

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Quarterly information (ITR)
on September 30, 2022

Mogi Guaçu, São Paulo, November 11, 2022 - MAHLE Metal Leve S.A. (B3: LEVE3), a Brazilian automotive parts supplier of internal combustion engine components and filtration systems for the automotive industry, today announced its financial results for the third quarter of 2022 (3Q22). Unless otherwise noted, the financial and operating information included in this release is provided on a consolidated basis and in Brazilian real (BRL), and was prepared in accordance with the Brazilian Corporation Law.

Third Quarter 2022 Financial Results Video Conference Call

Date: November 16, 2022

Time

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

Video Conference Call:

[EVENT LINK](#)

Choose the language you wish to hear the call in:

⇒ Portuguese (original audio), or

⇒ simultaneous translation into English.

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

FINANCIAL HIGHLIGHTS

Net Sales Revenue: R\$ 1,198.8 million in 3Q22, which represents an increase of 26.3% compared with the third quarter of 2021 (3Q21). Net sales revenue for the first nine months of 2022 (9M22) was 16.3% higher than in the first nine months of 2021 (9M21).

Company's performance by market:	3Q22 x 3Q21	9M22 x 9M21
Aftermarket – Domestic Market	↑ 47.3%	↑ 31.6%
Original Equipment – Domestic Market	↑ 28.2%	↑ 22.3%
Original Equipment – Export Market	↑ 12.2%	↓ 1.1%
Aftermarket – Export Market	↑ 7.0%	↑ 18.5%
Total change in revenue:	↑ 26.3%	↑ 16.3%

Further details of changes are provided in items [4.1](#), [4.2](#) and [4.3](#) below.

GPTW Ranking: In September 2022, the Company was named by GPTW Brazil as one of the 100 Best Companies to Work for in the state of São Paulo.

(in millions of R\$)	Key Indicators							
	3Q22 (a)	2Q22 (b)	3Q21 (c)	(a/b)	(a/c)	9M22 (d)	9M21 (e)	(d/e)
Net sales revenue	1,198.8	1,019.4	949.5	17.6%	26.3%	3,108.2	2,673.6	16.3%
EBITDA	285.0	181.5	196.4	57.0%	45.1%	645.0	658.5	-2.1%
Adjusted EBITDA ¹	283.0	181.5	185.9	55.9%	52.3%	643.0	559.2	15.0%
EBITDA margin	23.8%	17.8%	20.7%	6 p.p.	3.1 p.p.	20.8%	24.6%	-3.8 p.p.
Adjusted EBITDA margin ¹	23.6%	17.8%	19.6%	5.8 p.p.	4 p.p.	20.7%	20.9%	-0.2 p.p.
Net profit	204.3	114.9	139.9	77.8%	46.0%	442.2	436.1	1.4%
Adjusted net profit ²	201.8	114.9	132.4	75.6%	52.4%	439.7	364.8	20.5%
Net margin	17.0%	11.3%	14.7%	5.7 p.p.	2.3 p.p.	14.2%	16.3%	-2.1 p.p.
Adjusted net margin ²	16.8%	11.3%	13.9%	5.5 p.p.	2.9 p.p.	14.1%	13.6%	0.5 p.p.

¹ Adjusted EBITDA: Details of the adjustments are provided in items [4.9](#) and [4.10](#) in this document.

² Adjusted net profit: Details of the adjustments are provided in item [4.13](#) in this document.

Net profit and net margin shown in the above table refers to "Profit attributable to owners of the Company" in item [4](#) in this document.

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1. Management Commentary

The close of the third quarter of 2022 was another important step towards the recovery of the automotive industry in Brazil after a sluggish first quarter because of electronic components shortage; some improvement began in the second quarter.

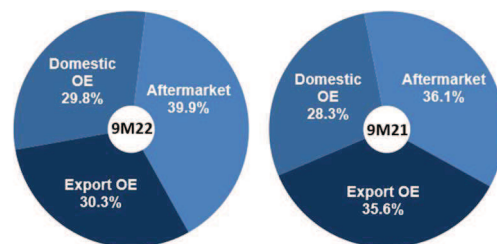
According to the Brazilian Association of Automotive Vehicle Manufacturers (ANFAVEA), vehicle production in the third quarter of 2022 was up 11.6% and vehicle sales rose 14.3% compared with the prior quarter. Anfaveja's monthly analysis showed that the September figures were lower than the record high levels set in August, mainly because of two fewer working days. A highlight is the continued improvement in average daily sales since January, reaching 9.2 thousand new car registrations per business day, the strongest result in the year. Year-to-date auto production from January to September increased by 6.3%, exports rose 31.2%, while new car registrations declined by 4.7%. The truck segment remained at roughly the same level as 2021 when it saw growth driven by demand from agribusiness and delivery market.

The global market still faces challenges as there is the possibility of new lockdowns in major Chinese cities due to COVID-19, with supply chains (especially semiconductors) facing more disruption risk; the Russia-Ukraine war has affected commodity prices and the global logistics market; global inflation; and slowing global GDP growth.

The Company seeks to achieve a balance between the Original Equipment and Aftermarket segments in both domestic and export markets, so as to offset oscillations across the segments and stabilize its profit margin over time.

The Company's 3Q22 net revenue increased 26.3% compared with the same period in 2021, driven by an increase in sales in the Aftermarket (+37.4%), domestic OE market (+28.2%), and export OE market (+12.2%). Net revenue for the first nine months of 2022 increased 16.3% compared with the first nine months of 2021, driven by an increase in sales in the Aftermarket (+28.7%), domestic OE market (+22.3%), partially offset by a decline in the export OE market (-1.1%).

The chart below shows the Company's revenue by business segment in 9M22 and 9M21:



Adjusted EBITDA margin in 3Q22 was 23.6% (R\$ 283.0 million) versus 19.6% (R\$ 185.9 million with adjustment) in 3Q21. Adjusted EBITDA margin in 9M22 was 20.7% (R\$ 643.0 million) versus 20.9% (R\$ 559.2 million with adjustment) in 9M21. More information about changes in EBITDA and adjusted EBITDA for 2021 is provided in item [4.10](#) below.

The Company continues to monitor the global COVID-19 situation and maintains a crisis committee to monitor the evolving situation at all its plants to mitigate the risk of contamination of employees and service providers. The Company continues to allow employees who can work remotely (for example, administrative staff) to work from home on a full time or hybrid basis.

MAHLE Metal Leve was named by ¹GPTW Brazil as one of the 100 Best Companies to Work for in the state of São Paulo. In its first year of entering the process, MAHLE Metal Leve S.A. (and MAHLE Group Brazil) earned this certification based on a survey of employee satisfaction and an analysis of organizational culture that reflects strategic values such as leadership, innovation, trust and development of people inside an organization. We celebrate this award as a tribute to our employees who make Mahle a great place to work.

¹ Great Place To Work (GPTW) is a global consulting firm that recognizes the Best Workplaces in 109 countries around the world, based on an organizational climate survey where employees provide feedback on their workplace, leadership, relationships and company culture.

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 the highest quality products using cutting-edge technology, and we are constantly investing in 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. In the original equipment industry, MAHLE supplies automotive manufacturers and the Aftermarket business segment supplies large auto parts distributors and engine repair shops.

Our products are manufactured and sold in Brazil and Argentina and exported to more than 60 countries, including USA, Germany, Mexico, Portugal and Spain, to a large customer base that includes General Motors, Volkswagen, Fiat, Ford, Daimler MBB, Opel, International, Cummins, Volvo, PSA Peugeot, John Deere, Renault, Scania, Caterpillar, Honda, Hyundai, Toyota, among others.

We own five production 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 a technology center in the city of Jundiaí, State of São Paulo, which we believe is one of the largest and most well-equipped technology centers in Latin America for the development of components and solution packages for internal combustion engines. This center allows us to serve and deliver value to our customers in a customized and efficient manner, and develop innovative new product technologies and processes.

As part of the globally active MAHLE Group, we are able to exchange knowledge, provide and have constant access to the latest technologies and develop products in close collaboration with customers, which we believe are key factors to the high level of market penetration and customer loyalty that we have achieved.

3. Development of the Automotive Industry

3.1 Development of the Brazilian and Argentine markets

Brazil	Jan-Sep 2022					Jan-Sep 2021					Sales Variation (A/C)	Production Variation (B/D)
	Sales (**) (A)	Export	Import	Inventory (*)	Total Production (B)	Sales (**) (C)	Export	Import	Inventory (*)	Total Production (D)		
Total light vehicles	1,397,554	341,565	-187,203	63,947	1,615,863	1,471,274	257,472	-173,020	-35,950	1,519,776	-5.0%	6.3%
Total medium and heavy vehicles	105,066	21,938	-4,479	17,974	140,499	106,211	19,509	-4,936	12,083	132,867	-1.1%	5.7%
Total vehicle sales	1,502,620	363,503	-191,682	81,921	1,756,362	1,577,485	276,981	-177,956	-23,867	1,652,643	-4.7%	6.3%
Variation (un) - 9M22 x 9M21	-74,865	86,522	13,726	-105,788	103,719							
Variation (%) - 9M22 x 9M21	-4.7%	31.2%	7.7%	-443.2%	6.3%							

Source: Anfavea

(*) Vehicle inventory variation = production - (sales + exports - imports)

(**) Sales (Domestic + Imported)

Argentina	Jan-Sep 2022					Jan-Sep 2021					Sales Variation (A/C)	Production Variation (B/D)
	Sales (A)	Export	Import	Inventory (*)	Total Production (B)	Sales (C)	Export	Import	Inventory (*)	Total Production (D)		
Total light vehicles	274,441	230,856	-125,604	14,288	393,981	248,564	181,221	-127,285	4,912	307,412	10.4%	28.2%
Total medium and heavy vehicles	11,746	0	0	-9,425	2,321	11,576	0	0	-9,454	2,122	1.5%	9.4%
Total vehicle sales	286,187	230,856	-125,604	4,863	396,302	260,140	181,221	-127,285	-4,542	309,534	10.0%	28.0%
Variation (un) - 9M22 x 9M21	26,047	49,635	-1,681	-9,405	86,768							
Variation (%) - 9M22 x 9M21	10.0%	27.4%	-1.3%	-207.1%	28.0%							

Source: Adefa/Acaras Argentina/IHS.

(*) Vehicle inventory variation = production - (sales + exports - imports)

Brazil and Argentina	Jan-Sep 2022					Jan-Sep 2021					Sales Variation (A/C)	Production Variation (B/D)
	Sales (A)	Export	Import	Inventory (*)	Total Production (B)	Sales (C)	Export	Import	Inventory (*)	Total Production (D)		
Total light vehicles	1,671,995	572,421	-312,807	78,235	2,009,844	1,719,838	438,693	-300,305	-31,038	1,827,188	-2.8%	10.0%
Total medium and heavy vehicles	116,812	21,938	-4,479	8,549	142,820	117,787	19,509	-4,936	2,629	134,989	-0.8%	5.8%
Total vehicle sales	1,788,807	594,359	-317,286	86,784	2,152,664	1,837,625	458,202	-305,241	-28,409	1,962,177	-2.7%	9.7%
Variation (un) - 9M22 x 9M21	-48,818	136,157	12,045	-115,193	190,487							
Variation (%) - 9M22 x 9M21	-2.7%	29.7%	3.9%	-405.5%	9.7%							

Source: Anfavea (Brazil) and Adefa/Acaras Argentina/IHS (Argentina)

(*) Vehicle inventory variation = production - (sales + exports - imports)

3.2 Vehicle production in the major export markets

Vehicle production in the leading export markets (thousands)	Jan-Sep 2022 (A)	Jan-Sep 2021 (B)	A/B
Production of light vehicles	10,821	9,754	10.9%
Production of medium- and heavy-duty vehicles	470	410	14.6%
North America	11,291	10,164	11.1%
Production of light vehicles	11,532	11,870	-2.8%
Production of medium- and heavy-duty vehicles	406	420	-3.3%
Europe	11,938	12,290	-2.9%
Total vehicle production	23,229	22,454	3.5%

Source: IHS

4. Company's Financial and Economic Performance

Summary of profit and loss accounts (in millions of R\$)	3Q22 (a)	3Q21 (b)	HA (%) (a/b)	VA (%) (a)	VA (%) (b)	9M22 (c)	9M21 (d)	HA (%) (c/d)	VA (%) (c)	VA (%) (d)
Net sales revenue	1,198.8	949.5	26.3%	100.0%	100.0%	3,108.2	2,673.6	16.3%	100.0%	100.0%
Cost of sales	(837.5)	(692.7)	20.9%	-69.9%	-73.0%	(2,251.7)	(1,899.5)	18.5%	-72.4%	-71.0%
Gross profit	361.3	256.8	40.7%	30.1%	27.0%	856.5	774.1	10.6%	27.6%	29.0%
Selling and distribution expenses	(85.6)	(63.8)	34.2%	-7.1%	-6.7%	(220.1)	(172.1)	27.9%	-7.1%	-6.4%
General and administrative expenses	(26.2)	(26.7)	-1.9%	-2.2%	-2.8%	(79.6)	(78.4)	1.5%	-2.6%	-2.9%
Research and development expenses	(12.5)	(13.8)	-9.4%	-1.0%	-1.5%	(35.2)	(40.6)	-13.3%	-1.1%	-1.5%
¹ Other operating income (expenses)	2.1	6.1	-65.6%	0.2%	0.6%	(10.2)	62.0	-116.5%	-0.3%	2.3%
Share of profit of equity-accounted investees	-	3.4	-100.0%	0.0%	0.4%	-	3.3	-100.0%	0.0%	0.1%
Gains (losses) on inflation adjustment	21.2	9.6	120.8%	1.8%	1.0%	61.4	34.9	75.9%	2.0%	1.3%
Operating profit	260.3	171.6	51.7%	21.7%	18.1%	572.8	583.2	-1.8%	18.4%	21.8%
Net finance income (costs)	16.3	5.9	176.3%	1.4%	0.6%	7.4	(12.1)	-161.2%	0.2%	-0.5%
² Income tax and social contribution	(72.6)	(37.7)	92.6%	-6.1%	-4.0%	(139.9)	(134.8)	3.8%	-4.5%	-5.0%
Profit for the period	204.0	139.8	45.9%	17.0%	14.7%	440.3	436.3	0.9%	14.2%	16.3%
Profit attributable to owners of the Company	204.3	139.9	46.0%	17.0%	14.7%	442.2	436.1	1.4%	14.2%	16.3%
Adjusted profit attributable to owners of the Company	201.8	132.4	52.4%	16.8%	13.9%	439.7	364.8	20.5%	14.1%	13.6%
Profit attributable to non-controlling interests	(0.3)	(0.1)	200.0%	0.0%	0.0%	(1.9)	0.2	-1050.0%	-0.1%	0.0%
EBITDA	285.0	196.4	45.1%	23.8%	20.7%	645.0	658.5	-2.1%	20.8%	24.6%
Adjusted EBITDA	283.0	185.9	52.2%	23.6%	19.6%	643.0	559.2	15.0%	20.7%	20.9%

¹ Additional information is provided in item 4.9 in this document.

² Additional information is provided in item 4.12 in this document.

4.1 Net sales revenue and net revenue by market

The Company considers as Domestic Market the revenue generated from its operations in Brazil and Argentina. With respect to the consolidation of the financial statements, the tables below present negative effects of exchange rate changes from the translation of the financial statements from Argentine peso to Brazilian real.

The tables below show revenue by market and impacts in terms of volume/price and exchange rate changes period over period: Page | 7

Net revenue by market (in millions of R\$)		3Q22 (a)	Volume/Price (b)	Exchange rate change (c)	3Q21 (d)	Volume/price impact % (b/d)	Exchange rate impact % (c/d)	HA (%) (a/d)
Original Equipment	Domestic	355.5	84.8	(6.7)	277.4	30.6%	-2.4%	28.2%
	Export	357.3	38.7	0.1	318.5	12.2%	0.0%	12.2%
	Subtotal	712.8	123.5	(6.6)	595.9	20.7%	-1.1%	19.6%
Aftermarket	Domestic	393.8	198.5	(72.1)	267.4	74.3%	-27.0%	47.3%
	Export	92.2	(3.9)	9.9	86.2	-4.5%	11.5%	7.0%
	Subtotal	486.0	194.6	(62.2)	353.6	55.0%	-17.6%	37.4%
Total		1,198.8	318.1	(68.8)	949.5	33.5%	-7.2%	26.3%

Net revenue by market (in millions of R\$)		9M22 (a)	Volume/Price (b)	Exchange rate change (c)	9M21 (d)	Volume/price impact % (b/d)	Exchange rate impact % (c/d)	HA (%) (a/d)
Original Equipment	Domestic	924.8	179.2	(10.5)	756.1	23.7%	-1.4%	22.3%
	Export	942.8	31.1	(41.6)	953.3	3.3%	-4.4%	-1.1%
	Subtotal	1,867.6	210.3	(52.1)	1,709.4	12.3%	-3.0%	9.3%
Aftermarket	Domestic	984.9	358.5	(122.0)	748.4	47.9%	-16.3%	31.6%
	Export	255.7	37.6	2.3	215.8	17.4%	1.1%	18.5%
	Subtotal	1,240.6	396.1	(119.7)	964.2	41.1%	-12.4%	28.7%
Total		3,108.2	606.4	(171.8)	2,673.6	22.7%	-6.4%	16.3%

The table below shows average exchange rates based on Brazil's reference exchange rate 'PTAX' published by the Central Bank of Brazil:

Currencies	Periods	2022	2021	Change %
USD/BRL	Third quarter	5.2494	5.2294	0.38%
	Nine months	5.1344	5.3325	-3.71%
EUR/BRL	Third quarter	5.2861	6.1631	-14.23%
	Nine months	5.4679	6.3808	-14.31%
ARS/BRL	Third quarter	0.0388	0.0538	-27.90%
	Nine months	0.0432	0.0573	-24.57%

Currencies	Periods	2022	2021	Change %
USD/ARS	Third quarter	135.7955	97.2485	39.64%
	Nine months	120.1108	93.2982	28.74%
EUR/ARS	Third quarter	136.2085	115.0586	18.38%
	Nine months	126.9131	111.8359	13.48%

4.2 Sales in the Original Equipment (OE) market

Domestic market:

In 3Q22, the domestic OE market grew by 28.2%, driven by a volume/price increase of 30.6%, partially offset by the effect of movements in exchange rates of 2.4%. In 9M22, the domestic market grew by 22.3%, due to a volume/price increase of 23.7%, partially offset by the effect of movements in exchange rates of 1.4%. As a proxy, consolidated vehicle production in Brazil and Argentina as disclosed by the Brazilian Association of Automotive Vehicle Manufacturers (Anfavea) and Argentina's Association of Automobile Manufacturers (Adefa) grew by 9.7%.

Export market:

In 3Q22, the export market grew by 12.2%, due to the positive volume/price impact. In 9M22, the decline of 1.1% was due to the negative effects of exchange rate fluctuations of 4.4%, partially offset by the positive volume/price impact of 3.3%.

The table below presents exports in hard currency:

Original Equipment						
Exports by currency (in millions)	3Q22 (a)	3Q21 (b)	HA (%) (a/b)	9M22 (c)	9M21 (d)	HA (%) (c/d)
EUR	17.9	18.9	-5.3%	52.1	59.5	-12.4%
USD	51.8	38.4	34.9%	129.9	112.4	15.6%
Total equivalent in USD	71.0	59.9	18.5%	188.2	182.4	3.2%

4.3 Sales in the Aftermarket

Domestic market:

In 3Q22, the domestic market grew by 47.3%, driven by a volume/price increase of 74.3%, partially offset by negative effects of movements in exchange rates of 27.0%. In 9M22, the domestic market grew by 31.6%, due to a volume/price increase of 47.9%, partially offset by the negative effects of exchange rate fluctuations of 16.3%.

Export market:

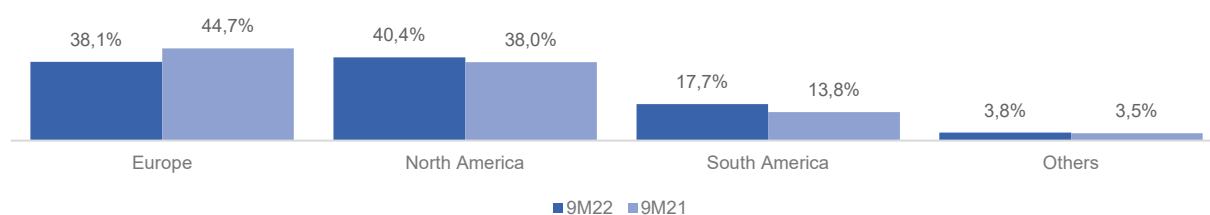
The export market grew by 7.0% in 3Q22, due to the positive effects of exchange rate changes of 11.5%, partially offset by a volume/price decrease of 4.5%. In 9M22, the export market grew by 18.5%, due to a volume/price increase of 17.4% and the effects of exchange rate changes of 1.1%.

The table below shows Aftermarket segment's exports in hard currency:

Aftermarket						
Exports by currency (in millions)	3Q22 (a)	3Q21 (b)	HA (%) (a/b)	9M22 (c)	9M21 (d)	HA (%) (c/d)
EUR	0.9	1.1	-18.2%	3.3	2.0	65.0%
USD	15.9	16.3	-2.9%	46.4	39.1	18.7%
Total equivalent in USD	16.7	17.7	-5.6%	50.0	41.5	20.5%

4.4 Consolidated export by region

The graph below shows our exports by geographic region for 9M22 and 9M21:



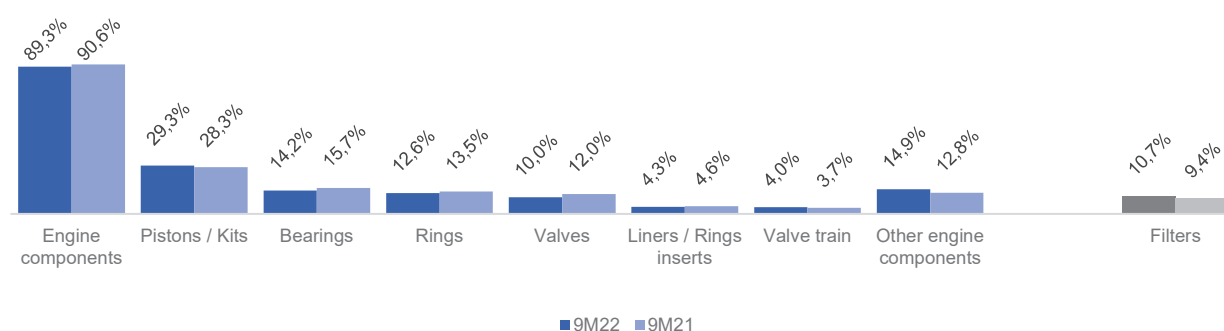
4.5 Net revenue by segment and by product

In 3Q22, sales of the engine component segment grew by 25.3% and sales of the filter segment grew by 35.4% compared with 3Q21. In 9M22, the engine component segment grew by 14.5% and the filter segment grew by 32.7% compared with 9M21.

Net sales revenue by segment (in millions of R\$)	3Q22 (a)	3Q21 (b)	HA (%) (a/b)	VA (%) (a)	VA (%) (b)	9M22 (c)	9M21 (d)	HA (%) (c/d)	VA (%) (c)	VA (%) (d)
Engine components	1,074.1	857.4	25.3%	89.6%	90.3%	2,774.1	2,421.9	14.5%	89.3%	90.6%
Filters	124.7	92.1	35.4%	10.4%	9.7%	334.1	251.7	32.7%	10.7%	9.4%
Total	1,198.8	949.5	26.3%	100.0%	100.0%	3,108.2	2,673.6	16.3%	100.0%	100.0%

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The graph below shows the share of each product in total sales in 9M22 and 9M21:



4.6 Gross margin

Summary of profit and loss accounts (in millions of R\$)	3Q22 (a)	3Q21 (b)	HA (%) (a/b)	VA (%) (a)	VA (%) (b)	9M22 (c)	9M21 (d)	HA (%) (c/d)	VA (%) (c)	VA (%) (d)
Net sales revenue	1,198.8	949.5	26.3%	100.0%	100.0%	3,108.2	2,673.6	16.3%	100.0%	100.0%
Cost of sales	(837.5)	(692.7)	20.9%	-69.9%	-73.0%	(2,251.7)	(1,899.5)	18.5%	-72.4%	-71.0%
Gross profit	361.3	256.8	40.7%	30.1%	27.0%	856.5	774.1	10.6%	27.6%	29.0%

Transparent relationships with suppliers and customers are established through a well-defined pricing process. Growth in productivity is also critically important to offset, even if partially, cost increases.

4.7 Selling, general and administrative expenses

Selling and distribution expenses increased due to increased freight costs and variable selling and personnel expenses.

General and administrative expenses as a percent of net sales revenue remained stable for the periods shown below.

Summary of profit and loss accounts (in millions of R\$)	3Q22 (a)	3Q21 (b)	HA (%) (a/b)	VA (%) (a)	VA (%) (b)	9M22 (c)	9M21 (d)	HA (%) (c/d)	VA (%) (c)	VA (%) (d)
Net sales revenue	1,198.8	949.5	26.3%	100.0%	100.0%	3,108.2	2,673.6	16.3%	100.0%	100.0%
Selling and distribution	(85.6)	(63.8)	34.2%	-7.1%	-6.7%	(220.1)	(172.1)	27.9%	-7.1%	-6.4%
General and administrative	(26.2)	(26.7)	-1.9%	-2.2%	-2.8%	(79.6)	(78.4)	1.5%	-2.6%	-2.9%

Additional information is provided in Notes 26 and 27 to the Interim Financial Statements for the period ended September 30, 2022.

4.8 Research and development (R&D) expenses

The Company believes that the continued focus on R&D and technology innovations to develop and launch new products is one of its main competitive advantages. R&D spending reflects market demands, regional technology trends and auto industry incentive programs, especially the motor vehicle emission control program known as PROCONVE and the fuel efficiency program called ROTA2030.

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Summary of profit and loss accounts (in millions of R\$)	3Q22 (a)	3Q21 (b)	HA (%) (a/b)	VA (%) (a)	VA (%) (b)	9M22 (c)	9M21 (d)	HA (%) (c/d)	VA (%) (c)	VA (%) (d)
Net sales revenue	1,198.8	949.5	26.3%	100.0%	100.0%	3,108.2	2,673.6	16.3%	100.0%	100.0%
R&D expenses	(12.5)	(13.8)	-9.4%	-1.0%	-1.5%	(35.2)	(40.6)	-13.3%	-1.1%	-1.5%

4.9 Other operating income (expenses), net

Other operating income (expenses), net (in millions of R\$)	3Q22 (a)	3Q21 (b)	Change (a-b)	9M22 (c)	9M21 (d)	Change (c-d)
¹ Credit rights – municipal government of Limeira	6.6	-	6.6	6.6	-	6.6
Write-off of investment - <i>Innoferm</i>	-	(3.1)	3.1	-	(3.1)	3.1
Provision for/reversal of labor, civil and tax contingencies	1.6	(0.6)	2.2	(9.5)	(10.7)	1.2
Export expenses (Argentina)	(1.8)	(2.0)	0.2	(5.1)	(5.8)	0.7
Recovered taxes (<i>Reintegra</i>)	0.3	0.3	-	2.2	0.8	1.4
Provision for/reversal of environmental liability	-	-	-	-	(20.0)	20.0
Restructuring provision	-	-	-	-	0.3	(0.3)
Provision for/reversal of obsolescence	0.2	0.4	(0.2)	0.5	0.9	(0.4)
Gain/loss on disposal of assets/other	-	0.2	(0.2)	-	0.3	(0.3)
¹ PIS and COFINS on Other Revenues	(7,3)	-	(7,3)	(7,3)	-	(7,3)
Tax credits (ICMS on PIS and COFINS tax base)	-	10.5	(10.5)	-	99.3	(99.3)
Other income/expenses	2.5	0.4	2.1	2.4	-	2.4
Total other operating income (expenses), net	2.1	6.1	(4.0)	(10.2)	62.0	(72.2)

¹ Additional information is provided in Note 21 (item ii) to the Interim Financial Statements for the period ended September 30, 2022.

4.10 Operating result measured by EBITDA

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

EBTIDA: Changes for the period	Amount	Margin	EBTIDA: Changes for the period	Amount	Margin
3T21 ajustado	185.9	19.6%	9M21 ajustado	559.2	20.9%
Tax credits due to the exclusion of ICMS from PIS and COFINS tax calculation basis	10.5		Tax credits due to the exclusion of ICMS from PIS and COFINS tax calculation basis	99.3	
3T21	196.4	20.7%	9M21	658.5	24.6%
Gross profit	104.5		Gross profit	82.4	
Selling and distribution expenses	(21.8)		Selling and distribution expenses	(48.0)	
General and administrative expenses	0.5		General and administrative expenses	(1.2)	
Technology and product development expenses	1.3		Technology and product development expenses	5.4	
Other operating income (expenses)	(4.0)		Other operating income (expenses)	(72.2)	
Equity in the results of investees	(3.4)		Equity in the results of investees	(3.3)	
Gains/losses on net monetary position	11.6		Gains/losses on net monetary position	26.5	
Depreciation	(0.1)		Depreciation	(3.1)	
3T22	285.0	23.8%	9M22	645.0	20.8%
Credit rights: municipal government of Limeira	(2.0)		Credit rights: municipal government of Limeira	(2.0)	
3T22 ajustado	283.0	23.6%	9M22 ajustado	643.0	20.7%

¹ Additional information is provided in Note 21 (item ii) to the Interim Financial Statements for the period ended September 30, 2022.

4.11 Net finance income (costs)

At the end of 3Q22, the Company recorded net finance income of R\$ 16.3 million, an increase of R\$ 10.4 million from net finance income of R\$ 5.9 million in 3Q21. At the end of 9M22, the Company reported net finance income of R\$ 7.4 million versus net finance costs of R\$ 12.1 million, i.e., a positive change of R\$ 19.5 million year-over-year.

Net finance income (costs) (in millions of R\$)	3Q22 (a)	3Q21 (b)	Change (a-b)	9M22 (c)	9M21 (d)	Change (c-d)
Net interest income (expense) (i)	10.2	6.5	3.7	34.3	14.0	20.3
Interest income on financial investments	10.4	7.5	2.9	31.1	16.8	14.3
<i>Financial investments – average volume</i>	<i>191.8</i>	<i>216.0</i>	<i>-11.2%</i>	<i>238.5</i>	<i>278.8</i>	<i>-14.4%</i>
<i>Average interest rate per annum for financial investments (Brazil)</i>	<i>13.0%</i>	<i>5.9%</i>	<i>7.9%</i>	<i>11.3%</i>	<i>2.9%</i>	<i>8.3%</i>
<i>Average interest rate per annum for financial investments (Argentina)</i>	<i>56.9%</i>	<i>33.5%</i>	<i>23.3%</i>	<i>47.7%</i>	<i>32.6%</i>	<i>15.0%</i>
Interest expense on loans and borrowings	(5.2)	(2.5)	(2.7)	(10.5)	(12.2)	1.7
<i>Debt – average volume</i>	<i>(405.5)</i>	<i>(214.9)</i>	<i>88.7%</i>	<i>(355.5)</i>	<i>(279.9)</i>	<i>27.0%</i>
<i>Average cost of debt per annum</i>	<i>4.0%</i>	<i>3.3%</i>	<i>0.7%</i>	<i>3.6%</i>	<i>3.9%</i>	<i>-0.3%</i>
Other interest income	5.0	1.5	3.5	13.7	9.4	4.3
Effect of movements in exchange rates and loss on derivatives (ii) - (1+2+3)	10.9	8.5	2.4	(4.7)	(2.5)	(2.2)
1. Effect of movements in exchange rates on accounts receivable/accounts payable (1.1. + 1.2.)	(11.2)	(37.7)	26.5	(24.3)	(13.9)	(10.4)
1.1. Effect of movements in exchange rates	(12.7)	(32.9)	20.2	(44.4)	(11.9)	(32.5)
1.2. FX hedge						
<i>Note: Further information on financial instruments is provided in Note 31 to the Interim Financial Statements for the period ended September 30, 2022.</i>	1.5	(4.8)	6.3	20.1	(2.0)	22.1
2. Effect of movements in exchange rates on advances on foreign exchange contracts (ACC) / export credit notes (NCE)	23.6	40.5	(16.9)	46.5	10.5	36.0
3. Other transactions	(1.5)	5.7	(7.2)	(26.9)	0.9	(27.8)
Net monetary variation + Other (iii)	(4.8)	(9.1)	4.3	(22.2)	(23.6)	1.4
Net monetary variation	(4.1)	(8.4)	4.4	(18.2)	(21.0)	2.9
Other	(0.8)	(0.7)	(0.1)	(4.1)	(2.6)	(1.5)
Net finance income (costs) (i + ii + iii)	16.3	5.9	10.4	7.4	(12.1)	19.5

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4.12 Income tax and social contribution

The Company recorded an income tax and social contribution expense of R\$ 139.9 million at September 30, 2022 in the consolidated financial statements (expense of R\$ 134.8 million at September 30, 2021), as detailed below:

- Current tax: expense of R\$ 146.9 million generated principally by the parent company and its subsidiary MAHLE Argentina S/A;
- Deferred tax: income of R\$ 7.0 million with no impact on cash, comprising mainly changes in provisions.

Additional information on income tax and social contribution is presented in Note 11 to the Interim Financial Statements for the period ended September 30, 2022.

4.13 Net profit and adjusted net profit

Summary of profit and loss accounts (in millions of R\$)	3Q22 (a)	3Q21 (b)	9M22 (c)	9M21 (d)	HA (%) (a/b)	HA (%) (c/d)
Net profit attributable to owners of the Company	204.3	139.9	442.2	436.1	46.0%	1.4%
Tax credits arising from the exclusion of ICMS from the tax base of PIS and COFINS	-	(10.5)	-	(99.3)		
Interest income on tax credit	-	(0.9)	-	(8.8)		
Income tax and social contribution (adjustments)	-	3.9	-	36.8		
Credit rights: municipal government of Limeira	(3.8)	-	(3.8)	-		
Income tax and social contribution (adjustments)	1.3	-	1.3	-		
Adjusted net profit attributable to owners of the Company	201.8	132.4	439.7	364.8	52.4%	20.5%
Net margin attributable to owners of the Company	17.0%	14.7%	14.2%	16.3%	2.3 p.p.	-2.1 p.p.
Adjusted net margin attributable to owners of the Company	16.8%	13.9%	14.1%	13.6%	2.9 p.p.	0.5 p.p.

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Additional information on earnings per share is presented in Note 23 to the Interim Financial Statements for the period ended September 30, 2022.

4.14 Capital expenditures

The table below shows capital expenditures and total accumulated depreciation for 9M22 and 9M21:

Capex & Depreciation (in millions of R\$)	9M22	9M21
Capex	61.6	44.7
Total depreciation	74.9	75.9
Capex	9M22	9M21
% of net sales revenue	2.0%	1.7%
% of depreciation	82.2%	58.9%
Net sales revenue	3,108.2	2,673.6

In 9M22, the Company invested in R&D equipment, new machinery and equipment in order to improve productivity and quality, new products, building improvements, information technology, among others.

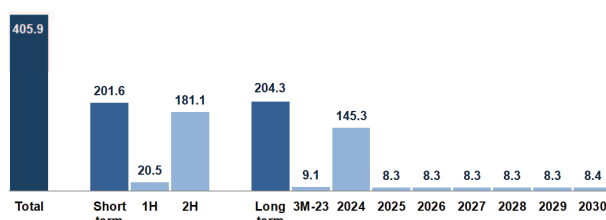
4.15 Net cash (debt)

The Company reported net debt of R\$ 58.6 million at the end of 9M22 and net cash of R\$ 246.4 million at the end of 2021, as shown in the table below:

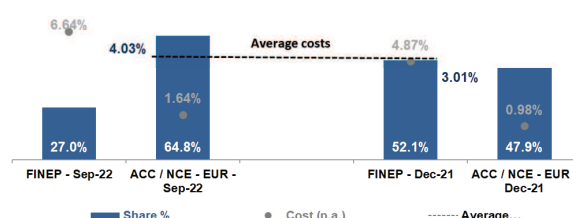
Net debt (R\$ million)	09.30.2022 (a)	12.31.2021 (b)	Variation (a-b)	% Debt (a)	% Debt (b)
Cash / banks / cash investments/ Loans to related parties (i):	347.3	508.8	(161.5)		
Liabilities (ii)	(405.9)	(262.4)	(143.5)	100%	100%
Short-term	(201.6)	(162.8)	(38.8)	49.7%	62.0%
Long-term	(204.3)	(99.6)	(104.7)	50.3%	38.0%
Net position (i - ii)	(58.6)	246.4	(305.0)		

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Presented below, the maturities of the operations allocated in the short and long term at the end of 9 months of 2022, which represents 49.7% and 50.3%, respectively, of the financing presented in the table above:



The graph below shows the composition of our financing as of September 30, 2022 and December 31, 2021, by type of funding with their respective costs, as well as the weighted average cost:



4.16 Distribution of dividends and interest on capital to shareholders

The Ordinary General Meeting approved on April 27, 2022 the distribution of R\$ 469.3 million relating to the financial year 2021. The Company distributed R\$ 539.2 million of dividends for the full year, totaling 100.0% of the net profit for the year (after legal deductions).

Date of approval	Record date	Ex-dividend date	Date of payment	Type of payout	Period	Fiscal year	Total gross amount (in millions of)	Gross value per share (R\$)	Net value per share (R\$)
April 27, 2022	April 27, 2022	April 28, 2022	May 27, 2022	Dividends	Supplementary dividends	2021	404.4	3.1519966000	3.1519966000
April 27, 2022	April 27, 2022	April 28, 2022	May 27, 2022	Dividends	Remaining mandatory minimum dividends	2021	64.9	0.5057063000	0.5057063000
December 27, 2021	December 27, 2021	January 3, 2022	May 27, 2022	Interest on capital	January 1, 2021 to December 31, 2021	2021	69.9	0.5449591998	0.4632153198
Total 2021							539.2	4.2026620998	4.1209182198

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

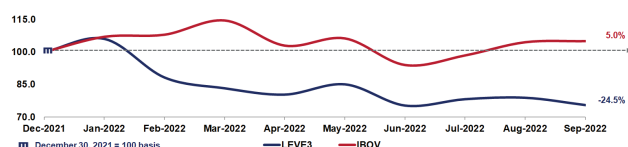
5. Investor Relations and Capital Market

During 2022, our Investor Relations team stayed connected to investors and the general market whilst working remotely from home due to social distancing measures required to control the spread of COVID-19.

The use of digital tools has helped us work together efficiently and to interact with our investors during the pandemic. In-person meetings, conferences and site visits have not yet been rescheduled.

5.1 Stock performance and free float

The graphs below show the market performance of LEVE3 stock and Ibovespa¹ during 9M22, and Average Daily Trading Volume (ADTV) and the ratio of average turnover to free-float market capitalization:



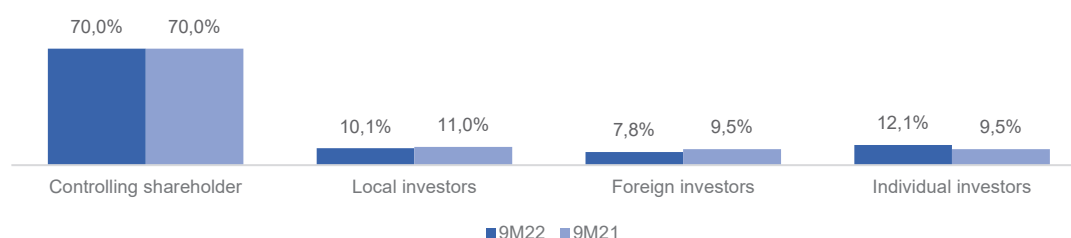
¹ IBOVESPA is a major stock market index which tracks the performance of the most liquid stocks traded on Brazil's Stock Exchange B3 - Brasil, Bolsa, Balcão.

Average Daily Trading Volume and Turnover Rate				
Period:	4Q21	1Q22	2Q22	3Q22
Trading volume (in millions of)	19.9	8.8	8.1	4.5
Turnover:	1.52%	0.79%	0.86%	0.48%

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5.2 Shareholder structure

At the end of 9M22 and 9M21, the Company's existing shareholder base and free float are as follows:



6. Independent Auditors

In accordance with CVM Instruction 381/03, 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 third quarter of 2022, the Company did not engage KPMG Auditores Independentes to perform non-audit services and there is, therefore, no situation that could constitute conflict of interest under that CVM Instruction.

7. Executive Board's Declaration

In compliance with the provisions of CVM Instruction 586, the Executive Board hereby declares that it has discussed, reviewed and agrees with the interim financial statements for the period ended September 30, 2022 and the conclusions expressed in the independent auditor's report.

8. Acknowledgements

We would like to thank our employees, shareholders, customers and suppliers for their continued support and trust in our Company in the third quarter of 2022.

The Management Board



KPMG Auditores Independentes Ltda.
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Independent Auditors' Report on Review of Interim Financial Statements

(A free translation of the original report in Portuguese, as filed with the *Comissão de Valores Mobiliários* (CVM), prepared in accordance with the accounting practices adopted in Brazil, rules of the CVM, and of the International Financial Reporting Standards - IFRS)

To the Management and Shareholders of the
MAHLE Metal Leve S.A.
Mogi Guaçu - SP

Introduction

We have reviewed the individual and consolidated interim financial information of MAHLE Metal Leve S.A. ("the Company"), included in the Quarterly Information Form (ITR), for the quarter ended September 30, 2022, which comprises the statement of financial position as of September 30, 2022 and the respective statements of profit or loss, other comprehensive income for the three and nine-month period then ended and the changes in equity and cash flows for the nine-month period then ended, including notes.

Management is responsible for the preparation and fair presentation of these (individual and consolidated) interim financial statements in accordance with CPC 21(R1) - *Demonstração Intermediária* and International Financial Reporting Standards (IFRS) including the requirements of IAS 34, 'Interim Financial Reporting, issued by International Accounting Standards Board - IASB, and for presentation of this interim financial information in accordance with the rules issued by *Comissão de Valores Mobiliários* (CVM) applicable to the preparation of these quarterly information – ITR.

Our responsibility is to express a conclusion on these (consolidated) interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 International Standards on Auditing 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 interim 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 referred above do not present fairly, in all material respects, in accordance with CPC 21(R1) and the IAS 34, issued by IASB, applicable to the preparation of the Quarterly Information and presented in accordance with the rules issued by *Comissão de Valores Mobiliários (CVM)*.

Other matters - Statements of value added

The individual and consolidated interim financial information, related to statements of value added (DVA) for the nine-month period ended September 30, 2022, prepared under the responsibility of the Company's management, and presented as supplementary information for the purposes of IAS 34, were submitted to the same review procedures followed together with the review of the Company's interim financial information. In order to form our conclusion, we evaluated whether these statements are reconciled to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - *Demonstração do Valor Adicionado*. Based on our review, nothing has come to our attention that causes us to believe that the accompanying statements of value added are not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole

Campinas, November 10, 2022

KPMG Auditores Independentes
CRC 2SP014428/O-6

Original report in Portuguese signed by

Carlos Humberto Rodrigues da Silva
Accountant CRC 1SP217733/O-4

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Quarterly information (ITR)
on September 30, 2022

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Quarterly information (ITR) on September 30, 2022

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MAHLE Metal Leve S.A.

Balance sheet at September 30, 2022 and December 31, 2021

All amounts in thousands of reais

(A free translation of the original in Portuguese)

Assets	Note	Parent company		Consolidated	
		09.30.2022	12.31.2021	09.30.2022	12.31.2021
Cash and cash equivalents	6	165,708	273,927	284,413	361,089
Trade and related-party receivables	7	674,052	453,230	779,828	567,080
Inventories	8	465,296	358,086	645,357	513,269
Taxes recoverable	9	144,986	46,918	150,424	54,926
Income tax and social contribution recoverable	9	33,428	47,358	42,566	69,939
Dividends and interest on capital receivable	10	-	132,095	-	-
Unrealized gains on derivative financial instruments	31	14,440	3,692	16,806	5,845
Other assets		23,457	17,750	44,251	28,838
Total current assets		1,521,367	1,333,056	1,963,645	1,600,986
Taxes recoverable	9	59,240	126,131	64,959	133,190
Loans to related parties	10	33,737	32,628	62,959	147,745
Deferred income tax and social contribution	11.b	16,447	14,459	16,746	14,459
Other assets		31,850	23,340	35,109	27,526
Total long-term assets		141,274	196,558	179,773	322,920
Investments in subsidiaries	12	408,977	345,747	-	-
Property, plant and equipment	13	524,690	535,286	602,022	617,849
Rights-of-use assets	13	1,375	7,465	5,726	7,982
Intangible assets	14	390,311	391,221	390,357	391,303
		1,325,353	1,279,719	998,105	1,017,134
Total non-current assets		1,466,627	1,476,277	1,177,878	1,340,054
Total assets		2,987,994	2,809,333	3,141,523	2,941,040

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

MAHLE Metal Leve S.A.

Balance sheet at September 30, 2022 and December 31, 2021

All amounts in thousands of reais

(A free translation of the original in Portuguese)

		Parent company		Consolidated	
		09.30.2022	12.31.2021	09.30.2022	12.31.2021
Liabilities					
Dividends and interest on capital payable	10	910	126,024	910	126,024
Trade and related-party payables	15	299,540	206,304	386,700	280,400
Taxes and contributions payable	16	44,500	29,457	51,313	35,005
Income tax and social contribution payable	16	19,573	-	38,459	10,921
Borrowings	17.a	200,360	162,756	201,571	162,756
Lease liabilities	17.b	1,586	8,827	3,264	9,368
Salaries, vacation pay and social charges	18	135,079	89,520	149,929	101,532
Sundry provision	19	58,383	45,236	63,257	50,195
Provisions for warranties	20	10,094	9,991	11,313	10,835
Unrealized losses on derivative financial instruments	31	16,895	8,652	16,895	8,652
Advance from customers		13,566	16,975	13,712	17,077
Other liabilities		58,357	28,267	62,900	31,230
Total current liabilities		858,843	732,009	1,000,223	843,995
Deferred income tax and social contribution	11.b	-	-	8,114	14,925
Borrowings	17.a	204,322	99,624	204,322	99,624
Lease liabilities	17.b	-	450	2,937	450
Provisions for contingencies and judicial deposits linked to judicial proceedings	21	252,466	257,848	259,375	266,619
Other liabilities		25,262	4,597	25,377	4,624
Total non-current liabilities		482,050	362,519	500,125	386,242
Total liabilities		1,340,893	1,094,528	1,500,348	1,230,237
Equity	22				
Share capital		966,255	966,255	966,255	966,255
Revenue reserves		342,594	342,594	342,594	342,594
Special reserve		175,572	175,572	175,572	175,572
Other comprehensive income		(280,065)	(174,044)	(280,065)	(174,044)
Retained earnings		442,745	-	442,745	-
Proposed additional dividends		-	404,428	-	404,428
Equity attributable to the owners of the parent		1,647,101	1,714,805	1,647,101	1,714,805
Non-controlling interests		-	-	(5,926)	(4,002)
Total equity		1,647,101	1,714,805	1,641,175	1,710,803
Total liabilities and equity		2,987,994	2,809,333	3,141,523	2,941,040

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

MAHLE Metal Leve S.A.

Statement of income

Quarter and periods ended September 30, 2022 and 2021

All amounts in thousands of reais

(A free translation of the original in Portuguese)

		Parent company			
		2022		2021	
	Note	3Q2022	9M2022	3Q2021	9M2021
Net revenue	24	933,432	2,481,461	742,749	2,109,705
Cost of sales	25	(679,324)	(1,881,837)	(581,090)	(1,608,611)
Gross profit		254,108	599,624	161,659	501,094
Selling expenses	26	(62,932)	(170,237)	(45,926)	(136,766)
Impairment of trade receivables	7	(1,866)	(2,336)	20	2,798
General and administrative expenses	27	(21,346)	(67,374)	(24,414)	(70,048)
Technology and product development costs	28	(10,538)	(30,399)	(11,926)	(34,679)
Other income (expenses), net	30	3,088	(6,269)	7,486	65,200
Gain on monetary items, net	34	52,820	121,859	15,591	56,387
Profit before finance income (costs) and taxation		213,334	444,868	102,490	383,986
Finance income	29	38,229	145,091	24,835	81,484
Finance costs	29	(20,461)	(134,757)	(23,225)	(103,112)
Finance income (costs), net		17,768	10,334	1,610	(21,628)
Equity in the results of investees	12	33,949	103,563	63,273	176,148
Profit before taxation		265,051	558,765	167,373	538,506
Current income tax and social contribution	11.a	(57,439)	(121,162)	(30,020)	(80,520)
Deferred income tax and social contribution	11.a	(3,306)	4,547	2,477	(21,909)
Income tax and social contribution		(60,745)	(116,615)	(27,543)	(102,429)
Profit for the period		204,306	442,150	139,830	436,077

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

MAHLE Metal Leve S.A.

Statement of income

Quarter and periods ended September 30, 2022 and 2021

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Consolidated			
		2022		2021	
		3Q2022	9M2022	3Q2021	9M2021
Net revenue	24	1,198,822	3,108,230	949,478	2,673,562
Cost of sales	25	(837,523)	(2,251,715)	(692,669)	(1,899,441)
Gross profit		361,299	856,515	256,809	774,121
Selling expenses	26	(82,823)	(217,666)	(62,957)	(174,942)
Impairment of trade receivables	7	(2,756)	(2,461)	(813)	2,833
General and administrative expenses	27	(26,219)	(79,662)	(26,764)	(78,437)
Technology and product development costs	28	(12,497)	(35,210)	(13,781)	(40,614)
Other income (expenses), net	30	2,109	(10,164)	6,137	62,047
Gain on monetary items, net	34	21,236	61,414	9,585	34,934
Operating profit		260,349	572,766	168,216	579,942
Finance income	29	83,340	237,855	42,440	133,819
Finance costs	29	(67,068)	(230,465)	(36,564)	(145,951)
Finance income (costs), net		16,272	7,390	5,876	(12,132)
Equity in the results of investees	12	-	-	3,365	3,273
Profit before taxation		276,621	580,156	177,457	571,083
Current income tax and social contribution	11.a	(72,497)	(146,961)	(40,131)	(111,446)
Deferred income tax and social contribution	11.a	(136)	7,031	2,430	(23,341)
Income tax and social contribution		(72,633)	(139,930)	(37,701)	(134,787)
Profit for the period		203,988	440,226	139,756	436,296
Profit attributable to					
Owners of the parent		204,306	442,150	139,830	436,077
Non-controlling interests		(318)	(1,924)	(74)	219
Profit for the period		203,988	440,226	139,756	436,296
Basic and diluted earnings per share (in reais)	23	1.59230	3.44599	1.08980	3.39866

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 September 30, 2022 and 2021

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Profit for the period	204,306	442,150	139,830	436,077
Comprehensive income				
Items that will be reclassified to profit or loss				
Change in cash flow hedge, net	(1,382)	7,527	(7,135)	9,533
Income tax and social contribution on cash flow hedge	469	(2,559)	2,426	(3,241)
Cumulative translation adjustments	(34,475)	(110,578)	14,848	(22,044)
Other comprehensive income	(35,388)	(105,610)	10,139	(15,752)
Total comprehensive income for the period, net of income tax and social contribution	168,918	336,540	149,969	420,325
Total comprehensive income	168,918	336,540	149,969	420,325

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 September 30, 2022 and 2021

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Consolidated			
		2022		2021	
		3Q2022	9M2022	3Q2021	9M2021
Profit for the period		203,988	440,226	139,756	436,296
Comprehensive income					
Items that will be reclassified to profit or loss					
Change in cash flow hedge, net		(1,382)	7,527	(7,135)	9,533
Income tax and social contribution on cash flow hedge	11.b ii	469	(2,559)	2,426	(3,241)
Cumulative translation adjustments		(34,475)	(110,578)	14,848	(22,044)
Other comprehensive income		(35,388)	(105,610)	10,139	(15,752)
Total comprehensive income for the period, net of income tax and social contribution		168,600	334,616	149,895	420,544
Comprehensive income attributable to:					
Owners of the parent		168,918	336,540	149,969	420,325
Non-controlling interests		(318)	(1,924)	(74)	219
Total comprehensive income		168,600	334,616	149,895	420,544

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

Statement of changes in equity
Periods ended September 30, 2022

All amounts in thousands of reais

(A free translation of the original in Portuguese)

Note	Attributable to owners of the parent											
	Revenue reserves			Other comprehensive income					Equity attributable to owners of the parent			
	Share capital	Legal reserve	Reserve for expansion and modernization	Special reserve	Proposed additional dividends	Total	Carrying value adjustments	Cumulative translation adjustments	Retained earnings	Non-controlling interests	Total equity	
	966,255	184,833	157,761	175,572	404,428	922,594	28,358	(202,402)	-	1,714,805	(4,002)	1,710,803
	-	-	-	-	-	-	-	-	184	184	-	184
	-	-	-	-	-	-	-	-	442,150	442,150	(1,924)	440,226
	-	-	-	-	-	-	-	(110,578)	-	(110,578)	-	(110,578)
22	-	-	-	-	-	-	7,527	-	-	7,527	-	7,527
22	-	-	-	-	-	-	(2,559)	-	-	(2,559)	-	(2,559)
22	-	-	-	-	-	-	(411)	-	411	-	-	-
	-	-	-	-	(404,428)	(404,428)	-	-	-	(404,428)	-	(404,428)
	966,255	184,833	157,761	175,572	-	518,166	32,915	(312,980)	442,745	1,647,101	(5,926)	1,641,175

At December 31, 2021

Equity transactions with shareholders

Prescribed dividends and interest on capital

Profit for the period

Other comprehensive income

Cumulative translation adjustments

Change in cash flow hedge: net

Income tax and social contribution on cash flow hedge

Realization of deemed cost: net

Transactions with shareholders and creation of reserves

Payment of proposed additional dividends

At September 30, 2022

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

MAHLE Metal Leve S.A.

**Statement of changes in equity
Periods ended September 30, 2021**

All amounts in thousands of reais

(A free translation of the original in Portuguese)

Note	Attributable to owners of the parent												
	Revenue reserves			Other comprehensive income			Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity			
	Share capital	Legal reserve	Reserve for expansion and modernization	Special reserve	Proposed additional dividends	Total					Carrying value adjustments	Cumulative translation adjustments	Total
	966,255	156,490	157,761	175,572	48,581	538,404	20,927	(177,630)	(156,703)	-	1,347,956	(5,969)	1,341,987
At January 01, 2021													
Equity transactions with shareholders													
Prescribed dividends and interest on capital	-	-	-	-	-	-	-	-	-	-	156	-	156
Capital increase of MAHLE Hirschvogel Forjus S.A.	-	-	-	-	-	-	-	-	-	-	-	2,205	2,205
Profit for the period													
Other comprehensive income													
Cumulative translation adjustments													
Change in cash flow hedge, net													
Income tax and social contribution on cash flow hedge													
Realization of deemed cost, net													
Transactions with shareholders and creation of reserves													
Payment of proposed additional dividends													
At September 30, 2021													
	966,255	156,490	157,761	175,572	-	489,823	26,833	(199,674)	(172,841)	436,619	1,719,856	(3,545)	1,716,311

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

MAHLE Metal Leve S.A.

Statement of cash flows

Periods ended September 30, 2022 and 2021

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		9M2022	9M2021	9M2022	9M2021
Cash flows from operating activities					
Profit before taxation		558,765	538,506	580,156	571,083
Adjustments for:					
Depreciation and amortization		68,789	72,384	72,258	75,372
Equity in the results of investees	12	(103,563)	(176,148)	-	(3,273)
Interest and foreign exchange and monetary variations, net		36,763	32,724	1,451	54,780
Unrealized (losses) gains on derivative financial instruments		5,022	2,253	4,809	2,476
Results on disposal of property, plant and equipment		12	(272)	(56)	(246)
Profit (loss) on sale of investment		-	3,144	-	3,144
Recognition (reversal) of provision for impairment of trade receivables	7	2,328	(2,471)	2,101	(2,483)
Recognition (reversal) of provision for tax and other contingencies	21	2,570	24,918	2,969	23,077
Recognition (reversal) of provisions for warranties	20	1,117	4,182	1,647	4,267
Recognition (reversal) of sundry provision	19	26,794	11,023	28,822	12,391
Write-down to recoverable amount of property, plant and equipment and	13	(459)	(909)	(467)	(947)
Write-down to recoverable amount of inventories	8	2,996	(5,215)	11,379	(3,128)
Interest expense on lease liability	17.b	458	1,672	608	1,722
Gain on net monetary position	34	(121,859)	(56,387)	(61,414)	(34,934)
PIS and COFINS	9	(31,804)	(107,911)	(31,825)	(108,082)
(Increase) decrease in operating assets					
Trade and related-party receivables		(222,681)	(123,265)	(214,370)	(159,728)
Inventories		(106,935)	(133,630)	(134,633)	(174,026)
Taxes recoverable		11,310	11,110	12,149	(1,661)
Other assets		(15,167)	(6,095)	(23,957)	(15,004)
(Increase) decrease in operating liabilities					
Trade and related-party payables		89,260	(4,766)	102,326	27,982
Salaries, vacation pay and social charges		45,559	65,340	48,397	69,952
Taxes and contributions payable		15,043	(5,330)	19,580	(11,972)
Other liabilities		5,382	(18,029)	4,917	(18,973)
Cash from operations		269,700	126,828	426,847	311,789
Income tax and social contribution paid		(95,284)	(67,067)	(99,847)	(78,939)
Net cash provided by operating activities		174,416	59,761	327,000	232,850
Cash flows from investing activities					
Dividends and interest on capital received from subsidiary		159,271	98,714	-	336
Loans granted to subsidiaries		(1,110)	(1,245)	(877,914)	(927,323)
Loan repayments received from subsidiaries		-	662	944,127	889,138
Additions to property, plant and equipment	13	(49,584)	(37,771)	(52,866)	(44,291)
Additions to intangible assets	14	(256)	(454)	(256)	(470)
Capital contribution to subsidiary MAHLE Hirschvogel Forjas S.A.		-	(2,295)	-	-
Proceeds from sale of property, plant and equipment		282	1,389	366	1,402
Cash flows from (used in) investing activities		108,603	59,000	13,457	(81,208)
Cash flows from financing activities					
Proceeds from borrowings	17.a	289,333	79,940	290,560	79,940
Repayment of principal of borrowings	17.a	(132,639)	(396,757)	(132,639)	(396,757)
Repayment of interest on borrowings	17.a	(5,115)	(23,559)	(5,115)	(23,559)
Repayment of the principal and interest on the lease liability	17.b	(8,149)	(8,306)	(9,332)	(9,657)
Capital provided by third parties		-	-	-	2,205
Dividends and interest on capital paid	10	(529,358)	(108,489)	(529,358)	(108,489)
Net cash used in financing activities		(385,928)	(457,171)	(385,884)	(456,317)
Effect of foreign exchange variation on cash and cash equivalents		(5,310)	(958)	(31,249)	(8,269)
Reduction in cash and cash equivalents, net		(108,219)	(339,368)	(76,676)	(312,944)
Represented by:					
Cash and cash equivalents at the beginning of the period		273,927	557,868	361,089	607,835
Cash and cash equivalents at the end of the period	6	165,708	218,500	284,413	294,891
Reduction in cash and cash equivalents, net		(108,219)	(339,368)	(76,676)	(312,944)

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

MAHLE Metal Leve S.A.

Statement of value added Periods ended September 30, 2022 and 2021

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	9M2022	9M2021	9M2022	9M2021
Gross revenue	3,237,013	2,709,519	3,810,177	3,252,163
Sales of goods, products and services	3,075,005	2,654,323	3,693,962	3,209,314
Other revenue	163,875	52,382	119,272	40,397
Provision for impairment of trade receivables	(1,867)	2,814	(3,057)	2,452
Inputs acquired from third parties	(1,845,271)	(1,548,667)	(2,223,513)	(1,839,272)
(Includes amounts of taxes: ICMS, IPI, PIS and COFINS)				
Cost of sales and services	(1,064,312)	(896,727)	(1,406,446)	(1,139,041)
Materials, energy, outsourced services and other	(780,372)	(634,882)	(816,103)	(684,919)
Impairment/recovery of assets	(587)	(17,058)	(964)	(15,312)
Gross value added	1,391,742	1,160,852	1,586,664	1,412,891
Depreciation and amortization	(68,789)	(72,384)	(72,258)	(75,372)
Net value added generated by the company	1,322,953	1,088,468	1,514,406	1,337,519
Value added received through transfer	248,654	257,632	237,855	137,092
Equity in the results of investees	103,563	176,148	-	3,273
Finance income	145,091	81,484	237,855	133,819
Total value added to distribute	1,571,607	1,346,100	1,752,261	1,474,611
Distribution of value added	1,571,607	1,346,100	1,752,261	1,474,611
Personnel	490,461	453,879	539,590	499,088
Taxes and contributions	486,912	339,804	510,662	372,800
Capital providers	152,084	116,340	261,783	166,427
Interest	9,547	12,832	12,597	14,355
Rentals	18,500	13,814	19,487	14,667
Foreign exchange, monetary and other variations	124,037	89,694	229,699	137,405
Shareholders	442,150	436,077	440,226	436,296
Retained earnings	442,150	436,077	442,150	436,077
Share of non-controlling interests of retained earnings	-	-	(1,924)	219

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

1. Operations

General information

MAHLE Metal Leve S.A. (the Company) is an entity domiciled in Brazil. The registered address of the Company's head office is Ernst Mahle Avenue, number 2000, Zip Code 13.846.146, Mogi Guaçu, São Paulo. The Company's consolidated (consolidated) and separate (parent company) financial statements for the periods/year ended September 30, 2022, and 2021 includes the Company and its subsidiaries (referred to collectively as the Group).

The Group's main activities are the research, development, manufacturing and marketing, in Brazil and abroad, of parts and accessories for internal combustion engines, the sale of which is made to entities in various industries and lines of actieu acabei dvity, such as manufacturers of automobiles, trucks and tractors, etc., the spare parts market, stationary and other engines industry.

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

2. Entities of the Group (subsidiaries)

	Country	Ownership percentage (%)			
		09.30.2022		12.31.2021	
		Direct	Indirect	Direct	Indirect
<u>Subsidiaries</u>					
MAHLE Argentina S.A.	Argentina	99.2	0.8	99.2	0.8
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	Brazil	60	-	60	-
MAHLE Metal Leve GmbH	Austria	100	-	100	-
MAHLE Hirschvogel Forjas S.A.	Brazil	51	-	51	-

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

3. Basis of preparation

Statement of compliance with respect to IFRS and CPC standards

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 and, therefore, it should be read together with the parent company and consolidated financial statements of MAHLE Metal Leve S.A. on December 31, 2021.

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 accounting policies of MAHLE Metal Leve S.A. There have been no changes in assumptions and judgments made by management relating to the use of estimates to prepare this quarterly information in relation to those applied in the financial statements on December 31, 2021, as disclosed on March 08, 2022.

The issuance of the parent company and consolidated financial statements was authorized by the Company's Board of Directors on November 10, 2022.

4. Changes in accounting policies and disclosures

These parent company and consolidated interim financial statements have been prepared under the same accounting practices as described and disclosed in Note 8 to the financial statements for the year ended December 31, 2021.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

5. Segment reporting

i. Operating segments

The Group determines the operating segments based on the reports used to take strategic operating decisions of the Management, the segments being divided into engine components and filter. The presentation of the reported information is consistent with the statement of profit or loss.

There was no change in the segment structure presented in the financial statements on December 31, 2021.

	Consolidated					
	YTD 092022			YTD 092021		
	Engine components	Filters	Consolidated	Engine components	Filters	Consolidated
Statement of income						
Net operating revenue	2.774.101	334.129	3.108.230	2.421.846	251.716	2.673.562
Cost of sales (*)	(1.981.783)	(269.932)	(2.251.715)	(1.696.446)	(202.995)	(1.899.441)
Gross profit	792.318	64.197	856.515	725.400	48.721	774.121
Selling expenses and distribution and Impairment of trade receivables (*)	(195.497)	(24.630)	(220.127)	(153.767)	(18.342)	(172.109)
Administrative expenses (*)	(77.757)	(1.905)	(79.662)	(69.022)	(9.415)	(78.437)
Technology research costs (*)	(27.645)	(7.565)	(35.210)	(32.957)	(7.657)	(40.614)
Other operating income (expenses)	(11.252)	1.088	(10.164)	46.185	15.862	62.047
Gains (loss) on net monetary variation	59.827	1.587	61.414	33.596	1.338	34.934
Profit before finance income (costs) and taxation	539.994	32.772	572.766	549.435	30.507	579.942
Finance income	226.768	11.087	237.855	126.368	7.451	133.819
Finance costs	(217.109)	(13.356)	(230.465)	(137.919)	(8.032)	(145.951)
Finance income (costs), net	9.659	(2.269)	7.390	(11.551)	(581)	(12.132)
Equity in the results of investees	-	-	-	3.273	-	3.273
Profit before income tax and social contribution	549.653	30.503	580.156	541.157	29.926	571.083
Income tax and social contribution	(129.524)	(10.406)	(139.930)	(124.603)	(10.184)	(134.787)
Profit for the period	420.129	20.097	440.226	416.554	19.742	436.296
Non-controlling interests	793	1.131	1.924	(484)	265	(219)
Profit for the period	420.922	21.228	442.150	416.070	20.007	436.077
Depreciation/amortization values are included in the functional lines above (*)						
Depreciation and amortization	(66.857)	(5.401)	(72.258)	(70.058)	(5.314)	(75.372)

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

	Consolidated					
	3rd quarter 2022			3rd quarter 2021		
	Engine components	Filters	Consolidated	Engine components	Filters	Consolidated
Statement of income						
Net operating revenue	1.074.108	124.714	1.198.822	857.390	92.088	949.478
Cost of sales (*)	(739.525)	(97.998)	(837.523)	(613.887)	(78.782)	(692.669)
Gross profit	334.583	26.716	361.299	243.503	13.306	256.809
Selling expenses and distribution and Impairment of trade receivables (*)	(77.204)	(8.375)	(85.579)	(57.308)	(6.462)	(63.770)
Administrative expenses (*)	(29.917)	3.698	(26.219)	(23.652)	(3.112)	(26.764)
Technology research costs (*)	(9.693)	(2.804)	(12.497)	(11.810)	(1.971)	(13.781)
Other operating income (expenses)	1.654	455	2.109	4.922	1.215	6.137
Gains (loss) on net monetary variation	21.429	(193)	21.236	9.310	275	9.585
Profit before finance income (costs) and taxation	240.852	19.497	260.349	164.966	3.250	168.216
Finance income	79.902	3.438	83.340	40.434	2.006	42.440
Finance costs	(63.396)	(3.672)	(67.068)	(34.634)	(1.930)	(36.564)
Finance income (costs), net	16.506	(234)	16.272	5.799	77	5.876
Equity in the results of investees	-	-	-	3.365	-	3.365
Profit before income tax and social contribution	257.358	19.263	276.621	174.130	3.327	177.457
Income tax and social contribution	(66.071)	(6.562)	(72.633)	(36.621)	(1.080)	(37.701)
Profit for the period	191.287	12.701	203.988	137.509	2.247	139.756
Non-controlling interests	(79)	397	318	(13)	87	74
Profit for the period	191.208	13.098	204.306	137.496	2.334	139.830
Depreciation/amortization values are included in the functional lines above (*)						
Depreciation and amortization	(22.544)	(2.088)	(24.632)	(23.176)	(1.777)	(24.953)

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

	Consolidated					
	09.30.2022			12.31.2021		
	Engine components	Filters	Consolidated	Engine components	Filters	Consolidated
Balance sheet accounts						
Reportable segment assets	2,927,822	213,701	3,141,523	2,749,670	191,370	2,941,040
Capital expenditures	47,244	14,300	61,544	66,505	19,119	85,624

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

ii. Distribution by geographic area

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

Net operating revenue is distributed as follows:

Sales per country	Consolidated							
	3Q2022	%	9M2022	%	3Q2021	%	9M2021	%
Domestic market (Brazil and Argentina)	749,363	62.5%	1,909,760	61.4%	544,721	57.4%	1,504,456	56.3%
Brasil	590,531	49.3%	1,592,916	51.2%	472,383	49.8%	1,325,176	49.6%
Argentina	158,832	13.2%	316,844	10.2%	72,338	7.6%	179,280	6.7%
Export market	449,459	37.5%	1,198,470	38.6%	404,757	42.6%	1,169,106	43.7%
EUA	110,419	9.2%	286,764	9.2%	86,675	9.1%	220,483	8.2%
Mexico	68,988	5.8%	175,804	5.7%	71,644	7.5%	205,929	7.7%
Italy	28,832	2.4%	86,215	2.8%	35,382	3.7%	110,791	4.1%
Germany	49,347	4.1%	146,371	4.7%	62,196	6.6%	162,880	6.1%
Spain	24,542	2.0%	59,095	1.9%	20,396	2.1%	65,328	2.4%
Sweden	11,434	1.0%	32,910	1.1%	10,967	1.2%	45,584	1.7%
France	12,982	1.1%	38,521	1.2%	11,382	1.2%	45,172	1.7%
Portugal	8,883	0.7%	24,954	0.8%	9,996	1.1%	35,062	1.3%
Canada	4,913	0.4%	14,939	0.5%	2,763	0.3%	12,337	0.5%
Chile	5,550	0.5%	18,084	0.6%	5,121	0.5%	16,810	0.6%
Paraguay	6,150	0.5%	17,669	0.6%	5,990	0.6%	16,677	0.6%
Peru	5,973	0.5%	16,086	0.5%	3,778	0.4%	11,641	0.4%
Bolivia	4,304	0.4%	12,299	0.4%	3,373	0.4%	10,253	0.4%
China	2,748	0.2%	5,718	0.2%	4,366	0.5%	11,456	0.4%
Uruguay	3,420	0.3%	8,346	0.3%	2,366	0.2%	6,766	0.3%
India	5,044	0.4%	10,508	0.3%	3,790	0.4%	10,478	0.4%
United Kingdom	2,936	0.2%	9,256	0.3%	3,822	0.4%	10,487	0.4%
Others	92,994	7.8%	234,931	7.6%	60,750	6.4%	170,972	6.4%
Total	1,198,822	100%	3,108,230	100%	949,478	100%	2,673,562	100%

MAHLE Metal Leve S.A.

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(in thousand of reais)

6. Cash and cash equivalents

	Parent company		Consolidated	
	09.30.2022	12.31.2021	09.30.2022	12.31.2021
Cash and demand deposits				
BRL	5,712	3,394	7,559	3,532
ARS (expressed in BRL)	-	-	7,058	5,831
USD (expressed in BRL)	10,787	19,197	10,787	19,197
EUR (expressed in BRL)	1,451	2,615	3,825	5,087
	17,950	25,206	29,229	33,647
BRL	131,036	242,024	135,388	244,879
ARS (expressed in BRL)	-	-	93,436	66,082
USD (expressed in BRL)	9,245	6,697	9,245	6,697
Financial investments	140,281	248,721	238,069	317,658
BRL	7,477	-	7,500	-
ARS (expressos em BRL)	-	-	2,448	295
USD (expressos em BRL)	-	-	7,167	6,302
EUR (expressos em BRL)	-	-	3,306	3,187
Cash in transit	7,477	-	17,115	9,784
	165,708	273,927	284,413	361,089

The Group holds checking accounts at major banks in Brazil and abroad.

Financial investments have made as follows:

- BRL – Certificates of bank deposit (CDBs) and resale agreements (100.0%) – These investments accrue interest, on average, at 101.0% p.a. (101.1% p.a. on December 31, 2021) of the CDI and are held only with Brazilian top-tier banks.

- ARS – Investment funds without grace periods and fixed-income investments with a term of thirty days, which carry average interest of 62% p.a. (34% p.a. on December 31, 2021) (BADLAR – Interest rate for term deposits).

- USD - Certificate deposits and Time deposits – These investments accrue interest, on average, at 2.32% p.a. (0.12% p.a. on December 31, 2021), are short-term and have original maturities of less than three months.

Financial investments are recorded at updated value up to the end of the period. Their values reflect the redemption amount that would be realized if the investments were redeemed on that date. Yields on these transactions are recognized as finance income

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Notes to the interim financial statements

(in thousand of reais)

Cash in transit is deposits in foreign currency relating to funds received from customers abroad, available for redemption from the banks with which the Group operates, as well as payments received from local customers available on the next day (D+1).

7. Trade accounts receivables and other accounts receivables

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>09.30.2022</u>	<u>12.31.2021</u>	<u>09.30.2022</u>	<u>12.31.2021</u>
Market				
Domestic	406,563	287,135	406,824	287,427
Foreign	85,514	59,366	255,762	179,061
	<u>492,077</u>	<u>346,501</u>	<u>662,586</u>	<u>466,488</u>
Other accounts receivable	3,261	10,124	3,261	10,124
Provision for impairment of trade receivables	<u>(6,060)</u>	<u>(4,201)</u>	<u>(8,494)</u>	<u>(6,872)</u>
	<u>489,278</u>	<u>352,424</u>	<u>657,353</u>	<u>469,740</u>
Related parties (Note 10)	184,774	100,806	122,475	97,340
	<u>674,052</u>	<u>453,230</u>	<u>779,828</u>	<u>567,080</u>

The Group's exposure to credit and currency risks relating to trade receivables is disclosed in Note 31.

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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

	Parent company		Consolidated	
	09.30.2022	12.31.2021	09.30.2022	12.31.2021
Not yet due	475,839	334,735	634,655	442,743
Past due:				
Up to 7 days	1,961	7,198	6,984	9,916
From 8 to 30 days	4,616	6,249	7,572	10,684
From 31 to 60 days	4,856	2,785	5,727	4,249
From 61 to 90 days	1,357	1,260	2,448	2,168
From 91 to 120 days	1,011	435	1,309	529
From 121 to 180 days	2,299	915	2,986	1,354
From 181 to 360 days	1,308	1,139	1,317	1,549
Over 360 days	2,091	1,909	2,850	3,420
(-) Provision for impairment of trade receivables	<u>(6,060)</u>	<u>(4,201)</u>	<u>(8,494)</u>	<u>(6,872)</u>
Total past due deducted provision	13,439	17,689	22,699	26,997
	<u>489,278</u>	<u>352,424</u>	<u>657,353</u>	<u>469,740</u>

On September 30, 2022, trade receivables of the parent company in the amount of R\$ 13,439 (December 31, 2021 - R\$ 17,689) and consolidated trade receivables on September 30, 2022, of R\$ 22,699 (December 31, 2021 - R\$ 26,997) were past due but not impaired. These relate to a number of original equipment and aftermarket customers for whom there is no recent history of default. Other past-due accounts do not pose a risk for the Company because they were settled after the date of these interim financial statements.

The table above which presents the loss provision for accounts receivable past due for more than 120 days does not include amounts of goods returned and advances from customers to reflect the economic essence of the potential loss.

No provision for impairment of accounts receivable has been recognized for related parties, but there are no significant accounts.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2021	(4,201)	(6,872)
Receivables provided for in the period	(5,133)	(7,224)
Receivables reversed in the period	2,797	4,515
Receivables written off definitively	469	479
Foreign exchange variation	8	608
At September 30, 2022	(6,060)	(8,494)

8. Inventories

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>09.30.2022</u>	<u>12.31.2021</u>	<u>09.30.2022</u>	<u>12.31.2021</u>
Finished products	216,168	154,962	333,565	249,059
Work in progress	131,363	110,584	152,326	127,335
Raw materials	80,011	58,017	98,658	76,919
Auxiliary materials	8,200	6,553	16,021	13,744
Imports in transit	29,554	27,970	44,787	46,212
	465,296	358,086	645,357	513,269

On September 30, 2022, inventory was stated net of provision for losses. These losses relate to products with a negative margin, tooling, quality issues, out-of-specification materials, obsolescence and slow-moving items in the amount of R\$ 47,311 (R\$ 44,798 on December 31, 2021) in the parent company and R\$ 67,742 (R\$ 62,538 on December 31, 2021) in the consolidated accounts.

Changes in the provision for inventory loss are as follows:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2021	(44,798)	(62,538)
Reversal of provision	11,182	21,780
Recognition of provision	(14,178)	(33,159)
Inventory written off definitively as loss	483	483
Foreign exchange variation	-	5,692
At September 30, 2022	(47,311)	(67,742)

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Notes to the interim financial statements

(in thousand of reais)

9. Taxes recoverable and income tax and social contribution recoverable

	Parent Company		Consolidated	
	09.30.2022	12.31.2021	09.30.2022	12.31.2021
Income tax and social contribution recoverable	33,428	47,358	42,566	69,939
Value-added Tax on Sales and Services (ICMS) on purchases of fixed assets	25,020	28,449	25,067	28,484
ICMS and Excise Tax (IPI)	6,708	6,268	6,708	6,268
Tax on import operations	8,503	4,106	9,237	4,106
Social Contribution on Revenues (COFINS) (*)	86,149	6,659	86,151	6,659
Social Integration Program (PIS) (*)	18,578	1,427	18,578	1,428
I.V.A. (Argentina)	-	-	530	5,073
Other	28	9	4,153	2,908
Taxes recoverable	144,986	46,918	150,424	54,926
Current	178,414	94,276	192,990	124,865
PIS and COFINS (*)	48,587	116,509	48,786	116,687
Value-added Tax on Sales and Services (ICMS) on purchases of fixed assets	10,653	9,622	10,653	9,622
Export incentive - Argentina	-	-	5,520	6,881
Non-current	59,240	126,131	64,959	133,190

(*) The amounts taxed upon exclusion of ICMS from the tax base of PIS and COFINS have been reclassified to current and non-current assets.

The Company recorded additional tax credits in 2022 and adjusted the tax credits prior to 2021 of R\$ 31,804 (Parent company) and R\$ 31,825 (Consolidated). The Company has initiated procedures for validation of the tax credits with the Brazilian Federal Revenue Service from December 2022.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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 09.30.2022					Transactions from 01.01.2022 to 09.30.2022				
	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 (***)	Lease Liabilities	Products	Other	Products	Other	
Companies										
Subsidiaries										
Direct subsidiaries										
MAHLE Metal Leve GmbH	83,186	60	-	-	-	344,962	1,377	-	-	
MAHLE Argentina S.A.	65,591	60	25,209	539	60	107,159	2,649	1,330	-	
MAHLE Filtróil Indústria e Comércio de Filtrós Ltda.	57	60	8,528	-	-	-	228	-	-	
MAHLE Hirschvogel Forjas S.A.	-	-	-	-	-	-	44	-	-	
Total direct subsidiaries	148,834		33,737	539		452,121	4,298	1,330	-	
Related companies										
MAHLE Aftermarket Inc.	8,389	60	-	94	60	9,356	718	40	127	
MAHLE Engine Components USA, Inc.	5,751	60	-	1,821	60	19,481	275	6,788	298	
MAHLE Behr Gerenciamento Térmico Brasil Ltda.	4,550	60	-	8,467	60	2,681	15,090	34,170	676	
MAHLE Internacional GmbH	3,237	60	-	16,516	60	-	3,838	-	34,859	
MAHLE Aftermarket GmbH	3,139	60	-	6,781	60	11,316	1,397	3,932	3,366	
MAHLE Aftermarket S. de R.L. de C.V.	3,072	60	-	-	-	6,571	-	-	-	
MAHLE Compressores do Brasil Ltda.	2,231	60	-	5,225	60	1,102	8,108	26,883	-	
MAHLE Componenti Motori Italia S.p.A.	1,415	60	-	287	60	15,485	-	108	218	
MAHLE Motor Parcalari San. Izmir A.S.	1,336	60	-	-	-	3,091	-	528	-	
MAHLE Indústria e Comércio Ltda.	457	60	-	1,093	60	714	2,192	1,307	7,593 **	
MAHLE Sistemas de Filtración de Mexico S.A. de C.V.	363	60	-	-	-	375	-	-	-	
MAHLE Engine Components (Nanjing) Co., Ltd.	353	60	-	-	-	382	-	-	-	
MAHLE Industriemotoren-Komponenten GmbH	257	60	-	-	-	155	-	-	-	
MAHLE Engine Components (Chongqing) Co., Ltd.	231	60	-	-	-	1,375	-	-	-	
MAHLE Aftermarket Pte. Ltd.	215	60	-	1,267	60	211	-	3,853	-	
MAHLE Componentes de Motores S.A.	200	60	-	79	60	886	20	111	-	
MAHLE Engine Components (Yingkou) Co., Ltd.	180	60	-	-	-	1,839	-	-	-	
MAHLE Componentes de Motor de Mexico, S. de R.L. de C.V.	149	60	-	2,246	60	1,103	-	18,862	23	
MAHLE GmbH	128	60	-	16,761	60	173	149	1,951	22,687 *	
MAHLE France SAS	92	60	-	-	-	280	-	-	-	
MAHLE Trading Japan Co., Ltd.	78	60	-	-	-	-	190	190	-	
MAHLE Filter Systems USA	49	60	-	-	-	519	1,442	-	-	
MAHLE Engine Systems UK Ltd.	46	60	-	2,814	60	397	138	5,808	-	
MAHLE Electric Drives Slovenija d.o.o.	20	60	-	-	-	-	90	2,139	-	
MAHLE Engine Components India Priv. Ltd.	2	60	-	-	-	10	-	-	1	
MAHLE Industries, Inc.	-	-	-	1,856	60	-	-	-	802	
MAHLE Behr Service Asia Co., Ltd.	-	-	-	1,206	60	-	-	1,195	-	
MAHLE Automotive Technologies (China) Co., Ltd	-	-	-	1,126	60	-	-	-	463	
MAHLE Japan Ltd.	-	-	-	871	60	-	-	-	404	
MAHLE Filtersysteme Austria GmbH	-	-	-	399	60	-	1	1,091	-	
MAHLE Holding (China) Co., Ltd.	-	-	-	376	60	-	(236)	-	340	
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	84	60	-	-	290	1	
MAHLE Filter Systems Japan Corporation	-	-	-	79	60	-	-	115	-	
MAHLE S.A.U.	-	-	-	22	60	-	-	-	-	
MAHLE France SARL	-	-	-	22	60	-	-	-	9	
MAHLE Aftermarket Italy S.p.A.	-	-	-	17	60	-	-	1,339	5	
MAHLE Componente de Motor SRL	-	-	-	9	60	-	-	196	-	
MAHLE Engineering Services India Private Limited	-	-	-	8	60	-	-	-	8	
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	-	-	-	-	2,059	-	
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	-	-	-	-	1,600	-	
MAHLE Holding (India) Private Limited	-	-	-	1	60	-	-	-	-	
MAHLE Ventiltrieb GmbH	-	-	-	-	-	1,483	-	-	-	
Other	-	-	-	(320)	60	-	319	-	781	
Total related companies	35,940		-	69,207		714	78,355	33,647	114,619	72,660
Total related parties	184,774		33,737	69,746		714	530,476	37,945	115,949	72,660

* Brand license of RS 10,845

** Rent of RS 7,593

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

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Notes to the interim financial statements

(in thousand of reais)

	Parent company											
	Balances at 12.31.2021					Transactions from 01.01.2021 to 09.30.2021						
	Current assets		Non-current assets	Current liabilities		Sales/revenue		Purchases				
	Receivables (Note 7)	Payment term in days (***)	Dividends and interest on capital payable	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	54,157	60	132,095	-	-	-	-	365,852	29	-	-	
MAHLE Argentina S.A.	20,175	60	-	25,109	68	60	-	67,402	2,387	922	-	
MAHLE Filtroil Indústria e Comércio de Filtros Ltda.	53	60	-	7,519	-	-	-	-	175	-	-	
MAHLE Hirschvogel Forjas S.A.	23	60	-	-	-	-	-	-	98	-	-	
Sub-total Controladas Diretas	74,408		132,095	32,628	68			433,254	2,689	922	-	
Related companies												
MAHLE Engine Components USA, Inc.	7,095	60	-	-	828	60	-	23,924	-	2,112	360	
MAHLE Componenti Motori Italia S.p.A.	6,725	60	-	-	311	60	-	28,005	-	344	765	
MAHLE Behr Gerenciamento Técnico Brasil Ltda.	2,916	60	-	-	6,319	60	-	2,714	12,914	18,685	716	
MAHLE Compressores do Brasil Ltda.	1,932	60	-	-	4,886	60	-	1,943	7,734	38,164	234	
MAHLE Aftermarket GmbH	1,708	60	-	-	4,945	60	-	8,602	1,336	4,228	3,273	
MAHLE GmbH	624	60	-	-	10,527	60	-	164	959	4,014	18,865 *	
MAHLE International GmbH	616	60	-	-	10,890	60	-	-	1,883	-	29,986	
MAHLE Holding (China) Co., Ltd.	604	60	-	-	189	60	-	227	-	-	290	
MAHLE Motor Parcalari San. Izmir A.S.	587	60	-	-	111	60	-	1,879	-	710	-	
MAHLE Aftermarket S. de R.L. de C.V.	502	60	-	-	-	-	-	5,146	-	-	-	
MAHLE Engine Components (Yingkou) Co., Ltd.	442	60	-	-	6	60	-	3,082	-	-	-	
MAHLE Engine Components Slovakia s.r.o.	439	60	-	-	-	-	-	168	416	-	-	
MAHLE Componentes de Motor de Mexico, S. de R.L. de C.V.	413	60	-	-	1,756	60	-	877	-	8,283	83	
MAHLE France SAS	355	60	-	-	-	-	-	396	-	-	-	
MAHLE Industriemotoren-Komponenten GmbH	340	60	-	-	-	-	-	104	-	-	-	
MAHLE Indústria e Comércio Ltda.	228	60	-	-	1,573	60	74,593	-	2,028	754	6,773 **	
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	158	60	-	-	-	-	-	48	-	-	-	
MAHLE Engine Components (Chongqing) Co., Ltd.	149	60	-	-	-	-	-	956	-	-	-	
MAHLE Componentes de Motores S.A.	142	60	-	-	6	60	-	2,180	25	226	-	
MAHLE Engine Systems UK Ltd.	111	60	-	-	2,040	60	-	40	(29)	6,165	17	
MAHLE Filter Systems USA	89	60	-	-	48	60	-	61	8	-	-	
MAHLE Aftermarket Inc.	87	60	-	-	127	60	-	1,355	714	19	188	
MAHLE Trading Japan Co., Ltd.	66	60	-	-	-	-	-	-	88	515	-	
MAHLE Industries, Inc.	31	60	-	-	1,089	60	-	-	51	-	377	
MAHLE Anand Filter Systems Private Limited	22	60	-	-	-	-	-	90	-	-	-	
MAHLE Japan Ltd.	17	60	-	-	606	60	-	-	47	-	458	
MAHLE Filtersysteme Austria GmbH	1	60	-	-	226	60	-	-	-	1,284	-	
MAHLE Aftermarket Pte. Ltd.	-	-	-	-	1,197	60	-	305	-	5,044	-	
MAHLE Aftermarket Italy S.p.A.	-	-	-	-	1,162	60	-	-	-	472	-	
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	-	883	60	-	-	-	285	1	
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	-	882	60	-	-	-	1,013	-	
MAHLE Automotive Technologies (China) Co., Ltd	-	-	-	-	766	60	-	-	-	-	505	
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	-	680	60	-	-	81	2,180	-	
MAHLE Electric Drives Slovenija d.o.o.	-	-	-	-	461	60	-	-	88	2,670	-	
MAHLE Polska Sp. z o.o.	-	-	-	-	389	60	-	9	-	-	-	
MAHLE Filtersysteme GmbH	-	-	-	-	293	60	-	1	-	-	614	
MAHLE Filter Systems Japan Corporation	-	-	-	-	141	60	-	-	-	603	-	
MAHLE Componente de Motor SRL	-	-	-	-	53	60	-	-	-	240	-	
MAHLE S.A.U.	-	-	-	-	26	60	-	-	-	275	-	
MAHLE France SARL	-	-	-	-	19	60	-	-	-	100	9	
MAHLE Vöcklabruck GmbH	-	-	-	-	2	60	-	9	-	-	-	
MAHLE Industrial Thermal Systems GmbH & Co. KG	-	-	-	-	14	60	-	-	-	-	14	
MAHLE Blechtechnologie GmbH	-	-	-	-	-	-	-	-	-	12	-	
MAHLE Filtersysteme Austria GmbH	-	-	-	-	-	-	-	-	-	1	-	
MAHLE Engine Components (Nanjing) Co., Ltd.	-	-	-	-	-	-	-	2,208	-	-	-	
MAHLE RUS O.O.O.	-	-	-	-	-	-	-	233	-	-	-	
MAHLE Motorsports Inc	-	-	-	-	-	-	-	19	-	-	-	
MAHLE Shared Services Mexico S. de R.L. de C.V.	-	-	-	-	85	60	-	-	-	-	-	
MAHLE Industriebeteiligungen GmbH	-	-	-	-	-	-	-	12,432	-	-	-	
MAHLE Behr Service Asia Co., Ltd.	-	-	-	-	-	-	-	-	-	1,454	-	
Other	(1)	60	-	-	24	60	-	56	260	380	1	
Total related companies	26,398		-	-	53,560			87,025	84,802	28,603	100,233	63,529
Total related parties	100,806		132,095	32,628	53,628			87,025	518,056	31,292	101,155	63,529

* Brand license of RS 10,621

** Rent of RS 6,773

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

	Consolidated									
	Balances at 09.30.2022					Transactions from 01.01.2022 to 09.30.2022				
	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 (***)	Lease Liabilities	Products	Other	Products	Other
Empresas										
Related companies										
MAHLE Componenti Motori Italia S.p.A.	23,773	60	-	1,047	60	-	83,466	-	164	218
MAHLE Aftermarket GmbH	18,345	60	-	19,107	60	-	82,338	1,397	9,122	3,366
MAHLE Componentes de Motor de Mexico, S. de R.L. de C.V.	13,942	60	-	2,246	60	-	65,429	-	18,862	23
MAHLE Engine Components USA, Inc.	9,756	60	-	3,435	60	-	33,537	275	6,788	788
MAHLE Aftermarket Inc.	9,440	60	-	94	60	-	11,502	718	40	127
MAHLE Aftermarket S. de R.L. de C.V.	7,524	60	-	-	-	-	22,181	-	-	-
MAHLE France SAS	6,998	60	-	-	-	-	30,176	-	-	-
MAHLE Componentes de Motores S.A.	6,664	60	-	79	60	-	23,920	20	111	-
MAHLE Behr Gerenciamento Térmico Brasil Ltda.	4,602	60	-	12,793	60	-	2,800	15,090	38,794	676
MAHLE Vöcklabruck GmbH	3,872	60	-	-	-	-	(71)	-	-	-
MAHLE International GmbH	3,237	60	-	25,093	60	-	-	3,838	-	34,927
MAHLE Motor Parcalari San. Izmir A.S.	2,732	60	-	-	-	-	8,350	-	528	-
MAHLE GmbH	2,400	60	-	21,010	60	-	1,563	149	1,951	24,188 *
MAHLE Compressores do Brasil Ltda.	2,231	60	-	5,225	60	-	1,102	8,108	26,883	-
MAHLE Industriemotoren-Komponenten GmbH	1,938	60	-	421	60	-	5,387	-	-	382
MAHLE Engine Components Slovakia s.r.o.	903	60	-	-	-	-	1,731	-	-	-
MAHLE Polska Sp. z o.o.	794	60	-	-	-	-	2,094	-	-	-
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	754	60	-	404	60	-	4,840	-	-	85
MAHLE Indústria e Comércio Ltda.	457	60	-	1,093	60	714	-	2,192	1,307	7,593 **
MAHLE Sistemas de Filtración de Mexico S.A. de C.V.	363	60	-	-	-	-	375	-	-	-
MAHLE Engine Components (Thailand) Co., Ltd.	361	60	-	-	-	-	2,776	-	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	353	60	-	-	-	-	382	-	-	-
MAHLE Engine Components (Chongqing) Co., Ltd.	231	60	-	-	-	-	1,375	-	-	-
MAHLE Aftermarket Pte. Ltd.	215	60	-	1,267	60	-	211	-	3,853	-
MAHLE Engine Components (Yingkou) Co., Ltd.	180	60	-	-	-	-	1,839	-	-	-
MAHLE Engine Components India Priv. Ltd.	146	60	-	-	-	-	477	-	-	1
MAHLE Trading Japan Co., Ltd.	78	60	-	-	-	-	-	190	190	-
MAHLE Ventiltrieb GmbH	71	60	-	-	-	-	1,537	-	-	-
MAHLE Filter Systems USA	49	60	-	-	-	-	519	1,442	-	-
MAHLE Engine Systems UK Ltd.	46	60	-	2,814	60	-	397	138	5,808	-
MAHLE Electric Drives Slovenija d.o.o.	20	60	-	123	60	-	-	90	2,297	-
MAHLE Automotive Technologies (China) Co., Ltd	-	-	-	1,126	60	-	-	-	-	463
MAHLE Aftermarket Italy S.p.A.	-	-	-	114	60	-	-	-	1,493	5
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	84	60	-	-	-	290	1
MAHLE Filter Systems Philippines Corporation	-	-	-	-	-	-	-	-	55	-
MAHLE Holding Austria GmbH	-	-	62,959	24	60	-	-	-	-	-
MAHLE Engineering Services India Private Limited	-	-	-	8	60	-	-	-	-	8
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	-	-	-	-	-	1,600	-
MAHLE Filter Systems Japan Corporation	-	-	-	79	60	-	-	-	115	-
MAHLE Behr Service Asia Co., Ltd.	-	-	-	1,206	60	-	-	-	1,195	-
MAHLE Industries, Inc.	-	-	-	2,624	60	-	-	-	-	3,371
MAHLE Engine Components USA, Inc.	-	-	-	1,149	60	-	-	-	-	-
MAHLE Japan Ltd.	-	-	-	871	60	-	-	-	-	404
MAHLE Filtersysteme Austria GmbH	-	-	-	463	60	-	1	-	1,091	245
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	-	-	-	-	-	2,059	-
MAHLE Filtersysteme GmbH	-	-	-	(320)	60	-	-	-	-	781
Outros	-	-	-	430	60	-	251	-	205	349
Total related companies	122,475		62,959	104,109		714	390,485	33,647	124,801	78,001
Total related parties	122,475		62,959	104,109		714	390,485	33,647	124,801	78,001

* Brand license of RS 11,630

** Rent of RS 7,593

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

	Consolidated									
	Balances at 12.31.2021					Transactions from 01.01.2021 to 09.30.2021				
	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										
Related companies										
MAHLE Componenti Motori Italia S.p.A.	22,784	60	-	1,406	60	-	110,127	-	344	765
MAHLE Aftermarket GmbH	21,851	60	-	7,316	60	-	82,752	1,336	11,586	3,273
MAHLE Componentes de Motor de Mexico, S. de R.L. de C.V.	11,999	60	-	1,813	60	-	98,445	-	8,283	83
MAHLE Engine Components USA, Inc.	9,874	60	-	1,999	60	-	33,822	-	2,112	561
MAHLE France SAS	7,234	60	-	6	60	-	30,169	-	35	-
MAHLE Aftermarket S. de R.L. de C.V.	3,063	60	-	-	-	-	23,324	-	-	-
MAHLE Behr Gerenciamento Térmico Brasil Ltda.	3,036	60	-	9,670	60	-	2,714	12,914	23,989	715
MAHLE Componentes de Motores S.A.	2,937	60	-	6	60	-	34,711	25	226	-
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	2,043	60	-	14	60	-	6,943	-	-	95
MAHLE Compressores do Brasil Ltda.	1,932	60	-	4,886	60	-	1,943	7,734	38,164	234
MAHLE Industriemotoren-Komponenten GmbH	1,839	60	-	318	60	-	4,744	-	-	-
MAHLE Vöcklabruck GmbH	1,389	60	-	2	60	-	(6)	-	-	-
MAHLE Engine Components (Thailand) Co., Ltd.	1,236	60	-	(81)	60	-	3,706	-	-	-
MAHLE GmbH	1,014	60	-	13,255	60	-	2,502	959	4,014	20,056 *
MAHLE Motor Parcalari San. Izmir A.S.	971	60	-	111	60	-	4,890	-	710	-
MAHLE S.A.U.	961	60	-	26	60	-	8,168	-	275	-
MAHLE International GmbH	616	60	-	18,413	60	-	-	1,883	-	32,434
MAHLE Holding (China) Co., Ltd.	604	60	-	189	60	-	227	-	-	290
MAHLE Engine Components Slovakia s.r.o.	602	60	-	-	-	-	1,414	416	-	-
MAHLE Engine Components (Yingkou) Co., Ltd.	442	60	-	6	60	-	3,082	-	-	-
MAHLE Indústria e Comércio Ltda.	228	60	-	1,573	60	74,593	-	2,028	754	6,773 **
MAHLE Aftermarket Inc.	181	60	-	127	60	-	3,430	714	19	188
MAHLE Engine Components (Chongqing) Co., Ltd.	149	60	-	-	-	-	956	-	-	-
MAHLE Engine Systems UK Ltd.	111	60	-	2,040	60	-	40	(29)	6,165	17
MAHLE Filter Systems USA	89	60	-	48	60	-	61	8	-	-
MAHLE Trading Japan Co., Ltd.	66	60	-	-	-	-	-	88	515	-
MAHLE Polska Sp. z o.o.	47	60	-	389	60	-	2,322	-	-	-
MAHLE Industries, Inc.	31	60	-	1,770	60	-	-	51	-	2,504
MAHLE Anand Filter Systems Private Limited	22	60	-	-	-	-	90	-	-	-
MAHLE Japan Ltd.	17	60	-	606	60	-	-	47	-	458
MAHLE Engine Components India Priv. Ltd.	5	60	-	-	-	-	3,847	-	-	-
MAHLE Filtersysteme Austria GmbH	1	60	-	306	60	-	-	-	1,284	263
MAHLE Shared Services Mexico S. de R.L. de C.V.	-	-	-	-	-	-	-	-	-	-
MAHLE Aftermarket Italy S.p.A.	-	-	-	1,274	60	-	-	-	730	-
MAHLE Aftermarket Pte. Ltd.	-	-	-	1,197	60	-	305	-	5,044	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	883	60	-	-	-	285	1
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	882	60	-	-	-	1,013	-
MAHLE Automotive Technologies (China) Co., Ltd.	-	-	-	766	60	-	-	-	-	505
MAHLE Electric Drives Slovenija d.o.o.	-	-	-	722	60	-	-	88	3,028	-
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	680	60	-	-	81	2,180	-
MAHLE Engine Components USA, Inc.	-	-	-	664	60	-	-	-	-	-
MAHLE Filtersysteme GmbH	-	-	-	293	60	-	1	-	-	614
MAHLE Filter Systems Japan Corporation	-	-	-	141	60	-	-	-	603	-
MAHLE Shared Services Mexico S. de R.L. de C.V.	-	-	-	85	60	-	-	-	-	-
MAHLE Componente de Motor SRL	-	-	-	53	60	-	-	-	240	-
MAHLE Holding Austria GmbH	-	-	147,745	46	60	-	-	-	-	-
MAHLE France SARL	-	-	-	19	60	-	-	-	100	9
MAHLE Industrial Thermal Systems GmbH & Co. KG	-	-	-	14	60	-	-	-	-	14
MAHLE Engineering Services India Private Limited	-	-	-	14	60	-	-	-	-	-
MAHLE Composants Moteur France SAS	-	-	-	9	60	-	(9)	-	9	-
MAHLE Holding (India) Private Limited	-	-	-	1	60	-	-	(7)	-	1
MAHLE Engine Components (Nanjing) Co., Ltd.	-	-	-	-	-	-	2,208	-	-	-
MAHLE RUS O.O.O.	-	-	-	-	-	-	233	-	-	-
MAHLE Engine Components Japan Corporation	-	-	-	-	-	-	31	-	-	-
MAHLE Industriebeteiligungen GmbH	-	-	-	-	-	12,432	-	-	-	-
MAHLE Behr Service Asia Co., Ltd.	-	-	-	-	-	-	-	-	2,292	-
Outros	(34)	60	-	-	-	-	55	267	385	62
Total related companies	97,340		147,745	73,958		87,025	467,246	28,603	114,384	69,915
Total related parties	97,340		147,745	73,958		87,025	467,246	28,603	114,384	69,915

* Brand license of RS 11,219

** Rent of R\$ 6,773

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

The business transactions with related parties relate mainly to the purchase and sale of products and services directly related to the Group's operating activities.

On September 30, 2022, the subsidiary MAHLE Filtroil Indústria e Comércio de Filtros Ltda. has a balance with the Company of R\$ 8,528 (R\$ 7,519 on December 31, 2021) (loan agreement in the amount of R\$ 21,677 (R\$ 18,971 on December 31, 2021), with interest rate at 115% of the CDI and provision for losses on investees in the amount of (-) R\$ 13,149 ((-) R\$ 11,452 on December 31, 2021). The Company expects to recover this loan via cash flows from the financial asset.

On September 30, 2022, the subsidiary MAHLE Argentina S.A. has a loan agreement with the Company in the amount of USD 4,663 equivalent to R\$ 25,209 (R\$ 25,109 on December 31, 2021) with interest of 5.38% plus spread of 2.5% p.a. Although the amortization term began in June 2021, MAHLE Argentina S.A. has not yet received authorization to remit the USD because of current foreign exchange restrictions in Argentina. The authorization process is being monitored by the teams of MAHLE Brazil and MAHLE Argentina, without expectation of recovery in the short term due to payment restrictions imposed by the Argentine government as published through notices A7532, A7542, A7553 and A7563. We identified no material risk of loss on the amount receivable by the Parent company since the risk is hedged with NDF. However, we identified potential risks of foreign exchange losses on the amount owed by the subsidiary MAHLE Argentina to the Parent company because of the deterioration of the Argentine economy and the Argentine peso depreciation.

The subsidiary MAHLE Metal Leve GmbH has a daily cash management contract with MAHLE Holding Austria GmbH, subject to interest based on Eonia (Euro OverNight Index Average) + 1.15% p.a., with no definite maturity date. On September 30, 2022, the subsidiary has a balance payable of R\$ 62,959 arising from these transactions (balance receivable of R\$ 147,745 on December 31, 2021).

Since February 15, 2012, 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 September 30, 2022, the royalty expenses were recorded within "selling expenses - brand license", in the parent company in the amount of R\$ 10,845 (September 30, 2021 - R\$ 10,621) and in the consolidated accounts in the amount of R\$ 11,630 (September 30, 2021 - R\$ 11,219).

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

Dividends and interest on capital receivable

The movements in dividends and interest on capital receivable from subsidiary MAHLE Metal Leve GmbH are as follows:

	Parent company				09.30.2022
	12.31.2021	Provision	Receipt	Exchange variation	
Dividends	-	52,589	(52,589)	-	-
Interest on capital	132,095	-	(106,683)	(25,412)	-
	132,095	52,589	(159,272)	(25,412)	-

Dividends and interest on capital payable

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

	Parent company and consolidated				Balance 09.30.2022
	Balance 12.31.2021	Addition	Payment	Prescribed dividends and interest on capital	
MAHLE Indústria e Comércio Ltda.	74,593	242,656	(317,249)	-	-
MAHLE Industriebeteiligungen GmbH.	12,432	40,443	(52,875)	-	-
Non-controlling	38,999	121,329	(159,234)	(184)	910
Total	126,024	404,428	(529,358)	(184)	910

b) Management compensation

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

	Parent company and consolidated			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Statutory officers	1,872	5,320	1,786	5,240
Non-statutory officers	926	2,573	904	2,610
	2,797	7,893	2,690	7,850

The officers receive no share-based compensation.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Profit before income tax and social contribution after interest on capital	265,051	558,765	167,373	538,506
Income tax and social contribution at the statutory rate in Brazil (34%)	(90,117)	(189,980)	(56,907)	(183,092)
Effects of permanent differences:				
Equity in the results of investees	11,543	35,211	21,513	59,890
Gain on monetary items, net	17,959	41,432	5,301	19,172
Other, net	(130)	(3,278)	2,550	1,601
Total income tax and social contribution	(60,745)	(116,615)	(27,543)	(102,429)
Current income tax and social contribution	(57,439)	(121,162)	(30,020)	(80,520)
Deferred income tax and social contribution	(3,306)	4,547	2,477	(21,909)
	(60,745)	(116,615)	(27,543)	(102,429)
Effective rate	22.9%	20.9%	16.5%	19.0%
	Consolidated			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Profit before income tax and social contribution after interest on capital	276,621	580,156	177,457	571,083
Income tax and social contribution at the statutory rate in Brazil (34%)	(94,051)	(197,253)	(60,335)	(194,168)
Effects of permanent differences:				
Equity in the results of investees	-	-	1,144	1,113
Gain on monetary items, net	6,900	20,267	3,504	12,754
Other, net	14,518	37,056	17,986	45,514
Total income tax and social contribution	(72,633)	(139,930)	(37,701)	(134,787)
Current income tax and social contribution	(72,497)	(146,961)	(40,131)	(111,446)
Deferred income tax and social contribution	(136)	7,031	2,430	(23,341)
	(72,633)	(139,930)	(37,701)	(134,787)
Effective rate	26.3%	24.1%	21.2%	23.6%

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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 09.30.2022	Balance in 12.31.2021	Balance in 09.30.2022	Balance in 12.31.2021
Property, plant and equipment	-	-	(26,990)	(27,867)
Intangible assets	-	-	(97,025)	(97,025)
Tax credit	-	-	(46,770)	(36,161)
Financial incentive - Limeira (*)	-	-	(1,280)	-
Derivatives	2,212	3,367	-	-
Inventory	16,085	15,231	-	-
Provision labor risks	59,388	64,898	-	-
Other provision	110,827	92,016	-	-
Tax (assets) liabilities	188,512	175,512	(172,065)	(161,053)
Amount eligible for offsetting	(172,065)	(161,053)	172,065	161,053
Net tax (assets) liabilities	16,447	14,459	-	-
	Consolidated			
	Assets		Liabilities	
	Balance in 09.30.2022	Balance in 12.31.2021	Balance in 09.30.2022	Balance in 12.31.2021
Property, plant and equipment	-	-	(34,299)	(38,301)
Intangible assets	-	-	(97,025)	(97,025)
Tax credit	-	-	(46,770)	(36,161)
Financial incentive - Limeira (*)	-	-	(1,280)	-
Derivatives	2,212	3,367	-	-
Inventory	16,855	14,347	-	-
Provision labor risks	59,388	64,898	-	-
Other provision	109,551	88,409	-	-
Tax (assets) liabilities	188,006	171,021	(179,374)	(171,487)
Amount eligible for offsetting	(171,260)	(156,562)	171,260	156,562
Net tax (assets) liabilities	16,746	14,459	(8,114)	(14,925)

(*) Provision for deferred income tax on income related to the favorable decision on the municipal financial incentive proceeding in the amount of R\$ 1,280. Refer to Note 21, item "ii", for details.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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

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

ii. Changes in temporary differences:

	Parent company	Consolidated
At December 31, 2021	14,459	(466)
(+) Recognized in profit or loss (note 11.a)	4,547	7,031
(+) Recognized in other comprehensive income	(2,559)	2,067
At September 30, 2022	16,447	8,632

12. Investments in subsidiaries

	09.30.2022				
	Investments accounted for using the equity method	Goodwill	Impairment	Elimination of profit on inventory (Balance at 09/30/2022)	Total
MAHLE Argentina S.A.	270,781	68,071	(68,071)	(3,541)	267,240
MAHLE Metal Leve GmbH	141,022	-	-	(2,239)	138,783
MAHLE Hirschvogel Forjas S.A.	2,954	35,755	(35,755)	-	2,954
Total	414,757	103,826	(103,826)	(5,780)	408,977

	12.31.2021				
	Investments accounted for using the equity method	Goodwill	Impairment	Elimination of profit on inventory (Balance at 12/31/2021)	Total
MAHLE Argentina S.A.	248,438	68,071	(68,071)	(3,626)	244,812
MAHLE Metal Leve GmbH	101,177	-	-	(4,018)	97,159
MAHLE Hirschvogel Forjas S.A.	3,776	35,755	(35,755)	-	3,776
Total	353,391	103,826	(103,826)	(7,644)	345,747

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

	Interest (%)	Interest in equity											
		Ativos Circulantes	Ativos Não Circulantes	Total assets	Passivos Circulantes	Passivos Não Circulantes	Total liabilities	Equity	Net revenue	Profit (loss) for the period	Investments	Equity in the results of subsidiaries	Elimination of profit on inventory/other assets (equity)
September 30, 2022													
Subsidiaries													
MAHLE Argentina S.A.	99.20	414,512	87,237	501,749	187,599	41,185	228,784	272,965	596,584	(11,630)	270,781	(11,537)	85
MAHLE Metal Leve GmbH	100.00	176,923	65,443	242,366	101,344	-	101,344	141,022	486,600	115,754	141,022	115,755	1,779
MAHLE Filtröil Ind. e Com. de Filtrros Ltda.	60.00	1,213	211	1,424	1,016	9,174	10,190	(8,766)	1,235	(2,828)	-	(1,697)	-
MAHLE Hirschvogel Forjas S.A.	51.00	4,783	3,259	8,042	795	1,454	2,249	5,793	-	(1,612)	2,954	(822)	-
Subtotal subsidiaries		597,431	156,150	753,581	290,754	51,813	342,567	411,014	1,084,419	99,684	414,757	101,699	1,864
December 31, 2021													
Subsidiaries													
MAHLE Argentina S.A.	99.20	325,499	90,027	415,526	119,134	45,949	165,083	250,443	667,700	22,574	248,438	22,393	(924)
MAHLE Metal Leve GmbH	100.00	149,728	149,749	299,477	197,936	362	198,298	101,179	684,404	202,242	101,177	202,242	(594)
MAHLE Filtröil Ind. e Com. de Filtrros Ltda.	60.00	973	194	1,167	723	8,078	8,801	(7,634)	1,868	(1,355)	-	(813)	-
MAHLE Hirschvogel Forjas S.A.	51.00	5,946	4,186	10,132	765	1,962	2,727	7,405	-	615	3,776	314	-
Subtotal subsidiaries		482,146	244,156	726,302	318,558	56,351	374,909	351,393	1,353,972	224,076	353,392	224,136	(1,518)
Related companies													
Imoform Tecnologia Ltda.	33.33	-	-	-	-	-	-	-	-	-	-	(220)	3,493
Subtotal related companies												(220)	3,493
Total		482,146	244,156	726,302	318,558	56,351	374,909	351,393	1,353,972	224,076	353,392	223,916	1,975
September 30, 2021													
Subsidiaries													
MAHLE Argentina S.A.	99.20	306,244	85,903	392,147	135,801	28,122	163,923	228,224	466,174	16,660	226,396	16,527	(588)
MAHLE Metal Leve GmbH	100.00	175,090	111,903	286,993	202,156	-	202,156	84,837	532,999	156,087	84,837	156,087	744
MAHLE Filtröil Ind. e Com. de Filtrros Ltda.	60.00	1,125	187	1,312	750	7,970	8,670	(7,358)	1,504	(664)	-	(398)	-
MAHLE Hirschvogel Forjas S.A.	51.00	6,842	4,694	11,536	1,281	2,476	3,757	7,779	-	989	3,967	504	-
Subtotal subsidiaries		489,301	202,687	691,988	339,988	38,518	378,506	313,482	1,000,677	173,072	315,200	172,720	156
Related companies													
Imoform Tecnologia Ltda.	33.33	-	-	-	-	-	-	-	-	-	-	(221)	3,493
Subtotal related companies												(221)	3,493
Total		489,301	202,687	691,988	339,988	38,518	378,506	313,482	1,000,677	173,072	315,200	172,499	3,649

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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

MAHLE Filtroil Indústria e Comércio de Filtros Ltda.

The subsidiary has experienced recurring operating losses, negative working capital and increasing debt. Since June 2009 several lawsuits have been filed by the subsidiary's shareholders concerning the commercial, financial and administrative management, and one lawsuit for dissolution of the subsidiary due a disagreement between shareholders of the subsidiary which arose when the controlling shareholder proposed a capital increase to resolve the deficit of the company and the non-controlling shareholder did not agree with the capital increase.

Although the dissolution lawsuit filed by the controlling shareholder has been judged by the lower and higher courts in favor of the controlling shareholder, management has concluded that the subsidiary needs to continue in existence until the lawsuit is settled, based on the legal advice about the appeal filed by the non-controlling shareholder. The subsidiary receives from its controlling shareholder the financial support, in the form of capital or loans, necessary to sustain its operations.

MAHLE Hirschvogel Forjas S.A.

On September 30, 2022, the equity interest in subsidiary MAHLE Hirschvogel Forjas S.A. is R\$ 2,954 (R\$ 3,776 on December 31, 2021) and are recorded in non-current liabilities as "Investments in subsidiaries".

The balance sheet and income statement information of the subsidiary MAHLE Hirschvogel Forjas S.A. was considered for consolidation of the Group assuming that the subsidiary will not continue as a going concern.

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

13. Property, plant and equipment

	Parent company											
	Property, plant and equipment						Rights-of-use assets					
	Land	Buildings and construction	Machinery, equipment and facilities	Furniture and fittings	Vehicles	Construction in progress	Advances to suppliers	Impairment	Sub-total	Rights-of-use assets (IFRS 16) - buildings	Rights-of-use assets (IFRS 16) - vehicles	Total
At December 31, 2021	52,454	77,092	396,250	3,186	2,775	914	9,908	(7,293)	535,286	5,371	2,094	542,751
Total cost	52,454	232,851	2,134,362	25,188	21,852	914	9,908	(7,293)	2,470,236	25,720	6,232	2,502,188
Accumulated depreciation	-	(155,759)	(1,738,112)	(22,002)	(19,077)	-	-	-	(1,934,950)	(20,349)	(4,138)	(1,959,437)
Net book value	52,454	77,092	396,250	3,186	2,775	914	9,908	(7,293)	535,286	5,371	2,094	542,751
Additions	-	434	39,318	787	699	5,851	6,471	-	53,560	-	-	53,560
Write-offs	-	-	(184)	(3)	(107)	-	-	459	165	-	-	165
Transfer	-	-	16,929	293	549	(6,572)	(11,199)	-	-	-	-	-
Depreciation	-	(3,466)	(57,603)	(530)	(661)	-	-	-	(62,260)	(4,834)	(1,256)	(68,350)
Depreciation/write-off (deemed cost)	-	(1,923)	(138)	-	-	-	-	-	(2,061)	-	-	(2,061)
At September 30, 2022	52,454	72,137	394,572	3,733	3,255	193	5,180	(6,834)	524,690	537	838	526,065
Total cost	52,454	233,289	2,157,156	25,077	22,685	193	5,180	(6,834)	2,489,200	25,721	6,232	2,521,153
Accumulated depreciation	-	(161,152)	(1,762,584)	(21,344)	(19,430)	-	-	-	(1,964,510)	(25,184)	(5,394)	(1,995,088)
Net book value	52,454	72,137	394,572	3,733	3,255	193	5,180	(6,834)	524,690	537	838	526,065

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

	Consolidated												
	Property, plant and equipment					Rights-of use assets							
	Land	Buildings and construction	Machinery, equipment and facilities	Furniture and fittings	Vehicles	Construction in progress	Advances to suppliers	Impairment	Sub-total	Rights-of-use assets (IFRS 16) - buildings	Rights-of-use assets (IFRS 16) - vehicles	Sub-total	Total
At December 31, 2021	52,512	90,658	468,062	3,318	4,666	914	5,100	(7,381)	617,849	5,887	2,095	7,982	625,831
Total cost	52,512	251,884	2,391,721	25,499	32,657	914	5,100	(7,381)	2,752,906	28,036	6,232	34,268	2,787,174
Accumulated depreciation	-	(161,226)	(1,923,659)	(22,181)	(27,991)	-	-	-	(2,135,057)	(22,149)	(4,137)	(26,286)	(2,161,343)
Net book value	52,512	90,658	468,062	3,318	4,666	914	5,100	(7,381)	617,849	5,887	2,095	7,982	625,831
Additions	-	481	40,815	789	972	5,851	7,934	-	56,842	4,446	-	4,446	61,288
Write-offs	-	-	(200)	(3)	(107)	-	-	467	157	-	-	-	157
Transfer	-	(35)	18,434	335	548	(6,572)	(12,710)	-	-	-	-	-	-
Depreciation	-	(3,489)	(59,938)	(544)	(745)	-	-	-	(64,716)	(5,710)	(1,256)	(6,966)	(71,682)
Depreciation/write-off (deemed cost)	-	(1,923)	(1,338)	-	-	-	-	-	(2,061)	-	-	-	(2,061)
Gain on monetary items, net	-	6,743	15,467	-	15	-	48	-	22,273	898	-	898	23,171
Translation effects	(16)	(4,913)	(28,186)	(45)	(612)	-	5,428	22	(28,322)	(634)	-	(634)	(28,956)
At September 30, 2022	52,496	87,522	454,316	3,850	4,737	193	5,800	(6,892)	602,022	4,887	839	5,726	607,748
Total cost	52,496	255,254	2,438,567	25,331	35,204	193	5,800	(6,892)	2,805,953	31,185	6,232	37,417	2,843,370
Accumulated depreciation	-	(167,732)	(1,984,251)	(21,481)	(30,467)	-	-	-	(2,203,931)	(26,298)	(5,393)	(31,691)	(2,235,622)
Net book value	52,496	87,522	454,316	3,850	4,737	193	5,800	(6,892)	602,022	4,887	839	5,726	607,748

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

Deemed cost

Changes in deemed cost

	Parent Company and consolidated		
	12.31.2021	Depreciation / write-off (deemed cost)	09.30.2022
Land	46,905	-	46,905
Buildings and construction	32,801	(1,923)	30,878
Machinery, equipment and facilities	981	(138)	843
Furniture and fittings	17	-	17
Vehicles	(147)	-	(147)
	80,557	(2,061)	78,496

The annual depreciation rates of the property, plant and equipment items on September 30, 2022, are equal to the rates presented on December 31, 2021.

Impairment

The Group has provision at an amount sufficient to cover any impairment losses on property, plant and equipment, which relates substantially to the group of machinery and equipment and is recorded in the parent company and consolidated accounts of property, plant and equipment in accordance with the requirements set out in NBC TG 01 (CPC 01) - (R1)/IAS 36 "Impairment of assets". The parent company and consolidated balance of the provision for losses on September 30, 2022 is R\$ 6,834 (R\$ 7,293 at December 31, 2021) and R\$ 6,892 (R\$ 7,381 at December 31, 2021), respectively.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

14. Intangible assets

	Annual amortization rates (%)	Parent company		Consolidated	
		09.30.2022	12.31.2021	09.30.2022	12.31.2021
Goodwill on merger with subsidiary:					
MAHLE Participações Ltda. (rings business) (a)	-	568,612	568,612	568,612	568,612
Goodwill on acquisition of subsidiaries:					
MAHLE Argentina S.A. (a)	-	-	-	68,071	68,071
MAHLE Hirschvogel Forjas S.A. (a)	-	-	-	35,755	35,755
Cost of acquisition and installation of software (b)	20	52,225	52,064	55,362	55,367
Other (a and b)	-	334	334	810	1,024
Usage right and concessions (a)	-	5,665	5,665	5,665	5,665
Usage right and concessions (b)	20	9,325	9,325	9,325	9,325
Provision for impairment of intangible assets (Rings business)	-	(188,654)	(188,654)	(188,654)	(188,654)
Provision for impairment of intangible assets (MAHLE Argentina S.A.)	-	-	-	(68,071)	(68,071)
Provision for impairment of intangible assets (MAHLE Hirschvogel Forjas S.A.)	-	-	-	(35,755)	(35,755)
Provision for impairment of intangible assets (other)	-	(334)	(334)	(343)	(343)
		447,173	447,012	450,777	450,996
Accumulated amortization		(56,862)	(55,791)	(60,420)	(59,693)
		390,311	391,221	390,357	391,303

(a) Indefinite useful life

(b) finite useful life

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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, 2021	379,958	2,379	8,884	-	391,221
Additions	-	256	-	-	256
Amortization	-	(1,148)	(18)	-	(1,166)
At September 30, 2022	379,958	1,487	8,866	-	390,311

	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, 2021	379,958	2,436	8,884	25	391,303
Additions	-	256	-	-	256
Amortization	-	(1,156)	(18)	(5)	(1,179)
Foreign exchange variation	-	(15)	-	(3)	(18)
Net position gains	-	(5)	-	-	(5)
At September 30, 2022	379,958	1,516	8,866	17	390,357

Impairment

The Company's management constantly monitors its activities and did not identify any significant changes in the operating performance of the Cash-Generating Units (CGU) during the nine-month period ended September 30, 2022 that could justify an adjustment to the previously recognized provisions for impairment of intangible assets.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

15. Trade and related-party payables

	Parent company		Consolidated	
	09.30.2022	12.31.2021	09.30.2022	12.31.2021
Suppliers - Third Party				
Raw material	184,203	112,626	236,837	166,348
Services	45,591	40,050	45,754	40,094
	229,794	152,676	282,591	206,442
Related parties (Note 10)	69,746	53,628	104,109	73,958
	299,540	206,304	386,700	280,400

The Group's exposure to currency and liquidity risks in connection with accounts payable to suppliers is disclosed in Note 31.

16. Taxes and contributions payable

	Parent company		Consolidated	
	09.30.2022	12.31.2021	09.30.2022	12.31.2021
State taxes	21,011	17,720	21,899	18,670
ICMS payable	21,011	17,720	21,011	17,754
Other	-	-	888	916
Federal taxes	23,489	11,737	29,053	14,792
Import tax	6,471	6,792	7,329	7,536
IPI payable	3,854	-	5,120	92
COFINS payable	8,676	1	8,676	15
IRRF	2,649	4,940	2,654	4,950
PIS payable	1,839	-	1,839	3
Other	-	4	3,435	2,196
Municipal taxes	-	-	361	1,543
Taxes and contributions payable	44,500	29,457	51,313	35,005
Income tax and social contribution	19,573	-	38,459	10,921
Income tax and social contribution payable	19,573	-	38,459	10,921
Current liabilities	64,073	29,457	89,772	45,926

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

17. Borrowings and lease liabilities

a) Borrowings

Description	Average cost	Parent company		Consolidated	
		09.30.2022	12.31.2021	09.30.2022	12.31.2021
Borrowings in local currency (BRL)					
FINEP (Long-Term Interest Rate (TJLP) + 5.00% p.a. - 6.00% p.a.)	6.01%	40,419	61,526	40,419	61,526
BNDES (TJLP+ 1,25% p.a.)	14.50%	31,811	-	31,811	-
FINEP II (Long-Term Interest Rate (TJLP) + 5.00% p.a. - 5.00% p.a.)	7.01%	69,291	75,236	69,291	75,236
	8.41%	141,521	136,762	141,521	136,763
Borrowings in foreign currency					
		Currency			
ACC (average interest 1,05% p.a.)		USD (expressed in BRL)	-	-	12,699
Over Draft (average interest 12,00% p.a.)	12.00%	ARS (expressed in BRL)	-	-	1,211
ACC (average interest 0,97% p.a.)	1.64%	EUR (expressed in BRL)	263,161	112,918	263,161
	3.33%		263,161	125,618	264,372
	4.03%		404,682	262,380	405,893
Current - borrowings in local currency			69,459	37,139	69,459
Current - borrowings in foreign currency			130,901	125,617	132,112
Total current			200,360	162,756	201,571
Non-current - borrowings in local currency			72,062	99,624	72,062
Non-current - borrowings in foreign currency			132,260	-	132,260
Total non-current			204,322	99,624	204,322

In the first nine months of 2022, the Parent company took the following bank borrowings on the order of R\$ 289,333 (R\$ 290,560 – Consolidated):

- April 2022 EUR 25,000 - NCE with average cost of 2.28 % p.a., maturing in May 2024.
- May 2022 EUR 24,400 - NCE with average cost of 0.99 % p.a., maturing in May 2023.
- June 2022 BRL 30,000 - NCE with average cost of 14.5 % p.a., maturing in June 2023.

The Argentine subsidiary took the following bank borrowings amounting to R\$ 1,211:

- September 2022 USD 50,074.35 – PFI with average cost of 12% p.a., maturing in November 2022.
- September 2022 USD 176,979.22 – PFI with average cost of 12% p.a., maturing in December 2022.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

Reconciliation of liabilities that relate to cash flows from financing activities.

The movements in loans and borrowings during the first nine months of 2022 were as follows:

Parent company							
Cash Flow							
12.31.2021	Addition	Monetary Variation	Principal Amortization	Amortization Interest	Exchange Variation	Appropriation of interest	09.30.2022
262,380	289,333	541	(132,639)	(5,115)	(26,173)	16,355	404,682

Consolidated							
Cash Flow							
12.31.2021	Addition	Monetary Variation	Principal Amortization	Amortization Interest	Exchange Variation	Appropriation of interest	09.30.2022
262,380	290,560	541	(132,639)	(5,115)	(26,193)	16,359	405,893

Parent company and consolidated							
Cash Flow							
01.01.2021	Addition	Monetary Variation	Principal Amortization	Amortization Interest	Exchange Variation	Appropriation of interest	09.30.2021
552,369	79,940	-	(396,757)	(23,559)	3,443	11,423	226,859

On September 30, 2022, long-term borrowings mature as follows:

Parent company and Consolidated	
09.30.2022	
From october 2023	13,409
2024	140,639
2025	8,379
2026	8,379
2027	8,379
2028	8,379
2029	8,379
2030	8,379
	204,322

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

Restrictive covenants

FINEP I: This financing was obtained from the Financing Agency for Studies and Projects (FINEP) to partially fund (at an average of 64%) the expenses incurred in several projects of the program "Innovation in MAHLE Components and Systems" and is collateralized by a bank guarantee with maturity on february 15, 2024. This financing is based on the TJLP interest rate (7.01 % p.a. as of September 30, 2022) plus a bank spread of 5% p.a. less an equalization rate of 6% p.a. There are various accelerated maturity clauses (respecting ample defense for the Company) with loss of the equalization value: use of funds for a purpose other than that established in the contract; change in effective control of the Company; existence of FINEP amounts in arrears; inaccurate information provided to FINEP by the Company; and suspension of the projects.

FINEP II: This financing was obtained from the Financing Agency for Studies and Projects (FINEP) to partially fund (at an average of 90%) the expenses incurred in several projects of the program "Strategic plan for innovation" and is collateralized by a bank guarantee with maturity on November 03, 2022. This financing is based on the TJLP interest rate (7.01 % p.a. as of September 30, 2022) 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 September 30, 2022, the Company did not have delinquent principal and interest payments and had not breached any provisions of the agreements with FINEP.

b) Lease obligations

The lease contract for the property located in Limeira will expire in October 2022. The Parent company is reviewing the terms of the lease contract with the lessor and the lease amounts will be updated and recognized in the fourth quarter of 2022.

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	8.73%
Lease of buildings (Brazil)	3 years and 10 months	12.33%
Lease of vehicles (Brazil)	2 years	11.03%

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

The movement in lease liabilities is shown below:

	<u>Parent company</u>	<u>Consolidated</u>
Balance at December 31, 2021	9,277	9,818
Addition	-	3,901
Lease payments	(8,149)	(9,332)
Interest	458	608
Exchange rate variation	-	1,206
Balance at September 30, 2022	1,586	6,201

As required by 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:

	<u>Parent company</u>	<u>Consolidated</u>
	<u>09.30.2022</u>	<u>09.30.2022</u>
30 days	1,136	1,269
From 31 to 90 days	450	718
From 91 to 365 days	-	1,277
2023	-	448
2024	-	1,965
2025	-	524
Total	1,586	6,201
Current	1,586	3,264
Non current	-	2,937
	1,586	6,201

18. Salaries, vacation pay and social charges

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>09.30.2022</u>	<u>12.31.2021</u>	<u>09.30.2022</u>	<u>12.31.2021</u>
Accrued vacation pay / 13th month salary	97,049	38,128	106,913	43,940
Employee profit sharing	23,411	36,528	24,764	38,228
INSS /FGTS	13,866	14,464	13,887	14,485
Other social security obligations	753	400	4,365	4,879
	135,079	89,520	149,929	101,532

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19. Sundry provision

	Parent company					
	Losses on contracts	Commercial bonuses	Electric power	Employee benefits	Other	Total
At December 31, 2021	9,374	21,952	13,587	323	-	45,236
Reversal	-	(1,124)	(13,587)	(44)	-	(14,755)
Payment	-	(13,369)	-	(278)	-	(13,647)
Complement	-	24,233	11,307	1,505	4,504	41,549
At September 30, 2022	9,374	31,692	11,307	1,506	4,504	58,383

	Consolidated						
	Losses on contracts	Commercial bonuses	Restructuring	Electric power	Employee benefits	Other	Total
At December 31, 2021	11,182	21,953	684	14,543	326	1,507	50,195
Reversal	-	(1,124)	-	(14,543)	(44)	-	(15,711)
Payment	-	(13,369)	-	-	(278)	(1,009)	(14,656)
Complement	-	24,233	-	12,625	1,509	6,166	44,533
Foreign exchange variation	(587)	-	-	-	-	(517)	(1,104)
At September 30, 2022	10,595	31,693	684	12,625	1,513	6,147	63,257

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, 2021	9,991	10,835
Reversal	(1,688)	(1,688)
Payment	(1,014)	(1,014)
Complement	2,805	3,335
Foreign exchange variation	-	(155)
At September 30, 2022	10,094	11,313

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

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

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

	Parent company				
	Civil and labor	Tax	Environmental liability	Judicial deposits	Total
At December 31, 2021	190,876	62,485	28,128	(23,641)	257,848
Additions	35,840	10,384	-	(2,956)	43,268
Monetary restatements	13,733	5,460	-	159	19,352
Write-off for use	(25,267)	(320)	(1,476)	1,337	(25,726)
Write-off for reversal	(40,514)	(3,140)	-	158	(43,496)
Transfer	-	-	-	1,220	1,220
At September 30, 2022	174,668	74,869	26,652	(23,723)	252,466
	Consolidated				
	Civil and labor	Tax	Environmental liability	Judicial deposits	Total
At December 31, 2021	195,908	66,707	28,128	(24,124)	266,619
Additions	36,798	10,458	-	(2,956)	44,300
Monetary restatements	14,462	5,811	-	160	20,434
Write-off for use	(26,515)	(320)	(1,476)	1,337	(26,974)
Write-off for reversal	(41,147)	(3,140)	-	158	(44,129)
Transfer	-	-	-	1,301	1,301
Foreign exchange variation	(758)	(1,418)	-	-	(2,176)
At September 30, 2022	178,749	78,098	26,652	(24,124)	259,375

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

Provisions for labor lawsuits relate principally to former employees' compensation claims. Reversals arise when the Company prevails on a lawsuit, i.e. claims are found to be groundless and/or are decided against the Company and then the decision is subsequently overturned by a higher court, a settlement is reached or final payments are made.

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

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

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

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

i. Proceedings involving the risk of possible loss

On September 30, 2022, the Group had civil and tax proceedings brought before the proper authorities in the amount of R\$ 72,263 (December 31, 2021 - R\$ 71,385), which were assessed by the Group's management as having a risk of possible loss, and, therefore, were not provided for in the financial statements.

ii. Incentivo Municipal

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

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

In July 2022, the Company obtained a certificate of final definitive decision on the motions for clarification of judgment and, therefore, it became virtually certain that the inflow of economic benefits will arise and that the Company has control over such assets, despite uncertainty as to the length of time it will take to enforce the judgment as to the method of payment.

In September 2022, the amount of R\$ 2,485 was recognized in the statement of income of the Parent company, R\$ 6,589 was recognized in "other operating income" (Note 30) and R\$ 1,796 of interest on receivables (IPCA until 2021 and SELIC from 2022) was recognized in "finance income" (Note 29). In addition, R\$ 4,620 of provisions for PIS and COFINS was recognized in "general and administrative expenses" (Note 27) and R\$ 1,280 of deferred income tax was included in deferred tax assets and liabilities (Note 11.b.i).

The asset was recognized when the realization of cash flows associated with it became relatively certain, based on management's best estimate.

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Contingent assets

a) Compulsory loan - Eletrobrás

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

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

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

There was a judgment on the merits and Eletrobras filed an appeal, which was denied, and the judgment became final and unappealable in 2019 in favor of the Company, however there is yet the phase where the judgment will be enforced and the actual amounts to be settled will be determined. The final favorable court decision obtained allows us to conclude that future economic benefits may flow to the Company. However, there is substantial uncertainty about the timing, method and amount of the economic benefit and it is not yet possible to determine with certainty that the inflow of benefits arising from the favorable court decision obtained is virtually certain and the Company has control over such asset, meaning no gain will be recorded from the contingent asset until the gain actually occurs.

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Administrative Council for Economic Defense (“CADE”)

On February 3, 2021, CADE held a hearing on administrative proceeding No. 08700.006065/2017-30, which was opened to investigate alleged anticompetitive practices in the Brazilian market of automotive piston and related products involving three companies and several individuals.

On October 20, 2021, CADE held a hearing on administrative proceeding No. 08700.003340/2017-63, which was opened to investigate alleged anticompetitive practices in the automotive filters Aftermarket involving six companies and several individuals.

CADE ended investigations and confirmed that the Company provided full cooperation with the investigation and received leniency with no administrative and/or monetary penalty.

The Company states that the practices alleged in the complaints ceased even before the start of CADE’s investigation due to the Company’s Compliance Program, which has been continuously improved.

22. Equity

a. Share capital

On September 30, 2022 and December 31, 2021, subscribed and paid-up capital was represented by the following number of shares with no par value:

	<u>Number of shares</u>	
Mahle Indústria e Comércio Ltda.	76,985,132	60.0%
Mahle Industriebeteiligungen GmbH	12,830,850	10.0%
Non-controlling shareholders	<u>38,492,518</u>	<u>30.0%</u>
	<u>128,308,500</u>	<u>100.0%</u>

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

On September 30, 2022, the market value of the Company's common shares corresponded the price of R\$ 23.26 per share (R\$ 30.80 on December 31, 2021).

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, 2021.

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b. Appropriation of profit for the year

On April 27, 2022, the Shareholders' Meeting approved the payment of additional dividends for the fiscal year ended December 31, 2021, in the amount of R\$ 404,428, which will be paid on May 27, 2022, corresponding to R\$ 3.151997 per common share, without withholding income tax, pursuant to Law 9,249/95, Article 10.b.

On December 28, 2021, the Board of Directors approved the payment of interest on capital in the gross amount of R\$ 69,923 for the period from January 1, 2021, to December 31, 2021, which will be paid on May 27, 2022, corresponding to R\$ 0.5449591998 per common share with withholding income tax at the rate of 15%, with the result that the net value of interest on capital was R\$ 0.4632153198 per common share.

c. Special cash reserve

To protect cash in the pandemic scenario, the shareholders resolved at the Ordinary General Meeting held on May 29, 2020, to defer the payment of the previously proposed additional dividends for fiscal year 2019 of R\$ 175,572. These deferred dividends were set aside for payment later when possible.

d. 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 September 30, 2022, the Company recorded cumulative translation adjustments of R\$ (-) R\$ 110,578 ((+) R\$ 22,044 on September 30, 2021). 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 effects of carrying value adjustments relating to the effective portion of gains or losses on cash flow hedges, which are recognized on September 30, 2022, net of taxes, at (+) R\$ 4,968 (On September 30, 2021 (+) R\$ 6,292) 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\$ 411 on September 30, 2022 (On September, 2021 - R\$ 386). 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.

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23. Earnings per share

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

	<u>3Q2022</u>	<u>9M2022</u>	<u>3Q2021</u>	<u>9M2021</u>
Profit attributable to owners of the parent	204,306	442,150	139,830	436,077
Shares outstanding	128,308,500	128,308,500	128,308,500	128,308,500
Basic (loss) earnings per share (R\$ per share)	1.59230	3.44599	1.08980	3.39866

There are no diluted earnings per share for the Company.

24. Net operating revenue

	<u>Parent company</u>			
	<u>2022</u>		<u>2021</u>	
	<u>3Q2022</u>	<u>9M2022</u>	<u>3Q2021</u>	<u>9M2021</u>
Gross revenue				
Products	1,146,652	3,054,243	934,044	2,640,935
Services	18,937	55,921	15,086	42,232
Total revenue with products + services	1,165,589	3,110,164	949,130	2,683,167
Deductions from sales:				
Taxes on sales	(218,187)	(593,544)	(191,096)	(544,618)
Discounts , returns and sales incentives	(13,970)	(35,159)	(15,285)	(28,844)
Net revenue	933,432	2,481,461	742,749	2,109,705
	<u>Consolidated</u>			
	<u>2022</u>		<u>2021</u>	
	<u>3Q2022</u>	<u>9M2022</u>	<u>3Q2021</u>	<u>9M2021</u>
Gross revenue				
Products	1,500,398	3,880,794	1,182,182	3,317,430
Services	17,962	51,721	15,086	38,260
Total revenue with products + services	1,518,360	3,932,515	1,197,268	3,355,690
Deductions from sales:				
Taxes on sales	(218,328)	(593,870)	(191,096)	(544,933)
Discounts , returns and sales incentives	(101,210)	(230,415)	(56,694)	(137,195)
Net revenue	1,198,822	3,108,230	949,478	2,673,562

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

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The following table shows sales by geographic market and by segment:

	Parent company			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Revenue by market				
Original equipment	571,417	1,484,689	445,092	1,280,352
Aftermarket	362,015	996,772	297,657	829,353
	933,432	2,481,461	742,749	2,109,705
	Consolidated			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Revenue by market				
Original equipment	712,787	1,867,552	595,889	1,709,401
Aftermarket	486,035	1,240,678	353,589	964,161
	1,198,822	3,108,230	949,478	2,673,562

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25. Cost of sales and services

Cost of sales and services by nature are as follows:

	Parent company			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Raw material and others materials	(371,818)	(1,032,662)	(309,846)	(857,006)
Personnel and benefits	(176,706)	(482,866)	(154,319)	(436,950)
Utilities and services	(56,416)	(151,169)	(52,476)	(143,830)
Depreciation and amortization	(21,234)	(62,717)	(22,051)	(66,358)
Other	(53,150)	(152,423)	(42,398)	(104,467)
Total	(679,324)	(1,881,837)	(581,090)	(1,608,611)

	Consolidated			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Raw material and others materials	(449,120)	(1,244,624)	(379,761)	(1,050,227)
Personnel and benefits	(185,823)	(512,509)	(164,948)	(469,561)
Utilities and services	(58,787)	(157,302)	(55,721)	(151,165)
Depreciation and amortization	(22,353)	(65,970)	(23,035)	(69,136)
Other	(121,440)	(271,310)	(69,204)	(159,352)
Total	(837,523)	(2,251,715)	(692,669)	(1,899,441)

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26. Selling expenses and distribution

Selling expenses by nature are as follows:

	Parent company			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Freight	(25,070)	(71,640)	(19,503)	(61,528)
Personnel and benefits	(15,499)	(42,054)	(13,088)	(37,029)
Variable selling expenses	(4,493)	(13,119)	(2,960)	(9,984)
Brand license	(3,553)	(10,845)	(3,710)	(10,621)
Professional services/service orders	(4,405)	(10,545)	(2,378)	(7,179)
General expenses	(2,878)	(7,106)	(1,630)	(3,354)
Advertising	(1,839)	(3,066)	(421)	(930)
Travel and entertainment allowance	(1,274)	(2,292)	(14)	(70)
Depreciation	(376)	(866)	(143)	(430)
Other expenses	(3,545)	(8,704)	(2,079)	(5,641)
	(62,932)	(170,237)	(45,926)	(136,766)

	Consolidated			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Freight	(29,492)	(82,400)	(23,550)	(71,333)
Personnel and benefits	(21,136)	(54,172)	(15,785)	(43,824)
Variable selling expenses	(9,235)	(24,727)	(9,127)	(21,848)
General expenses	(4,961)	(13,041)	(3,617)	(8,031)
Professional services/service orders	(5,345)	(12,593)	(3,320)	(9,025)
Brand license	(3,802)	(11,630)	(3,903)	(11,219)
Advertising	(2,200)	(4,069)	(606)	(1,496)
Travel and entertainment allowance	(1,432)	(2,651)	(43)	(125)
Depreciation	(402)	(922)	(168)	(493)
Other expenses	(4,818)	(11,461)	(2,838)	(7,548)
	(82,823)	(217,666)	(62,957)	(174,942)

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27. General and administrative expenses

General and administrative expenses by nature are as follows:

	Parent company			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Personnel and benefits	(8,612)	(24,567)	(8,732)	(24,569)
Professional services/service orders	(6,075)	(17,216)	(6,321)	(17,177)
Management	(2,797)	(7,893)	(2,690)	(7,850)
Taxes	(1,295)	(4,230)	(1,460)	(4,489)
Maintenance	(909)	(2,842)	(1,393)	(4,280)
Materials and utilities	(1,008)	(2,558)	(908)	(2,960)
Depreciation	(813)	(2,345)	(748)	(2,065)
Travel and entertainment allowance	(100)	(404)	(8)	(59)
PIS/COFINS	1,781	-	(512)	(1,696)
Other expenses	(1,518)	(5,319)	(1,642)	(4,903)
	(21,346)	(67,374)	(24,414)	(70,048)

	Consolidated			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Personnel and benefits	(11,173)	(30,996)	(9,635)	(29,504)
Professional services/service orders	(7,505)	(21,050)	(7,297)	(19,468)
Management	(2,797)	(7,893)	(2,690)	(7,850)
Taxes	(1,305)	(4,273)	(1,592)	(4,657)
Materials and utilities	(1,283)	(3,240)	(1,134)	(3,304)
Maintenance	(1,016)	(3,056)	(1,225)	(4,178)
Depreciation	(855)	(2,442)	(790)	(2,153)
Travel and entertainment allowance	(136)	(515)	(23)	(88)
PIS/COFINS	1,796	-	(515)	(1,715)
Other expenses	(1,945)	(6,197)	(1,863)	(5,520)
	(26,219)	(79,662)	(26,764)	(78,437)

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28. Technology and product development costs

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

	Parent company			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Personnel and benefits	(6,432)	(18,016)	(7,043)	(23,064)
Materials/utilities	(1,176)	(3,777)	(1,126)	(4,174)
Depreciation	(1,000)	(2,861)	(1,072)	(3,531)
Professional services/service orders	(755)	(1,949)	(791)	(2,207)
General expenses	(649)	(1,913)	(1,148)	(3,492)
Maintenance	(330)	(1,259)	(421)	(1,305)
Other (expenses) income	(196)	(624)	(325)	3,094
	(10,538)	(30,399)	(11,926)	(34,679)

	Consolidated			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Personnel and benefits	(6,887)	(19,068)	(7,409)	(24,040)
General expenses	(1,590)	(4,672)	(2,413)	(7,776)
Materials/utilities	(1,210)	(3,846)	(1,150)	(4,225)
Depreciation	(1,022)	(2,924)	(1,098)	(3,590)
Professional services/service orders	(1,174)	(2,640)	(934)	(2,654)
Maintenance	(333)	(1,279)	(423)	(1,310)
Other (expenses) income	(281)	(781)	(354)	2,981
	(12,497)	(35,210)	(13,781)	(40,614)

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29. Finance income and costs, net

	Parent company			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Finance income				
Interest	8,791	30,824	3,466	15,902
Exchange variation (a)	18,527	69,023	19,471	45,538
Monetary variation gains (*)	1,840	2,244	51	245
Derivative financial instruments (c)	7,381	37,652	565	16,972
Other	1,690	5,348	1,282	2,827
	38,229	145,091	24,835	81,484
Finance costs				
Interest	(4,619)	(9,554)	(2,479)	(12,834)
Exchange variations (b)	(3,146)	(85,420)	(6,930)	(51,096)
Monetary variation losses	(6,577)	(20,073)	(7,852)	(20,304)
Derivative financial instruments (d)	(5,583)	(17,347)	(5,335)	(16,794)
Other	(536)	(2,363)	(629)	(2,084)
	(20,461)	(134,757)	(23,225)	(103,112)
Finance income (costs), net	17,768	10,334	1,610	(21,628)
Summary of foreign exchange variations (a+b)	15,381	(16,397)	12,541	(5,558)
Trade payables	325	3,783	(7,491)	(4,861)
Borrowings	9,573	18,056	(3,712)	(3,928)
Loan receivable	785	(738)	1,931	1,057
Interest on capital receivable	-	(25,412)	4,574	635
Cash and cash equivalents	(1,312)	(5,311)	1,041	(958)
Trade receivables	5,999	(6,768)	12,830	2,523
Other	11	(7)	3,368	(26)
Summary of derivative instruments (c+d)	1,798	20,305	(4,770)	178
Income	7,381	37,652	565	16,972
Expenses	(5,583)	(17,347)	(5,335)	(16,794)
Net result of foreign exchange variations and derivative financial instruments	17,179	3,908	7,771	(5,380)

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	Consolidated			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Finance income				
Interest	16,460	47,254	9,605	28,380
Exchange variation (a)	53,709	141,738	30,762	84,483
Monetary variation gains (*)	4,163	5,826	227	1,156
Derivative financial instruments (c)	7,317	37,686	565	16,972
Other	1,691	5,351	1,281	2,828
	83,340	237,855	42,440	133,819
Finance costs				
Interest	(5,828)	(12,605)	(3,051)	(14,356)
Exchange variations (b)	(44,350)	(166,557)	(17,541)	(87,200)
Monetary variation losses	(8,632)	(24,338)	(8,601)	(22,138)
Derivative financial instruments (d)	(5,759)	(17,523)	(5,335)	(16,795)
Other	(2,499)	(9,442)	(2,036)	(5,462)
	(67,068)	(230,465)	(36,564)	(145,951)
Finance income (costs), net	16,272	7,390	5,876	(12,132)
Summary of foreign exchange variations (a+b)	9,359	(24,819)	13,221	(2,717)
Trade receivables	(890)	(15,833)	11,257	1,394
Borrowings	14,881	37,778	311	10,475
Loan receivable	5,786	(254)	1,154	(2,564)
Cash and cash equivalents	(7,405)	(14,222)	120	(7,101)
Interest on capital receivable	-	(25,412)	4,573	635
Trade payables	(2,322)	(5,392)	(7,522)	(5,306)
Lease obligations (IFRS 16)	(701)	(1,477)	(41)	(224)
Other	10	(7)	3,369	(26)
Summary of derivative instruments (c+d)	1,558	20,163	(4,770)	177
Income	7,317	37,686	565	16,972
Expenses	(5,759)	(17,523)	(5,335)	(16,795)
Net result of foreign exchange variations and derivative financial instruments	10,917	(4,656)	8,451	(2,540)

(*) Includes interest on receivables (IPCA until 2021 and SELIC from 2022) in the amount of R\$ 1,796 related to the favorable decision on the municipal financial incentive proceeding. Details are provided in Note 21, item "ii".

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30. Other operating income and expenses, net

	Parent company			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Other income				
Reversal of provision for labor, civil and tax contingencies	15,702	43,654	15,492	34,308
Credit right – Limeira process (*)	6,589	6,589	-	-
Taxes recovered (Reintegra)	316	2,040	265	755
Reversal of provision for obsolescence (Property, plant and equipment)	119	459	409	909
Gains on disposal of assets /other	11	171	342	765
ICMS credit based on PIS and COFINS	-	-	10,451	99,112
Provision for restructuring	-	-	-	329
Other income	2,609	4,324	1,203	3,273
	25,346	57,237	28,162	139,451
Other expenses				
Provision for labor, civil and tax contingencies	(14,012)	(52,707)	(16,343)	(46,323)
PIS and COFINS on other income (**)	(7,302)	(7,302)	-	-
Losses on disposal of assets /other	(48)	(186)	(123)	(465)
Provision for Environmental	-	-	-	(20,000)
Write off of investments - Innoferm	-	-	(3,144)	(3,144)
Other expenses	(896)	(3,311)	(1,066)	(4,319)
	(22,258)	(63,506)	(20,676)	(74,251)
Other operating income (Expenses), net	3,088	(6,269)	7,486	65,200

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	Consolidated			
	2022		2021	
	3Q2022	9M2022	3Q2021	9M2021
Other income				
Reversal of provision for labor, civil and tax contingencies	15,784	44,287	15,975	36,622
Gain on monetary items	10,392	14,889	3,448	6,230
Credit right – Limeira process (*)	6,589	6,589	-	-
Taxes recovered (Reintegra)	309	2,168	265	777
Reversal of provision for obsolescence (Property, plant and equipment)	119	459	409	909
Gains on disposal of assets /other	95	255	353	776
ICMS credit based on PIS and COFINS	-	-	10,462	99,266
Reversal of provision for restructuring	-	-	-	329
Other income	2,625	4,378	1,182	3,256
	35,913	73,025	32,094	148,165
Other expenses				
Provision for labor, civil and tax contingencies	(14,190)	(53,745)	(16,637)	(47,351)
Losses on monetary items	(9,468)	(13,419)	(2,925)	(4,976)
PIS and COFINS on other income (**)	(7,330)	(7,330)	-	-
Export expenses - Argentina	(1,734)	(5,057)	(2,012)	(5,815)
Losses on disposal of assets /other	(99)	(240)	(123)	(465)
Write off of investments - Innoferm	-	-	(3,144)	(3,144)
Provision for Environmental	-	-	-	(20,000)
Other expenses	(983)	(3,398)	(1,116)	(4,367)
	(33,804)	(83,189)	(25,957)	(86,118)
Other operationg income (expenses), net	2,109	(10,164)	6,137	62,047

(*) Income of R\$ 6,589 arising from the favorable decision on the municipal financial incentive proceeding. Details are provided in Note 21, item “ii”.

(**) Includes the provision for PIS and COFINS on income arising from the favorable decision on the municipal financial incentive proceeding, in the amount of R\$ 4,620. Details are provided in Note 21, item “ii”.

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31. Financial instruments

I. Financial instruments and risk management

Financial instruments are used to assure the Group's continuity, liquidity and profitability, and there is no speculative purpose. The financial instruments are recorded in the financial statements and classified in conformity with NBC TG CPC 40/48 (IFRS 7/9), allowing the reader to assess the Group's financial position. The table below shows the classification of the financial instruments.

		Parent Company							
		09.30.2022				12.31.2021			
Assets	Note	Amortized Cost	Fair Value by Result	Designated Derivatives for Cash Flow Hedge	Total	Amortized Cost	Fair Value by Result	Designated Derivatives for Cash Flow Hedge	Total
Cash, demand deposits and cash in trans	6	-	25,427	-	25,427	-	25,206	-	25,206
Financial investments	6	-	140,281	-	140,281	-	248,721	-	248,721
Trade receivables	7	674,052	-	-	674,052	453,230	-	-	453,230
Receivables from and loans to related pa	10	33,737	-	-	33,737	32,628	-	-	32,628
Unrealized gains on derivatives	31	-	-	14,440	14,440	-	-	3,692	3,692
Total		707,789	165,708	14,440	887,937	485,858	273,927	3,692	763,477

		Parent Company							
		09.30.2022				12.31.2021			
Liabilities	Note	Amortized Cost	Fair Value by Result	Designated Derivatives for Cash Flow Hedge	Total	Amortized Cost	Fair Value by Result	Designated Derivatives for Cash Flow Hedge	Total
Payables to related parties	15	(69,746)	-	-	(69,746)	(53,628)	-	-	(53,628)
Trade payables	15	(229,794)	-	-	(229,794)	(152,676)	-	-	(152,676)
Lease liabilities	17.b	(1,586)	-	-	(1,586)	(9,277)	-	-	(9,277)
Borrowings	17.a	(404,682)	-	-	(404,682)	(262,380)	-	-	(262,380)
Unrealized losses on derivatives	31	-	-	(16,895)	(16,895)	-	-	(8,652)	(8,652)
Total		(705,808)	-	(16,895)	(722,703)	(477,961)	-	(8,652)	(486,613)

		Consolidated							
		09.30.2022				12.31.2021			
Assets	Note	Amortized Cost	Fair Value by Result	Designated Derivatives for Cash Flow Hedge	Total	Amortized Cost	Fair Value by Result	Designated Derivatives for Cash Flow Hedge	Total
Cash, demand deposits and cash in trans	6	-	46,344	-	46,344	-	43,431	-	43,431
Financial investments	6	-	238,069	-	238,069	-	317,658	-	317,658
Trade receivables	7	779,828	-	-	779,828	567,080	-	-	567,080
Receivables from and loans to related pa	10	62,959	-	-	62,959	147,745	-	-	147,745
Unrealized gains on derivatives	31	-	-	16,806	16,806	-	-	5,845	5,845
Total		842,787	284,413	16,806	1,144,006	714,825	361,089	5,845	1,081,759

		Consolidated							
		09.30.2022				12.31.2021			
Liabilities	Note	Amortized Cost	Fair Value by Result	Designated Derivatives for Cash Flow Hedge	Total	Amortized Cost	Fair Value by Result	Designated Derivatives for Cash Flow Hedge	Total
Payables to related parties	15	(104,109)	-	-	(104,109)	(73,958)	-	-	(73,958)
Trade payables	15	(282,591)	-	-	(282,591)	(206,442)	-	-	(206,442)
Lease liabilities	17.b	(6,201)	-	-	(6,201)	(9,818)	-	-	(9,818)
Borrowings	17.a	(405,893)	-	-	(405,893)	(262,380)	-	-	(262,380)
Unrealized losses on derivatives	31	-	-	(16,895)	(16,895)	-	-	(8,652)	(8,652)
Total		(798,794)	-	(16,895)	(815,689)	(552,598)	-	(8,652)	(561,250)

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- Evaluation of the business model to determine the classification of financial instruments

- Cash and cash equivalents and financial investments: The Company manages these transactions based on fair value through profit or loss so that they are measured and recorded at fair value through profit or loss.
- Trade receivables and loans to related parties: for these assets the Company has as business model the maintenance of receivables according to the contractual cash flows, and it is not Company's practice to have these cash flows advanced through discounting or assignment of receivables. Additionally, the payment feature of these receivables was also evaluated and the conclusion was that they meet the payment criteria of "principal and interest" only, with no leverage feature, and are therefore classified as amortized cost.
- Unrealized gains on derivatives: the Company uses derivatives for hedging purposes only and adopts the hedge accounting procedure for these transactions. Accordingly, they are classified as derivatives designated for cash flow hedge and recorded at fair value.

- Fair value hierarchy and measurement

The financial instruments that are measured at fair value after initial recognition must be grouped in Levels 1 to 3 based on the observable level of the fair value.

Level 1 – prices quoted (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

- Fair value calculation

Level 2 - Derivative financial instruments were included in this level. The value of these instruments was determined as follows:

- The values of derivative financial instruments (NDFs) were calculated using the discounted cash flow method, which consists of:
 - a) The difference between the future exchange rate contracted for the settlement of each contract, and the future exchange rate of "B3" a valid for the mark-to-market (MTM) date of the US dollar, euro and yen is determined. In the absence of a future rate for the maturity date disclosed by "B3", an interpolation is made of the rate for that date;

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- b) The result of the above difference is multiplied by the notional value of each operation;
- c) The amounts obtained in item "b" are brought to present value at the Interbank Deposit (DI) curve of "B3" valid for the MTM date.

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

- a) The difference between the future price of the metal (USD/tons) contracted for the settlement of each contract, and the future price of the metal (USD/tons) published by Bloomberg for the maturity date of each contract, valid on the MTM date. In the absence of a future price for the maturity date of a given contract, an interpolation is made of the price of the metal for that date;
- b) The result of the above difference is multiplied by the contracted volume in tons and the US dollar rate (Ptax sale) valid for the MTM date.

- *Fair value versus carrying amount*

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

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

	Note	Consolidado				Level
		09.30.2022		12.31.2021		
		Carrying amount	Fair value	Carrying amount	Fair value	
Assets						
Cash, demand deposits and cash in transit	6	46,344	46,344	43,431	43,431	2
Financial investments	6	238,069	238,069	317,658	317,658	2
Trade receivables	7	779,828	779,828	567,080	567,080	2
Receivables from and loans to related parties	10	62,959	62,959	147,745	147,745	2
Unrealized gains on derivatives	31	16,806	16,806	5,845	5,845	2
Total		1,144,006	1,144,006	1,081,759	1,081,759	
Liabilities						
Payables to related parties	15	(104,109)	(104,109)	(73,958)	(73,958)	2
Trade payables	15	(282,591)	(282,591)	(206,442)	(206,442)	2
Lease liabilities	17.b	(6,201)	(6,201)	(9,818)	(9,818)	2
Borrowings	17.a	(405,893)	(405,893)	(262,380)	(262,380)	2
Unrealized losses on derivatives	31	(16,895)	(16,895)	(8,652)	(8,652)	2
Total		(815,689)	(815,689)	(561,250)	(561,250)	

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- 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.

Hedging objective and strategy:

Currency hedge

The purpose of the currency hedge program is to minimize foreign exchange risks that may arise in adverse times in the market and that may adversely affect the Group's profitability.

The foreign exchange hedging policy is to hedge the entire position of budgeted cash flow (budget) as well as the actual cash flow (balance sheet) denominated and/or indexed in a foreign currency using derivative financial instruments (NDF - Non-deliverable Forwards).

For the budgeted cash flow, this policy covers different levels and time horizons, so as to reach the following levels of hedge at the end of the current month (base date):

- i) 75% of the net foreign exchange risk exposure – 1st to 6th month following the base date;
- ii) 50% of the net foreign exchange risk exposure – 7th to 9th month following the base date; and
- iii) 25% of the net foreign exchange risk exposure – 10th to 24th month following the base date.

The net foreign exchange risk exposure for the months following the time horizon of the budget will be based on the budget itself or its latest version (reviewed by the business areas on a quarterly basis).

For the actual cash flow, the policy is to hedge 100% of the net foreign exchange risk exposure (denominated and/or indexed in a foreign currency).

Commodity hedging (metal raw materials)

The purpose of the commodity hedging program is to minimize the risks of fluctuations in metal raw material prices (aluminum, nickel and copper) quoted on the London Metal Exchange (LME), which may arise during adverse times in the market and which would adversely affect the Group's profitability.

The commodity hedging policy is to hedge the planned volumes of budgeted cash flows (budget) using swaps.

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The risks inherent in metal commodities are calculated for each of the metals most used by the Company: aluminum, copper, tin and nickel. The calculation is based on the consumption of each metal according to the list of products to which the metal is applied, multiplied by the average price of the metal as disclosed by the London Market Exchange (LME) for the month preceding the check. The quantity considered in the risk calculation is the total quantity of metal applied in the production, by subtracting the quantity whose price increase is passed on to customers under the agreement. In the first nine months of 2022, only copper had a risk of over USD 1 million, which is the maximum amount of risk the Company assumes. The hedge program is executed for risk above USD 1 million.

Based on the net annual operational risk calculated for metals, a hedge was needed only for copper.

The execution of this policy covers different levels and time horizons so as to reach the following levels of hedge at the end of each quarter of the calendar year (base date):

Year 1:

- i) 75% of the net exposure – 1st and 2nd quarter subsequent to the base date;
- ii) 50% of the net exposure – 3rd quarter subsequent to the base date; and
- iii) 25% of the net exposure – 4th quarter subsequent to the base date.

Year 2/Year 3:

- i) up to 25% of the net exposure

The percentage of the commodity hedging operations for the Year 2 and Year 3 subsequent to the base date shall be defined by the Global Committee together with the Regional Procurement Department. This decision shall be based on a study of historical average prices of metals for the last 5 and 10 years versus the prices quoted on the LME at the time of the hedging operations.

The net exposure for the quarters following the time horizon of the budget will be based on the budget itself or its latest version (reviewed by the business areas on a quarterly basis).

II. Risk management

Overview

The Company's risk management objectives are to preserve the value of the financial assets; preserve the liquidity of the financial assets; ensure that the Company has financial resources to conduct its business, including expansion.

Basically, risks are classified into two categories - strategic/operational and economic/financial

- a) Strategic/operational risks (including, but not limited to, demand behavior, competition and significant changes in industry structure) are addressed by the Group's management model. These are classified as operational risk and business risk.

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a.1) Operational risk

Operational risks arise from all the Group's operations. Operational risk is the risk of direct or indirect losses arising from a variety of causes related to the Group's processes, personnel, technology and infrastructure and external factors, other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The Group has a Technological Center for the purpose of prospecting the need for process restructuring and the adaptation of production engineering, minimizing the operational risks and consequently reducing the potential impacts on the financial flow and damage to its reputation, and seeking cost effectiveness in order to avoid any operating restrictions. Also, the Group's processes are reviewed by administrative areas on an ongoing basis.

a.2) Business risk

Potential political restrictions, the emergence of new competitors and significant changes in the macroeconomic environment are the main components of this risk. To minimize any impacts from this risk, the Group seeks to manage its expectations for billing and results in the most conservative manner possible in relation to the global scenarios.

The Group's management has a policy of preparing a budget for the following year, as well as a strategic plan for another four years after the budget. These are coordinated and consolidated worldwide by the parent company jointly with local senior management. In the course of the year, the budget is reassessed on two different occasions.

- b) Economic/financial risks mainly reflect the behavior of macroeconomic variables, such as the prices of metals used by the Group (aluminum, copper and nickel), exchange and interest rates, which have direct impacts on operations, as well as the characteristics of the financial instruments used by the Group. These risks are monitored by senior management, which is actively involved in the Group's operational management, by reference to the Group's global policies. On September 30, 2022, the Company did not enter into hedge transactions for tin and nickel because the level of risk was acceptable according to global policies.

The main economic/financial risks considered by the Group include:

- Liquidity risk;
- Credit risk;
- Risk of fluctuation in interest rates;
- Risk of fluctuation in exchange rates;
- Market risk - fluctuations in the prices of inputs (commodities).

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b.1) Liquidity risk

The Group's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to pay its obligations as they fall due under all market conditions, to avoid incurring significant losses or adversely affecting the Group's reputation.

The table below shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of currency negotiation agreements at the net position, as well as financial assets that are used to manage this risk.

<u>Consolidated</u>		09.30.2022					
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	(104,109)	(104,109)	(104,109)	-	-	-
Trade payables	15	(282,591)	(282,591)	(282,591)	-	-	-
Lease liabilities	17.b	(6,201)	(6,201)	(3,264)	(2,937)	-	-
Borrowings	17.a	(405,893)	(489,195)	(389,478)	(24,056)	(36,219)	(39,442)
Unrealized losses on derivatives	31	(16,895)	(16,895)	(16,895)	-	-	-
Total		(815,689)	(898,991)	(796,337)	(26,993)	(36,219)	(39,442)

<u>Consolidated</u>		12.31.2021					
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	(73,958)	(73,958)	(73,958)	-	-	-
Trade payables	15	(206,442)	(206,442)	(206,442)	-	-	-
Lease liabilities	17.b	(9,818)	(9,818)	(9,368)	(450)	-	-
Borrowings	17.a	(262,380)	(306,596)	(176,564)	(41,148)	(40,803)	(48,081)
Unrealized losses on derivatives	31	(8,652)	(8,652)	(8,652)	-	-	-
Total		(561,250)	(605,466)	(474,984)	(41,598)	(40,803)	(48,081)

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b.2) Credit risk

Credit risk is the risk of the Group incurring financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arises mainly from receivables, mostly from recurring customers, demand deposits, cash in transit and financial investments.

The carrying amount of financial assets that represent the maximum exposure to credit risk on the date of these financial statements was as follows:

Assets	Note	Parent company		Consolidated	
		09.30.2022	12.31.2021	09.30.2022	12.31.2021
Cash, demand deposits and cash in transit	6	25,427	25,206	46,344	43,431
Financial investments	6	140,281	248,721	238,069	317,658
Trade receivables	7	674,052	453,230	779,828	567,080
Receivables from and loans to related parties	10	33,737	32,628	62,959	147,745
Unrealized gains on derivatives	31	14,440	3,692	16,806	5,845
Total		887,937	763,477	1,144,006	1,081,759

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

Counterparties with external credit rating (Standard & Poor's)

Counterparties unrated external de crédito	Parent Company		Consolidated	
	09.30.2022	12.31.2021	09.30.2022	12.31.2021
<i>Top 20</i>	268,745	170,606	348,469	233,427
<i>Third Parties</i>	226,593	186,020	317,378	243,185
<i>Intercompanies</i>	184,774	100,805	122,475	97,340
Total Trade Receivables and Others	680,112	457,431	788,322	573,952

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 & Poor's).

The table above of trade accounts receivable does not consider impairment losses on accounts receivable.

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The table below presents the risk rating of financial investments, cash and cash in transit.

Cash, demand deposits and financial investments	Nota	Parent company		Consolidated	
		09.30.2022	12.31.2021	09.30.2022	12.31.2021
AAA	6	144,794	149,604	149,533	152,594
AA		-	52,660	-	52,660
Others		20,914	71,663	134,880	155,835
		165,708	273,927	284,413	361,089

S&P National Long Term

b.3) Risk of fluctuation in interest rates

This risk arises from the possibility of the Group incurring losses as a result of fluctuations in interest rates on its financial assets and liabilities.

Aiming at mitigating this risk, the Group seeks to diversify the raising of funds in terms of fixed or floating rates with papers pegged to the CDI rate and TJLP, so that any results originating from the volatility of these indexes do not drive material impacts.

The carrying value of financial instruments that represent the maximum exposure to the interest rate risk on the balance sheet date was:

	Note	Parent company		Consolidated	
		09.30.2022	12.31.2021	09.30.2022	12.31.2021
Cash, demand deposits and cash in transit	6	25,427	25,206	46,344	43,431
Financial investments	6	140,281	248,721	238,069	317,658
Borrowings	17.a	(404,682)	(262,380)	(405,893)	(262,380)
Total		(238,974)	11,547	(121,480)	98,709

On September 30, 2022, the balances of loans and borrowings of R\$ 404,682 (Parent company) and R\$ 405,893 (Consolidated) consist of: 9.96% FINEP I with simplified interest rate TJLP -1% p.a., average cost of 6.01%; 17.07% FINEP II with simplified interest rate TJLP p.a., average cost of 7.01%; 72.67% NCE, with average cost of 16.07% p.a., 0.30% relating to PFI, with average cost of 1.64% p.a.

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 or carries out sensitivity analyses for the interest rate variation.

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b.4) Risk of fluctuation in exchange rates

This arises from the possibility of fluctuations in the exchange rates of the foreign currencies used by the Group for the sale of products and the contracting of financial instruments.

The Group follows the Group's global policy for managing the risk of fluctuation in exchange rates. The main instrument to mitigate this risk is to use derivatives. The Group has a short position (USD and euro) since there is a significant currency volume due to the export market and, consequently, there is a risk of Brazilian currency appreciation relative to these currencies. In the case of JPY transactions, the Group has a long position.

The Group contracts hedge instruments both for the exchange exposure originating from the operations incurred and already reflected in the balance sheet (effective cash flow) and exposure arising from the expectations outlined in the budget (budgeted cash flow).

On September 30, 2022, the Group's exposure in USD (EUR and JPY equivalents in USD) was USD 11,776 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 September 30, 2022

Item	USD thousand	EUR thousand (*)	JPY thousand (**)
	Parent company and Consolidated	Parent company and Consolidated	Parent company and Consolidated
(+) Trade receivables	42,188	9,006	-
(+) Demand deposits (in foreign currency)	3,681	274	-
(-) Imports	(5,025)	(7,337)	(184,637)
(-) Currency forwards - sale	(27,983)	(2,406)	93,267
(=) Net balance of foreign exchange exposure	12,861	(463)	(91,370)

Net balance of foreign exchange exposure in USD (EUR and JPY equivalents in USD) - in thousands

Currency	Consolidated	
USD	12,861	
EUR	(453)	(*) Parity EUR / USD 0,9785
JPY	(632)	(**) Parity JPY / USD 144,67755
Total	11,776	

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

Additionally, we present the notional value of NDFs for hedging the Group's budget:

Parent company and consolidated (USD)				
Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	% Hedged
2022 (Oct-Dec)	(1,854)	1,455	5.6049	78.4%
2023 (Jan-Dec)	(6,162)	4,042	5.9115	65.6%
2024 (Jan-Sep)	(4,401)	1,076	5.8761	24.5%
Total	(12,417)	6,573	5.8379	52.9%

Parent company and consolidated (EUR)				
Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	% Hedged
2022 (Oct-Dec)	(3,899)	2,924	6.2957	75.0%
2023 (Jan-Dec)	(15,551)	6,951	6.6188	44.7%
2024 (Jan-Sep)	(11,848)	2,962	6.5464	25.0%
Total	(31,298)	12,837	6.5285	41.0%

Parent company and consolidated (JPY)				
Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	% Hedged
2022 (Oct-Dec)	219,163	(164,573)	0.0485	75.1%
2023 (Jan-Dec)	1,045,124	(512,282)	0.0633	49.0%
2024 (Jan-Sep)	836,919	(209,228)	0.0514	25.0%
Total	2,101,206	(886,083)	0.0577	42.2%

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

- Sensitivity analysis

For the purposes of carrying out sensitivity analysis of market risks, the Group analyzes together asset and liability positions indexed to a foreign currency.

For the sensitivity analysis of transactions indexed in foreign currency, management adopted as a probable scenario the amounts accounted for and determined at the exchange rates disclosed by the Brazilian Central Bank. For other scenarios, the depreciation and appreciation of the exchange rates were considered as references for calculating the amounts recorded in the books under those scenarios. The other scenarios were estimated with appreciation and depreciation of the real of 25% and 50%, compared to the probable scenario.

Under NBC TG 40 (CPC-40) Sensitivity Analysis, management performed an exchange rate volatility study and identified the percentage change between the lowest and highest rate, so management believes that the percentages of 25% and 50% applied to sensitivity analyses reflect and cover the most likely scenarios.

Sensitivity analysis table – foreign exchange exposure of September 30, 2022.

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

The selling rates published on September 30, 2022, by the Brazilian Central Bank for USD, EUR and JPY were used in this sensitivity analysis.

Parent company and Consolidated (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	8.1099		5.2122	37,267
25% better	6.7583		5.2122	19,885
Balance sheet date	5.4066	12,861	5.2122	2,500
25% worse	4.0550		5.2122	(14,883)
50% worse	2.7033		5.2122	(32,267)

(*) Amounts in thousands

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

Parent company and Consolidated (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	2.6452		5.2229	1,193
25% better	3.9678		5.2229	581
Balance sheet date	5.2904	(463)	5.2229	(31)
25% worse	6.6130		5.2229	(644)
50% worse	7.9356		5.2229	(1,256)

(*) Amounts in thousands

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

Parent company and Consolidated (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	0.0187		0.0389	1,847
25% better	0.0280		0.0389	997
Balance sheet date	0.0374	(91,370)	0.0389	141
25% worse	0.0467		0.0389	(712)
50% worse	0.0561		0.0389	(1,571)

(*) Amounts in thousands

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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 September 30, 2022

Scenario	USD/BRL			EUR/BRL			JPY/BRL			Total adjustment in RS in thousand			
	exchange rate for settlement of operations	Notional value - USD (thousand)	Weighted average rate at maturity (*)	Adjustment in RS in thousand	Notional value - EUR (thousand)	Weighted average rate at maturity (*)	Adjustment in RS in thousand	Notional value - JPY (thousand)	Weighted average rate at maturity (*)		Adjustment in RS in thousand		
50% better	2.7033	6,573	5.8379	20,603	2.6452	12,837	6.5285	49,848	0.0561	(886,083)	0.0577	(1,494)	68,957
25% better	4.0550	6,573	5.8379	11,719	3.9678	12,837	6.5285	32,871	0.0467	(886,083)	0.0577	(9,772)	34,818
Balance sheet date	5.4066	6,573	5.8379	2,835	5.2904	12,837	6.5285	15,893	0.0374	(886,083)	0.0577	(18,051)	677
25% worse	6.7583	6,573	5.8379	(6,049)	6.6130	12,837	6.5285	(1,085)	0.0280	(886,083)	0.0577	(26,329)	(33,463)
50% worse	8.1099	6,573	5.8379	(14,933)	7.9356	12,837	6.5285	(18,062)	0.0187	(886,083)	0.0577	(34,607)	(67,602)

The selling rates published on September 30, 2022, by the Brazilian Central Bank for USD, EUR and JPY were used.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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 and Consolidated		
		09.30.2022	09.30.2021	
Short position	EUR	6.33237	15,243	11,063
Short position	USD	5.38525	34,556	31,185
Long position	JPY	0.04893	(979,350)	(400,126)

Foreign currency	Weighted average forward rate - value for settlement	Fair market value - thousand		
		Parent company and Consolidated		
		09.30.2022	09.30.2021	
Short position	EUR	6.33237	11,546	(3,779)
Short position	USD	5.38525	(2,554)	(8,649)
Long position	JPY	0.04893	(8,635)	43

b.5) Market risk, fluctuations in prices of inputs (commodities).

This risk arises from possible fluctuations in prices of the main raw materials used in the Group's production process, which are: 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 September 30, 2022 and 2021:

Long position Commodities	Weighted average price on maturity	Notional value - metric tons	
		Parent company and Consolidated	
		09.30.2022	09.30.2021
Copper	7,735	247	223
Aluminum	2,230	209	-
TOTAL		456	223

Long position Commodities	Weighted average price on maturity	Notional value (fair market value)	
		Parent company and Consolidated	
		09.30.2022	09.30.2021
Copper	7,735	(3,932)	(385)
Aluminum	2,230	765	-
TOTAL		(3,167)	(385)

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

Additionally, we present the notional value of the commodities to protect the economic plan of the Company.

Parent company and Consolidated (ALUMINUM)				
Year	Net Exposure (Tons)	Notional Value - Hedge (Tons)	Average Price - Portfolio Swap	% Hedged
2022 (Oct - Dec)	87	(64)	2,652	73.6%
2023 (Jan - Jul)	216	(145)	2,450	67.1%
Total	303	(209)	2,512	69.0%

Parent company and Consolidated (COPPER)				
Year	Net Exposure (Tons)	Notional Value - Hedge (Tons)	Average Price - Portfolio Swap	% Hedged
2022 (Oct - Dec)	109	(82)	9,520	75.2%
2023 (Jan - Jul)	265	(165)	8,353	62.3%
Total	374	(247)	8,741	66.0%

- Sensitivity analysis table

For the purposes of carrying out the sensitivity analysis of market risks, the Group analyzes together long and short positions of the prices of commodities (copper and aluminum).

For the sensitivity analysis of commodity transactions, management adopted as a probable scenario the amounts recognized in its books, determined by projected prices disclosed by the LME and exchange rates published by the Brazilian Central Bank at September 30, 2022. As a reference, the depreciation and appreciation of the prices used for accounting records were considered for the other scenarios. The scenarios were estimated with appreciation and depreciation of 25% and 50%, respectively, of prices in the probable scenario.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

The methodology adopted for calculating the balances presented in the table below consisted of replacing the closing exchange rate and commodity prices at September 30, 2022 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 and Consolidated					
Commodity	Volume in metric tons	Settlement price on maturity (USD/metric ton)	Weighted average price on maturity (USD/metric ton)	Total adjustment BRL	Total effect on purchases of commodities BRL
Copper					
50% better		11,471		4,989	(4,989)
25% better		9,559		2,436	(2,436)
Balance sheet date	247	7,647	7,735	(117)	117
25% worse		5,735		(2,670)	2,670
50% worse		3,824		(5,223)	5,223
Aluminum					
50% better		3,188		1,083	(1,083)
25% better		2,657		482	(482)
Balance sheet date	209	2,126	2,230	(118)	118
25% worse		1,594		(718)	718
50% worse		1,063		(1,319)	1,319

The selling rates of the USD published on September 30, 2022, by the Brazilian Central Bank and the metal prices published on the same date by the LME were used.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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

	09.30.2022		09.30.2021	
	Parent company	Consolidated	Parent company	Consolidated
Results of derivatives (exports/imports/loan)				
Provisions				
- Operations on accounts receivable and payable	(BS) 33,825	33,683	(2,271)	(2,271)
- Operations on IOC	(BS) -	-	(651)	(651)
Cash effect				
- Operations on accounts receivable and payable	(13,520)	(13,520)	3,100	3,099
Note 29	20,305	20,163	178	177
Total Derivative Operations- Net Finance Result	20,305	20,163	178	177
Exchange variations (gains and losses)	(16,397)	(24,819)	(5,558)	(2,717)
Results of derivatives (exports/imports/loan)	20,305	20,163	178	177
Gross sales	(13,278)	(13,278)	20,471	20,471
Cost of sales	12,386	12,386	(7,418)	(7,418)
Effects of Foreign Exchange Variations and Financial Instruments on Profit and Loss	3,016	(5,548)	7,673	10,513
Gross result				
Gross sales				
- Settlements with cash effect	(13,278)	(13,278)	20,471	20,471
	(13,278)	(13,278)	20,471	20,471
Cost of sales				
- Settlements with cash effect	12,386	12,386	(7,418)	(7,418)
	12,386	12,386	(7,418)	(7,418)
Total Derivative Operations - Gross Result	(892)	(892)	13,053	13,053
Equity				
Provisions				
- Operations on sales to be made	(BS) (3,947)	(3,947)	9,177	9,177
- Operations on commodities	(BS) 3,482	3,482	385	385
Deferred income tax and social contribution	(158)	(158)	3,251	3,251
Total Derivative Operations - Equity	(623)	(623)	12,813	12,813
Provision for unrealized losses and gains on derivatives				
(BS) - Sum of the net balance sheet				
Balance sheet assets	14,440	16,806	2,229	4,974
Balance sheet liabilities	(16,895)	(16,895)	(13,890)	(13,890)
Balance sheet, net	(2,455)	(89)	(11,661)	(8,916)

Guarantees

The Group had no guarantee deposits relating to these derivative instruments for the periods presented above (September 30, 2022 and 2021).

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

32. 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 period ended September 30, 2022, the Company paid to its employees profit sharing of R\$ 34,918 (R\$ 38,512 in the first nine months of 2021), Parent company, and R\$ 35,002 (R\$ 38,579 in the first nine months of 2021), Consolidated, based on an agreement made with the workers' union. The employee profit sharing payment followed 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\$ 1,904 on September 30, 2022 (R\$ 1,477 on September 30, 2021).

33. Insurance

The Group has a policy of taking out insurance coverage for assets subject to risks at amounts considered sufficient to cover losses, including property insurance, domestic and international transportation insurance, vehicle insurance and other coverages considering the nature of the risks. The insurance is contracted with leading insurance companies with the advice of specialist insurance brokers.

For the fiscal year 2022, the insurance coverage for operational risks (property damages and loss of profits) is USD 1,099,770 equivalent to R\$ 5,210,490 (2021: R\$ 5,740,440).

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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

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

The income statement items are restated at the end of each fiscal quarter based on the change in the general price index and then translated into Brazilian real at the closing rates for each period (not at accumulated average rate for the year).

The impacts of the application of NBC TG 42 (CPC 42) / IAS 29 Financial Reporting in Hyperinflationary Economies on the parent company and consolidated financial statements as at September 30, 2022 are shown below:

	<u>3Q2022</u>	<u>9M2022</u>	<u>3Q2021</u>	<u>9M2021</u>
Reconciliation of result adjustments				
Gain on monetary position of investments from parent company - reflex recomposition	52,820	121,859	15,591	56,387
Gain on monetary position of investments from subsidiary - reflex recomposition	417	974	124	457
Loss on monetary position of subsidiary MAHLE Argentina S.A.	<u>(32,001)</u>	<u>(61,419)</u>	<u>(6,130)</u>	<u>(21,910)</u>
Gain on monetary item, result (consolidated)	21,236	61,414	9,585	34,934

The statement of income for the first nine months of 2022 was adjusted for inflation and subsequently translated using the exchange rate at the end of each quarter.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

Board of Directors

Principal members

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

Alternate members

Dimas Lazarini Silveira Costa
Camila Pagliato Ferreira
Flávio Venturelli Helú
Juliana Gonçalves Soares
Luiz Tarquinio Sardinha Ferro

Executive Board

Sergio Pancini de Sá - Diretor Presidente e de Relações com Investidores
João Vitor Zanesco - Diretor

Fiscal Conciul

Principal members

Axel Erhard Brod
Hélio Carlos de Lamare Cox
Michael Lehmann

Alternate members

José Gomes Rodrigues da Silva
Marcio de Oliveira Santos
Massao Fábio Oya

Audit Committee

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

Technical specialist

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

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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 financial statements

MAHLE Metal Leve S.A.
CNPJ No. 60.476.884/0001-87
Publicly-held company

REPRESENTATION

Messrs. Sergio Pancini de Sá and Nathan John Quye, 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 financial statements of MAHLE Metal Leve S.A. for the period ended September 30, 2022, and thus authorize their completion.

Mogi Guaçu, November 10th, 2022.

Sergio Pancini de Sá
CEO

Nathan John Quye
Finance director

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Representation by officers on the independent auditor's report on the financial statements

MAHLE Metal Leve S.A.
CNPJ No. 60.476.884/0001-87
Publicly-held company

REPRESENTATION

Messrs. Sergio Pancini de Sá and Nathan John Quye, 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 report on the review of interim information expressed by KPMG Auditores Independentes, on the parent company and consolidated financial statements of MAHLE Metal Leve S.A. for the period ended September 30, 2022.

Mogi Guaçu, November 10th, 2022.

Sergio Pancini de Sá
CEO

Nathan John Quye
Finance director