

Mogi Guaçu, São Paulo, March 13, 2023 - MAHLE Metal Leve S.A. (B3: LEVE3), a Brazilian automotive parts supplier of internal combustion engine components and filtration systems, today announced its financial results for fiscal year 2022. Unless otherwise stated, the financial and operating information contained herein is provided on a consolidated basis and in Brazilian real (BRL), and was prepared in accordance with the Brazilian Corporation Law.

Fourth Quarter and Full Year 2022 Financial Results Video Conference Call

Date: March 14, 2023

Time

12 noon – Brasilia
3:00 p.m. – London
11:00 a.m. – New York

Video Conference Call:

[EVENT LINK](#)

Choose the language you wish to hear the call in:

⇒ Portuguese or

⇒ simultaneous translation into English.

Mahle's Investor Relations website:

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

FINANCIAL HIGHLIGHTS

Net Sales Revenue: Net sales revenue was R\$ 4,224.0 million as of December 31, 2022, an increase of 16.8% year-over-year. In the fourth quarter of 2022 (4Q22), net sales revenue increased by 18.5% compared with the fourth quarter of 2021 (4Q21).

Company's performance by market:	2022 x 2021	4Q22 x 4Q21
Original Equipment – Domestic market	↑ 22.2%	↑ 21.8%
Original Equipment – Export market	↑ 3.0%	↑ 15.6%
Aftermarket – Domestic market	↑ 31.2%	↑ 30.1%
Aftermarket – Export market	↑ 7.1%	↓ 22.1%
Total change in revenue:	↑ 16.8%	↑ 18.5%

Further details of changes are provided in items [5.1](#), [5.2](#) and [5.3](#) 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.

Sustainability Report: During fiscal 2022, the Company continued to improve its sustainability efforts and initiatives and published on January 25, 2023 its first Sustainability Report. Further information is provided in [item 6](#) in this report.

(in BRL million)	Key indicators							
	2022 (a)	2021 (b)	(a/b)	4Q22 (c)	3Q22 (d)	4Q21 (e)	(c/d)	(c/e)
Net sales revenue	4,224.0	3,615.1	16.8%	1,115.8	1,198.8	941.5	-6.9%	18.5%
EBITDA	816.7	823.1	-0.8%	171.7	285.0	164.6	-39.8%	4.3%
Adjusted EBITDA ¹	845.0	726.4	16.3%	202.0	283.0	167.2	-28.6%	20.8%
EBITDA margin	19.3%	22.8%	-3.5 p.p.	15.4%	23.8%	17.5%	-8.4 p.p.	-2.1 p.p.
Adjusted EBITDA margin ¹	20.0%	20.1%	-0.1 p.p.	18.1%	23.6%	17.8%	-5.5 p.p.	0.3 p.p.
Net profit	568.2	566.9	0.2%	125.9	204.3	130.8	-38.4%	-3.7%
Adjusted net profit ²	585.4	496.3	18.0%	145.8	201.8	131.5	-27.8%	10.9%
Net margin	13.5%	15.7%	-2.2 p.p.	11.3%	17.0%	13.9%	-5.7 p.p.	-2.6 p.p.
Adjusted net margin ²	13.9%	13.7%	0.1 p.p.	13.1%	16.8%	14.0%	-3.7 p.p.	-0.9 p.p.

¹ Adjusted EBITDA: Details of the adjustments are provided in items [5.9](#) and [5.10](#) in this report.

² Adjusted net profit: Details of the adjustments are provided in item [5.13](#) in this report.

Net profit and net margin shown in the above table refers to "Profit attributable to owners of the Company" in item [5](#) in this report.

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DEAR SHAREHOLDERS,

In compliance with applicable laws and regulations, the Company Management Board hereby submits to you the Management Report and the Financial Statements with the Independent Auditor's Report and the Report of the Supervisory Board for the fiscal year ended December 31, 2022.

1. Management Commentary

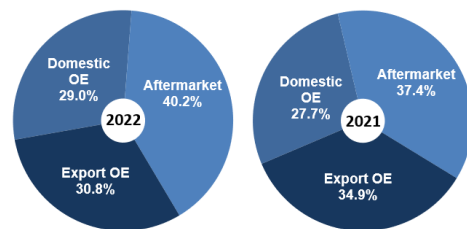
2022 was an incredibly accelerated year. Global crisis, Brazil's elections, World Cup, and the lockdown in some Chinese cities, have affected the business environment directly, and issues like protectionist policies in several countries, shortage of materials, high inflation, and economic volatility, have been the hot topic around the world. In 2022 we continued to navigate global supply chain logistics challenges, with rising commodities prices, materials shortages and increasing freight rates.

These developments have affected the entire world, with global GDP growth slowing.

We strive to achieve a balance between the Original Equipment and Aftermarket business segments in both domestic and export markets, so as to offset oscillations across the segments and stabilize our profit margins over time.

The Company's full year 2022 net revenue grew by 16.8% compared with the full year 2021, driven by an increase in sales in the Aftermarket business segment (+25.8%), in the domestic OE market (+22.2%), and in the export OE market (+3.0%). Net revenue for the fourth quarter of 2022 increased 18.5% compared with the fourth quarter of 2021, driven by an increase in sales in the Aftermarket (+18.8%), in the domestic OE market (+21.8%), and in the export OE market (+15.6%).

The chart below shows the Company's revenue by business segment in 2022 and 2021:



Adjusted EBITDA margin for the full year 2022 was 20.0% (R\$ 845.0 million) versus 20.1% (R\$ 726.4 million with adjustment) for the full year 2021. Adjusted EBITDA margin for 4Q22 was 18.1% (R\$ 202.0 million) versus 17.8% (R\$ 167.2 with adjustment) for 4Q21. More information about changes in EBITDA and adjusted EBITDA is provided in item [5.10](#) below.

MAHLE believes that the link between environmental protection, good corporate governance and the economy has become a success factor. Just as we at MAHLE put a higher focus on the entire value chain of sustainable mobility, our business partners increasingly take an interest in our sustainability management and request insights on how we consider environmental and social aspects in our activities.

In our Sustainability Report we inform you about all the efforts and activities we have made around sustainability in 2022 to integrate Environmental, Social and Governance (ESG) criteria into our day-to-day company operations ([Item 6](#) in this document). Click [here](#) to get access to our Sustainability Report.

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

We are offering our customers solutions that are consistent with both current and future legislation and making a significant contribution to reducing emissions.

Our research and development center provided technical advice on the development of ROTA2030, a program created by the Brazilian government to foster the development of the Brazilian automotive industry through the active participation of the industry players, like the Brazilian Association of Auto Parts Manufacturers (SINDIPEÇAS).

MAHLE was named by 1^oGPTW 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 the 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. Macroeconomic Conditions and Outlook

The global economic outlook has deteriorated throughout 2022 in the face of rising interest rates and activity slowdown while persistently high inflation triggered monetary tightening cycles in the USA and Europe with the governors of the central banks talking tough and saying that they are ready to keep raising rates more. Added to this are the prolonged Russia-Ukraine war and its economic consequences; China's zero-Covid lockdowns and the severe real estate crisis; and the end of expansionary fiscal policies as the pandemic shows signs of easing and amid the need to tame inflation.

In Brazil, 2022 was marked by presidential elections, the impact of the tight monetary policy, the pace of economic activity, which has improved in the services and manufacturing sectors. In the credit market, while there were concerns about default and the high percentage of income committed to loan repayments, the volume of loans granted remained stable after increasing at the beginning of the year. Brazil's benchmark interest rate SELIC was 9.25% p.a. at the beginning of 2022 and 13.75% p.a. at the end of 2022.

In a forecast released at the time of publication of this report, the Central Bank of Brazil expects SELIC rate of 12.50% p.a. at the end of 2023.

According to the minutes of its 252nd meeting issued on February 7, 2023, Brazil's Monetary Policy Committee (Copom) forecasts low global growth in 2023. China's relaxation of Covid restrictions and the warmer winter weather in Europe have helped temper the intensity of the expected global economic slowdown for the next quarters due to tighter financial conditions in the major economies.

Consumer price inflation rate, which includes principally volatile items and those affected by tax changes, has dropped recently but remains high. The various measures of underlying inflation are above the target inflation range.

The GDP released reflects moderation in domestic economic activity, which was less than 1.0% according to the Central of Brazil. The most recent indicators are in line with the slowdown anticipated by the Copom.

3. About MAHLE Metal Leve

We are a Brazilian automotive parts company that manufactures and sells components for internal combustion engines and automotive filters. We manufacture reliable, high-quality products with cutting-edge technology, and are continuously investing in the research and development of new products and production processes.

We have been operating in Brazil since the 1950's and have a large portfolio of products and integrated solutions, including customized products developed in close collaboration with our principal customers. In the original equipment industry, MAHLE supplies automotive manufacturers and our Aftermarket business unit supplies large auto parts distributors and engine repair partners.

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

We own five 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.

4. Development of the Automotive Industry

4.1 Development of the Brazilian and Argentine markets

Brazil	Jan-Dec 2022					Jan-Dec 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	1,960,462	450,279	-266,959	32,397	2,176,179	1,977,110	349,450	-247,921	-8,077	2,070,562	-0.8%	5.1%
Total medium and heavy vehicles	143,999	30,668	-6,509	25,322	193,480	142,741	26,933	-5,857	13,874	177,691	0.9%	8.9%
Total vehicle sales	2,104,461	480,947	-273,468	57,719	2,369,659	2,119,851	376,383	-253,778	5,797	2,248,253	-0.7%	5.4%
Variation (un) - 2022 x 2021	-15,390	104,564	-19,690	51,922	121,406							
Variation (%) - 2022 x 2021	-0.7%	27.8%	7.8%	895.7%	5.4%							

Source: Anfavea

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

(**) Sales (Domestic + Imported)

Argentina	Jan-Dec 2022					Jan-Dec 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	376,257	322,286	-163,511	1,861	536,893	334,389	259,287	-159,868	945	434,753	12.5%	23.5%
Total medium and heavy vehicles	14,666	0	0	-11,630	3,036	14,761	0	0	-11,881	2,880	-0.6%	5.4%
Total vehicle sales	390,923	322,286	-163,511	-9,769	539,929	349,150	259,287	-159,868	-10,936	437,633	12.0%	23.4%
Variation (un) - 2022 x 2021	41,773	62,999	-3,643	1,167	102,296							
Variation (%) - 2022 x 2021	12.0%	24.3%	2.3%	-10.7%	23.4%							

Source: Adefa/Acaras Argentina/IHS.

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

Brazil and Argentina	Jan-Dec 2022					Jan-Dec 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	2,336,719	772,565	-430,470	34,258	2,713,072	2,311,499	608,737	-407,789	-7,132	2,505,315	1.1%	8.3%
Total medium and heavy vehicles	158,665	30,668	-6,509	13,692	196,516	157,502	26,933	-5,857	1,993	180,571	0.7%	8.8%
Total vehicle sales	2,495,384	803,233	-436,979	47,950	2,909,588	2,469,001	635,670	-413,646	-5,139	2,685,886	1.1%	8.3%
Variation (un) - 2022 x 2021	26,383	167,563	-23,333	53,089	223,702							
Variation (%) - 2022 x 2021	1.1%	26.4%	5.6%	-1033.1%	8.3%							

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

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

4.2 Vehicle production in the major export markets

Vehicle production in the leading export markets (thousands)	2022 (A)	2021 (B)	A/B
Production of light vehicles	14,320	13,047	9.8%
Production of medium- and heavy-duty vehicles	589	549	7.3%
North America	14,910	13,597	9.7%
Production of light vehicles	15,612	15,891	-1.8%
Production of medium- and heavy-duty vehicles	568	588	-3.4%
Europe	16,180	16,480	-1.8%
Total vehicle production	31,090	30,078	3.4%

Source: IHS

5. Company's Financial and Economic Performance

Summary of profit and loss accounts (in BRL million)	2022 (a)	2021 (b)	HA (%) (a/b)	VA (%) (a)	VA (%) (b)	4Q22 (c)	4Q21 (d)	HA (%) (c/d)	VA (%) (c)	VA (%) (d)
Net sales revenue	4,224.0	3,615.1	16.8%	100.0%	100.0%	1,115.8	941.5	18.5%	100.0%	100.0%
Cost of sales	(3,090.9)	(2,620.8)	17.9%	-73.2%	-72.5%	(839.2)	(721.3)	16.3%	-75.2%	-76.6%
Gross profit	1,133.1	994.3	14.0%	26.8%	27.5%	276.6	220.2	25.6%	24.8%	23.4%
Selling and distribution expenses	(312.9)	(232.3)	34.7%	-7.4%	-6.4%	(92.8)	(60.2)	54.2%	-8.3%	-6.4%
General and administrative expenses	(110.1)	(109.8)	0.3%	-2.6%	-3.0%	(30.5)	(31.4)	-2.9%	-2.7%	-3.3%
Research and development expenses	(44.2)	(51.5)	-14.2%	-1.0%	-1.4%	(9.0)	(10.9)	-17.4%	-0.8%	-1.2%
¹ Other operating income (expenses)	(39.9)	74.6	-153.5%	-0.9%	2.1%	(29.7)	12.6	-335.7%	-2.7%	1.3%
Share of profit of equity-accounted investees	-	3.3	-100.0%	0.0%	0.1%	-	-	0.0%	0.0%	0.0%
Gains (losses) on inflation adjustment	95.0	44.1	115.4%	2.2%	1.2%	33.6	9.2	265.2%	3.0%	1.0%
Operating profit	721.0	722.7	-0.2%	17.1%	20.0%	148.2	139.5	6.2%	13.3%	14.8%
Net finance income (costs)	(9.1)	(8.9)	2.2%	-0.2%	-0.2%	(16.5)	3.2	-615.6%	-1.5%	0.3%
² Income tax and social contribution	(149.5)	(147.1)	1.6%	-3.5%	-4.1%	(9.6)	(12.3)	-22.0%	-0.9%	-1.3%
Profit for the year	562.4	566.7	-0.8%	13.3%	15.7%	122.1	130.4	-6.4%	10.9%	13.9%
Profit attributable to owners of the Company	565.3	566.9	-0.3%	13.4%	15.7%	123.1	130.8	-5.9%	11.0%	13.9%
³ Adjusted profit attributable to owners of the Company	582.6	496.3	17.4%	13.8%	13.7%	142.9	131.5	8.7%	12.8%	14.0%
Profit attributable to non-controlling interests	(2.9)	(0.2)	1350.0%	-0.1%	0.0%	(1.0)	(0.4)	150.0%	-0.1%	0.0%
EBITDA	816.7	823.1	-0.8%	19.3%	22.8%	171.7	164.6	4.3%	15.4%	17.5%
⁴ Adjusted EBITDA	845.0	726.4	16.3%	20.0%	20.1%	202.0	167.2	20.8%	18.1%	17.8%

¹ Additional information is provided in item [5.9](#) in this document.

² Additional information is provided in item [5.12](#) in this document.

³ Additional information is provided in item [5.13](#) in this document.

⁴ Additional information is provided in item [5.10](#) in this document.

5.1 Net sales 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 exchange rate effects from the translation of the financial statements from Argentine peso (ARS) to Brazilian real (BRL).

Also shown below is revenue by market and volume/price and exchange rate effects year-over-year:

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Net revenue by market (in BRL million)		2022 (a)	Volume/Price (b)	Exchange rate change (c)	2021 (d)	Volume/price effects % (b/d)	Exchange rate effects % (c/d)	HA (%) (a/d)
Original Equipment	Domestic	1,224.6	242.9	(20.6)	1,002.3	24.2%	-2.0%	22.2%
	Export	1,299.0	84.2	(46.7)	1261.5	6.7%	-3.7%	3.0%
	Subtotal	2,523.6	327.1	(67.3)	2,263.8	14.4%	-2.9%	11.5%
Aftermarket	Domestic	1,379.9	566.3	(238.6)	1,051.2	53.9%	-22.7%	31.2%
	Export	321.5	25.3	(3.9)	300.1	8.4%	-1.3%	7.1%
	Subtotal	1,700.4	591.6	(242.5)	1,351.3	43.8%	-18.0%	25.8%
Total		4,224.0	918.7	(309.8)	3,615.1	25.4%	-8.6%	16.8%

Net revenue by market (in BRL million)		4Q22 (a)	Volume/Price (b)	Exchange rate change (c)	4Q21 (d)	Volume/price effects % (b/d)	Exchange rate effects % (c/d)	HA (%) (a/d)
Original Equipment	Domestic	299.8	63.7	(10.1)	246.2	25.9%	-4.1%	21.8%
	Export	356.3	53.1	(5.0)	308.2	17.2%	-1.6%	15.6%
	Subtotal	656.1	116.8	(15.1)	554.4	21.1%	-2.8%	18.3%
Aftermarket	Domestic	394.0	207.9	(116.7)	320.8	68.7%	-38.6%	30.1%
	Export	65.7	(12.4)	(6.2)	84.3	-14.7%	-7.4%	-22.1%
	Subtotal	459.7	195.5	(122.9)	387.1	50.5%	-31.7%	18.8%
Total		1,115.8	312.3	(138.0)	941.5	33.2%	-14.7%	18.5%

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	Fourth quarter	5.2558	5.5827	-5.86%
	Twelve months	5.1648	5.3950	-4.27%
EUR/BRL	Fourth quarter	5.3724	6.3829	-15.83%
	Twelve months	5.4440	6.3813	-14.69%
ARS/BRL	Fourth quarter	0.0324	0.0556	-41.60%
	Twelve months	0.0405	0.0569	-28.73%

Currencies	Periods	2022	2021	Change %
USD/ARS	Fourth quarter	162.5373	100.4826	61.76%
	Twelve months	130.7174	95.0943	37.46%
EUR/ARS	Fourth quarter	166.4045	115.0681	44.61%
	Twelve months	137.1714	112.6493	21.77%

5.2 Original equipment sales

The Company has a diversified customer portfolio, which includes all car makers in Brazil. We manufacture high-quality products with cutting-edge technology and are continuously investing in the research and development of new products and production processes. To build and maintain stronger customer relationships, we customize integrated solutions for our major customers based on their needs and specifications, with a strong commitment to technological excellence and project confidentiality. This is what makes us unique in our industry.

Domestic market:

Sales in the domestic market in 2022 grew by 22.2%, driven by a volume/price increase of 24.2%, partially offset by negative exchange rate effects of 2.0%. Sales in the domestic market in the fourth quarter of 2022 grew by 21.8%, driven by a volume/price increase of 25.9%, partially offset by negative exchange rate effects of 4.1%.

Export market:

Sales in the export market in 2022 grew by 3.0%, driven by a volume/price increase of 6.7%, partially offset by negative exchange rate effects of 3.7%. Sales in the export market in the fourth quarter of 2022 grew by 15.6% due to a volume/price increase of 17.2%, partially offset by negative exchange rate effects of 1.6%.

The table below presents exports in major trading currencies:

Original Equipment						
Exports by currency (in millions)	2022 (a)	2021 (b)	HA (%) (a/b)	4Q22 (c)	4Q21 (d)	HA (%) (c/d)
EUR	69.0	76.0	-9.2%	16.9	30.9	-45.3%
USD	183.4	150.7	21.7%	53.6	78.2	31.5%
Total equivalent in USD	259.9	243.6	6.7%	71.8	101.2	-29.1%

5.3 Aftermarket sales

MAHLE strives to be a market leader in its key market segments and to offer its customers a highly diversified product and service portfolio with on-time delivery so as to become a partner of choice for its customers - all in line with the highest global quality standards. We aim to increase our market presence, focusing on sustainable growth and agility in new product launch. We work with our customers to help them boost sales, maintaining our commitment to serving the entire chain.

Domestic market:

In the Aftermarket business segment, sales in the domestic market grew by 31.2% in 2022, driven by a volume/price increase of 53.9% and negative exchange rate effects of 22.7%. In the fourth quarter of 2022, sales in the domestic market grew by 30.1%, driven by a volume/price increase of 68.7% and negative exchange rate effects of 38.6%.

Export market

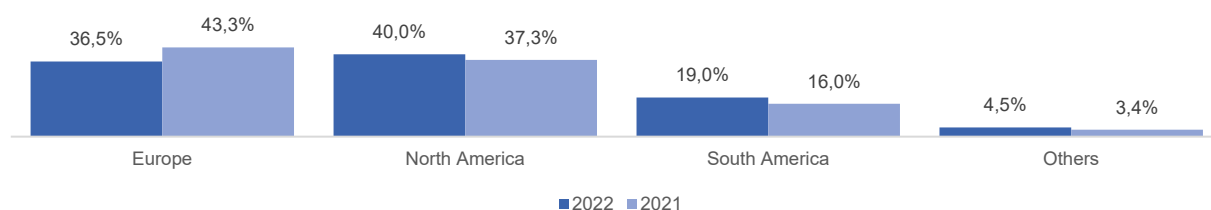
In the Aftermarket business segment, exports rose by 7.1% in 2022, driven by a volume/price increase of 8.4% and negative exchange rate effects of 1.3%. In the fourth quarter of 2022, exports fell by 22.1% due to a volume/price decline of 14.7% and negative exchange rate effects of 7.4%.

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

Aftermarket						
Exports by currency (in millions)	2022 (a)	2021 (b)	HA % (a/b)	4Q22 (c)	4Q21 (d)	HA % (c/d)
EUR	3.3	2.5	32.0%	-	0.9	-100.0%
USD	58.0	53.1	9.2%	11.7	27.7	-57.8%
Total equivalent in USD	61.6	56.2	9.6%	11.6	28.2	-58.9%

5.4 Consolidated export by geographical market

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



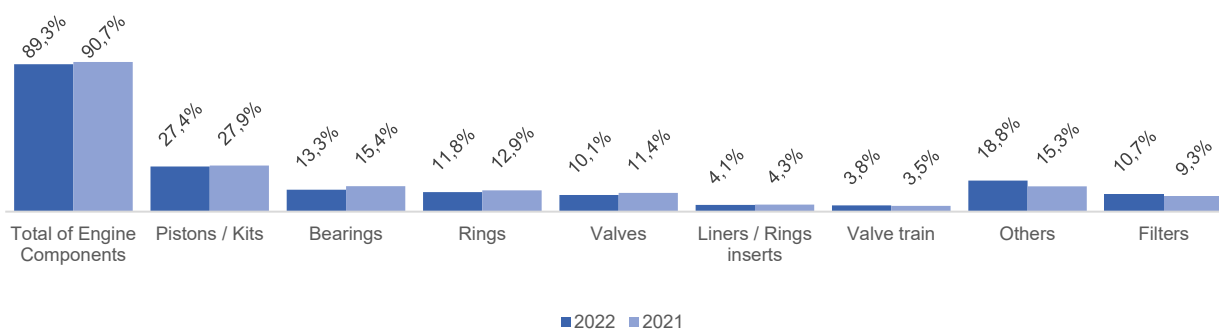
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5.5 Net sales by segment and by product

In 2022, sales in the Engine Components segment rose by 15.1% while sales in the Filter segment rose by 33.6% compared with 2021. In the fourth quarter of 2022, sales in the Engine Components segment grew by 16.7% while sales in the Filter segment grew by 36.2% compared with the fourth quarter of 2021.

Net sales by segment (in BRL million)	2022 (a)	2021 (b)	HA % (a/b)	VA % (a)	VA % (b)	4Q22 (c)	4Q21 (d)	HA % (c/d)	VA % (c)	VA % (d)
Engine Components	3,773.7	3,278.1	15.1%	89.3%	90.7%	999.6	856.2	16.7%	89.6%	90.9%
Filters	450.3	337.0	33.6%	10.7%	9.3%	116.2	85.3	36.2%	9.1%	9.1%
Total	4,224.0	3,615.1	16.8%	100.0%	100.0%	1,115.8	941.5	18.5%	100.0%	100.0%

The graph below shows sales generated by product category compared to total sales in 2022 and 2021:



5.6 Gross margin

Summary of profit and loss accounts (in BRL million)	2022 (a)	2021 (b)	HA % (a/b)	VA % (a)	VA % (b)	4Q22 (c)	4Q21 (d)	HA % (c/d)	VA % (c)	VA % (d)
Net sales revenue	4,224.0	3,615.1	16.8%	100.0%	100.0%	1,115.8	941.5	18.5%	100.0%	100.0%
Cost of sales	(3,090.9)	(2,620.8)	17.9%	-73.2%	-72.5%	(839.2)	(721.3)	16.3%	-75.2%	-76.6%
Gross profit	1,133.1	994.3	14.0%	26.8%	27.5%	276.6	220.2	25.6%	24.8%	23.4%

The fiscal year 2022 was marked by the shortage of materials, the Russia-Ukraine war, which caused, among other things, greatly accelerated inflation across major economies of the world.

High levels of volatility in raw material and commodity prices have been experienced in the entire supply chain. Increasing productivity is essential in a highly volatile environment such as the one we are experiencing now and can help minimize cost increases. Equally important is maintaining transparent relationships with suppliers and customers through a well-defined pricing process.

5.7 Selling, general and administrative expenses

Summary of profit and loss accounts (in BRL million)	2022 (a)	2021 (b)	HA % (a/b)	VA % (a)	VA % (b)	4Q22 (c)	4Q21 (d)	HA % (c/d)	VA % (c)	VA % (d)
Net sales revenue	4,224.0	3,615.1	16.8%	100.0%	100.0%	1,115.8	941.5	18.5%	100.0%	100.0%
Selling and distribution expenses	(312.9)	(232.3)	34.7%	-7.4%	-6.4%	(92.8)	(60.2)	54.2%	-8.3%	-6.4%
General and administrative expenses	(110.1)	(109.8)	0.3%	-2.6%	-3.0%	(30.5)	(31.4)	-2.9%	-2.7%	-3.3%

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

The decrease in general and administrative expenses as a percentage of net sales revenue was due to synergy and increased productivity across indirect functions of the Company.

Further information is provided in Notes 31 and 32 to the Financial Statements for the year ended December 31, 2022.

5.8 Research and development (R&D) expenses

The Company believes that continuously investing in research and development is of utmost importance and that the focus on technological innovations is one of its main competitive advantages. Research and development expenditure reflects market demands, regional technological trends and auto industry incentive programs, especially the motor vehicle emission control program known as PROCONVE and the fuel efficiency program called ROTA2030.

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

Summary of profit and loss accounts (in BRL million)	2022 (a)	2021 (b)	HA % (a/b)	VA % (a)	VA % (b)	4Q22 (c)	4Q21 (d)	HA % (c/d)	VA % (c)	VA % (d)
Net sales revenue	4,224.0	3,615.1	16.8%	100.0%	100.0%	1,115.8	941.5	18.5%	100.0%	100.0%
R&D expenses	(44.2)	(51.5)	-14.2%	-1.0%	-1.4%	(9.0)	(10.9)	-17.4%	-0.8%	-1.2%

5.9 Other operating income (expenses), net

Other operating income (expenses), net (in BRL million)	2022 (a)	2021 (b)	Change (a-b)	4Q22 (c)	4Q21 (d)	Change (c-d)
Provision for/reversal of environmental liability	-	(20.0)	20.0	-	0.0	0.0
Export expenses (Argentina)	0.0	(7.7)	7.7	5.1	(1.9)	7.0
¹ Credit rights – municipal government of Limeira	6.6	0.0	6.6	0.0	0.0	0.0
Write-off of investment - <i>Innoferm</i>	0.0	(3.1)	3.1	-	0.0	0.0
Recovered taxes (<i>Reintegra</i>)	2.4	1.0	1.4	0.2	0.2	0.0
Provision/reversal of losses on products	(1.8)	(1.9)	0.1	(1.8)	(1.9)	0.1
Provision for/reversal of obsolescence	1.2	1.3	(0.1)	0.7	0.4	0.3
Gain/loss on disposal of assets/other	(0.7)	(0.1)	(0.6)	(0.7)	(0.4)	(0.3)
Restructuring provision	-	0.8	(0.8)	-	0.5	(0.5)
PIS and COFINS on other revenue	(8.5)	-	(8.5)	(1.2)	0.0	(1.2)
Provision for/reversal of labor, civil and tax contingencies	(10.8)	1.7	(12.5)	(1.3)	12.4	(13.7)
² Agreement with minority shareholder of subsidiary	(30.2)	0.0	(30.2)	(30.2)	0.0	(30.2)
Tax credits (ICMS on PIS and COFINS tax base)	-	96.7	(96.7)	-	(2.6)	2.6
Other income/expenses	1.9	5.9	(4.0)	(0.4)	5.9	(6.3)
Total other operating income (expenses), net	(39.9)	74.6	(114.5)	(29.7)	12.6	(42.3)

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¹ Additional information is provided in Note 25 (item ii) to the Financial Statements for the year ended December 31, 2022.

² Additional information is provided in Notes 16 and 40 to the Financial Statements for the year ended December 31, 2022.

5.10 Operating result measured by EBITDA

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

EBTIDA: Changes in the period	Amount	Margin
2021 adjusted	726.4	20.1%
Tax credits arising from the exclusion of ICMS from the tax base of PIS and COFINS	96.7	
2021	823.1	22.8%
Gross profit	138.8	
Selling and distribution expenses	(80.6)	
General and administrative expenses	(0.3)	
Research and development expenses	7.3	
Other operating income (expenses)	(114.5)	
Share of profit of equity-accounted investees	(3.3)	
Gain on inflation adjustment	50.9	
Depreciation	(4.7)	
2022	816.7	19.3%
¹ Credit rights: municipal government of Limeira	(1.9)	
² Agreement with minority shareholder of subsidiary	30.2	
2022 adjusted	845.0	20.0%

EBTIDA: Changes in the period	Amount	Margin
4Q21 adjusted	167.2	17.8%
Tax credits arising from the exclusion of ICMS from the tax base of PIS and COFINS	(2.6)	
4Q21	164.6	17.5%
Gross profit	56.4	
Selling and distribution expenses	(32.6)	
General and administrative expenses	0.9	
Research and development expenses	1.9	
Other operating income (expenses)	(42.3)	
Share of profit of equity-accounted investees	-	
Gain on inflation adjustment	24.4	
Depreciation	(1.6)	
4Q22	171.7	15.4%
¹ Credit rights: municipal government of Limeira	0.1	
² Agreement with minority shareholder of subsidiary	30.2	
4Q22 adjusted	202.0	18.1%

¹ Additional information is provided in Note 25 (item ii) to the Financial Statements for the year ended December 31, 2022.

² Additional information is provided in Notes 16 and 40 to the Financial Statements for the year ended December 31, 2022.

5.11 Net finance income (costs)

At the end of 2022, the Company recorded net finance costs of R\$ 9.1 million, an increase of R\$ 0.2 million from net finance costs of R\$ 8.9 million in 2021. In the fourth quarter of 2022, the Company recorded net finance costs of R\$ 16.4 million, and in the fourth quarter of 2021, net finance income of R\$ 3.2 million, i.e., a negative change of R\$ 19.6 million.

Net finance income (costs) (in BRL million)	2022 (a)	2021 (b)	Change (a-b)	4Q22 (c)	4Q21 (d)	Change (c-d)
Net interest income (expense) (i)	58.7	21.9	36.8	24.4	7.9	16.5
Interest income on financial investments	53.8	25.1	28.7	22.7	8.3	14.4
<i>Financial investments – average volume</i>	<i>257.5</i>	<i>291.4</i>	<i>-11.6%</i>	<i>314.5</i>	<i>282.0</i>	<i>11.5%</i>
<i>Average interest rate per annum (Brazil)</i>	<i>11.3%</i>	<i>4.2%</i>	<i>7.1%</i>	<i>13.4%</i>	<i>5.0%</i>	<i>8.4%</i>
<i>Average interest rate per annum (Argentina)</i>	<i>47.7%</i>	<i>33.0%</i>	<i>14.7%</i>	<i>65.7%</i>	<i>33.5%</i>	<i>32.2%</i>
Interest expense on loans and borrowings	(13.7)	(14.8)	1.1	(3.2)	(2.6)	(0.6)
<i>Debt – average volume</i>	<i>(368.0)</i>	<i>(255.2)</i>	<i>44.2%</i>	<i>(405.5)</i>	<i>(273.7)</i>	<i>48.1%</i>
<i>Average cost of debt per annum</i>	<i>3.7%</i>	<i>3.1%</i>	<i>0.6%</i>	<i>4.0%</i>	<i>3.7%</i>	<i>0.3%</i>
Other interest income	18.6	11.6	7.0	4.9	2.2	2.7
Effect of movements in exchange rates and loss on derivatives (ii) - (1+2+3)	(40.0)	0.1	(40.1)	(35.3)	2.7	(38.0)
1. Effect of exchange rate movements on accounts receivable/accounts payable (1.1. + 1.2.)	(57.0)	(16.4)	(40.6)	(32.7)	(2.5)	(30.2)
1.1. Exchange rate movements	(75.6)	(10.9)	(64.7)	(31.2)	1.0	(32.2)
1.2. FX hedge	18.6	(5.4)	24.0	(1.5)	(3.5)	2.0
<i>Further information is provided in Note 36 to the Financial Statements for the year ended December 31, 2022.</i>						
2. Effect of exchange rate movements on foreign exchange contracts (ACC) / export credit notes (NCE)	44.4	15.1	29.4	(2.1)	4.6	(6.7)
3. Other transactions	(27.4)	1.5	(28.9)	(0.5)	0.6	(1.1)
Net monetary variation + Other (iii)	(27.8)	(31.0)	3.1	(5.5)	(7.4)	1.9
Net monetary variation	(23.0)	(27.0)	4.0	(4.8)	(6.0)	1.2
Other	(4.8)	(4.0)	(0.9)	(0.7)	(1.4)	0.7
Net finance income (costs) (i + ii + iii)	(9.1)	(8.9)	(0.2)	(16.4)	3.2	(19.6)

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5.12 Income tax and social contribution

The Company recorded an income tax and social contribution expense of R\$ 149.5 million at December 31, 2022 in the consolidated financial statements (expense of R\$ 147.1 million at December 31, 2021), as detailed below:

- Current tax: expense of R\$ 166.3 million generated principally by the parent company;
- Deferred tax: income of R\$ 16.8 million with no impact on cash, comprising mainly changes in provisions.

Additional information on income tax and social contribution is presented in Note 15 to the Financial Statements for the year ended December 31, 2022.

5.13 Net profit and adjusted net profit

Summary of profit and loss accounts (in BRL million)	2022 (a)	2021 (b)	4Q22 (c)	4Q21 (d)	HA (%) (a/b)	HA (%) (c/d)
Net profit attributable to owners of the Company	565.3	566.9	123.1	130.8	0.2%	-3.7%
Tax credits arising from the exclusion of ICMS from the tax base of PIS and COFINS	-	(96.7)	-	2.6		
Interest income on tax credit	-	(10.2)	-	(1.4)		
Income tax and social contribution (adjustments)	(8.9)	36.3	(10.2)	(0.5)		
Credit rights: municipal government of Limeira	(4.0)	-	(0.2)	-		
Agreement with minority shareholder of subsidiary	30.2	-	30.2	-		
Adjusted net profit attributable to owners of the Company	582.6	496.3	142.9	131.5	18.0%	10.9%
Net margin attributable to owners of the Company	13.4%	15.7%	11.0%	13.9%	-2.2 p.p.	-2.6 p.p.
Adjusted net margin attributable to owners of the Company	13.8%	13.7%	12.8%	14.0%	0.1 p.p.	-0.9 p.p.

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Additional information on earnings per share is presented in Note 27 to the Financial Statements for the year ended December 31, 2022.

5.14 Capital expenditures

The table below shows capital expenditures and total accumulated depreciation for 2022 and 2021:

Capex & Depreciation (in BRL million)	2022	2021
Capex	98.8	80.7
Total depreciation	98.2	102.5
Capital expenditure	2022	2021
% of net sales revenue	2.3%	2.2%
% of depreciation	100.6%	78.7%
Net sales revenue	4,224.0	3,615.1

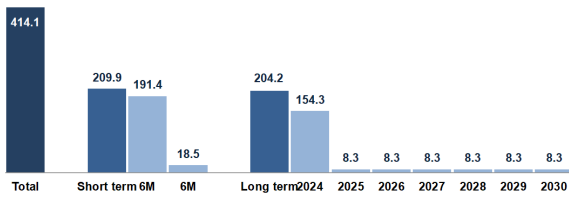
In 2022, we invested in R&D equipment, new machinery, and equipment in order to improve productivity and quality, new products, building improvements, information technology, among others.

5.15 Net cash position

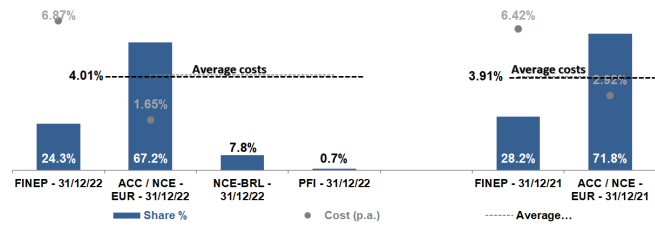
The Company reported net cash of R\$ 91.3 million at the end of 2022 and net cash of R\$ 246.4 million at the end of 2021. It should be noted that in 2022 the Company distributed R\$ 539.2 million of dividends and interest on capital relating to the fiscal year 2021, which had an impact on its net cash position:

Net cash (in BRL million)	December 31, 2022 (a)	December 31, 2021 (b)	Change (a-b)	Debt % (a)	Debt % (b)
Cash / banks / financial investments / intercompany loans (i):	505.4	508.8	(3.4)		
Loans and borrowings (ii):	(414.1)	(262.4)	(151.7)	100%	100%
Short-term	(209.9)	(162.8)	(47.1)	50.7%	62.0%
Long-term	(204.2)	(99.6)	(104.6)	49.3%	38.0%
Net cash (i - ii):	91.3	246.4	(155.1)		

We present below the maturities of operations allocated in the short and long term at the end of 2022, which represent 50.7% and 49.3%, respectively, of the financing presented in the table above:



The charts below show the breakdown of our financing on December 31, 2022 and December 31, 2021, by type of funding with their respective costs, as well as the weighted average cost:



5.16 Distribution of dividends and interest on capital to shareholders

In 2022 the Board of Directors of the Company approved the distribution of R\$ 107.1 million of interest on capital (gross), which shall be submitted for approval by the [Annual General Meeting of Shareholders](#) on April 27, 2023, as shown below:

Date of approval	Record date	Ex-dividend date	Date of payment	Type of payout	Period	Fiscal year	Total gross amount (in BRL)	Gross value per share (BRL)	Net value per share (BRL)
December 26, 2022	December 26, 2022	January 2, 2023	January 26, 2023	Interest on capital	January 1, 2022 to December 31, 2022	2022	107.1	0.8350347061	0.7097795002

In 2022, the Company distributed R\$ 539.2 million of dividends and interest on capital, totaling 100.0% of the profit for fiscal year 2021 (after deductions as per law):

Date of approval	Record date	Ex-dividend date	Date of payment	Type of payout	Period	Fiscal year	Total gross amount (in BRL)	Gross value per share (BRL)	Net value per share (BRL)
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/>

6. Sustainability (ESG)

Early on, our company founders, Hermann and Dr. Ernst Mahle, associated corporate success with social responsibility. After more than 100 years, MAHLE is now a globally operating company and all the more aware of its environmental and social responsibility. We believe that one of our most important tasks is to harmonize our sustainable development with the technological advancements. Our goal is to be a technological driving force for efficient and environmentally friendly mobility. Through our long-term planning, we therefore strive to reconcile the economic success of our company with the requirements of the environment, society, and employees.

For us, sustainable mobility is based on various technological solutions. Taking responsibility is part of the MAHLE DNA. Through our technologies, we are accelerating the transition to a reduced carbon footprint, contributing to make mobility more efficient, more sustainable, and therefore more environmentally compatible. Today, MAHLE generates most of its sales with passenger car and commercial vehicle combustion engines. We are working in close cooperation with our customers and entities on the combustion engine for the use of biofuels as Brazil is a pioneer in the production and use of biofuels.

We also pursue ambitious goals within our own factory walls. We are working on becoming carbon-neutral. We have adopted reduction targets and will reach carbon-neutral production by 2040 in terms of all direct CO2 emissions and those associated with energy purchases. This CO2 roadmap is a vital element of our sustainability management.

MAHLE Metal Leve S.A. published its first Sustainability Report on January 25, 2023. [Click here to read the report](#). The reporting period relates to the 2021 business year – that is, the period between January 1, 2021 and December 31, 2021.

With the Sustainability Report 2021, we aim to inform you about our financial, social and environmental goals, strategies and measures. Our report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. By using these standards, we are strengthening the transparency of our actions and laying the foundation for integrated sustainability communication in the future.

The publication of the Sustainability Report for the reporting period 2022 is anticipated in 2023.

6.1 Environmental

MAHLE is committed to its responsibility towards the environment and takes the expectations of its stakeholders seriously. We know that they are increasingly interested in our environmental performance and have therefore integrated global environmental issues into our business strategy. Climate change has become the main driver of transformation in the automotive industry.

Combining stakeholder requirements with our own environmental goals is part of our strategy toward reducing our environmental footprint, increasing efficiency.

We use raw materials in our production processes and, at the same time, we need energy to process these products. Scarcity and price increases for raw materials and energy have a significant impact on business activities. It is therefore our goal to use resources efficiently and limit the impact of our processes. Our environmental management system includes energy, emissions, conflict minerals, materials, waste and water.

In our day-to-day activities, we focus on energy consumption and climate protection, use of recycled materials, waste management, water and effluents management, and occupational health and safety. The following three basic Safety at Work rules act as a simple guide for our employees:

1. Safety First: Safety takes top priority. Risks are not accepted.
2. I Care - We Care: We are all responsible for ourselves and for others.
3. Walk the Talk: Safety is not something is just talk about - it must also be reflected in our actions.

6.2 Social

We thrive on our employees' profound wealth of ideas and their ability to find solutions today for tomorrow's challenges. They safeguard the future viability of our company. For this reason, the Human Resources (HR) department seeks to position MAHLE as an attractive employer and emphasize what makes us special: our diversity, our autonomy and the motivation to jointly shape future mobility.

To achieve this objective, the four MAHLE leadership principles are disseminated through workshops, multidisciplinary groups, integration with HR processes and local initiatives: (1) empower with accountability by holding employees accountable for their success and failure, for their own mistakes and learning from them; (2) inspire for change since in times of transformation it is important to encourage people to do things differently and create an environment that supports innovation; (3) trust each other, embracing the differences, communicating and collaborating honestly (4) lead by example since commitments must be made and honored by everyone. In addition, we believe that feedback given and received can help people thrive and strengthen relationships.

The principles are strengthened by Education and Development programs and were designed to meet the requirements of the market transformation. Employee development initiatives are designed to help employees understand the importance of their work in the company operations and grow both professionally as well as personally. Technical and behavioral competencies are developed through specific learning programs, encouraging people to apply their individual skills in different processes and recognizing their efforts.

MAHLE also has various initiatives to increase its attractiveness as employer of choice, principally to attract young talent so as to form mixed teams across multiple generations and increase the number of women in managerial positions. A mix

of various HR measures and the support of the senior management, such as targeted succession planning and internal recruiting, have contributed to supporting these strategies and providing benefits from knowledge sharing.

In addition to caring for its people, MAHLE also supports the communities in which it operates. Since 2002 the MAHLE Social Responsibility Program promotes the autonomy and independence of people through the following pillars: education and culture, health and well-being, diversity and inclusion, social and environmental sustainability. These pillars are present in the company-funded projects based on tax incentive laws, corporate volunteering and donation of materials and services. The guidelines for all cases include the MAHLE Donation and Sponsorship Policy and the MAHLE Business Code.

As of December 31, 2022, the Company and its subsidiaries had 7,514 employees.

6.3 Corporate Governance

The Company adopts good corporate governance practices based on the principles of transparency, fairness, accountability and corporate responsibility. Since July 2011 the Company shares (“LEVE3”) are traded on Brazil’s stock exchange B3’s Novo Mercado (New Market) listing segment that requires adherence to more stringent corporate governance rules.

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

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

Risk management:

At MAHLE, risks are identified and monitored and result from internal as well as external factors covering economic, environmental and social aspects as it is exposed to an economic slowdown in the countries in which it operates or to which it exports.

Risk management policy in place is approved by the MAHLE Board of Directors. The Policy establishes the risk management framework to define roles and responsibilities, risk appetite and integrated management approach for the purpose of identifying and avoiding risks.

Annually, the risk management process is submitted to the MAHLE Board of Directors for approval.

Compliance:

Responsible business behavior means complying with laws and internal rules as well as ensuring fair competition. Therefore, compliance has always been an important element of our corporate governance. At Group level, we ensure that our conduct and actions adhere to laws and internal rules by means of the MAHLE compliance structure. This includes the MAHLE Business Code as a basic code of conduct for all employees as well as preventive measures and training concept. We take various steps to safeguard the effectiveness and sustainability of our compliance structure, including documenting our compliance activities and conducting compliance audits.

Prevention of corruption and antitrust law:

To prevent violations of laws and internal company rules from the outset, we organize regular compliance trainings, covering the topics of antitrust law and prevention of corruption. The trainings are mandatory for all members of the MAHLE Management Board and MAHLE Management Committee as well as for executives and employees in risk-exposed areas. New employees are given guidance and support with respect to the most important rules relating to corruption prevention and internal reporting channels to report violations.

Data protection:

Like physical security, the logical security, privacy, confidentiality and protection of personal data relating to business partners and employees takes high priority at MAHLE. We implemented a personal data protection program covering data protection culture and promotion of employees’ awareness, means of interaction with customers, business partners and

suppliers, and other ongoing actions, following our Group-wide data privacy guidelines and applicable statutory regulations. The data protection program is reviewed regularly and developed further if necessary.

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

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We adopt the Privacy by Design principle by considering data privacy and protection concerns when designing and building products and other internal actions that directly or indirectly involve the use of personal data. The MAHLE data protection structure is managed by an individual responsible for data privacy with the support of an external Data Protection Officer.

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

6.4 Sustainable innovations

As a forward-thinking development partner to the automotive industry, we offer our customers solutions from a range of cutting-edge products. With our innovative products, we are making our contribution towards creating the conditions for sustainable mobility to improve air cleanliness and reduce greenhouse gas emissions.

We believe that sustainable mobility is based on various technological solutions in strategic fields, such as efficient and clean combustion engines powered with e-fuels and hydrogen, thermal management and electrification. There is not a single solution as each region has specific characteristics and economic, environmental and social conditions. We know these differences and apply solutions that suit each region's unique characteristics to ensure that sustainable mobility is established rapidly and efficiently.

For this reason, we strengthen existing business segments and assume a leading role in the ongoing development of the combustion engine as we believe that employing biofuels, synthetic fuels and green hydrogen presents an even greater opportunity to cut carbon emissions and combat the effects of climate change.

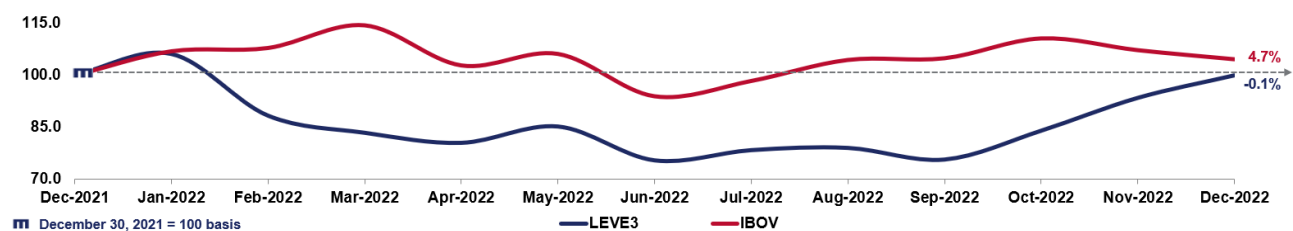
Further information about sustainable innovations is provided in the MAHLE [Sustainability Report](#).

7. Investor Relations and Capital Market

During 2022, our Investor Relations team maintained interactions with investors and the general market; most of the interactions were remote. In 2022 we resumed gathering in person in meetings and events. However, digital tools are playing an important role in business communication and interactions.

7.1. Stock performance and free float

The graph below (base 100) shows the market performance of LEVE3 stock and Ibovespa¹ in 2022, and Average Daily Trading Volume (ADTV) and the ratio of average turnover to free-float market capitalization:



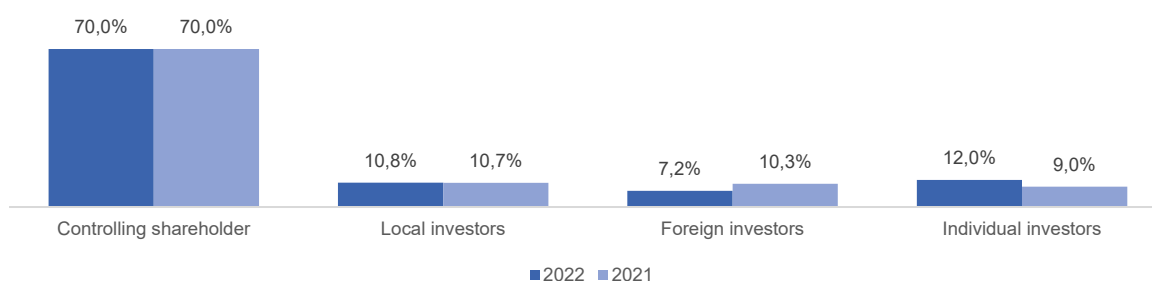
¹ IBOVESPA is a major market index which tracks the performance of the most liquid stocks traded on Brazil's Stock Exchange B3 – Brasil, Bolsa, Balcão.

Average Daily Trading Volume and Turnover Rate

Period:	1Q22	2Q22	3Q22	4Q22
Trading volume (in BRL million):	8.8	8.1	4.5	5.8
Turnover:	0.79%	0.86%	0.48%	0.55%

7.2. Shareholder structure

At the end of 2022 and 2021, the Company's existing shareholder base and free float are as follows:



The following table classifies shareholders by number of shares:

Period	¹ Share price	Total shareholders	1 share	2-10 shares	11-50 shares	51-500 shares	501-5000 shares	5,001-200,000 shares	More than 200,001 shares
4Q21	30.80	43,553	1,787	6,934	10,405	20,156	3,906	334	31
1Q22	25.65	42,698	1,709	6,563	9,994	19,865	4,173	361	33
2Q22	23.19	49,289	2,070	8,037	11,828	22,306	4,637	379	32
3Q22	23.26	55,232	2,382	9,272	13,542	24,522	5,096	392	26
4Q22	30.77	54,561	2,626	9,254	13,254	23,982	5,013	406	26

¹ Price of share of MAHLE Metal Leve S.A. at year-end

² Source: Central Bank of Brazil – year-end rate

At the end of 2022, shareholders based in seven countries accounted for 99.1% of the free float, and the remaining countries from the Company's shareholder base do not represent individually more than 0.2%.

The graph below shows the shareholder structure of the free float at the end of 2022 and 2021:

Countries							
2022	76.1%	19.2%	1.2%	0.8%	0.6%	0.6%	0.6%
2021	65.8%	26.0%	1.2%	1.1%	0.6%	1.1%	0.2%

8. 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 fiscal year 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. Page | 19

9. 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 financial statements for the period ended December 31, 2022 and the conclusions expressed in the independent auditor's report.

10. Acknowledgments

We would like to thank our employees, shareholders, customers and suppliers for their continued support and confidence during fiscal 2022.

The Management Board

11. Appendices

11.1. Balance sheet

CONSOLIDATED BALANCE SHEET		December 31, 2022	December 31, 2021
ASSETS		3,132.7	2,941.0
Current assets		1,865.6	1,601.0
Cash and cash equivalents	61.9	43.4	
Financial investments	365.5	317.7	
Trade and other receivables	659.3	567.1	
Inventories	545.0	513.3	
Taxes recoverable	146.3	54.9	
Current tax assets	55.9	69.9	
Other assets	31.7	34.7	
Non-current assets		1,267.0	1,340.0
Deferred tax assets	32.3	14.6	
Loans to related parties	78.1	147.7	
Taxes recoverable	71.4	133.2	
Income tax and social contribution recoverable	-	-	
Equity-accounted investees	-	-	
Property, plant and equipment	616.1	617.8	
Intangible assets	390.1	391.3	
Right-of-use assets	48.5	8.0	
Other assets	30.5	27.4	
LIABILITIES AND EQUITY		3,132.7	2,941.0
Current liabilities		1,039.1	844.0
Employee benefits	109.7	101.5	
Trade and other payables	327.0	280.4	
Current tax liabilities	52.7	35.0	
Loans and borrowings	209.9	162.8	
Lease liabilities	10.9	9.4	
Provisions	105.7	61.0	
Other liabilities	223.3	193.9	
Non-current liabilities		513.8	386.2
Loans and borrowings	204.2	99.6	
Lease liabilities	38.2	0.5	
Deferred tax liabilities	8.5	14.9	
Provision for contingencies and judicial deposits associated with lawsuits	237.9	266.6	
Other liabilities	25.0	4.6	
Consolidated equity		1,579.8	1,710.8
Share capital	966.3	966.3	
Revenue reserve	525.0	342.6	
Special reserve	419.7	419.7	
Retained earnings/accumulated losses	-	-	
Additional dividends proposed	-	160.3	
Carrying amount adjustments	34.2	28.3	
Cumulative translation adjustments	(358.6)	(202.4)	
Non-controlling interests	(6.9)	(4.0)	

11.2. Statement of income

CONSOLIDATED STATEMENT OF INCOME	December 31, 2022	December 31, 2021	Change
Net revenue from sale of goods and/or services	4,224.0	3,615.1	16.8%
Cost of sales	(3,090.9)	(2,620.8)	17.9%
Gross profit	1,133.1	994.3	14.0%
Operating income (expenses)	(412.1)	(271.6)	51.7%
Selling expenses	(310.0)	(236.0)	31.4%
Impairment loss on trade receivables	(2.9)	3.7	-178.4%
General and administrative expenses	(110.1)	(109.8)	0.3%
Research and development expenses	(44.2)	(51.5)	-14.2%
Other operating income (expenses), net	(39.9)	74.6	-153.5%
Gain on inflation adjustments	95.0	44.1	115.4%
Share of profit of equity-accounted investees	-	3.3	-100.0%
Profit before finance income and costs	721.0	722.7	-0.2%
Finance income	318.0	178.1	78.6%
Finance costs	(327.1)	(187.0)	74.9%
Profit before taxes	711.9	713.8	-0.3%
Current income tax and social contribution	(166.3)	(89.6)	85.6%
Deferred income tax and social contribution	16.8	(57.5)	-129.2%
Profit for the year	562.4	566.7	-0.8%
Profit attributable to owners of the Company	565.3	566.9	-0.3%
Profit (loss) attributable to non-controlling interests	(2.9)	(0.2)	1350.0%

11.3. Statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS	December 31, 2022	December 31, 2021
Cash flows from operating activities		
Profit before tax	711.9	713.7
Depreciation and amortization	95.9	100.4
Share of profit of equity-accounted investees	-	(3.3)
Net finance income (costs)	(4.1)	64.0
Unrealized gains (losses) on derivative financial instruments	1.6	(1.1)
Loss on sale of property, plant and equipment	0.7	3.4
Loss on sale of investment		3.1
(Reversal of) impairment losses on trade receivables	2.9	(3.3)
(Reversal of) provision for contingencies	(8.5)	9.8
Warranty provision	8.8	3.9
Sundry provisions	68.6	12.9
impairment losses on property, plant and equipment and intangible assets	(1.2)	2.3
Impairment losses on inventories	14.9	(35.0)
Interest expense on lease liabilities	0.8	2.1
Tax credits (exclusion of ICMS from tax base of PIS and COFINS)	(40.3)	(116.7)
Gain on inflation adjustments	(95.0)	(44.1)
Changes in assets and liabilities		
Trade and other receivables	(94.3)	(98.7)
Inventories	(34.2)	(107.3)
Taxes recoverable	22.6	6.0
Other assets	5.5	(0.2)
Trade and other payables	44.5	(6.2)
Employee benefits	8.2	37.1
Tax liabilities	12.5	(14.0)
Other liabilities	(28.6)	(53.5)
Cash generated from operating activities	693.2	475.5
Income tax and social contribution paid	(155.2)	(117.6)
Net cash from operating activities	538.0	358.0
Net cash used in investing activities	(41.5)	(160.5)
Loans to related parties	(1,121.3)	(1,388.4)
Loan payments received from related parties	1,176.1	1,313.0
Acquisition of property, plant, and equipment	(96.3)	(86.4)
Additions to intangible assets	(0.4)	(0.8)
Dividends and interest on equity (net) received from subsidiary and affiliate	-	0.3
Proceeds from sale of property, plant, and equipment	0.4	1.8
Net cash used in financing activities	(411.4)	(435.0)
Proceeds from loans and borrowings	292.7	123.4
Repayment of principal of borrowings	(143.0)	(404.4)
Payment of interest on borrowings	(6.6)	(25.2)
Dividends and interest on capital paid	(543.7)	(117.9)
Proceeds from capital contributions by shareholders	-	2.2
Payments of principal and interest on lease liabilities	(10.8)	(12.8)
Effect on cash and cash equivalents of exchange rate movements	(18.8)	(9.2)
Net increase (decrease) in cash and cash equivalents	66.3	(246.7)
Cash and cash equivalents at the beginning of the year	361.1	607.8
Cash and cash equivalents at the end of the year	427.4	361.1
Net increase (decrease) in cash and cash equivalents	66.3	(246.7)