

Mogi Guaçu, São Paulo, May 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 first quarter of 2022. 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.

First Quarter 2022 Results Conference Call and Webcast

Date: May 12, 2022

Time

1 p.m. – Brasilia
5 p.m. – London
12 noon – New York

Webcast in Portuguese
(original)

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Webcast in English
(simultaneous
translation)

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Dial-in numbers

Brazil: +55 11 3181-8565
Brazil: +55 11 4210-1621

Participants who would like to listen to the conference call in Portuguese should inform this to the operator.

USA: +1 412 717-9627
Passcode: MAHLE

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

FINANCIAL HIGHLIGHTS

Net Sales Revenue: R\$ 890.0 million in 1Q22, an increase of 6.6% compared with 1Q21;

Domestic Aftermarket: The Company's sales in 1Q22 grew by 10.4% compared with 1Q21 (See details in items [4.1](#) and [4.3](#));

Domestic Original Equipment Market: The Company's sales in 1Q22 increased by 13.5% compared with 1Q21 (See details in items [4.1](#) and [4.2](#));

Export Aftermarket: The Company's sales in 1Q22 grew by 34.0% compared with 1Q21 (See details in items [4.1](#) and [4.3](#));

Export Original Equipment Market: In 1Q22, the Company saw a decline of 7.1% in original equipment exports compared with 1Q21 (See details in items [4.1](#) and [4.2](#));

Dividends: 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). See further information in item [4.17](#) below.

(in millions of R\$)	Key indicators				
	1Q22 (a)	4Q21 (b)	1Q21 (c)	(a/b)	(a/c)
Net sales revenue	890.0	941.5	835.0	-5.5%	6.6%
EBITDA	178.5	164.6	199.2	8.4%	-10.4%
EBITDA margin	20.1%	17.5%	23.9%	2.6 p.p.	-3.8 p.p.
Net profit	123.0	130.8	126.2	-6.0%	-2.5%
Net margin	13.8%	13.9%	15.1%	-0.1 p.p.	-1.3 p.p.

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1. Management Commentary

The beginning of 2022 has been challenging as the supply chain continued to have product shortages and soaring prices, pushing up freight costs.

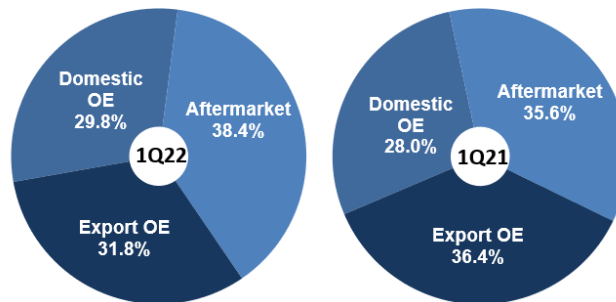
There is still uncertainty about the continuing spread of the coronavirus and the global economic recovery, which may have future impacts on various areas, including on the Company's operations.

For example, the new car market in Brazil continues to be severely hampered by the shortage of semiconductors. We will continue to monitor the economic outlook and financial developments in Brazil and globally. According to the Brazilian Association of Automotive Vehicle Manufacturers (Anfavea), in the first quarter of 2022, vehicle production fell by 17.0% and vehicle sales by 23.2% compared with the same quarter of 2021.

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

The Company's 1Q22 net revenue increased 6.6% compared with the same quarter of 2021, driven by an increase in Aftermarket sales (+15.2%), domestic OE market (+13.5%), partially offset by a decline in OE exports (-7.1%).

The charts below show the Company's revenue by business segment in 1Q22 and 1Q21:



EBITDA margin in 1Q22 was 20.1% (R\$ 178.5 million) versus 23.9% in 1Q21 (R\$ 199.2 million). More information about changes in EBITDA is provided in item [4.11](#).

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 adopt measures in line with the recommendations and guidance from health authorities and stringent sanitizing protocols and continues to allow employees who can work remotely (for example, administrative staff) to work from home.

The Company is also monitoring the developments of the Russia-Ukraine war that has heightened uncertainty about the pace of the global economic activity and further delayed the normalization of supply chains. So, supply chain risk management is of the utmost importance to mitigate risks throughout the supply chain, including having backup suppliers lined up in case they are needed. The Company will continue to monitor the development of the conflict and the potential impacts on its operations, customers and suppliers.

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 market

Segments	Brazilian automotive industry					Brazilian automotive industry					Sales Variation (A/C)	Production Variation (B/D)
	Jan-Mar 2022					Jan-Mar 2021						
	Sales (**) (A)	Export	Import	Inventory (*)	Total Production (B)	Sales (**) (C)	Export	Import	Inventory (*)	Total Production (D)		
Total light vehicles	375,494	102,400	-49,921	28,080	456,053	498,518	89,635	-45,886	17,248	559,515	-24.7%	-18.5%
Total medium and heavy vehicles	30,174	5,655	-1,169	5,425	40,085	29,408	6,124	-1,376	4,102	38,258	2.6%	4.8%
Total vehicle sales	405,668	108,055	-51,090	33,505	496,138	527,926	95,759	-47,262	21,350	597,773	-23.2%	-17.0%
Variation (un) - 1Q22 x 1Q21	-122,258	12,296	3,828	-12,155	-101,635							
Variation (%) - 1Q22 x 1Q21	-23.2%	12.8%	8.1%	56.9%	-17.0%							

Source: Anfavea

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

(**) Sales (Domestic + Imported)

The tables below show Brazil's domestic auto production, sales and inventory for the months under review:

Monthly production (thousand units)	Jan	Feb	Mar	Total
2021	200.4	197	200.3	597.7
2022	145.4	165.9	184.8	496.1

Total monthly sales (thousand units)	Jan	Feb	Mar	Total
2021	171.1	167.4	189.4	527.9
2022	126.5	132.3	146.8	405.6

Brazil's vehicle inventory (days)	Jan	Feb	Mar
2021	18	18	16
2022	26	24	25

Source: Anfavea

3.2 Development of the Argentine market

Argentine automotive industry			
Sales of vehicles (locally manufactured and imported)	Jan-Mar 2022 (A)	Jan-Mar 2021 (B)	A/B
Total light vehicles	79,406	86,338	-8.0%
Total medium- and heavy-duty vehicles	3,673	3,673	0.0%
Total vehicle sales	83,079	90,011	-7.7%
Exports	53,945	49,373	9.3%
Imports	36,398	49,682	-26.7%
Trade balance	17,547	(309)	-5778.6%
Change in vehicle inventory in the period (*)	8,892	3,974	123.8%
Production of light vehicles	105,058	89,277	17.7%
Production of heavy-duty vehicles	787	726	8.4%
Total vehicle production	105,845	90,003	17.6%

(*) Change in vehicle inventory = production - (sales + exports - imports).

(**) Source: Adefa/Acaras Argentina/IHS.

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3.3 Brazil's and Argentina's vehicle production and sales

Production and sales: Brazil & Argentina	Vehicle production			Vehicle sales		
	Jan-Mar 2022	Jan-Mar 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change
Light vehicles	561,111	648,792	-13.5%	454,900	584,700	-22.2%
Medium- and heavy-duty vehicles	40,872	38,984	4.8%	33,847	33,081	2.3%
Total	601,983	687,776	-12.5%	488,747	627,027	-22.1%

Source: Anfavea and Adefa.

3.4 Vehicle production in the major export markets

Vehicle production in the leading export markets (thousands)	Jan-Mar 2022 (A)	Jan-Mar 2021 (B)	A/B
Production of light vehicles	3,504	3,615	-3.1%
Production of medium- and heavy-duty vehicles	163	137	19.0%
North America	3,667	3,752	-2.3%
Production of light vehicles	4,065	4,743	-14.3%
Production of medium- and heavy-duty vehicles	141	150	-6.0%
Europe	4,206	4,893	-14.0%
Total vehicle production	7,873	8,645	-8.9%

Source: IHS

4. Company's Financial and Economic Performance

Summary of profit and loss accounts (In millions of R\$)	1Q22 (a)	1Q21 (b)	HA (%) (a/b)	VA (%) (a)	VA (%) (b)
Net sales revenue	890.0	835.0	6.6%	100.0%	100.0%
Cost of sales	(653.9)	(578.8)	13.0%	-73.5%	-69.3%
Gross profit	236.1	256.2	-7.8%	26.5%	30.7%
Selling and distribution expenses and impairment loss on trade receivables	(57.3)	(48.6)	17.9%	-6.4%	-5.8%
General and administrative expenses	(23.2)	(27.6)	-15.9%	-2.6%	-3.3%
Research and development expenses	(11.4)	(15.9)	-28.3%	-1.3%	-1.9%
Other operating income/(expenses)	(4.7)	(4.7)	0.0%	-0.5%	-0.6%
Share of profit/(loss) of equity-accounted investees	-	(0.1)	-100.0%	0.0%	0.0%
Gains/(losses) on inflation adjustment	16.4	14.2	15.5%	1.8%	1.7%
Operating profit	155.9	173.5	-10.1%	17.5%	20.8%
Net finance costs	(4.0)	(6.0)	-33.3%	-0.4%	-0.7%
Income tax and social contribution	(29.3)	(40.9)	-28.4%	-3.3%	-4.9%
Profit for the year	122.6	126.6	-3.2%	13.8%	15.2%
Profit attributable to owners of the Company	123.0	126.2	-2.5%	13.8%	15.1%
Profit attributable to non-controlling interests	(0.4)	0.4	200.0%	0.0%	0.0%
EBITDA	178.5	199.2	-10.4%	20.1%	23.9%
Margins:					
Gross margin	26.5%	30.7%	-4.2 p.p.		
Operating margin	17.5%	20.8%	-3.3 p.p.		
Net margin	13.8%	15.2%	-1.4 p.p.		
Net margin attributable to owners of the Company	13.8%	15.1%	-1.3 p.p.		
EBITDA margin	20.1%	23.9%	-3.8 p.p.		
Selling, general and administrative expenses as a percent of revenue	9.0%	9.1%	-0.1 p.p.		

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 and of the application of IAS 29 *Financial Reporting in Hyperinflationary Economies*.

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The table below shows revenue by market and impacts in terms of volume/price and exchange rate changes period over period.

Net revenue by market (in millions of R\$)		1Q22 (a)	Volume/Price (b)	Exchange rate change (c)	1Q21 (d)	Volume/price impact % (b/d)	Exchange rate impact % (c/d)	HA (%) (a/d)
Original Equipment	Domestic	265.5	33.2	(1.7)	234.0	14.2%	-0.7%	13.5%
	Export	282.6	0.6	(22.1)	304.1	0.2%	-7.3%	-7.1%
	Subtotal	548.1	33.8	(23.8)	538.1	6.3%	-4.4%	1.9%
Aftermarket	Domestic	262.3	50.3	(25.5)	237.5	21.2%	-10.8%	10.4%
	Export	79.6	23.2	(3.0)	59.4	39.1%	-5.1%	34.0%
	Subtotal	341.9	73.5	(28.5)	296.9	24.8%	-9.6%	15.2%
Total		890.0	107.3	(52.3)	835.0	12.9%	-6.3%	6.6%

As announced by the Central Bank of Brazil, Brazil's reference exchange rate 'PTAX' averaged USD/BRL 5.23302 in 1Q22 versus USD/BRL 5.47296 in 1Q21, i.e., a decrease of 4.38%. The EUR/BRL rate averaged 5.87979 in 1Q22 versus 6.59582 in 1Q21, i.e., a reduction of 10.86%.

4.2 Original Equipment (OE) sales

Domestic market:

In 1Q22, the domestic OE market grew by +13.5%, driven by a volume/price increase of +14.2%, partially offset by the effect of movements in exchange rates of -0.7%. 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) fell by 12.5%, hence, the Company performed better than the market.

Export market:

In 1Q22, the export market declined by -7.1%, due to the negative effects of exchange rate fluctuations of -7.3%, partially offset by a volume/price increase of +0.2%.

The table below presents exports in hard currency:

Exports by currency (in millions)	1Q22 (a)	1Q21 (b)	HA (%) (a/b)
Original Equipment			
EUR	16.7	18.9	-11.6%
USD	37.1	35.6	4.1%
Total equivalent in USD	57.2	58.6	-2.3%

4.3 Aftermarket sales

Domestic market:

In 1Q22, the domestic market grew by +10.4%, driven by a volume/price increase of +21.2%, partially offset by negative effects of movements in exchange rates of -10.8%.

Export market:

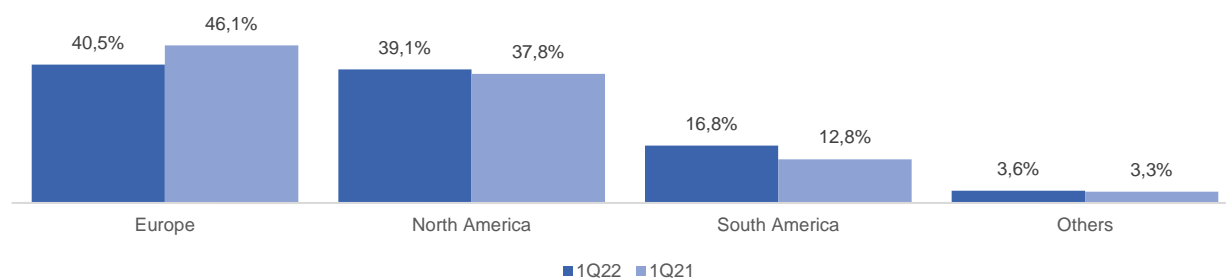
The export market grew by +34.0% in 1Q22 compared with 1Q21, driven by a volume/price increase of +39.1% offset by negative effects of movements in exchange rates of -5.1%.

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

Exports by currency (in millions)	1Q22 (a)	1Q21 (b)	HA (%) (a/b)
Aftermarket			
EUR	0.6	0.4	76.5%
USD	14.2	9.9	43.1%
Total equivalent in USD	15.0	10.4	44.5%

4.4 Consolidated export by region

The graph below shows our exports by geographic region for 1Q22 and 1Q21:



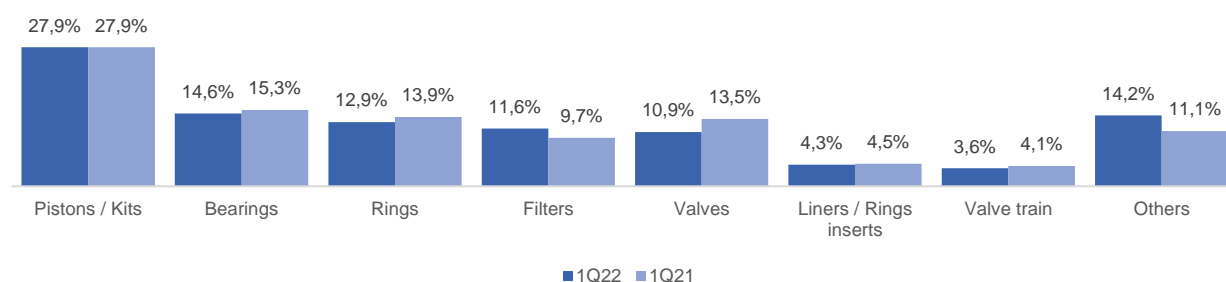
4.5 Net revenue by segment

In 1Q22, sales of the engine component segment grew by 4.5% and sales of the filter segment grew by 26.3% compared with 1Q21.

Net sales revenue by segment (in millions of R\$)	1Q22 (a)	1Q21 (b)	HA (%) (a/b)	VA % (a)	VA % (b)
Engine components	787.2	753.6	4.5%	88.4%	90.3%
Filters	102.8	81.4	26.3%	11.6%	9.7%
Total	890.0	835.0	6.6%	100.0%	100.0%

4.6 Net revenue by product

The graph below shows the share of each product in total sales in 1Q22 and 1Q21:



4.7 Gross margin

The Company closed 1Q22 with a gross margin of 26.5% (30.7% in 1Q21), as shown in the table below:

Summary of profit and loss accounts (in millions of R\$)	1Q22 (a)	1Q21 (b)	HA (%) (a/b)	VA (%) (a)	VA (%) (b)
Net sales revenue	890.0	835.0	6.6%	100.0%	100.0%
Cost of sales	(653.9)	(578.8)	13.0%	-73.5%	-69.3%
Gross profit	236.1	256.2	-7.8%	26.5%	30.7%

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The prices of raw materials and inputs in the entire supply chain continued rising into the first quarter of 2022. So, a well-defined pricing process is essential to establishing a transparent relationship with suppliers and customers. Growth in productivity is also critically important to offset, even if partially, cost increases.

4.8 Selling, general and administrative expenses

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

General and administrative expenses fell as a result of the efforts to bring in synergy and productivity gains across indirect areas of the Company.

Summary of profit and loss accounts (in millions of R\$)	1Q22 (a)	1Q21 (b)	HA (%) (a/b)	VA (%) (a)	VA (%) (b)
Net sales revenue	890.0	835.0	6.6%	100.0%	100.0%
Selling and distribution expenses and impairment loss on trade receivables	(57.3)	(48.6)	17.9%	-6.4%	-5.8%
General and administrative expenses	(23.2)	(27.6)	-15.9%	-2.6%	-3.3%

4.9 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.

Summary of profit and loss accounts (in millions of R\$)	1Q22 (a)	1Q21 (b)	HA (%) (a/b)	VA (%) (a)	VA (%) (b)
Net sales revenue	890.0	835.0	6.6%	100.0%	100.0%
R&D expenses	(11.4)	(15.9)	-28.3%	-1.3%	-1.9%

4.10 Other operating income/(expenses), net

Other operating income/(expenses), net (in millions of R\$)	1Q22 (a)	1Q21 (b)	Change (a-b)
Recovered taxes (Reintegra)	1.5	0.2	1.3
Export expenses (Argentina)	(1.6)	(1.9)	0.3
Gains on inflation adjustment	0.1	0.2	(0.1)
Restructuring provision	-	0.3	(0.3)
Provision for/reversal of labor, civil and tax contingencies	(4.5)	(3.2)	(1.3)
Other income/(expenses)	(0.2)	(0.3)	0.1
Total other operating expenses, net	(4.7)	(4.7)	(0.0)

4.11 Operating result measured by EBITDA

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

Changes in the period	Amount	Margin
1Q21 EBITDA	199.2	23.9%
Gross loss	(20.1)	
Selling and distribution expenses	(8.7)	
General and administrative expenses	4.4	
Research and development expenses	4.5	
Other operating income/(expenses)	-	
Share of profit of equity-accounted investees	0.1	
Gains on inflation adjustment	2.2	
Depreciation	(3.1)	
1Q22 EBITDA	178.5	20.1%

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4.12 Net finance costs

The Company recorded net finance costs of R\$ 4.0 million in 1Q22, a decrease of R\$ 2.0 million from net finance costs of R\$ 6.0 million in 1Q21.

Net finance costs (in millions of R\$)	1Q22 (a)	1Q21 (b)	Change (a - b)
Interest income on financial investments	9.8	5.5	4.3
Interest expense on loans and borrowings	(2.4)	(7.5)	5.1
Other interest income/(expense)	4.4	(0.3)	4.6
Net interest income/(expense) (i)	11.8	(2.3)	14.1
1. Effect of movements in exchange rates on accounts receivable/accounts payable (1.1. + 1.2.)	(15.5)	1.9	(17.4)
1.1. Effect of movements in exchange rates	(36.6)	13.4	(50.0)
1.2. Foreign exchange hedge	21.1	(11.5)	32.6
2. Effect of movements in exchange rates on advances on foreign exchange contracts (ACC)	27.6	(0.7)	28.3
3. Other transactions	(22.3)	2.0	(24.3)
Net effect of movements in exchange rates and loss on derivatives (ii) - (1+2+3)	(10.2)	3.2	(13.4)
Net monetary variation	(5.6)	(5.3)	(0.3)
Other	0.0	(1.6)	1.6
Net monetary variation + Other (iii)	(5.6)	(6.9)	1.3
Net finance costs (i + ii + iii)	(4.0)	(6.0)	2.0

Net interest income/(expense) (i):

Interest income on financial investments: The increase of R\$ 4.3 million from 1Q21 to 1Q22 was due to the decrease in the average amount of financial investments to R\$ 323.1 million in 1Q22 from R\$ 430.0 million in 1Q21, offset by the increase in the average interest rates (considering the consolidation of Brazil and Argentina: 14.5% p.a. in 1Q22 and 5.0% p.a. in 1Q21).

Interest expense on loans and borrowings: The decrease of R\$ 5.1 million from 1Q21 to 1Q22 was due to the decrease in the average amount of borrowings to R\$ 243.8 million in 1Q22 from R\$ 426.2 million in 1Q21, coupled with a decrease in the weighted average cost to 3.5% p.a. in 1Q22 from 4.3% p.a. in 1Q21. For further details on borrowings denominated in Brazilian real (BRL) and borrowings denominated in foreign currencies (without effect of movements in exchange rates) and weighted average costs, see item [4.16](#) in this report and Note 17 to the interim financial statements for the quarter ended March 31, 2022.

The table below shows interest rates and average amounts of debt and investment:

Averages	1Q22 (a)	1Q21 (b)	Change (a - b)
Investment interest rate	14.5%	5.0%	9.5 p.p.
Cost of debt	3.5%	4.3%	-0.8 p.p.
Investments (in millions of R\$)	323.1	430.0	-24.9%
Debt (in millions of R\$)	(243.8)	(426.2)	-42.8%

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Net effect of movements in exchange rates and loss on derivatives (ii):

It is worth mentioning that these two line items “Net effect of movements in exchange rates” and “Gain/(loss) on derivatives” should always be analyzed together, because the Company monitors and manages its foreign currency exposures and continually assesses whether it needs to use derivatives to hedge its foreign exchange risk. The objective of the currency hedging program is to minimize foreign exchange risks that could arise from adverse market conditions and negatively impact the Company’s profits. Also with respect to foreign exchange risks, the hedging policy is to protect the estimated cash flow position (budget) and actual cash flow (balance sheet) denominated in and/or indexed to foreign currency through the use of derivative financial instruments (NDF – Non-Deliverable Forwards). Additional information about financial instruments is presented in Note 31 to the Interim Financial Statements for the quarter ended March 31, 2022.

Other transactions: The increase of R\$ 24.3 million from 1Q21 to 1Q22 was mainly due to the dividends receivable from MAHLE Austria, which were hedged with ACC transactions.

Net monetary variation + Other (iii):

The changes were due to the inflation-adjustment to the provisions for labor and tax lawsuits and judicial deposits.

4.13 Income tax and social contribution

The Company recorded an income tax and social contribution expense of R\$ 29.3 million at March 31, 2022 in the consolidated financial statements (expense of R\$ 40.9 million at March 31, 2021), as detailed below:

- Current tax: expense of R\$ 28.1 million generated principally by the parent company and its subsidiary MAHLE Argentina S/A;
- Deferred tax: expense of R\$ 1.2 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 quarter ended March 31, 2022.

4.14 Net profit

Net profit for 1Q22 was R\$ 123.0 million, a decrease of -2.5% as compared with R\$ 126.2 million in 1Q21, while net margin in 1Q22 was 13.8%, a decrease of -1.3 p.p. from 15.1% in 1Q21.

Summary of profit and loss accounts (in millions of R\$)	1Q22 (a)	1Q21 (b)	HA (%) (a/b)	VA (%) (a)	VA (%) (b)
Net sales revenue	890.0	835.0	6.6%	100.0%	100.0%
Net profit attributable to owners of the Company	123.0	126.2	-2.5%	13.8%	15.1%

Additional information on earnings per share is presented in Note 23 to the Interim Financial Statements for the quarter ended March 31, 2022.

4.15 Capital expenditures

The table below shows capital expenditures and total accumulated depreciation for 1Q22 and 1Q21:

Capex & Depreciation (in millions of R\$)	1Q22	1Q21
Capex	17.7	14.1
Total depreciation	25.1	26.0
Capex	1Q22	1Q21
% of net sales revenue	2.0%	1.7%
% of depreciation	70.5%	54.2%
Net sales revenue	890.0	835.0

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In 1Q22, 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.

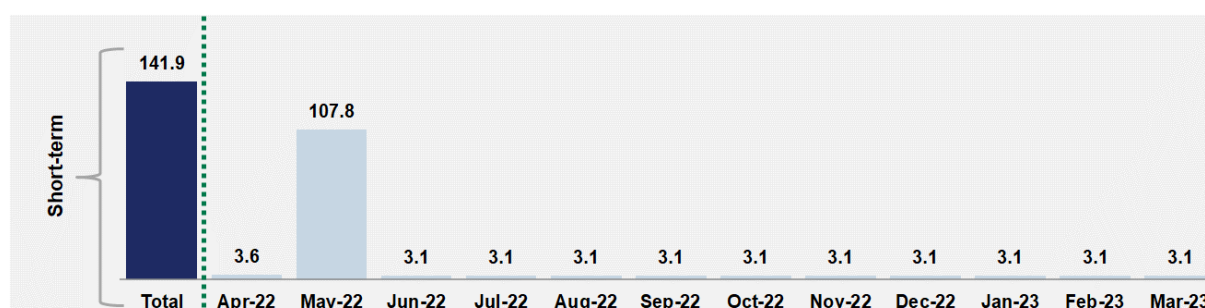
4.16 Net cash

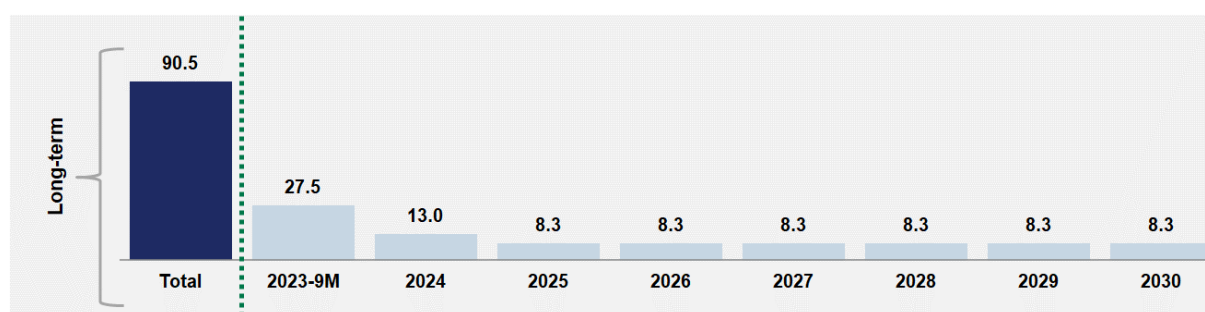
The Company reported net cash of R\$ 293.5 million at the end of 1Q22 and of R\$ 246.4 million at the end of 2021, as shown in the table below:

Net cash (In millions of R\$)	March 31, 2022 (a)	December 31, 2021 (b)	Change (a-b)	Debt % (a)	Debt % (b)
Cash / banks / financial investments / loans (i):	525.9	508.8	17.1		
Loans and borrowings (ii):	(232.4)	(262.4)	30.0	100.0%	100.0%
Short-term	(141.9)	(162.8)	20.9	61.0%	62.0%
Long-term	(90.5)	(99.6)	9.1	39.0%	38.0%
Net cash (i - ii):	293.5	246.4	47.1		

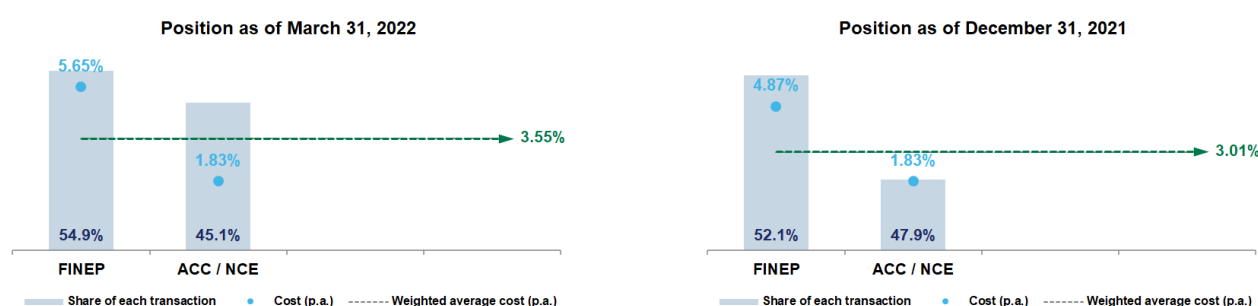
The Company continuously monitors liquidity risk by managing cash, financial investments, and bank loans. The Company also has pre-approved lines of credits that can be drawn upon as needed.

The charts below show the maturities of the borrowings classified into short-term and long-term at the end of 1Q22, which represents 61.0% and 39.0%, respectively, of the debt displayed in the table above:





The following charts show our borrowings by type of facility and respective cost and weighted average cost:



4.17 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 R\$)	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. Coronavirus (COVID-19)

Since March 2020, the world has been facing the COVID-19 pandemic and the Company continues to actively monitor and address the evolving COVID-19 situation and the potential risks to its operations and its workers and their families, and society.

Since the first quarter of 2020 the Company has a COVID-19 protocol to protect the health of its workers. The protocol applies to all Company’s facilities and subsidiaries and provides guidelines from local health authorities and the World Health Organization (WHO) as well as best practices available.

To date, the Company has identified no potential significant signs of default for its trade accounts receivable.

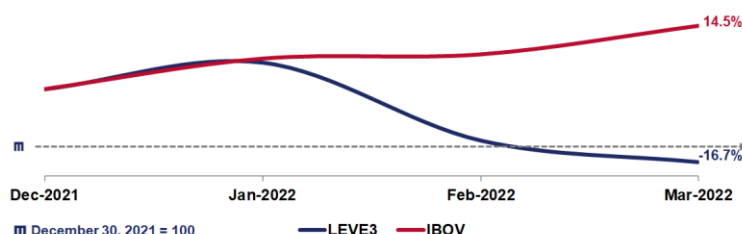
6. Investor Relations and Capital Market

During the first quarter of 2022, our Investor Relations team stayed connected to investors and the general market whilst working remotely from home due to social distancing measures in response to the COVID-19 pandemic.

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.

6.1 Stock performance and free float

The graphs below show the market performance of LEVE3 stock and Ibovespa¹ during 1Q22, and Average Daily Trading Volume (ADTV) and the ratio of average turnover to free-float market capitalization:

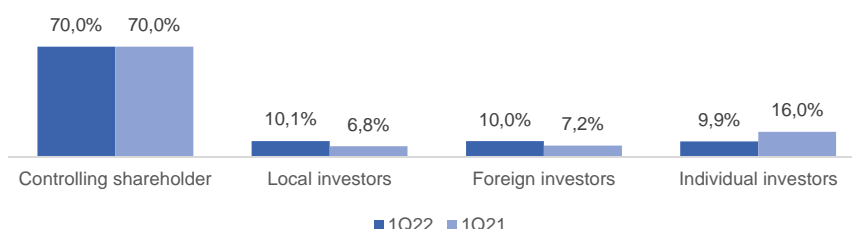


¹ IBOVESPA is a major stock market index which tracks the performance of the most liquid stocks traded on Brazil’s Stock Exchange B3 - Brasil, Bolsa, Balcão.

Average Daily Trading Volume and Turnover Rate				
Period	2Q21	3Q21	4Q21	1Q22
Trading volume (in millions of R\$)	23.5	22.0	19.9	8.8
Turnover (%)	2.14%	1.63%	1.52%	0.79%

6.2 Shareholder structure

At the end of 1Q22 and 1Q21, the Company’s existing shareholder base and free float are as follows:



7. 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 first quarter of 2022, the Company did not engage KPMG Auditores Independientes to perform non-audit services, and there is, therefore, no situation that could constitute conflict of interest under that Instruction.

8. Executive Board's Declaration

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In compliance with the provisions of CVM Instruction 480, the Executive Board hereby declares that it has discussed, reviewed and agrees with the interim financial statements for the period ended March 31, 2022, and the opinions expressed in the independent auditor's report.

9. Acknowledgments

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

The Management Board

10. Appendices

10.1 Balance sheet

BALANCE SHEET (CONSOLIDATED)		
	12.30.21	12.31.21
ASSETS	3,028.5	2,941.0
Current assets	1,690.9	1,601.0
Cash and cash equivalents	43.8	43.4
Financial investments	317.3	317.7
Trade accounts receivable	579.1	567.1
Inventories	563.9	513.3
Recoverable taxes	56.8	54.9
Income tax and social contribution recoverable	58.9	69.9
Other assets	71.1	34.7
Non-current assets	1,337.6	1,340.1
Deferred taxes	8.0	14.5
Loans to related parties	164.9	147.7
Recoverable taxes	141.2	133.2
Property, plant and equipment	599.2	617.8
Intangible assets	390.9	391.3
Long-term assets in use	5.4	8.0
Other assets	28.0	27.5
LIABILITIES	3,028.5	2,941.0
Current liabilities	884.1	844.0
Salaries, vacation and social charges	113.9	101.5
Trade accounts payable	319.3	280.4
Lease liability	6.7	9.4
Income tax and social contribution payable	27.9	35.0
Borrowings	141.9	162.8
Provisions	59.4	61.0
Other liabilities	215.0	193.9
Non-current liabilities	375.1	386.2
Borrowings	90.5	99.6
Trade accounts payable	-	0.5
Deferred taxes	11.9	14.9
Provisions	267.9	266.6
Other liabilities	4.8	4.6
Consolidated shareholder's equity	1,769.3	1,710.8
Capital stock	966.3	966.3
Revenue reserves	342.6	342.6
Special reserve	175.6	175.6
Retained earnings (accumulated deficit)	123.2	-
Proposed dividends	404.4	404.4
Other comprehensive income	39.0	28.4
Cumulative translation adjustments	(277.4)	(202.5)
Non-controlling interests	(4.4)	(4.0)

10.2 Statement of income

INCOME STATEMENT (CONSOLIDATED)	12.31.21 (a)	12.31.20 (b)	Var. (a/b)
Net sales revenue	890.0	835.0	6.6%
Cost of sales	(653.9)	(578.8)	13.1%
Gross income	236.1	256.2	-7.9%
Operating income (expenses)	(80.2)	(82.7)	-3.0%
Selling expenses	(58.0)	(52.3)	10.5%
Gains/losses on the recoverable value of accounts receivable	0.7	3.7	-64.6%
General and administrative expenses	(23.2)	(27.6)	-15.8%
Technology and product development expenses	(11.4)	(15.9)	-28.1%
Other operating income (expenses), net	(4.7)	(4.7)	-0.3%
Gains/losses on net monetary position	16.4	14.2	-42.4%
Equity in the results of investees	-	(0.1)	-100.0%
Profit before finance income and costs	155.9	173.5	-9.9%
Finance income	84.7	43.8	93.5%
Finance costs	(88.7)	(49.8)	78.0%
Income and social contribution taxes	151.9	167.5	-8.5%
Current Income tax and social contribution	(28.1)	(38.4)	-26.9%
Deferred Income tax and social contribution	(1.2)	(2.5)	-53.4%
Profit for the period	122.6	126.6	-1.8%
Attributable to: Owners of the parent	123.0	126.2	-2.8%
Attributable to: Non-controlling-interests	(0.4)	0.4	-214.5%
Basic and diluted earnings per share (in reais)	0.95908	0.98357	-2.5%

10.3 Statement of cash flows

STATEMENT OF CASH FLOWS (CONSOLIDATED)	03.31.22	03.31.21
Cash flows from operating activities		
Profit (losses) before tax	151.9	167.4
Depreciation and amortization	22.6	25.7
Equity in the results of investees	-	0.1
Interest and monetary and exchange variations, net	(11.5)	20.0
Losses/(gains) on derivative financial instruments	(4.0)	3.7
Result on disposal of property, plant and equipment	0.1	0.0
Provision (reversal) for impairment of trade receivables	(1.2)	(3.1)
Provision (reversal) for contingencies and legal obligations	3.4	0.8
Provision (reversal) for guarantees	(0.7)	2.0
Other provisions (reversal)	(0.5)	3.4
Recognition (reversal) of provision for impairment of the property, plant and equipment and intangible assets	(0.2)	(0.0)
Provision (reversal) for losses on inventories	(3.8)	(4.8)
Interest expense on lease liability	0.2	1.0
Gain / loss on monetary variation, net	(16.4)	(14.1)
Tax credits: exclusion of ICMS from PIS and COFINS tax calculation basis	(9.7)	-
Changes in assets and liabilities		
Trade accounts receivable and related parties	(10.6)	(95.1)
Inventories	(44.4)	(62.6)
Recoverable taxes	13.3	(9.8)
Other assets	(13.8)	(13.5)
Trade accounts payable and related parties	36.0	81.0
Salaries, accrual for vacation and social charges	12.4	27.6
Taxes and contributions payable	(9.5)	(7.5)
Other liabilities	6.9	2.4
Cash from operations	120.5	124.6
Income tax and social contribution paid	(22.9)	(25.1)
Net cash used in operating activities	97.6	99.5
Net Cash from Investment Activities		
Loans granted to related subsidiaries	(365.3)	(360.1)
Loan repayments received from related parties	323.5	326.6
Additions to property, plant and equipment	(14.8)	(17.8)
Additions to intangible assets	-	(0.1)
Proceeds from sales of property, plant and equipment	0.0	0.0
Net Cash from Financing Activities	(14.1)	(325.1)
Repayment of principal of loans	(9.2)	(302.6)
Payment of interest on loans	(1.8)	(20.0)
Dividends and interest on capital paid	(0.0)	0.7
Repayment of the principal of the lease liability	(3.1)	(3.2)
Effect of foreign exchange variation on cash and cash equivalents	(26.9)	4.7
Net increase in cash and cash equivalents	(0.0)	(272.3)
Cash and cash equivalents at the beginning of the period	361.1	607.8
Cash and cash equivalents at the end of the period	361.1	335.5
Net increase in cash and cash equivalents	(0.0)	(272.3)