60	-	6,678	60	-	1,122	5,858	14,970	-
MAHLE Componentes de Motor de Mexico, S. de R.L. de C.V.	1,403	60	-	3,509	60	-	1,754	39	9,432	265
MAHLE GmbH	1,151	60	-	16,185	60	-	163	302	573	21,374 (*)
MAHLE Componentes de Motores S.A.	871	60	-	8	60	-	1,032	28	113	33
MAHLE Motor Parcalari San. Izmir A.S.	861	60	-	-	-	-	1,794	-	249	-
MAHLE Componenti Motori Italia S.p.A.	750	60	-	98	60	-	3,822	-	-	-
MAHLE Engine Components Slovakia s.r.o.	739	60	-	-	-	-	4,475	-	-	-
MAHLE Ventiltrieb GmbH	383	60	-	-	-	-	751	-	-	-
MAHLE Indústria e Comércio Ltda.	377	60	-	1,844	60	11,002	-	1,976	1,697	5,327 (**)
MAHLE Engine Components (Yingkou) Co., Ltd.	278	60	-	-	-	-	1,432	-	-	-
MAHLE Engine Components India Priv. Ltd.	265	60	-	-	-	-	624	-	-	-
MAHLE Aftermarket Inc.	188	60	-	42	60	-	2,476	377	246	60
Mahle Industriemotoren-Komponenten GmbH	175	60	-	-	-	-	208	-	-	-
MAHLE Engine Components (Chongqing) Co., Ltd.	169	60	-	-	-	-	875	-	-	-
MAHLE Trading Japan Co., Ltd.	111	60	-	-	-	-	-	105	-	-
MAHLE France SAS	46	60	-	-	-	-	65	-	-	-
MAHLE Anand Filter Systems Private Limited	29	60	-	-	-	-	68	-	-	-
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	19	60	-	-	-	-	447	-	-	-
MAHLE Holding (China) Co., Ltd.	1	60	-	128	60	-	-	-	-	292
MAHLE Engine Systems UK Ltd.	-	-	-	3,002	60	-	172	325	5,230	-
MAHLE Industries, Inc.	-	-	-	2,346	60	-	-	4	-	1,335
MAHLE Filtersysteme GmbH	-	-	-	1,733	60	-	-	-	-	1,122
MAHLE Aftermarket Italy S.p.A.	-	-	-	707	60	-	-	-	547	11
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	673	60	-	-	-	471	-
MAHLE Electric Drives Slovenija d.o.o.	-	-	-	569	60	-	-	59	1,200	-
MAHLE Engine Components Japan Corporation	-	-	-	213	60	-	140	-	-	48
MAHLE Japan Ltd.	-	-	-	137	60	-	-	1	-	198
MAHLE Filtersysteme Austria GmbH	-	-	-	137	60	-	-	-	682	-
MAHLE Automotive Technologies (China) Co., Ltd	-	-	-	72	60	-	-	-	-	433
MAHLE Aftermarket Pte. Ltd.	-	-	-	64	60	-	-	-	3,917	-
MAHLE Filter Systems Japan Corporation	-	-	-	26	60	-	-	-	177	-
MAHLE France SARL	-	-	-	22	60	-	-	-	-	-
MAHLE S.A.U.	-	-	-	10	60	-	-	-	-	-
MAHLE Filter Systems Philippines Corporation	-	-	-	5	60	-	-	-	20	-
MAHLE Filter Systems Canada, ULC	-	-	-	5	60	-	-	-	-	-
MAHLE Componente de Motor SRL	-	-	-	5	60	-	-	-	58	-
MAHLE Compressors Hungary Kft.	-	-	-	4	60	-	-	-	-	-
MAHLE Holding (India) Private Limited	-	-	-	2	60	-	-	-	-	-
MAHLE Engineering Services India Private Limited	-	-	-	2	60	-	-	-	-	-
MAHLE Sistemas de Filtracion de Mexico S.A. de C.V.	-	-	-	-	-	-	433	-	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	-	-	-	-	-	-	1,040	-	-	-
MAHLE Aftermarket South Africa (PTY)	-	-	-	-	-	-	859	-	-	-
Mahle Engine Comp. Australia Pty Ltd.	-	-	-	-	-	-	332	-	-	-
MAHLE Powertrain Ltd.	-	-	-	-	-	-	13	-	-	-
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	-	-	-	-	-	1,354	-
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	-	-	-	-	-	1,511	-
MAHLE Aftermarket Ltd.	-	-	-	-	-	-	-	-	-	7
MAHLE Industriebeteiligungen GmbH	-	-	-	-	-	814	-	-	-	-
Other	-	-	-	-	-	-	-	-	80	-
Total related companies	35,531		-	70,896		11,816	47,438	29,120	73,773	63,282
Total related parties	123,766		23,895	70,936		11,816	403,701	30,954	74,058	63,282

* Brand license of R\$ 7,911

** Rent of R\$ 5,327

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

Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 (in thousand of reais), unless otherwise indicated.

	Consolidated								
	Balances at 06.30.2024				Transactions from 01.01.2024 to 06.30.2024				
	Current assets		Non-current assets	Current liabilities		Sales/revenue		Purchases	
	Receivables (Note 7)	Payment term in days (***)	Loan	Suppliers (Note 15)	Payment term in days (***)	Products	Other	Products	Other
Empresas									
Related companies									
MAHLE Aftermarket GmbH	18,949	60	-	17,265	60	41,257	2,068	10,001	5,593
MAHLE Componentes de Motor de Mexico, S. de R.L. de C.V.	17,749	60	-	464	60	9,350	33	5,172	-
MAHLE Componenti Motori Italia S.p.A.	12,071	60	-	109	60	46,467	-	-	-
MAHLE Componentes de Motores S.A.	7,638	60	-	-	-	18,614	7	62	-
MAHLE Engine Components USA, Inc.	6,990	60	-	8,669	60	57,620	-	13,171	1,986
MAHLE Behr Gerenciamento Térmico Brasil Ltda.	6,186	60	-	12,511	60	1,631	10,518	22,752	927
MAHLE Industriebeteiligungen GmbH	5,561	60	-	-	-	-	-	-	-
MAHLE France SAS	5,200	60	-	-	-	16,571	-	-	-
MAHLE Aftermarket S. de R.L. de C.V.	4,959	60	-	-	-	19,589	-	-	-
MAHLE Compressores do Brasil Ltda.	3,571	60	-	16,429	60	1,543	5,615	29,049	-
MAHLE Aftermarket Inc.	3,217	60	-	117	60	2,963	792	33	165
MAHLE International GmbH	2,839	60	-	35,297	60	-	6,331	-	29,756
MAHLE Filter Systems USA	2,759	60	-	-	-	-	8,695	-	-
MAHLE Engine Components Slovakia s.r.o.	2,492	60	-	2	60	4,450	-	1	2
MAHLE Filtersysteme Austria GmbH	2,367	60	-	322	60	3,060	-	714	243
MAHLE Motor Parcalari San. Izmir A.S.	1,705	60	-	-	-	7,686	-	539	-
MAHLE Industriemotoren-Komponenten GmbH	1,271	60	-	-	-	4,312	-	-	-
MAHLE GmbH	1,198	60	-	30,343	60	1,623	158	697	23,669 (*)
MAHLE Indústria e Comércio Ltda.	1,189	60	-	2,250	60	1	2,114	1,056	5,157 (**)
MAHLE Polska Sp. z o.o.	999	60	-	460	60	3,052	-	784	69
MAHLE Engine Components India Priv. Ltd.	964	60	-	-	-	2,640	-	-	-
Mahle Engine Comp. Australia Pty Ltd.	528	60	-	-	-	-	-	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	501	60	-	-	-	650	-	-	-
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	477	60	-	53	60	1,516	-	-	99
MAHLE Engine Components (Yingkou) Co., Ltd.	402	60	-	-	-	1,447	-	-	-
MAHLE Engine Components (Chongqing) Co., Ltd.	195	60	-	-	-	949	-	-	-
MAHLE Trading Japan Co., Ltd.	125	60	-	132	60	-	117	129	-
MAHLE Aftermarket South Africa (PTY)	80	60	-	-	-	286	-	-	-
MAHLE Powertrain, LLC	63	60	-	-	-	-	-	-	-
MAHLE Electric Drives Slovenija d.o.o.	8	60	-	1,497	60	-	16	2,306	-
MAHLE Motorsports Inc	6	60	-	-	-	5	-	-	-
MAHLE Industries, Inc.	4	60	-	4,293	60	10	-	-	2,295
MAHLE Anand Filter Systems Private Limited	2	60	-	-	-	29	-	-	-
MAHLE Ventiltrieb GmbH	2	60	-	13	60	2	-	12	-
MAHLE Engine Systems UK Ltd.	-	-	-	3,943	60	(1)	-	4,149	-
MAHLE Shared Services Poland Spółka z o.o.	-	-	-	2,496	60	-	-	-	-
MAHLE Filtersysteme GmbH	-	-	-	2,318	60	-	-	-	2,318
MAHLE Engine Components USA, Inc.	-	-	-	1,867	60	-	-	-	-
MAHLE Aftermarket Pte. Ltd.	-	-	-	1,564	60	-	-	3,192	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	1,316	60	-	-	92	613
Mahle Automotive Technologies (China) Co., Ltd	-	-	-	734	60	-	-	-	734
MAHLE Aftermarket Italy S.p.A.	-	-	-	522	60	-	-	1,789	2
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	471	60	-	-	597	-
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	338	60	-	-	515	-
MAHLE Engine Components Japan Corporation	-	-	-	246	60	65	-	-	31
MAHLE Holding (China) Co., Ltd.	-	-	-	165	60	-	-	-	314
MAHLE Filter Systems Japan Corporation	-	-	-	118	60	-	-	80	-
MAHLE Holding Austria GmbH	-	-	11,059	37	60	-	-	-	-
MAHLE France SARL	-	-	-	25	60	-	-	-	-
MAHLE Componente de Motor SRL	-	-	-	16	60	-	-	40	-
MAHLE Filter Systems Philippines Corporation	-	-	-	11	60	-	-	5	-
Mahle Blechtechnologie GmbH	-	-	-	5	60	-	-	-	5
MAHLE Japan Ltd.	-	-	-	3	60	-	-	-	6
MAHLE Holding (India) Private Limited	-	-	-	3	60	-	-	-	1
MAHLE S.A.U.	-	-	-	3	60	-	-	-	-
MAHLE Aftermarket Ltd.	-	-	-	2	60	-	-	-	2
MAHLE Engine Components (Thailand) Co., Ltd.	-	-	-	-	-	1,939	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total related companies	112,267		11,059	146,429		249,326	36,464	96,937	73,987
Total related parties	112,267		11,059	146,429		249,326	36,464	96,937	73,987

* Brand license of R\$ 8,572

** Rent of R\$ 5,157

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

Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 (in thousand of reais), unless otherwise indicated.

	Consolidated									
	Balances at 12.31.2023					Transactions from 01.01.2023 to 06.30.2023				
	Current assets		Non-current assets	Current liabilities		Sales/revenue		Purchases		
	Receivables (Note 7)	Payment term in days (***)	Loan	Suppliers (Note 15)	Payment term in days (***)	Dividends and interest on capital payable	Products	Other	Products	Other
Empresas										
Related companies										
MAHLE Componentes de Motor de Mexico, S. de R.L. de C.V.	16,110	60	-	3,509	60	-	52,036	39	9,433	265
MAHLE Aftermarket GmbH	13,591	60	-	18,261	60	-	36,237	1,478	12,349	4,667
MAHLE Aftermarket S. de R.L. de C.V.	11,076	60	-	-	-	-	10,785	-	469	-
MAHLE Engine Components USA, Inc.	8,016	60	-	4,786	60	-	22,698	17	4,085	1,289
MAHLE France SAS	6,269	60	-	-	-	-	19,920	-	-	-
MAHLE Componentes de Motores S.A.	5,025	60	-	8	60	-	21,916	28	113	33
MAHLE Behr Gerenciamento Técnico Brasil Ltda.	3,424	60	-	10,497	60	-	2,685	10,940	29,913	566
MAHLE GmbH	3,414	60	-	23,144	60	-	6,653	302	572	23,017 (*)
MAHLE Componenti Motori Italia S.p.A.	3,371	60	-	98	60	-	49,073	-	-	-
MAHLE Intemational GmbH	3,334	60	-	22,393	60	-	-	4,697	-	28,290
MAHLE Filter Systems USA	2,985	60	-	-	-	-	411	1,724	-	-
MAHLE Polska Sp. z o.o.	2,599	60	-	503	60	-	1,458	-	299	-
MAHLE Aftermarket Inc.	2,486	60	-	42	60	-	4,445	377	246	60
MAHLE Compressores do Brasil Ltda.	1,684	60	-	6,678	60	-	1,122	5,858	14,970	-
MAHLE Motor Parcalari San. Izmir A.S.	1,401	60	-	-	-	-	6,035	-	249	-
Mahle Industrietorenen-Komponenten GmbH	1,363	60	-	-	-	-	4,125	-	-	-
MAHLE Engine Components (Thailand) Co., Ltd.	1,059	60	-	4	60	-	3,527	-	-	-
MAHLE Electronics S.L.U.	1,033	60	-	-	-	-	-	-	-	-
MAHLE Engine Components Slovakia s.r.o.	789	60	-	-	-	-	4,759	-	-	-
MAHLE Engine Components India Priv. Ltd.	502	60	-	786	60	-	1,505	-	-	-
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	405	60	-	45	60	-	1,865	-	-	249
MAHLE Ventiltrieb GmbH	383	60	-	-	-	-	751	-	-	-
MAHLE Indústria e Comércio Ltda.	377	60	-	1,844	60	11,002	149	1,976	1,809	5,327 (**)
MAHLE Engine Components (Yingkou) Co., Ltd.	278	60	-	-	-	-	1,432	-	-	-
MAHLE Engine Components (Chongqing) Co., Ltd.	169	60	-	-	-	-	875	-	-	-
MAHLE Trading Japan Co., Ltd.	111	60	-	-	-	-	-	105	-	-
MAHLE Powertrain, LLC	61	60	-	-	-	-	-	-	-	-
MAHLE Anand Filter Systems Private Limited	29	60	-	-	-	-	68	-	-	-
MAHLE Holding (China) Co., Ltd.	1	60	-	128	60	-	-	-	-	292
MAHLE Industries, Inc.	-	-	-	3,050	60	-	-	4	-	2,872
MAHLE Engine Systems UK Ltd.	-	-	-	3,002	60	-	172	325	5,230	-
MAHLE Filtersysteme GmbH	-	-	-	1,733	60	-	-	-	-	1,122
MAHLE Engine Components USA, Inc.	-	-	-	1,398	60	-	-	-	-	136
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	847	60	-	-	-	-	-
MAHLE Aftermarket Italy S.p.A.	-	-	-	814	60	-	-	-	547	11
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	673	60	-	-	-	471	-
MAHLE Electric Drives Slovenija d.o.o.	-	-	-	569	60	-	-	59	1,559	-
MAHLE Engine Components Japan Corporation	-	-	-	213	60	-	140	-	-	48
MAHLE Filtersysteme Austria GmbH	-	-	-	184	60	-	-	-	682	146
MAHLE Japan Ltd.	-	-	-	137	60	-	-	1	-	197
MAHLE Automotive Technologies (China) Co., Ltd	-	-	-	72	60	-	-	-	-	433
MAHLE Aftermarket Pte. Ltd.	-	-	-	64	60	-	-	-	3,918	-
MAHLE Holding Austria GmbH	-	-	30,128	29	60	-	-	-	-	-
MAHLE Filter Systems Japan Corporation	-	-	-	26	60	-	-	-	177	-
MAHLE France SARL	-	-	-	22	60	-	-	-	-	-
MAHLE S.A.U.	-	-	-	10	60	-	-	-	-	-
MAHLE Filter Systems Philippines Corporation	-	-	-	5	60	-	-	-	20	-
MAHLE Filter Systems Canada, ULC	-	-	-	5	60	-	-	-	-	-
MAHLE Componente de Motor SRL	-	-	-	5	60	-	-	-	58	-
MAHLE Compressors Hungary Kft.	-	-	-	4	60	-	-	-	-	-
MAHLE Holding (India) Private Limited	-	-	-	2	60	-	-	-	-	-
MAHLE Engineering Services India Private Limited	-	-	-	2	60	-	-	-	-	-
MAHLE Motorsports Inc	-	-	-	-	-	-	-	-	-	-
MAHLE India Pistons Ltd.	-	-	-	-	-	-	-	-	-	-
MAHLE Sistemas de Filtracion de Mexico S.A. de C.V.	-	-	-	-	-	-	433	-	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	-	-	-	-	-	-	1,040	-	-	-
MAHLE Aftermarket South Africa (PTY)	-	-	-	-	-	-	859	-	-	-
Mahle Engine Comp. Australia Pty Ltd.	-	-	-	-	-	-	332	-	-	-
MAHLE Powertrain Ltd.	-	-	-	-	-	-	13	-	-	-
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	-	-	-	-	-	1,354	-
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	-	-	-	-	-	1,511	-
MAHLE Aftermarket Ltd.	-	-	-	-	-	-	-	-	-	7
MAHLE Industriebeteiligungen GmbH	-	-	-	-	-	814	-	-	-	-
Others	-	-	-	-	-	-	-	-	80	-
Total related companies	91,345		30,128	105,592		11,816	257,519	27,930	90,114	69,027
Total related parties	91,345		30,128	105,592		11,816	257,519	27,930	90,114	69,027
* Brand license of R\$ 9,106										
** Rent of R\$ 5,327										
*** Realization of term days refers to current assets and current liabilities.										

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 (*in thousand of reais*), unless otherwise indicated.

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

On June 30, 2024, the subsidiary MAHLE Argentina S.A. has a loan agreement with the Parent Company in the amount of USD 5,044, equivalent to R\$ 28,042 (December 31, 2023: R\$ 23,895), with interest rate of 5.38% per annum (interest rate of 2.88% of Brazil's sovereign bonds + plus spread of 2.50% per annum). Although the amortization term began in June 2021, MAHLE Argentina S.A. has not yet received authorization to remit the USD because of current foreign exchange restrictions in Argentina. The authorization process is being monitored by the teams of MAHLE Brazil and MAHLE Argentina, without expectation of recovery in the short term due to payment restrictions imposed by the Argentine government as published through notices A7532, A7542, A7553, A7563 and A7917. Regarding the Parent company's receivable, we did not identify any material risk of foreign exchange losses since the foreign currency exposure is hedged by financial instruments (NDF – Note 29).

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 June 30, 2024, the subsidiary has R\$ 11,059 (R\$ 30,128 on December 31, 2023) 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 June 30, 2024, the royalty expenses were recorded within "selling expenses - brand license", in the Parent Company in the amount of R\$ 7,485 (June 30, 2023 - R\$ 7,911) and in the Consolidated accounts in the amount of R\$ 8,572 (June 30, 2023 - R\$ 9,106).

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.

Dividends and interest on capital receivable

On May 29, 2024, the Company received net dividends of R\$ 72,815 (R\$ 115,439 on May 26, 2023) from its foreign subsidiary MAHLE Metal Leve GmbH.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 (*in thousand of reais*), unless otherwise indicated.

Dividends and interest on capital payable

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

	Parent Company and Consolidated				
	Balance 12.31.2023	Addition	Payment	Prescribed dividends and interest on capital	Balance 06.30.2024
MAHLE Indústria e Comércio Ltda.	11,002	125,677	(136,679)	-	-
MAHLE Industriebeteiligungen GmbH.	814	9,285	(10,099)	-	-
Non-controlling	11,001	86,303	(94,976)	-	2,328
Total	22,817	221,265	(241,754)	-	2,328

	Parent Company and Consolidated				
	Balance 12.31.2022	Addition	Payment	Prescribed dividends and interest on capital	Balance 06.30.2023
MAHLE Indústria e Comércio Ltda.	73,990	251,822	(325,812)	-	-
MAHLE Industriebeteiligungen GmbH.	12,332	41,970	(54,302)	-	-
Non-controlling	39,592	125,912	(164,080)	(54)	1,370
Total	125,914	419,704	(544,194)	(54)	1,370

Management compensation

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

	Parent Company and Consolidated			
	2024		2023	
	2Q2024	1H2024	2Q2023	1H2023
Statutory officers	3,057	5,039	2,608	4,623
Non-statutory officers	1,463	2,440	1,084	2,089
Total	4,520	7,479	3,692	6,712

The officers receive no share-based compensation.

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 (*in thousand of reais*), unless otherwise indicated.

11. 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 profit or loss is as follows:

	Parent Company			
	2024		2023	
	2Q2024	1H2024	2Q2023	1H2023
Profit before income tax and social contribution after interest on capital	123,699	370,059	246,263	481,255
Income tax and social contribution at the statutory rate in Brazil (34%)	(42,058)	(125,820)	(83,729)	(163,627)
Effects of permanent differences:				
Equity in the results of subsidiaries	(6,419)	(3,506)	11,405	22,960
Gain on monetary items, net	17,057	50,435	19,459	35,278
Non-deductible expenses	(2,555)	(3,596)	(2,036)	(3,128)
Other, net	(1,056)	1,432	1,600	6,302
Total income tax and social contribution	(35,031)	(81,055)	(53,301)	(102,215)
Current income tax and social contribution	(28,024)	(82,566)	(60,268)	(103,985)
Deferred income tax and social contribution	(7,007)	1,511	6,967	1,770
Total income tax and social contribution	(35,031)	(81,055)	(53,301)	(102,215)
Effective rate	28.3%	21.9%	21.6%	21.2%

	Consolidated			
	2024		2023	
	2Q2024	1H2024	2Q2023	1H2023
Profit before income tax and social contribution after interest on capital	148,140	422,807	257,769	507,399
Income tax and social contribution at the statutory rate in Brazil (34%)	(50,368)	(143,754)	(87,641)	(172,516)
Effects of permanent differences:				
Gain on monetary items, net	(1,351)	12,898	31,290	41,763
Non-deductible expenses	(2,508)	(4,368)	(3,870)	(2,739)
Other, net	(5,402)	1,196	(4,634)	4,953
Total income tax and social contribution	(59,629)	(134,028)	(64,855)	(128,539)
Current income tax and social contribution	(31,734)	(104,375)	(69,283)	(120,820)
Deferred income tax and social contribution	(27,895)	(29,653)	4,428	(7,719)
Total income tax and social contribution	(59,629)	(134,028)	(64,855)	(128,539)
Effective rate	40.3%	31.7%	25.2%	25.3%

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 (*in thousand 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 06.30.2024	Balance in 12.31.2023	Balance in 06.30.2024	Balance in 12.31.2023
Property, plant and equipment	-	-	(25,358)	(25,847)
Intangible assets	-	-	(97,025)	(97,025)
Tax credit (*)	-	-	(34,773)	(34,773)
Financial incentives - Limeira	-	-	(23,339)	(3,327)
Derivatives	125	-	-	(4,041)
Inventory	17,346	17,215	-	-
Labor risk provision	51,877	50,970	-	-
Other temporarily non-deductible provisions	128,607	112,075	-	-
Tax assets (liabilities)	197,955	180,260	(180,495)	(165,013)
Amount eligible for offsetting	(180,495)	(165,013)	180,495	165,013
Net tax assets (liabilities)	17,460	15,247	-	-
	Consolidated			
	Assets		Liabilities	
	Balance in 06.30.2024	Balance in 12.31.2023	Balance in 06.30.2024	Balance in 12.31.2023
Property, plant and equipment	-	-	(49,393)	(38,590)
Intangible assets	-	-	(97,025)	(97,025)
Tax credit (*)	-	-	(34,773)	(34,773)
Financial incentives - Limeira	-	-	(23,339)	(3,327)
Derivatives	125	-	-	(4,041)
Inventory	16,522	29,341	-	-
Provision labor risks	53,968	50,970	-	-
Other temporarily non-deductible provisions	133,332	126,021	-	-
Tax assets (liabilities)	203,947	206,332	(204,530)	(177,756)
Amount eligible for offsetting	(185,707)	(177,756)	185,707	177,756
Net tax assets (liabilities)	18,240	28,576	(18,823)	-

(*) 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.

MAHLE Metal Leve S.A.

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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 interim 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:

	Parent Company	Consolidated
At December 31, 2023	15,247	28,576
(+) Recognized in profit or loss (note 11.a)	1,511	(29,653)
(+) Recognized in other comprehensive income	702	494
At June 30, 2024	17,460	(583)

12. Investments in subsidiaries

	06.30.2024				
	Investments accounted for using the equity method	Goodwill	Impairment	Elimination of profit on inventory (Balance at 06/30/2024)	Total
MAHLE Argentina S.A.	298,392	59,549	(59,549)	(3,716)	294,676
MAHLE Metal Leve GmbH	67,560	-	-	(2,045)	65,515
MAHLE Hirschvogel Forjas S.A.	2,200	35,755	(35,755)	-	2,200
MAHLE Filtróil Ind. e Com. de Filtros Ltda.	403	-	-	-	403
Total	368,555	95,304	(95,304)	(5,761)	362,794

	12.31.2023				
	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)	183,449
MAHLE Metal Leve GmbH	99,250	-	-	(2,340)	96,910
MAHLE Hirschvogel Forjas S.A.	477	35,755	(35,755)	-	477
MAHLE Filtróil Ind. e Com. de Filtros Ltda.	2,433	-	-	-	2,433
Total	286,820	95,304	(95,304)	(3,551)	283,269

MAHLE Metal Leve S.A.

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	Interest (%)	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities	Equity	Net revenue	Profit (loss) for the period	Interest in equity		
											Investments	Equity in the results of subsidiaries	Elimination of profit on inventory / other assets (equity)
June 30, 2024													
Subsidiaries													
MAHLE Argentina S.A.	99.20	511,303	85,829	597,132	244,940	51,394	296,334	300,798	379,278	(42,256)	298,392	(41,918)	(2,505)
MAHLE Metal Leve GmbH	100.00	141,257	14,245	155,502	87,942	-	87,942	67,560	304,822	34,124	67,560	34,124	295
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	100.00	193	271	464	41	20	61	403	2	(74)	403	(74)	-
MAHLE Hirschvogel Forjas S.A.	51.00	4,850	1,518	6,368	777	1,278	2,055	4,313	-	(458)	2,200	(233)	-
Total		657,603	101,863	759,466	333,700	52,692	386,392	373,074	684,102	(8,664)	368,555	(8,101)	(2,210)
December 31, 2023													
Subsidiaries													
MAHLE Argentina S.A.	99.20	334,018	61,949	395,967	182,726	27,092	209,818	186,149	955,551	49,837	184,660	49,438	1,813
MAHLE Metal Leve GmbH	100.00	132,271	31,866	164,137	64,887	-	64,887	99,250	648,884	71,284	99,250	71,284	1,046
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	100.00	852	317	1,169	672	20	692	477	1,206	(4,300)	477	(4,300)	-
MAHLE Hirschvogel Forjas S.A.	51.00	5,034	1,430	6,464	788	905	1,693	4,771	-	(955)	2,433	(487)	-
Total		472,175	95,562	567,737	249,073	28,017	277,090	290,647	1,605,641	115,866	286,820	115,935	2,859
June 30, 2023													
Subsidiaries													
MAHLE Argentina S.A.	99.20	411,667	72,743	484,410	145,744	41,874	187,618	296,792	434,689	30,080	294,418	29,839	(71)
MAHLE Metal Leve GmbH	100.00	166,563	2,619	169,182	85,892	15,241	101,133	68,049	349,564	39,319	68,049	39,319	1,215
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	60.00	982	317	1,299	343	567	910	389	1,200	(2,583)	389	(2,583)	-
MAHLE Hirschvogel Forjas S.A.	51.00	4,011	3,519	7,530	840	1,333	2,173	5,357	-	(369)	2,732	(188)	-
Total		583,223	79,198	662,421	232,819	59,015	291,834	370,587	785,453	66,447	365,588	66,387	1,144

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

MAHLE Filtroil Indústria e Comércio de Filtros Ltda.

On June 30, 2024, the Company's interest in the equity of MAHLE Filtroil Indústria e Comércio de Filtros Ltda. is R\$ 403 (R\$ 477 on December 31, 2023) and are recorded within 'Investments in subsidiaries' in non-current assets.

MAHLE Hirschvogel Forjas S.A.

On June 30, 2024, the equity interest in subsidiary MAHLE Hirschvogel Forjas S.A. is R\$ 2,200 (R\$ 2,433 on December 31, 2023) and are recorded in non-current assets 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 no longer continue as a going concern.

Due to the immateriality of these balances for the Group, NBC TG 31 (CPC 31) – Discontinued Operations / IFRS 5 – Presentation and disclosure of discontinued operations does not apply.

As mentioned in Note 14, the Group has an impairment of goodwill arising from acquisition of the subsidiary, amounting to R\$ 35,755 (Parent company and Consolidated).

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 (in thousand of reais), unless otherwise indicated.

13. Property, plants and equipment and right-of-use assets

	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 (IFRS 16) - buildings	Right-of-use assets (IFRS 16) - vehicles	Right-of-use assets (IFRS 16) - vehicles	Right-of-use assets (IFRS 16) - Machinery, equipment and facilities	Sub-total	Total
At December 31, 2023	52,454	65,138	400,050	4,652	3,841	839	5,155	(5,537)	526,592	30,945	6,372	1,004	153	38,474	565,066
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)
Net book value	52,454	65,138	400,050	4,652	3,841	839	5,155	(5,537)	526,592	30,945	6,372	1,004	153	38,474	565,066
Additions	-	2,355	17,102	272	870	2,747	859	-	24,205	-	18	42	-	60	24,265
Write-offs	-	-	(116)	(20)	-	-	-	746	610	(1,229)	(89)	-	-	(1,318)	(708)
Transfer	-	-	6,818	18	(1,042)	(1,612)	(4,182)	-	-	-	-	-	-	-	-
Depreciation	-	(2,388)	(38,747)	(396)	(533)	-	-	-	(42,064)	(3,501)	(1,779)	(814)	(142)	(6,236)	(48,300)
Depreciation/write-off (deemed cost)	-	(1,282)	(140)	(2)	-	-	-	-	(1,424)	-	-	-	-	-	(1,424)
At June 30, 2024	52,454	63,823	384,967	4,524	3,136	1,974	1,832	(4,791)	507,919	26,215	4,522	232	11	30,980	538,899
Total cost	52,454	237,656	2,234,361	25,496	22,702	1,974	1,832	(4,791)	2,571,684	67,016	15,547	2,323	591	85,477	2,657,161
Accumulated depreciation	-	(173,833)	(1,849,394)	(20,972)	(19,566)	-	-	-	(2,063,765)	(40,801)	(11,025)	(2,091)	(580)	(54,497)	(2,118,262)
Net book value	52,454	63,823	384,967	4,524	3,136	1,974	1,832	(4,791)	507,919	26,215	4,522	232	11	30,980	538,899

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 (in thousand of reais), unless otherwise indicated.

	Consolidated														
	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 (IFRS 16) - buildings	Right-of-use assets (IFRS 16) - vehicles	Right-of-use assets (IFRS 16) - vehicles	Right-of-use assets (IFRS 16) - Machinery, equipment and facilities	Sub-total	Total
At December 31, 2023	52,464	76,104	433,889	4,773	4,676	1,974	5,839	(5,556)	574,163	32,213	6,374	1,004	153	39,744	613,907
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)
Net book value	52,464	76,104	433,889	4,773	4,676	1,974	5,839	(5,556)	574,163	32,213	6,374	1,004	153	39,744	613,907
Additions	-	2,480	19,027	1,617	870	2,747	2,311	-	29,052	-	18	42	-	60	29,112
Write-offs	-	-	(117)	(20)	-	-	-	746	609	(1,229)	(89)	-	-	(1,318)	(709)
Transfer	-	289	9,197	(164)	(1,042)	(2,721)	(5,559)	-	-	-	-	-	-	-	-
Depreciation	-	(2,404)	(39,203)	(402)	(545)	-	-	-	(42,554)	(3,652)	(1,779)	(814)	(142)	(6,387)	(48,941)
Depreciation/write-off (deemed cost)	-	(1,282)	(140)	(2)	-	-	-	-	(1,424)	-	-	-	-	-	(1,424)
Gain on monetary items, net	-	7,803	21,519	-	567	-	316	-	30,205	202	-	-	-	202	30,407
Translation effects	-	444	1,760	35	36	(28)	16	-	2,263	85	-	-	-	85	2,348
At June 30, 2024	52,464	83,434	445,932	5,837	4,562	1,972	2,923	(4,810)	592,314	27,619	4,524	232	11	32,386	624,700
Total cost	52,464	265,224	2,560,230	26,850	37,405	1,972	2,923	(4,810)	2,942,258	67,906	15,547	2,323	591	86,367	3,028,625
Accumulated depreciation	-	(181,790)	(2,114,298)	(21,013)	(32,843)	-	-	-	(2,349,944)	(40,287)	(11,023)	(2,091)	(580)	(53,981)	(2,403,925)
Net book value	52,464	83,434	445,932	5,837	4,562	1,972	2,923	(4,810)	592,314	27,619	4,524	232	11	32,386	624,700

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Deemed cost

Changes in deemed cost

	Parent Company and Consolidated		
	12.31.2023	Depreciation / write-off (deemed cost)	06.30.2024
Land	46,905	-	46,905
Buildings and construction	26,971	(1,282)	25,689
Machinery, equipment and facilities	1,342	(140)	1,202
Furniture and fittings	11	(2)	9
Vehicles	1	-	1
	75,230	(1,424)	73,806

The annual depreciation rates of the property, plant and equipment items on June 30, 2024 are equal to the rates presented at December 31, 2023.

Provision for impairment

The Group has recorded provisions for impairment losses on property, plant and equipment, which relates substantially to a specific group of machinery and equipment as stated in the tables Parent Company and Consolidated accounts of property, plant and equipment in accordance with the requirements set out in NBC TG 01 (CPC 01) - (R1)/IAS 36 "Impairment of assets".

The Parent Company and consolidated balance of the provision for impairment losses on June 30, 2024 is R\$ 4,791 (R\$ 5,537 on December 31, 2023) and R\$ 4,810 (R\$ 5,556 on December 31, 2023), respectively.

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14. Intangible assets

	Annual amortization rates (%)	Parent Company		Consolidated	
		06.30.2024	12.31.2023	06.30.2024	12.31.2023
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	53,532	53,520	56,938	55,751
Other (b)	-	-	-	235	75
Usage right and concessions (a)	-	5,666	5,665	5,666	5,665
Usage right and concessions (b)	20	9,325	9,325	9,325	9,325
Provision for impairment of intangible assets (Rings business)	-	(188,654)	(188,654)	(188,654)	(188,654)
Provision for impairment of intangible assets (MAHLE Argentina S.A.)	-	(59,549)	(59,549)	(68,071)	(68,071)
Provision for impairment of intangible assets (MAHLE Hirschvogel Forjas S.A.)	-	(35,755)	(35,755)	(35,755)	(35,755)
		448,481	448,468	452,122	450,774
Accumulated amortization		(58,913)	(58,242)	(62,526)	(60,520)
		389,568	390,226	389,596	390,254

(a) Indefinite useful life

(b) finite useful life

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
At December 31, 2023	379,958	1,432	8,836	-	390,226
Additions	-	12	-	-	12
Amortization	-	(658)	(12)	-	(670)
At June 30, 2024	379,958	786	8,824	-	389,568

	Consolidated				
	Goodwill on acquisition of subsidiaries (merged or not)	Cost of acquisition and installation of software	Usage right and concessions	Other	Total
At December 31, 2023	379,958	1,454	8,836	6	390,254
Additions	(0)	12	-	-	12
Amortization	(0)	(660)	(12)	-	(672)
Discontinued operations	(0)	2	-	-	2
At June 30, 2024	379,958	808	8,824	6	389,596

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Impairment

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

15. Trade and related-party payables

	Parent Company		Consolidated	
	06.30.2024	12.31.2023	06.30.2024	12.31.2023
Suppliers - Third Party				
Raw material	180,774	141,414	246,089	191,957
Services	51,497	55,741	51,516	56,232
	232,271	197,155	297,605	248,189
Related parties (Note 10)	100,585	70,936	146,429	105,592
	332,856	268,091	444,034	353,781

The Group's exposure to currency and liquidity risks in connection with accounts payable to suppliers is disclosed in Note 29.

Commitments assumed

On June 30, 2024, the Company and its subsidiaries has letters of guarantee issued by banks to ensure payment for supply of electric power and lawsuits, as shown that the maturity in the table below:

	Parent Company e Consolidated	
	06.30.2024	12.31.2023
Legal process	2,860	3,256
Eletric power	241	649
	3,101	3,905

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Reconciliation of changes in equity with proceeds from borrowings:

Changes in borrowings in the second quarter of 2024 were as follows:

Parent company							
Cash Flow							
12.31.2023	Addition	Principal Amortization	Amortization Interest	Monetary Variation	Exchange Variation	Appropriation of interest	06.30.2024
824,324	218,276	(173,084)	(17,052)	171	23,673	94,229	970,537
Consolidated							
Cash Flow							
12.31.2023	Addition	Principal Amortization	Amortization Interest	Monetary Variation	Exchange Variation	Appropriation of interest	06.30.2024
851,156	249,006	(205,137)	(18,613)	171	28,809	95,159	1,000,551
Parent company							
Cash Flow							
01.01.2023	Addition	Principal Amortization	Amortization Interest	Monetary Variation	Exchange Variation	Appropriation of interest	06.30.2023
411,371	100,000	(48,538)	(8,393)	295	(55,126)	46,295	445,904
Consolidated							
Cash Flow							
01.01.2023	Addition	Principal Amortization	Amortization Interest	Monetary Variation	Exchange Variation	Appropriation of interest	06.30.2023
414,093	104,066	(52,756)	(8,631)	295	(54,175)	46,383	449,274

On June 30, 2024, long-term borrowings mature as follows:

Parent company and Consolidated	
06.30.2024	
From July 2025	4,034
2026	453,052
2027	357,465
2028	8,290
2029	8,290
2030	8,290
	839,421

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Restrictive covenants

FINEP II: This financing was obtained from the Financing Agency for Studies and Projects (FINEP) to partially fund (at an average of 90%) the expenses incurred in several projects of the program "Strategic plan for innovation" and is collateralized by a bank guarantee with maturity on November 03, 2024. This financing is based on the TJLP interest rate (6.67 % p.a. as of June 30, 2024) plus a bank spread of 5% p.a. less an equalization rate of 4.5% p.a. and an additional interest equalization reduction of 0.5% p.a. for provision of bank guarantee. There are various accelerated maturity clauses (respecting ample defense for the Company) with loss of the equalization value: use of funds for a purpose other than that established in the contract; change in effective control of the Company; existence of FINEP amounts in arrears; inaccurate information provided to FINEP by the Company; and suspension of the projects.

On June 30, 2024, the Company did not have delinquent principal and interest payments and had not breached any provisions of the agreements with FINEP, as well as in relation to other loan contracts.

b) Lease liabilities

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

Contracts by term and discount rate	Terms of the lease	Discount rate
Lease of buildings (Argentina)	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 vehicles (Brazil)	1 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:

	Parent Company	Consolidated
Balance at December 31, 2023	40,682	42,842
Addition	57	57
Write-off	(1,316)	(1,316)
Lease payments	(7,950)	(8,900)
Interest	2,340	2,357
Effect of the currency translation	-	325
Balance at June 30, 2024	33,813	35,365

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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	Parent Company	Consolidated	Consolidated
	06.30.2024	12.31.2023	06.30.2024	12.31.2023
30 days	895	990	1,060	1,117
De 31 to 90 days	1,790	1,980	2,126	2,239
de 91 to 365 days	7,373	8,890	7,889	10,198
2025	5,070	9,540	5,605	10,006
2026	9,080	9,362	9,080	9,362
2027	9,605	9,920	9,605	9,920
Total	33,813	40,682	35,365	42,842
Current	10,057	11,860	11,074	13,554
Non current	23,756	28,822	24,291	29,288
Total	33,813	40,682	35,365	42,842

The movements in right-of-use assets are presented in Note 13.

17. Salaries, vacation pay and social charges

	Parent Company		Consolidated	
	06.30.2024	12.31.2023	06.30.2024	12.31.2023
Accrued vacation pay / 13th month salary	83,963	47,807	90,922	51,589
Employee profit sharing	30,129	35,617	32,171	36,809
INSS /FGTS	14,876	17,001	14,876	17,001
Other social security obligations	3,319	3,380	8,805	5,672
Total	132,287	103,805	146,774	111,071

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18. Taxes and contributions payable

	Parent Company		Consolidated	
	06.30.2024	12.31.2023	06.30.2024	12.31.2023
State taxes	18,566	24,298	19,059	24,627
ICMS payable	18,566	24,298	18,566	24,340
Other	-	-	493	287
Federal taxes	32,359	35,130	33,832	37,568
COFINS payable	9,964	10,278	9,964	10,278
IRRF	3,271	6,258	3,271	6,258
IPI payable	5,262	5,398	5,262	5,514
PIS payable	1,419	2,175	1,419	2,176
Import tax	12,443	11,021	12,999	11,476
Other	-	-	917	1,866
Municipal taxes	-	-	184	132
Taxes and contributions payable	50,925	59,428	53,075	62,327
Income tax and social contribution	6,029	-	27,539	27,965
Income tax and social contribution payable	6,029	-	27,539	27,965
Current liabilities	56,954	59,428	80,614	90,292

19. Sundry provision

	Parent Company					
	Losses on contracts	Commercial bonuses	Electric power	Employee benefits	Other	Total
At December 31, 2023	15,150	39,766	9,418	1,000	3,843	69,177
Reversal	(653)	-	-	(747)	-	(1,400)
Payment	-	(29,276)	(9,418)	(253)	-	(38,947)
Increase in provision	369	24,930	9,758	1,382	470	36,909
At June 30, 2024	14,866	35,420	9,758	1,382	4,313	65,739

	Consolidated						
	Losses on contracts	Commercial bonuses	Restructuring	Electric power	Employee benefits	Other	Total
At December 31, 2023	15,316	39,770	684	9,715	1,000	4,767	71,252
Reversal	(653)	-	-	-	(747)	-	(1,400)
Payment	-	(29,276)	-	(9,715)	(253)	(310)	(39,554)
Increase in provision	1,165	24,930	-	10,584	1,382	3,549	41,610
Effect of the currency translation	3	-	-	-	-	107	110
At June 30, 2024	15,831	35,424	684	10,584	1,382	8,113	72,018

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20. Provision for warranties

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

	Parent Company	Consolidated
At December 31, 2023	7,292	7,780
Reversal	(155)	(155)
Payment	(731)	(731)
Increase in provision	4,322	4,453
Effect of the currency translation	-	53
At June 30, 2024	10,728	11,400

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

The provisions for contingencies are recorded based on management's estimates and legal advice, as described below:

	Parent Company					
	Civil and labor	Tax	Environmental liability	Subtotal	Judicial deposits	Total
At December 31, 2023	141,504	76,791	26,117	244,412	(24,360)	220,052
Increase in provision	19,044	831	29,388	49,263	(964)	48,299
Monetary restatements	7,321	3,353	-	10,674	(202)	10,472
Used	(8,156)	-	-	(8,156)	106	(8,050)
Reversal	(9,392)	-	-	(9,392)	764	(8,628)
Transfer	-	-	-	-	57	57
At June 30, 2024	150,321	80,975	55,505	286,801	(24,599)	262,202

	Consolidated					
	Civil and labor	Tax	Environmental liability	Subtotal	Judicial deposits	Total
At December 31, 2023	143,448	77,902	26,738	248,088	(24,557)	223,531
Increase in provision	19,544	831	29,467	49,842	(964)	48,878
Monetary restatements	8,289	3,352	-	11,641	(207)	11,434
Used	(8,173)	-	-	(8,173)	108	(8,065)
Reversal	(9,396)	-	-	(9,396)	765	(8,631)
Transfer	-	-	-	-	56	56
Effect of the currency translation	52	20	13	85	-	85
At June 30, 2024	153,764	82,105	56,218	292,087	(24,799)	267,288

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i. Environmental liability

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

The Company has an estimate of costs of environmental management for the "Santo Amaro" site in the city of São Paulo, State of São Paulo (former location of Metal Leve S.A.), the sites in Itajubá, State of Minas Gerais, and in Mauá, State of São Paulo (former location of Cofap). The balance of the environmental liability provisions as at June 30, 2024, after additions, is R\$ 55,505. The environmental liability provisions relate to estimated costs necessary for protecting and restoring environmental sites according to the timetable of the works in each site, which will occur gradually over time.

ii. Proceedings involving the risk of possible loss

On June 30, 2024, the Group had civil and tax proceedings brought before the proper authorities in the amount of R\$ 69,685 (December 31, 2023 - R\$ 72,252), which were assessed by the Group's management as having a risk of possible loss, and, therefore, were not provided for in the interim financial statements.

iii. Tax incentive granted by Municipality

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

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

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

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

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

On June 30, 2024, the net balance of the asset is R\$ 45,306 (December 31, 2023- R\$ 6,459).

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Contingent assets

Compulsory loan - Eletrobrás

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

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

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

There was a judgment on the merits and Eletrobras filed an appeal, which was denied, and the judgment became final and unappealable in 2019 in favor of the Company, however there is yet the phase where the judgment will be enforced and the actual amounts to be settled will be determined. The final favorable court decision obtained allows us to conclude that future economic benefits may flow to the Company. Receiving an unappealable, final favorable court decision allows us to believe that an inflow of economic benefits may occur in the future. However, on June 30, 2024 there are significant uncertainties about the amount and timing of those inflows. Therefore, it is not practicable to determine that it is virtually certain that an inflow of economic benefits will arise and that the Company controls the assets, implying that the potential gain is not recognized in the financial statements until it turns virtually certain.

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22. Equity

a. Share capital

On June 30, 2024 and December 31, 2023, subscribed and paid-up capital was represented by the following number of shares with no par value:

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

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

There were no changes in the policies regarding dividends, interest on capital and revenue reserves in relation to those applied in the financial statements for the year ended December 31, 2023.

b. Appropriation of profit for the year

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

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 was 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.

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\$ 175,571, at R\$ 1.368347636, additional dividends in the gross amount of R\$ 244,134, at R\$ 1.902687663, and mandatory dividends in the gross amount of R\$ 32,245, at R\$ 0.251316164, without 15% withholding income tax, pursuant to Law No. 9249/95, article 10. These dividends were paid on May 26, 2023.

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c. 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. On June 30, 2024, the Company recorded cumulative translation adjustments of R\$ (+) R\$ 16,836 ((-) R\$ 123,912 on June 30, 2023). This cumulative effect will be reversed in the statement of income as a gain or loss only in the event of the sale or write-off of the investment.

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 on June 30, 2024, net of taxes, at (-) R\$ 1,364 (on June 30, 2023 (+) R\$ 3,523) in the Parent Company and in the Consolidated accounts.

The adjustments for the adoption of the deemed cost of property, plant and equipment, net at R\$ 307 on June 30, 2024 (on June 30, 2023 - R\$ 222). 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.

23. Earnings per share (EPS)

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

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

	2Q2024	1H2024	2Q2023	1H2023
Profit attributable to owners of the parent	88,668	289,004	192,962	379,040
Company total shares	135,539,000	135,539,000	128,308,500	128,308,500
Basic earnings per share (R\$ per share)	0.65419	2.13226	1.50389	2.95413

There are no diluted earnings per share for the Company.

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24. Net operating revenue

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

The following table shows sales by geography and by market:

	Parent Company			
	2024		2023	
	2Q2024	1H2024	2Q2023	1H2023
Gross revenue				
Products	1,076,366	2,123,670	1,096,094	2,119,505
Services	25,570	47,914	21,250	40,097
Total revenue with products + services	1,101,936	2,171,584	1,117,344	2,159,602
Deductions from sales:				
Taxes on sales	(221,772)	(428,183)	(215,177)	(411,607)
Discounts , returns and sales incentives	(18,572)	(40,392)	(15,113)	(32,188)
Net revenue	861,592	1,703,009	887,054	1,715,807
Revenue by market				
Original equipment	478,959	941,099	532,995	1,030,995
Aftermarket	382,633	761,910	354,059	684,812
Net revenue	861,592	1,703,009	887,054	1,715,807
	Consolidated			
	2024		2023	
	2Q2024	1H2024	2Q2023	1H2023
Gross revenue				
Products	1,343,868	2,640,311	1,419,968	2,725,900
Services	24,801	46,492	20,338	38,333
Total revenue with products + services	1,368,669	2,686,803	1,440,306	2,764,233
Deductions from sales:				
Taxes on sales	(221,772)	(428,183)	(215,386)	(411,940)
Discounts , returns and sales incentives	(78,054)	(169,067)	(104,123)	(209,345)
Net revenue	1,068,843	2,089,553	1,120,797	2,142,948
Revenue by market				
Original equipment	609,458	1,188,963	652,717	1,259,577
Aftermarket	459,385	900,590	468,080	883,371
Net revenue	1,068,843	2,089,553	1,120,797	2,142,948

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25. Cost of sales and services

Cost of sales and services by nature are as follows:

	Parent Company			
	2024		2023	
	2Q2024	1H2024	2Q2023	1H2023
Raw material and others materials	(297,969)	(553,290)	(328,014)	(634,245)
Personnel and benefits	(167,248)	(357,562)	(172,031)	(329,821)
Utilities and services	(59,234)	(117,847)	(54,560)	(104,024)
Depreciation and amortization	(22,848)	(45,648)	(22,802)	(45,199)
Other	(40,922)	(98,142)	(56,201)	(110,931)
Total	(588,221)	(1,172,489)	(633,608)	(1,224,220)

	Consolidated			
	2024		2023	
	2Q2024	1H2024	2Q2023	1H2023
Raw material and others materials	(381,780)	(700,768)	(404,342)	(793,978)
Personnel and benefits	(185,096)	(378,211)	(181,460)	(348,092)
Utilities and services	(62,948)	(121,331)	(56,735)	(107,305)
Depreciation and amortization	(23,177)	(46,231)	(23,488)	(46,629)
Other	(89,497)	(198,910)	(115,505)	(189,685)
Total	(742,498)	(1,445,451)	(781,530)	(1,485,689)

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26. Expenses by nature

26.1 Selling and distribution expenses

Selling and distribution expenses by nature are as follows:

	Parent Company			
	2024		2023	
	2Q2024	1H2024	2Q2023	1H2023
Freight	(19,023)	(35,885)	(26,423)	(48,723)
Personnel and benefits	(16,843)	(32,933)	(15,080)	(29,897)
Professional services/service orders	(6,884)	(13,215)	(6,559)	(11,768)
Brand license	(3,571)	(7,485)	(4,027)	(7,911)
Variable selling expenses	(3,332)	(5,912)	(3,869)	(8,323)
General expenses	(2,716)	(5,189)	(1,877)	(4,808)
Advertising	(1,302)	(2,942)	(3,714)	(6,709)
Travel and entertainment allowance	(1,089)	(1,885)	(1,100)	(1,949)
Depreciation	(321)	(646)	(368)	(734)
(Reversal of) provision for impairment of trade receivables	207	154	(510)	(1,167)
Other expenses	(2,654)	(5,782)	(3,478)	(6,647)
Total	(57,528)	(111,720)	(67,006)	(128,636)

	Consolidated			
	2024		2023	
	2Q2024	1H2024	2Q2023	1H2023
Freight	(22,182)	(41,921)	(30,439)	(55,861)
Personnel and benefits	(22,172)	(41,574)	(20,393)	(38,893)
Professional services/service orders	(9,005)	(16,416)	(9,276)	(15,379)
Variable selling expenses	(6,380)	(12,486)	(6,223)	(12,834)
General expenses	(5,276)	(9,683)	(4,156)	(8,752)
Brand license	(4,182)	(8,572)	(4,627)	(9,106)
Advertising	(1,802)	(3,839)	(3,996)	(7,273)
Travel and entertainment allowance	(1,307)	(2,234)	(1,262)	(2,184)
Depreciation	(337)	(675)	(384)	(766)
(Reversal of) provision for impairment of trade receivables	2,102	922	(994)	(967)
Other expenses	(5,514)	(10,815)	(5,801)	(11,128)
Total	(76,055)	(147,293)	(87,551)	(163,143)

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26.2 General and administrative expenses

General and administrative expenses by nature are as follows:

	Parent Company			
	2024		2023	
	2Q2024	1H2024	2Q2023	1H2023
Personnel and benefits	(11,274)	(22,986)	(8,567)	(17,746)
Professional services/service orders	(9,282)	(16,688)	(8,193)	(14,180)
Management	(4,520)	(7,479)	(3,692)	(6,712)
Taxes	(2,247)	(4,247)	(1,716)	(3,481)
Maintenance	(1,630)	(2,938)	(1,358)	(2,959)
Depreciation	(1,256)	(2,389)	(921)	(1,864)
Materials and utilities	(979)	(2,114)	(947)	(1,931)
Travel and entertainment allowance	(328)	(617)	(172)	(317)
Other expenses	(3,694)	(7,527)	(2,415)	(4,942)
Total	(35,210)	(66,985)	(27,981)	(54,132)

	Consolidated			
	2024		2023	
	2Q2024	1H2024	2Q2023	1H2023
Personnel and benefits	(14,498)	(28,231)	(10,801)	(21,619)
Professional services/service orders	(10,110)	(18,114)	(9,273)	(16,031)
Management	(4,520)	(7,479)	(3,692)	(6,712)
Taxes	(2,263)	(4,274)	(1,730)	(3,508)
Maintenance	(1,709)	(3,075)	(1,403)	(3,095)
Materials and utilities	(1,291)	(2,628)	(1,173)	(2,330)
Depreciation	(1,285)	(2,437)	(942)	(1,901)
Travel and entertainment allowance	(398)	(728)	(279)	(441)
Other expenses	(4,117)	(8,293)	(2,747)	(5,584)
Total	(40,191)	(75,259)	(32,040)	(61,221)

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26.3 Technology and product research and development expenses

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

	Parent Company			
	2024		2023	
	2Q2024	1H2024	2Q2023	1H2023
Personnel and benefits	(7,556)	(15,198)	(6,883)	(13,261)
General expenses	(2,420)	(3,328)	(2,684)	(3,426)
Professional services/service orders	(757)	(1,575)	(652)	(1,450)
Materials/utilities	(712)	(1,542)	(842)	(1,732)
Depreciation	(671)	(1,429)	(844)	(1,737)
Maintenance	(606)	(1,008)	(807)	(1,316)
Other (expenses) income	(987)	(1,359)	(641)	(1,541)
	(13,709)	(25,439)	(13,353)	(24,463)

	Consolidated			
	2024		2023	
	2Q2024	1H2024	2Q2023	1H2023
Personnel and benefits	(8,220)	(16,193)	(7,311)	(14,019)
General expenses	(3,605)	(5,653)	(3,056)	(5,098)
Professional services/service orders	(958)	(1,943)	(776)	(1,682)
Materials/utilities	(770)	(1,635)	(858)	(1,774)
Depreciation	(674)	(1,435)	(852)	(1,753)
Maintenance	(610)	(1,013)	(812)	(1,322)
Other (expenses) income	(1,102)	(1,537)	(731)	(1,664)
	(15,939)	(29,409)	(14,396)	(27,312)

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27. Finance income and expenses, net

	Parent Company			
	2024		2023	
	2Q2024	1H2024	2Q2023	1H2023
Finance income				
Exchange variation (a)	78,892	86,301	9,413	15,373
Monetary variation gains	23,438	25,599	810	2,027
Interest	7,991	14,688	10,902	23,980
Derivative financial instruments (c)	(586)	1,206	10,089	20,699
Other	1,577	3,018	1,491	3,192
	111,312	130,812	32,705	65,271
Finance costs				
Exchange variations (b)	(147,405)	(159,417)	(4,671)	(14,580)
Derivative financial instruments (d)	(19,089)	(21,823)	(955)	(641)
Interest	(8,259)	(19,883)	(5,322)	(10,593)
Monetary variation losses	(6,333)	(14,053)	(7,814)	(13,573)
Other	(801)	(1,139)	(1,141)	(1,386)
	(181,887)	(216,315)	(19,903)	(40,773)
Finance income (costs), net	(70,575)	(85,503)	12,802	24,498
Summary of foreign exchange variations (a+b)	(68,513)	(73,116)	4,742	793
Trade receivables	27,640	33,337	(11,220)	(14,558)
Cash and cash equivalents	2,828	3,027	501	(2,429)
Loan receivable	2,827	3,594	(1,254)	(1,908)
Trade payables	(4,162)	(4,563)	2,150	2,900
Borrowings	(97,649)	(108,520)	14,503	16,726
Other	3	9	62	62
Summary of derivative instruments (c+d)	(19,675)	(20,617)	9,134	20,058
Income	(586)	1,206	10,089	20,699
Expenses	(19,089)	(21,823)	(955)	(641)
Net result of foreign exchange variations and derivative financial instruments	(88,188)	(93,733)	13,876	20,851

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	Consolidated			
	2024		2023	
	2Q2024	1H2024	2Q2023	1H2023
Finance income				
Exchange variation (a)	126,374	177,680	39,579	77,146
Monetary variation gains	33,260	35,543	5,896	8,301
Interest	12,759	25,206	33,059	63,226
Derivative financial instruments (c)	(586)	1,206	10,089	20,698
Other	1,575	3,019	1,492	3,197
	173,382	242,653	90,115	172,568
Finance costs				
Exchange variations (b)	(183,753)	(214,383)	(40,180)	(91,775)
Derivative financial instruments (d)	(19,128)	(21,862)	(955)	(638)
Interest	(9,518)	(22,202)	(6,819)	(13,513)
Monetary variation losses	(8,433)	(17,698)	(9,509)	(15,641)
Other	(2,942)	(5,088)	(3,298)	(6,817)
	(223,774)	(281,233)	(60,761)	(128,384)
Finance income (costs), net	(50,392)	(38,579)	29,354	44,184
Summary of foreign exchange variations (a+b)	(57,379)	(36,703)	(601)	(14,629)
Trade receivables	34,252	43,336	(8,993)	(7,022)
Loan receivable	6,451	18,701	9,537	6,125
Cash and cash equivalents	1,554	756	(5,939)	(19,089)
Lease obligations (IFRS 16)	(181)	(282)	(583)	(1,154)
Trade payables	(14,182)	(11,354)	(4,756)	(3,279)
Borrowings	(85,279)	(87,860)	10,070	9,729
Other	6	-	63	61
Summary of derivative instruments (c+d)	(19,714)	(20,656)	9,134	20,060
Income	(586)	1,206	10,089	20,698
Expenses	(19,128)	(21,862)	(955)	(638)
Net result of foreign exchange variations and derivative financial instruments	(77,093)	(57,359)	8,533	5,431

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28. Other operating income and expenses, net

	Parent Company			
	2024		2023	
	2Q2024	1H2024	2Q2023	1H2023
Other income				
Reversal of Loss provision of credit right- Limeira city incentive (**)	37,336	37,336	-	-
Reversal of provision for labor, civil and tax contingencies	4,805	9,392	13,718	33,084
Taxes recovered (Reintegra)	2,022	2,274	5,671	5,934
Reversal of provision for product losses	653	653	1,093	1,093
Reversal of provision for obsolescence (Property, plant and equipment)	640	747	116	360
Gains on disposal of assets /other	-	-	42	1,794
Other income	1,527	3,141	1,439	3,057
	46,983	53,543	22,079	45,322
Other expenses				
Provision for Environmental (*)	(29,388)	(29,388)	(1,690)	(1,690)
Provision for labor, civil and tax contingencies	(15,749)	(24,566)	(16,356)	(33,016)
PIS and COFINS on other income	(947)	(1,643)	(761)	(1,923)
Provision for product losses	(369)	(369)	(2,089)	(2,089)
Losses on disposal of assets /other	(136)	(136)	(66)	(94)
Other expenses	(4,333)	(6,282)	(3,538)	(5,399)
	(50,922)	(62,384)	(24,500)	(44,211)
Other operating income (Expenses), net	(3,939)	(8,841)	(2,421)	1,111

	Consolidated			
	2024		2023	
	2Q2024	1H2024	2Q2023	1H2023
Other income				
Reversal of Loss provision of credit right- Limeira city incentive (**)	37,336	37,336	-	-
Gain on monetary items	10,733	16,168	9,183	11,305
Reversal of provision for labor, civil and tax contingencies	4,809	9,396	13,941	33,402
Taxes recovered (Reintegra)	2,022	2,274	5,671	5,934
Reversal of provision for product losses	653	653	1,093	1,093
Reversal of provision for obsolescence (Property, plant and equipment)	640	747	116	360
Gains on disposal of assets /other	-	-	272	2,024
Other income	1,566	3,182	1,810	3,695
	57,759	69,756	32,086	57,813
Other expenses				
Provision for Environmental (*)	(29,469)	(29,469)	(1,690)	(1,690)
Provision for labor, civil and tax contingencies	(16,253)	(25,091)	(16,713)	(33,567)
Losses on monetary items	(5,933)	(7,206)	(10,408)	(12,839)
Provision for product losses	(1,165)	(1,165)	(2,089)	(2,089)
PIS and COFINS on other income	(953)	(1,659)	(767)	(1,936)
Losses on disposal of assets /other	(136)	(136)	(67)	(95)
Other expenses	(5,312)	(7,485)	(3,984)	(5,996)
	(59,221)	(72,211)	(35,718)	(58,212)
Other operating income (expenses), net	(1,462)	(2,455)	(3,632)	(399)

(*) Provision for environmental liability (see Note 21 i. for further details).

(**) Limeira city incentive (see Note 21 iii. for further details).

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29. 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 40/48 (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					
		06.30.2024			12.31.2023		
		Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total	Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total
Cash, demand deposits and cash in transit	6.a	68,381	-	68,381	11,368	-	11,368
Financial investments	6.a	148,707	-	148,707	165,768	-	165,768
Trade receivables	7	707,037	-	707,037	563,507	-	563,607
Receivables from and loans to related parties	10	28,042	-	28,042	23,895	-	23,895
Unrealized gains on derivatives	29	-	8,265	8,265	-	11,663	11,663
Total		952,167	8,265	960,432	764,538	11,663	776,201

Liabilities	Note	Parent Company					
		06.30.2024			12.31.2023		
		Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total	Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total
Payables to related parties	15	(100,585)	-	(100,585)	(70,936)	-	(70,936)
Trade payables	15	(232,271)	-	(232,271)	(197,155)	-	(197,155)
Lease liabilities	16.b	(33,813)	-	(33,813)	(40,682)	-	(40,682)
Borrowings	16.a	(970,537)	-	(970,537)	(824,324)	-	(824,324)
Unrealized losses on derivatives	29	-	(13,578)	(13,578)	-	(4,728)	(4,728)
Total		(1,337,206)	(13,578)	(1,350,784)	(1,133,097)	(4,728)	(1,137,825)

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Assets	Note	Consolidated					
		06.30.2024			12.31.2023		
		Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total	Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total
Cash, demand deposits and cash in transit	6.a	83,761	-	83,761	22,795	-	22,795
Financial investments	6.a	154,611	-	154,611	177,533	-	177,533
Marketable securities	6.b	177,527	-	177,527	152,888	-	152,888
Trade receivables	7	763,474	-	763,474	627,754	-	627,754
Receivables from and loans to related parties	10	11,059	-	11,059	30,128	-	30,128
Unrealized gains on derivatives	29	-	8,720	8,720	-	13,533	13,533
Total		1,190,432	8,720	1,199,152	1,011,098	13,533	1,024,631

Liabilities	Note	Consolidated					
		06.30.2024			12.31.2023		
		Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total	Amortized Cost	Designated Derivatives for Cash Flow Hedge	Total
Payables to related parties	15	(146,429)	-	(146,429)	(105,592)	-	(105,592)
Trade payables	15	(297,605)	-	(297,605)	(248,189)	-	(248,189)
Lease liabilities	16.b	(35,365)	-	(35,365)	(42,842)	-	(42,842)
Borrowings	16.a	(1,000,551)	-	(1,000,551)	(851,156)	-	(851,156)
Unrealized losses on derivatives	29	-	(13,578)	(13,578)	-	(4,728)	(4,728)
Total		(1,479,950)	(13,578)	(1,493,528)	(1,247,779)	(4,728)	(1,252,507)

- 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);

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; and

- The values of commodity derivative financial instruments are calculated using the "market fair value".

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- Fair value versus carrying amount

The carrying amounts of financial investments, trade receivables, trade payables and borrowings, less impairment loss for trade receivables, are approximately equal to their fair values.

The table below presents an analysis of financial instruments' fair value compared to its carrying amount after initial recognition and their respective fair value hierarchies.

Assets	Note	Parent Company				Consolidated				Level
		06.30.2024		12.31.2023		06.30.2024		12.31.2023		
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	
Cash, demand deposits and cash in transit	6.a	68,381	68,381	11,368	11,368	83,761	83,761	22,795	22,795	2
Financial investments	6.a	148,707	148,707	165,768	165,768	154,611	154,611	177,533	177,533	2
Marketable securities	6.b	-	-	-	-	177,527	177,527	152,888	152,888	2
Trade receivables	7	713,694	713,694	570,174	570,174	780,701	780,701	644,992	644,992	2
Receivables from and loans to related parties	10	28,042	28,042	23,895	23,895	11,059	11,059	30,128	30,128	2
Unrealized gains on derivatives	29	8,265	8,265	11,663	11,663	8,720	8,720	13,533	13,533	2
Total		967,089	967,089	782,868	782,868	1,216,379	1,216,379	1,041,869	1,041,869	
Liabilities										
Payables to related parties	15	(100,585)	(100,585)	(70,936)	(70,936)	(146,429)	(146,429)	(105,592)	(105,592)	2
Trade payables	15	(232,271)	(232,271)	(197,155)	(197,155)	(297,605)	(297,605)	(248,189)	(248,189)	2
Lease liabilities	16.b	(33,813)	(33,813)	(40,682)	(40,682)	(35,365)	(35,365)	(42,842)	(42,842)	2
Borrowings	16.a	(970,537)	(970,537)	(824,324)	(824,324)	(1,000,551)	(1,000,551)	(851,156)	(851,156)	2
Unrealized losses on derivatives	29	(13,578)	(13,578)	(4,728)	(4,728)	(13,578)	(13,578)	(4,728)	(4,728)	2
Total		(1,350,784)	(1,350,784)	(1,137,825)	(1,137,825)	(1,493,528)	(1,493,528)	(1,252,507)	(1,252,507)	

- Hedge accounting

The Group adopts hedge accounting to minimize its exposure to volatility in currency and commodity price. The hedge accounting policy is properly formalized and sets out the hedged items; the authorized hedging instruments; and the method of assessing the effectiveness of the hedging relationship.

Parent Company		06.30.2024						
	Note	Risk	Provision	Total	2023	2024	2025	2026
Financial instruments								
NDF	29	Exchange	(11,321)	(11,322)	-	(9,241)	(2,080)	-
Commodities	29	Price	6,008	6,008	-	4,489	1,519	-
Total			(5,313)	(5,313)	-	(4,752)	(561)	-
Parent Company		12.31.2023						
	Note	Risk	Provision	Total	2023	2024	2025	
Financial instruments								
NDF	29	Exchange	6,195	6,195	-	5,152	1,043	
Commodities	29	Price	740	740	-	740	-	
Total			6,935	6,935	-	5,892	1,043	

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II. Risk management

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.

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).

a) 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.

Consolidated		06.30.2024					
Note	Carrying amount	Cash Flow	Up to 1 year	1 - 2 years	2 - 5 years	More than 5 years	
Liabilities							
Payables to related parties	15	(146,429)	(146,429)	-	-	-	
Trade payables	15	(297,605)	(297,605)	-	-	-	
Lease liabilities	16.b	(35,365)	(11,074)	(24,291)	-	-	
Borrowings (*)	16.a	(1,000,551)	(164,776)	(273,360)	(627,841)	(6,137)	
Unrealized losses on derivatives	29	(13,578)	(13,578)	-	-	-	
Total		(1,493,528)	(1,565,091)	(633,462)	(297,651)	(627,841)	
Consolidated		12.31.2023					
Note	Carrying amount	Cash Flow	Up to 1 year	1 - 2 years	2 - 5 years	More than 5 years	
Liabilities							
Payables to related parties	15	(105,592)	(105,592)	-	-	-	
Trade payables	15	(248,189)	(248,189)	-	-	-	
Lease liabilities	16.b	(42,842)	(11,486)	(34,467)	-	-	
Borrowings (*)	16.a	(851,156)	(313,477)	(112,942)	(422,741)	(24,457)	
Unrealized losses on derivatives	29	(4,728)	(4,728)	-	-	-	
Total		(1,252,507)	(1,278,079)	(683,472)	(147,409)	(422,741)	

(*) Cash flows are presented at the nominal amount, not at amortized cost as in the accounting books.

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b) 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	
		06.30.2024	12.31.2023	06.30.2024	12.31.2023
Cash, demand deposits and cash in transit	6.a	68,381	11,368	83,761	22,795
Financial investments	6.a	148,707	165,768	154,611	177,533
Marketable securities	6.b	-	-	177,527	152,888
Trade receivables	7	713,694	570,174	780,701	644,992
Receivables from and loans to related parties	10	28,042	23,895	11,059	30,128
Unrealized gains on derivatives	29	8,265	11,663	8,720	13,533
Total		967,089	782,868	1,216,379	1,041,869

The Group also has policies for granting credit to its customers, where credit limits and monitoring criteria are pre-established and consist of systematic checking and pre-billing to verify items such as late payments and the available balance of the invoicing limit. Market information on customers is also important in the context of the granting and management of credit.

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

Trade receivables	Parent Company		Consolidated	
	06.30.2024	12.31.2023	06.30.2024	12.31.2023
Counterparties unrated external de crédito				
<i>Top 20 largest client receivable balances</i>	205,554	263,778	298,471	291,664
<i>Other third parties (without external credit rating)</i>	318,722	182,630	369,963	261,983
<i>Related parties</i>	189,418	123,766	112,267	91,345
Total trade receivables and others	713,694	570,174	780,701	644,992

The table above of accounts receivable from customers does not consider losses to the recoverable value of impairment of trade receivables.

With respect to financial institutions, the Group operates only with banks with a minimum risk rating of AA (Fitch National Long-Term or equivalent from Moody's or Standard & Poor's).

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c) 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	
		06.30.2024	12.31.2023	06.30.2024	12.31.2023
Cash, demand deposits and cash in transit	6.a	68,381	11,368	83,761	22,795
Financial investments	6.a	148,707	165,768	154,611	177,533
Marketable securities	6.b	-	-	177,527	152,888
Borrowings	16.a	(970,537)	(824,324)	(1,000,551)	(851,156)
Total		(753,449)	(647,188)	(584,652)	(497,940)

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.

d) 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 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).

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On June 30, 2024, the Group's exposure in USD (EUR and JPY equivalents in USD) was USD (57,085) 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 June 30, 2024			
Item	USD thousand	EUR thousand (*)	JPY thousand (**)
	Parent Company	Parent Company	Parent Company
(+) Trade receivables	40,394	9,047	-
(+) Demand deposits (in foreign currency)	6,606	4,105	-
(-) Advances on export exchange contract	(9,750)	(57,153)	-
(-) Imports	(6,394)	(9,374)	(130,898)
(-) Currency forwards - sale	(26,433)	(3,001)	30,060
(=) Net balance of foreign exchange exposure	4,423	(56,376)	(100,838)

Net balance of foreign exchange exposure in USD (EUR and JPY equivalents in USD) - in thousands		
Currency	Parent Company	
USD	4,423	
EUR	(60,909)	(*) Parity EUR / USD 1,0804
JPY	(599)	(**) Parity JPY / USD 168.40048
Total	(57,085)	

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 (Jul-Dec)	(15,798)	1,226	5.4695	7.8%
2025 (Jan-Aug)	(23,390)	2,098	5.3113	9.0%
Total	(39,188)	3,324	5.3697	8.5%

Parent Company (EUR)				
Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	% Hedged
2024 (Jul-Dec)	(9,021)	2,531	6.2895	28.1%
2025 (Jan-Aug)	(13,757)	3,761	6.1668	27.3%
Total	(22,778)	6,292	6.2162	27.6%

Parent Company (JPY)				
Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	% Hedged
2024 (Jul-Dec)	240,119	(107,420)	0.0428	44.7%
2025 (Jan-Aug)	330,542	(93,610)	0.0463	28.3%
Total	570,661	(201,030)	0.0444	35.2%

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- 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.

Sensitivity analysis table – foreign exchange exposure of June 30, 2024.

The methodology adopted for the calculation of the balances in the table below consisted of replacing the closing foreign exchange rate used for the purposes of accounting records with the stressed rates, in accordance with the scenarios on the next page:

The selling rates published on June 30, 2024, by the Brazilian Central Bank for USD, EUR and JPY were used in this sensitivity analysis.

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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	8.3384	5.2654	13,592
25% better	6.9486	5.2654	7,445
Probable scenario	5.5589	4,423	1,298
25% worse	4.1692	5.2654	(4,848)
50% worse	2.7795	5.2654	(10,995)

(*) Amounts in thousands

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

Parent Company EUR			
EUR/BRL exchange rate for settlement of bills of exchange	* Net balance of foreign exchange exposure - EUR	** Average rate of bills of exchange	Total BRL
50% better	2.9774	5.8815	163,723
25% better	4.4660	5.8815	79,801
Probable scenario	5.9547	(56,376)	(4,126)
25% worse	7.4434	5.8815	(88,053)
50% worse	8.9321	5.8815	(171,981)

(*) Amounts in thousands

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

Parent Company JPY			
JPY/BRL exchange rate for settlement of bills of exchange	* Net balance of foreign exchange exposure - JPY	** Average rate of bills of exchange	Total BRL
50% better	0.0173	(0.0215)	(3,911)
25% better	0.0259	(0.0215)	(4,779)
Probable scenario	0.0346	(100,838)	(5,652)
25% worse	0.0432	(0.0215)	(6,523)
50% worse	0.0518	(0.0215)	(7,390)

(*) Amounts in thousands

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

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Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 *(in thousand of reais), unless otherwise indicated.*

Budgeted cash flow - exposure in foreign currency

The Group projects and conducts its transactions based on its current cash flows, which means that subsequent changes in the exchange rates can result in expenditure for the Group. To hedge its future cash flow against currency fluctuations, the Group uses forward contracts for USD, EUR and JPY (NDF).

Sensitivity analysis table

Parent company and consolidated sensitivity analysis table – cash flow derivatives portfolio for the period ended June 30, 2024																
Scenario	USD/BRL exchange rate for settlement of operations	Notional value - USD (thousand)	Weighted average rate at maturity (*)	Adjustment in R\$ thousand	P&L potential Impacts in R\$ thousand	EUR/BRL exchange rate for settlement of operations	Notional value - EUR (thousand)	Weighted average rate at maturity (*)	Adjustment in R\$ thousand	P&L potential Impacts in R\$ thousand	JPY/BRL exchange rate for settlement of operations	Notional value - JPY (thousand)	Weighted average rate at maturity (*)	Adjustment in R\$ thousand	P&L potential Impacts in R\$ thousand	P&L Total potential Impacts in R\$ thousand
50% better	2.7795	3,324	5.3697	8,609	9,238	2,9774	6,292	6.2162	20,378	18,733	0.0518	(201,030)	0.0444	1,490	3,474	30,477
25% better	4.1692	3,324	5.3697	3,990	4,619	4,4660	6,292	6.2162	11,011	9,366	0.0432	(201,030)	0.0444	(247)	1,737	14,754
Probable scenario	5.5589	3,324	5.3697	(629)	-	5,9547	6,292	6.2162	1,645	-	0.0346	(201,030)	0.0444	(1,984)	-	(968)
25% worse	6.9486	3,324	5.3697	(5,248)	(4,619)	7,4434	6,292	6.2162	(7,721)	(9,366)	0.0259	(201,030)	0.0444	(3,721)	(1,737)	(16,690)
50% worse	8.3384	3,324	5.3697	(9,867)	(9,238)	8,9321	6,292	6.2162	(17,088)	(18,733)	0.0173	(201,030)	0.0444	(5,458)	(3,474)	(32,413)

The selling rates published on June 30, 2024, by the Brazilian Central Bank for USD, EUR and JPY were used.

MAHLE Metal Leve S.A.

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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			
		06.30.2024	06.30.2023		
Liability position	EUR	6.06713		9,293	17,264
Liability position	USD	5.31941		29,757	12,067
Asset position	JPY	0.04564		(231,090)	(401,744)

Foreign currency	Weighted average forward rate - value for settlement	Fair market value - thousand			
		Parent Company			
		06.30.2024	06.30.2023		
Liability position	EUR	6.06713		(652)	8,172
Liability position	USD	5.31941		(8,432)	4,381
Asset position	JPY	0.04564		(2,149)	(7,780)

e) 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 and copper.

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 June 30, 2024 and 2023:

Asset position	Weighted average price on maturity	Notional value - metric tons	
		Parent Company	
		06.30.2024	06.30.2023
Commodities			
Copper	9,642	96	110
Aluminum	2,495	253	266
TOTAL		349	376

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Asset position	Weighted average price on maturity	Notional value (fair market value)	
		Parent Company	
		06.30.2024	06.30.2023
Commodities			
Copper	9,642	771	17,529
Aluminum	2,495	5,237	43,618
TOTAL		6,008	61,145

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 (Jul - Dec)	233	(167)	2,437	71.7%
2025 - (Jan - Apr)	161	(86)	2,550	53.4%
Total	394	(253)	2,476	64.2%

Parent Company (COPPER)				
Year	Net Exposure (Tons)	Notional Value - Hedge (Tons)	Average Price - Portfolio Swap	% Hedged
2024 (Jul - Dec)	86	(64)	8,799	74.4%
2025 - (Jan - Apr)	59	(32)	9,725	54.2%
Total	145	(96)	9,107	66.2%

MAHLE Metal Leve S.A.

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- 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).

The methodology adopted for calculating the balances presented in the table below consisted of replacing the closing exchange rate and commodity prices on June 30, 2024 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
Copper				
50% better		14,215		2,440
25% better		11,846		1,176
Probable scenario	96	9,477	9,642	(88)
25% worse		7,107		(1,352)
50% worse		4,738		(2,617)
Aluminum				
50% better		3,666		1,647
25% better		3,055		788
Probable scenario	253	2,444	2,495	(72)
25% worse		1,833		(931)
50% worse		1,222		(1,790)

The selling rates of the USD published on June 30, 2024, by the Brazilian Central Bank and the metal prices published on the same date by the LME were used.

MAHLE Metal Leve S.A.

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

	06.30.2024		06.30.2023		
	Parent company	Consolidated	Parent company	Consolidated	
Results of derivatives (exports/imports/loan)					
Provisions					
- Operations on accounts receivable and payable	(BS)	(8,616)	(8,655)	3,340	3,342
Cash effect					
- Operations on accounts receivable and payable	Note 27	(12,001)	(12,001)	16,718	16,718
Total Derivative Operations - Net Finance Result		(20,617)	(20,656)	20,058	20,060
Effects of Foreign Exchange Variations and Financial Instruments on Profit and Loss					
Exchange variations (gains and losses)		(73,116)	(36,704)	793	(14,629)
Results of derivatives (exports/imports/loan)		(20,617)	(20,656)	20,058	20,060
Gross sales		(4,150)	(4,150)	(26,127)	(26,127)
Cost of sales		2,593	2,593	22,584	22,584
Effects of Foreign Exchange Variations and Financial Instruments on Profit and Loss		(95,290)	(58,917)	17,308	1,888
Gross result					
Gross sales					
- Settlements with cash effect		(4,150)	(4,150)	(26,127)	(26,127)
Cost of sales		(4,150)	(4,150)	(26,127)	(26,127)
- Settlements with cash effect		2,593	2,593	22,584	22,584
Total Derivative Operations - Gross Result		(1,557)	(1,557)	(3,543)	(3,543)
Equity					
Provisions					
- Operations on sales to be made	(BS)	(3,036)	(3,036)	7,869	7,869
- Operations on commodities	(BS)	6,008	6,008	61	61
Deferred income tax and social contribution		(1,010)	(1,010)	(2,696)	(2,696)
Total Derivative Operations - Equity		1,962	1,962	5,234	5,234
Provision for unrealized losses and gains on derivatives					
(BS) - Sum of the net balance sheet					
Balance sheet assets		8,265	8,720	11,663	13,533
Balance sheet liabilities		(13,578)	(13,578)	(4,728)	(4,728)
Balance sheet, net		(5,313)	(4,858)	6,935	8,805

Guarantees

The Group had no guarantee deposits relating to these derivative instruments for the periods presented above (June 30, 2024 and 2023).

MAHLE Metal Leve S.A.

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30. 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 first semester, the Group recognized a provision for profit sharing in the amount of R\$ 28,971 (R\$ 25,008 in the first semester of 2023) – Parent Company and R\$ 28,978 (R\$ 25,024 in the first semester of 2023) – Consolidated. The employee profit sharing payment follows the rules set forth in the collective labor agreement. That agreement establishes conditions to be met, as summarized herein: i) production goals for a predetermined number of workers; ii) maintenance of the absenteeism level up to previously defined annual average absence rate in relation to standard hours worked; and iii) maintenance of the scrap level up to the previously defined annual average scrap rate in relation to the number of parts produced.

Supplementary pension plan - defined contribution

In September 2006, the Group joined a free benefit-generating private pension plan, managed by Bradesco Vida e Previdência S.A. (the Manager), offering all its employees the option to participate. The contributions are defined according to salary bracket. 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\$ 1,205 in the first semester of 2024 (R\$ 1,085 in the first semester of 2023).

31. Insurance

The Group has a policy of taking out insurance coverage for assets subject to risks at amounts considered sufficient to cover losses, considering the nature of its activity. The risk assumptions adopted, given their nature, have not been made part of the scope of an audit and, accordingly, were not examined by our independent auditors. The insurance is contracted with leading insurance companies with the advice of specialist insurance brokers.

For 2024 the insurance coverage for operational risks (combined property damages and lost profits) is R\$ 2,360,000 (2023 - R\$ 2,111,328).

MAHLE Metal Leve S.A.

Explanatory notes to the individual and consolidated interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 (*in thousand of reais*), unless otherwise indicated.

32. Application of CPC 42 / IAS 29 - Financial Reporting in Hyperinflationary Economies

Since July 2018 Argentina is considered a hyperinflationary economy and the Group applies NBC TG 42 (CPC 42)/IAS 29 - Financial Reporting in Hyperinflationary Economies to its subsidiary MAHLE Argentina S.A., whose functional currency is the Argentine peso.

As a result, NBC TG 42 (CPC 42)/IAS 29 Financial Reporting in Hyperinflationary Economies require that the results of the operations of the subsidiary MAHLE Argentina S.A. are restated by applying the the Consumer Price Index (CPI) determined by the Central Bank of Argentina. The impacts on the interim financial statements in the Parent Company and Consolidated on June 30, 2024 and June 30, 2023 are as follows:

	2Q2024	1H2024	2Q2023	1H2023
Reconciliation of result adjustments				
Gain on monetary position of investments from parent company - reflex recomposition	50,168	148,338	57,231	103,759
Gain on monetary position of investments from subsidiary - reflex recomposition	394	1,188	462	841
Loss on monetary position of subsidiary MAHLE Argentina S.A.	(44,728)	(77,826)	(30,926)	(46,569)
Gain on monetary item, result (consolidated)	5,834	71,700	26,767	58,031

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 81.4% on June 30, 2024 (inflation of 53% on June 30, 2023). 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 interim financial statements

Three and six-month periods ended June 30, 2024 and 2023 *(in thousand 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

Executive Board

Sergio Pancini de Sá - Chief Executive and Investor Relations Officer
Claudio Cesar Braga – Chief Financial Officer

Fiscal Conciul

Principal members

Axel Erhard Brod
Hélio Carlos de Lamare Cox
Michael Lehmann

Alternate members

Flávio Venturelli Helú
Dimas Lazarini Silveira Costa
Maria Elvira Lopes Gimenez

Audit Committee

Eduardo Augusto Rocha Pocetti
Peter Paul Wilhelm Grunow
Orlando Octavio de Freitas Junior

Technical specialist

Daniel de Oliveira Camargo
Accounting and tax manager
Accountant - CRC 1SP 248941/O-2

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(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Representation by officers on the parent company and consolidated interim 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 8, 2017, do hereby declare that:

They have reviewed and discussed, and agree with, the Parent Company and Consolidated interim financial statements of MAHLE Metal Leve S.A. for the period ended June 30, 2024, and thus authorize their completion.

Mogi Guaçu, August 13th, 2024.

Sergio Pancini de Sá
CEO

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 interim 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 conclusion expressed by Ernst & Young Auditores Independentes S.S., on the Parent Company and Consolidated interim financial statements of MAHLE Metal Leve S.A. for the period ended June 30, 2024.

Mogi Guaçu, August 13th, 2024.

Sergio Pancini de Sá
CEO

Claudio Cesar Braga
Finance director