

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Quarterly information (ITR)
on March 31, 2022

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. – Brasília
5 p.m. – London
12 noon – New York

Webcast in Portuguese
(original)

[CLICK HERE](#)

Webcast in English
(simultaneous
translation)

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

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**MAHLE's Investor
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<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.

Key indicators					
(in millions of R\$)	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.

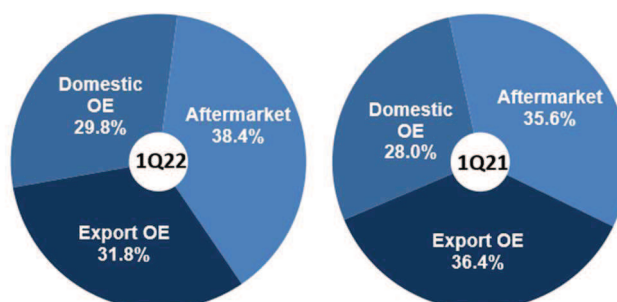
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For example, the new car market in Brazil continues to be severely hampered by the shortage of semiconductors. We will continue to monitor the economic outlook and financial developments in Brazil and globally. According to the Brazilian Association 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

Brazilian automotive industry												
Segments	Jan-Mar 2022					Jan-Mar 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	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%.

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Export market:

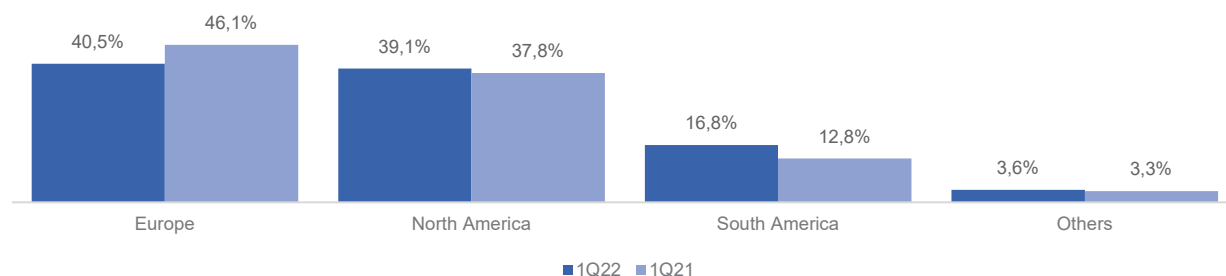
The export market grew by +34.0% in 1Q22 compared with 1Q21, driven by a volume/price increase of +39.1% offset by negative effects of movements in exchange rates of -5.1%.

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:



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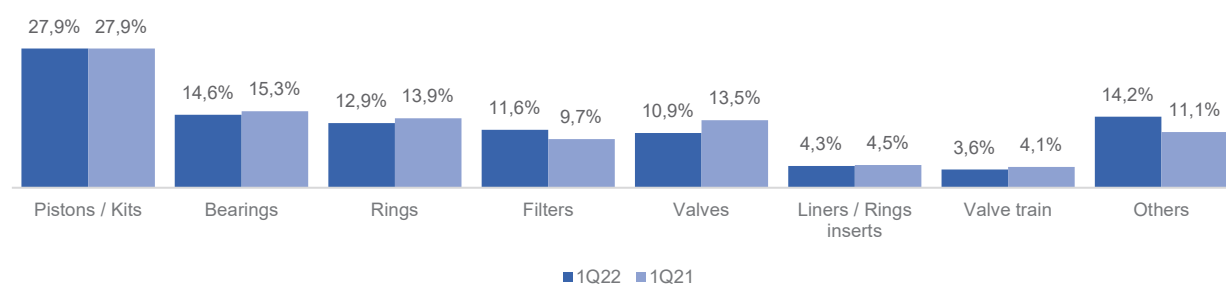
4.5 Net revenue by segment

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.

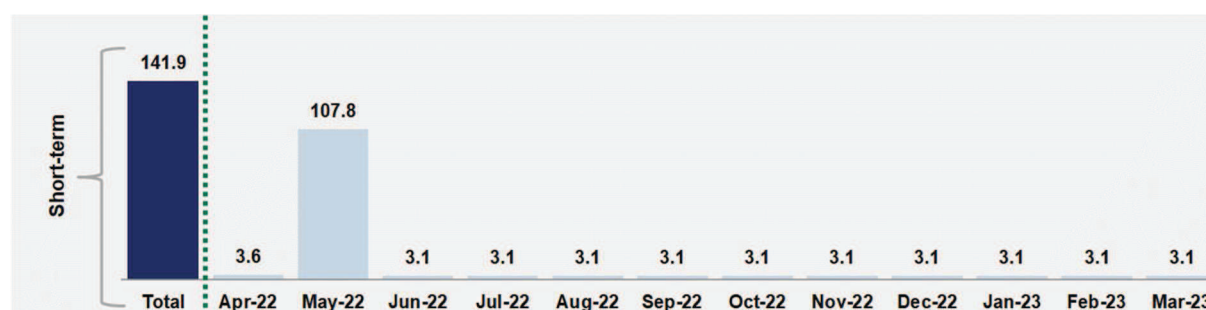
4.16 Net cash

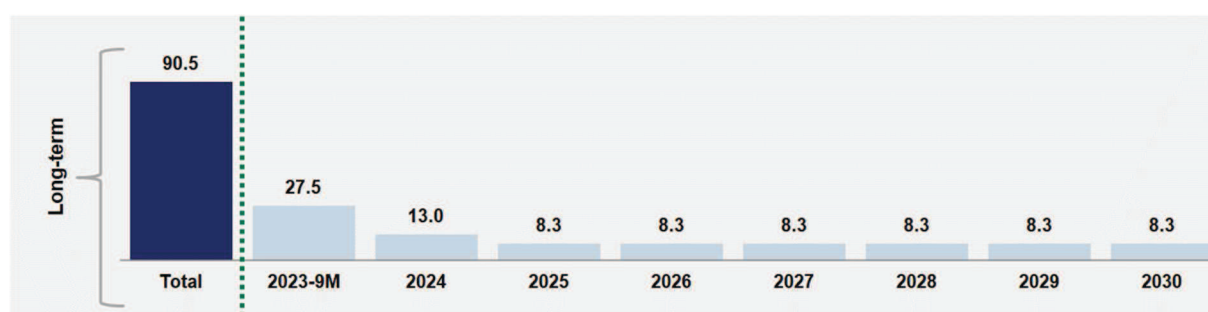
The Company reported net cash of R\$ 293.5 million at the end of 1Q22 and of R\$ 246.4 million at the end of 2021, as shown in the table below:

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		

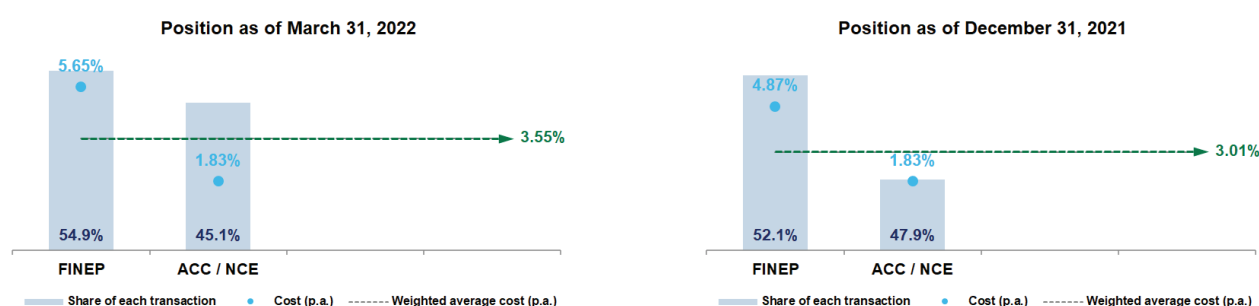
The Company continuously monitors liquidity risk by managing cash, financial investments, and bank loans. The Company also has pre-approved lines of credits that can be drawn upon as needed.

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/acoef/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.

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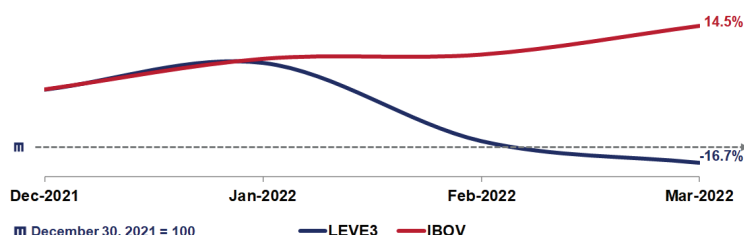
6. Investor Relations and Capital Market

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:

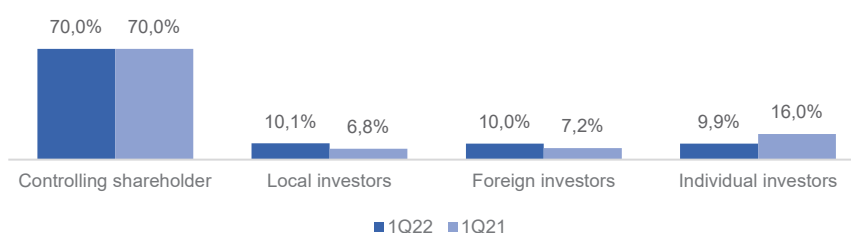


¹ IBOVESPA is a major stock market index which tracks the performance of the most liquid stocks traded on Brazil's Stock Exchange B3 - Brasil, Bolsa, Balcão.

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 Independentes to perform non-audit services, and there is, therefore, no situation that could constitute conflict of interest under that Instruction. Page | 16

8. Executive Board's Declaration

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



KPMG Auditores Independentes Ltda.
Av. Coronel Silva Teles, 977, 10º andar, Conjuntos 111 e 112 - Cambuí
Edifício Dahruj Tower
13024-001 - Campinas/SP - Brasil
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Independent Auditors' Report on Review of Interim Financial Statements

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

To the Management and Shareholders of the

MAHLE Metal Leve S.A.

Mogi Guaçu - SP

Introduction

We have reviewed the individual and consolidated interim financial information of MAHLE Metal Leve S.A. ("the Company"), included in the Quarterly Information Form (ITR), for the quarter as at March 31, 2022, which comprises the balance sheet as of March 31, 2022 and the respective statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes, comprising significant accounting policies and other explanatory information ("the (individual and consolidated) interim financial statements").

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

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

Scope of review

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

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information referred above do not present fairly, in all material respects, in accordance with CPC 21(R1) and the IAS 34, issued by IASB, applicable to the preparation of the Quarterly Information and presented in accordance with the rules issued by *Comissão de Valores Mobiliários (CVM)*.

Other matters - Statements of value added

The individual and consolidated interim financial information, related to statements of value added (DVA) for the three-month period ended March 31, 2022, prepared under the responsibility of the Company's management, and presented as supplementary information for the purposes of IAS 34, were submitted to the same review procedures followed together with the review of the Company's interim financial information. In order to form our conclusion, we evaluated whether these statements are reconciled to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - *Demonstração do Valor Adicionado*. Based on our review, nothing has come to our attention that causes us to believe that the accompanying statements of value added are not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole

Campinas, May 10, 2022

KPMG Auditores Independentes
CRC 2SP014428/O-6

Original report in Portuguese signed by

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

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Quarterly information (ITR)
on March 31, 2022

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Quarterly information (ITR) on March 31, 2022

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MAHLE Metal Leve S.A.

Balance sheet at March 31, 2022 and December 31, 2021

All amounts in thousands of reais

(A free translation of the original in Portuguese)

Assets	Note	Parent company		Consolidated	
		03.31.2022	12.31.2021	03.31.2022	12.31.2021
Cash and cash equivalents	6	305,420	273,927	361,049	361,089
Trade and related-party receivables	7	468,683	453,230	579,118	567,080
Inventories	8	437,028	358,086	563,897	513,269
Taxes recoverable	9	49,267	46,918	56,776	54,926
Income tax and social contribution recoverable	9	35,286	47,358	58,899	69,939
Dividends and interest on capital receivable	10	109,841	132,095	-	-
Unrealized gains on derivative financial instruments	31	27,595	3,692	29,299	5,845
Other assets		23,571	17,750	41,819	28,838
Total current assets		1,456,691	1,333,056	1,690,857	1,600,986
Taxes recoverable	9	135,401	126,131	141,183	133,190
Loans to related parties	10	29,300	32,628	164,935	147,745
Deferred income tax and social contribution	11.b	7,989	14,459	7,989	14,459
Other assets		24,845	23,340	28,047	27,526
Total long-term assets		197,535	196,558	342,154	322,920
Investments in subsidiaries	12	342,587	345,747	-	-
Property, plant and equipment	13	530,607	535,286	599,221	617,849
Rights-of-use assets	13	5,435	7,465	5,435	7,982
Intangible assets	14	390,817	391,221	390,874	391,303
		1,269,446	1,279,719	995,530	1,017,134
Total non-current assets		1,466,981	1,476,277	1,337,684	1,340,054
Total assets		2,923,672	2,809,333	3,028,541	2,941,040

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

MAHLE Metal Leve S.A.

Balance sheet at March 31, 2022 and December 31, 2021

All amounts in thousands of reais

(A free translation of the original in Portuguese)

Liabilities		Parent company		Consolidated	
		03.31.2022	12.31.2021	03.31.2022	12.31.2021
Dividends and interest on capital payable	10	126,000	126,024	126,000	126,024
Trade and related-party payables	15	261,352	206,304	319,305	280,400
Taxes and contributions payable	16	23,959	29,457	27,944	35,005
Income tax and social contribution payable	16	4,967	-	14,872	10,921
Borrowings	17.a	141,891	162,756	141,891	162,756
Lease liabilities	17.b	6,714	8,827	6,714	9,368
Salaries, vacation pay and social charges	18	104,069	89,520	113,912	101,532
Sundry provision	19	45,445	45,236	49,661	50,195
Provisions for warranties	20	9,037	9,991	9,759	10,835
Unrealized losses on derivative financial instruments	31	11,819	8,652	11,819	8,652
Advance from customers		16,620	16,975	16,710	17,077
Other liabilities		42,182	28,267	45,566	31,230
Total current liabilities		794,055	732,009	884,153	843,995
Deferred income tax and social contribution	11.b	-	-	11,939	14,925
Borrowings	17.a	90,453	99,624	90,453	99,624
Lease liabilities	17.b	-	450	-	450
Provisions for contingencies and judicial deposits linked to judicial proceedings	21	260,568	257,848	267,894	266,619
Other liabilities		4,883	4,597	4,829	4,624
Total non-current liabilities		355,904	362,519	375,115	386,242
Total liabilities		1,149,959	1,094,528	1,259,268	1,230,237
Equity	22				
Share capital		966,255	966,255	966,255	966,255
Revenue reserves		342,594	342,594	342,594	342,594
Special reserves		175,572	175,572	175,572	175,572
Other comprehensive income		(238,317)	(174,044)	(238,317)	(174,044)
Retained earnings		123,181	-	123,181	-
Proposed additional dividends		404,428	404,428	404,428	404,428
Equity attributable to the owners of the parent		1,773,713	1,714,805	1,773,713	1,714,805
Non-controlling interests		-	-	(4,440)	(4,002)
Total equity		1,773,713	1,714,805	1,769,273	1,710,803
Total liabilities and equity		2,923,672	2,809,333	3,028,541	2,941,040

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

MAHLE Metal Leve S.A.

Statement of income

Periods ended March 31, 2022 and 2021

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		03.31.2022	03.31.2021	03.31.2022	03.31.2021
Net revenue	24	731,901	663,908	890,004	834,974
Cost of sales and services	25	(569,440)	(490,214)	(653,878)	(578,761)
Gross profit		162,461	173,694	236,126	256,213
Selling expenses and distribution	26	(46,004)	(42,639)	(57,962)	(52,349)
General and administrative expenses	27	(20,162)	(24,611)	(23,183)	(27,554)
Technology and product development costs	28	(10,068)	(14,151)	(11,420)	(15,875)
Impairment of trade receivables	7	(20)	3,016	668	3,739
Other income (expenses)	30	(2,849)	(4,012)	(4,714)	(4,725)
Gain on monetary items, net	34	27,031	20,317	16,386	14,102
Profit before finance income (costs) and taxation		110,389	111,614	155,901	173,551
Finance income	29	66,212	25,023	84,691	43,759
Finance costs	29	(71,117)	(34,849)	(88,668)	(49,801)
Finance income (costs), net	29	(4,905)	(9,826)	(3,977)	(6,042)
Participação nos lucros das empresas investidas por equivalência patrimonial, líquida de impostos	12	44,217	52,403	-	(62)
Profit before taxation		149,701	154,191	151,924	167,447
Current income tax and social contribution	11.a	(25,723)	(26,982)	(28,138)	(38,358)
Deferred income tax and social contribution	11.a	(920)	(1,008)	(1,166)	(2,506)
Income tax and social contribution		(26,643)	(27,990)	(29,304)	(40,864)
Profit for the period		123,058	126,201	122,620	126,583
Profit attributable to:	23				
Owners of the parent				123,058	126,201
Non-controlling interests				(438)	382
Profit for the period				122,620	126,583
Basic and diluted earnings per share (in reais)		0.95908	0.98357	0.95908	0.98357

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

MAHLE Metal Leve S.A.

Statement of comprehensive income Periods ended March 31, 2022 and 2021

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
Note	03.31.2022	03.31.2021	03.31.2022	03.31.2021
Profit for the period	123,058	126,201	122,620	126,583
Comprehensive income				
Items that will be reclassified to profit or loss				
Change in cash flow hedge, net	22.b 16,327	(4,123)	16,327	(4,123)
Income tax and social contribution on cash flow hedge	22.b (5,551)	1,402	(5,551)	1,402
Cumulative translation adjustments	(74,926)	3,750	(74,926)	3,750
Subtotal comprehensive income	(64,150)	1,029	(64,150)	1,029
Total comprehensive income for the period, net of income tax and social contribution	58,908	127,230	58,470	127,612
Comprehensive income attributable to:				
Owners of the parent			58,908	127,230
Non-controlling interests			(438)	382
Total comprehensive income			58,470	127,612

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

MAHLE Metal Leve S.A.

Statement of changes in equity
Periods ended March 31, 2022

All amounts in thousands of reais

(A free translation of the original in Portuguese)

Attributable to owners of the parent													
Note	Revenue reserves					Other comprehensive income				Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Share capital	Legal reserve	Reserve for expansion and modernization	Special reserve	Proposed additional dividends	Total	Carrying value adjustments	Cumulative translation adjustments	Total				
At December 31, 2021	966,255	184,833	157,761	175,572	404,428	922,594	28,358	(202,402)	(174,044)	-	1,714,805	(4,002)	1,710,803
Profit for the period	-	-	-	-	-	-	-	-	-	123,058	123,058	(438)	122,620
Other comprehensive income													
Cumulative translation adjustments	22	-	-	-	-	-	-	(74,926)	(74,926)	-	(74,926)	-	(74,926)
Financial instrument adjustments	22	-	-	-	-	-	16,327	-	16,327	-	16,327	-	16,327
Taxes on financial instrument adjustments	22	-	-	-	-	-	(5,551)	-	(5,551)	-	(5,551)	-	(5,551)
Realization of deemed cost, net	22	-	-	-	-	-	(123)	-	(123)	123	-	-	-
At March 31, 2022	966,255	184,833	157,761	175,572	404,428	922,594	39,011	(277,328)	(238,317)	123,181	1,773,713	(4,440)	1,769,273

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

MAHLE Metal Leve S.A.

Statement of changes in equity
Periods ended March 31, 2021

All amounts in thousands of reais

(A free translation of the original in Portuguese)

		Attributable to owners of the parent													
		Revenue reserves				Other comprehensive income									
	Note	Share capital	Legal reserve	Reserve for expansion and modernization	Special reserve	Proposed additional dividends	Total	Carrying value adjustments	Cumulative translation adjustments	Total	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity	
At January 1st, 2021		966,255	156,490	157,761	175,572	48,581	538,404	20,927	(177,630)	(156,703)	-	1,347,956	(5,969)	1,341,987	
Equity transactions with shareholders															
Prescribed dividends and interest on capital		-	-	-	-	-	-	-	-	-	16	16	-	16	
Profit for the period		-	-	-	-	-	-	-	-	-	126,201	126,201	382	126,583	
Other comprehensive income															
Cumulative translation adjustments	22	-	-	-	-	-	-	-	3,750	3,750	-	3,750	-	3,750	
Financial instrument adjustments	22	-	-	-	-	-	-	(4,123)	-	(4,123)	-	(4,123)	-	(4,123)	
Taxes on financial instrument adjustments	22	-	-	-	-	-	-	1,402	-	1,402	-	1,402	-	1,402	
Realization of deemed cost, net	22	-	-	-	-	-	-	(134)	-	(134)	134	-	-	-	
At March 31, 2021		966,255	156,490	157,761	175,572	48,581	538,404	18,072	(173,880)	(155,808)	126,351	1,475,202	(5,587)	1,469,615	

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

MAHLE Metal Leve S.A.

Statement of cash flows

Periods ended March 31, 2022 and 2021

All amounts in thousands of reais

(A free translation of the original in Portuguese)

		Parent company		Consolidated	
		03.31.2022	03.31.2021	03.31.2022	03.31.2021
Cash flows from operating activities	Note				
Profit before taxation		149,701	154,191	151,924	167,447
Adjustments for:					
Depreciation and amortization		21,583	24,700	22,577	25,692
Equity in the results of investees	12	(44,217)	(52,403)	-	62
Interest and foreign exchange and monetary variations, net		20,233	5,902	(11,512)	19,994
Unrealized (losses) gains on derivative financial instruments		(4,409)	4,042	(3,960)	3,685
Results on disposal of property, plant and equipment		73	13	77	13
Recognition (reversal) of provision for impairment of trade receivables	7	(204)	(2,550)	(1,155)	(3,087)
Recognition (reversal) of provision for tax and other contingencies	21	3,160	2,317	3,364	837
Recognition (reversal) of provisions for warranties		(714)	1,979	(689)	2,030
Recognition (reversal) of sundry provision		209	2,864	(534)	3,400
Recognition (reversal) of provision for impairment of property, plant and		(194)	(24)	(194)	(24)
Recognition (reversal) of provision for inventory loss	8	228	(6,830)	(3,782)	(4,751)
Interest expense on lease liability	17.b	153	935	155	959
Gain on net monetary position	34	(27,031)	(20,317)	(16,386)	(14,102)
ICMS credit based on PIS and COFINS		(9,674)	-	(9,678)	-
(Increase) decrease in assets					
Trade and related-party receivables		(14,983)	(70,746)	(10,617)	(95,106)
Inventories		(76,702)	(49,057)	(44,401)	(62,634)
Taxes recoverable		10,647	(5,032)	13,275	(9,789)
Other assets		(7,592)	(5,010)	(13,768)	(13,538)
Increase (decrease) in liabilities					
Trade and related-party payables		52,160	63,243	36,018	81,039
Salaries, vacation pay and social charges		14,549	25,099	12,380	27,596
Taxes and contributions payable		(5,498)	(8,858)	(9,514)	(7,492)
Other liabilities		7,070	3,332	6,933	2,400
Cash from operations		88,548	67,790	120,513	124,631
Income tax and social contribution paid		(20,018)	(23,981)	(22,872)	(25,072)
Net cash provided by operating activities		68,530	43,809	97,641	99,559
Cash flows from investing activities					
Loans granted to subsidiaries		(300)	(845)	(365,349)	(360,102)
Loan repayments received from subsidiaries		-	-	323,498	326,644
Additions to property, plant and equipment	13	(13,952)	(15,380)	(14,832)	(17,822)
Additions to intangible assets	14	-	(96)	-	(96)
Proceeds from sale of property, plant and equipment		23	17	23	17
Net cash used in investing activities		(14,229)	(16,304)	(56,660)	(51,359)
Cash flows from financing activities					
Repayment of principal of borrowings	17.a	(9,171)	(302,624)	(9,171)	(302,624)
Repayment of interest on borrowings	17.a	(1,770)	(20,023)	(1,770)	(20,023)
Repayment of the principal and interest on the lease liability	17.b	(2,716)	(2,784)	(3,145)	(3,208)
Dividends and interest on capital paid	10	(24)	663	(24)	663
Net cash provided by (used in) financing activities		(13,681)	(324,768)	(14,110)	(325,192)
Effect of foreign exchange variation on cash and cash equivalents		(9,127)	4,612	(26,911)	4,703
Increase (reduction) in cash and cash equivalents, net		31,493	(292,651)	(40)	(272,289)
Represented by:					
Cash and cash equivalents at the beginning of the period		273,927	557,868	361,089	607,835
Cash and cash equivalents at the end of the period	6	305,420	265,217	361,049	335,546
Increase (reduction) in cash and cash equivalents, net		31,493	(292,651)	(40)	(272,289)

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

MAHLE Metal Leve S.A.

Statement of value added

Periods ended March 31, 2022 and 2021

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	03.31.2022	03.31.2021	03.31.2022	03.31.2021
Gross revenue	933,568	862,016	1,080,177	1,025,641
Sales of goods, products and services	907,106	838,679	1,062,730	1,006,897
Other revenue	26,217	20,321	17,196	15,828
Provision for impairment of trade receivables	245	3,016	251	2,916
Inputs acquired from third parties	(543,969)	(461,948)	(630,268)	(544,578)
(Includes amounts of taxes: ICMS, IPI, PIS and COFINS)				
Cost of sales and services	(310,679)	(265,930)	(385,713)	(334,369)
Materials, energy, outsourced services and other	(231,889)	(201,569)	(243,081)	(217,438)
Impairment/recovery of assets	(1,401)	5,551	(1,474)	7,229
Gross value added	389,599	400,068	449,909	481,063
Depreciation and amortization	(21,583)	(24,700)	(22,577)	(25,692)
Net value added generated by the company	368,016	375,368	427,332	455,371
Value added received through transfer	110,429	77,426	84,691	43,697
Equity in the results of investees	44,217	52,403	-	(62)
Finance income	66,212	25,023	84,691	43,759
Total value added to distribute	478,445	452,794	512,023	499,068
Distribution of value added	478,445	452,794	512,023	499,068
Personnel	145,357	140,664	157,470	156,887
Taxes and contributions	134,985	148,245	137,840	161,587
Capital providers	75,045	37,684	94,093	54,011
Interest	2,291	8,045	3,093	8,475
Rentals	3,981	2,886	4,230	3,190
Foreign exchange, monetary and other variations	68,773	26,753	86,770	42,346
Shareholders	123,058	126,201	122,620	126,583
Retained earnings	123,058	126,201	123,058	126,201
Share of non-controlling interests of retained earnings	-	-	(438)	382

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

1. Operations

a) General information

MAHLE Metal Leve S.A. (the Company) is an entity domiciled in Brazil. The registered address of the Company's head office is Ernst Mahle Avenue, number 2000, Zip Code 13.846.146, Mogi Guaçu, São Paulo. The Company's consolidated (consolidated) and separate (parent company) financial statements for the periods ended March 31, 2022, and 2021 includes the Company and its subsidiaries (referred to collectively as the Group).

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

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

b) Main events during the period and their impacts on the Company's financial statements

Russia-Ukraine conflict

The Company is 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 global supply chains that have been hit by the COVID-19 pandemic.

Supply chain management is essential to the Company. Supply chain risk management also includes a list of backup suppliers that the Company can use in case of a disruption of service from its current suppliers.

The Company will continue to monitor the developments of the conflict and the potential impacts on its operations, customers and suppliers. On March 31, 2022, the Company does not have any material assets or liabilities exposed to Russia, Belarus and Ukraine; hence, no material accounting impact has been identified up to the date these interim financial statements were authorized for issue.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

2. Entities of the Group (subsidiaries)

	Country	Ownership percentage (%)			
		03.31.2022		12.31.2021	
		Direct	Indirect	Direct	Indirect
<u>Subsidiaries</u>					
MAHLE Argentina S.A.	Argentina	99.2	0.8	99.2	0.8
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	Brazil	60	-	60	-
MAHLE Metal Leve GmbH	Austria	100	-	100	-
MAHLE Hirschvogel Forjas S.A.	Brazil	51	-	51	-

3. Basis of preparation

a. *Statement of compliance with respect to IFRS and CPC standards*

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

In addition, the quarterly information does not include all annual financial statement requirements and, therefore, it should be read together with the parent company and consolidated financial statements of MAHLE Metal Leve S.A. on December 31, 2021.

The preparation of quarterly information requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of MAHLE Metal Leve S.A.. There have been no changes in assumptions and judgments made by management relating to the use of estimates to prepare this quarterly information in relation to those applied in the financial statements on December 31, 2021, as disclosed on March 08, 2022.

The issuance of the parent company and consolidated financial statements was authorized by the Company's Board of Directors on May 10, 2022. Only the shareholders have the power to amend the financial statements after issuance.

4. Changes in accounting policies and disclosures

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

5. Segment reporting

1) Operating segments

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

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

Statement of income	Consolidated					
	03.31.2022			03.31.2021		
	Engine components	Filters	Consolidated	Engine components	Filters	Consolidated
Gross operating revenue	977,281	142,525	1,119,806	936,701	115,583	1,052,284
Deductions from sales	(190,074)	(39,728)	(229,802)	(183,103)	(34,207)	(217,310)
Net operating revenue	787,207	102,797	890,004	753,598	81,376	834,974
Cost of sales	(567,143)	(86,735)	(653,878)	(516,519)	(62,242)	(578,761)
Gross profit	220,064	16,062	236,126	237,079	19,134	256,213
Selling and distribution expenses and Impairment losses on accounts receivable	(49,093)	(8,201)	(57,294)	(42,670)	(5,940)	(48,610)
Administrative expenses	(20,303)	(2,880)	(23,183)	(24,298)	(3,256)	(27,554)
Technology research costs	(8,755)	(2,665)	(11,420)	(13,344)	(2,531)	(15,875)
Other operating income (expenses)	(5,328)	614	(4,714)	(8,343)	3,618	(4,725)
Equity in the results of investees	-	-	-	(62)	-	(62)
Gains on net monetary variation	15,456	930	16,386	14,102	-	14,102
Finance income	80,435	4,256	84,691	41,758	2,001	43,759
Finance costs	(82,382)	(6,286)	(88,668)	(46,588)	(3,213)	(49,801)
Profit before income tax and social contribution	150,094	1,830	151,924	157,634	9,813	167,447
Income tax and social contribution	(28,682)	(622)	(29,304)	(37,525)	(3,339)	(40,864)
Profit for the period	121,412	1,208	122,620	120,109	6,474	126,583
Non-controlling interests	93	345	438	(472)	90	(382)
Profit for the period	121,505	1,553	123,058	119,637	6,564	126,201

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

Balance sheet accounts	Consolidated					
	03.31.2022			03.31.2021		
	Engine components	Filters	Consolidated	Engine components	Filters	Consolidated
Reportable segment assets	2.866.044	162.497	3.028.541	2.749.670	191.370	2.941.040
Capital expenditures	13.598	4.122	17.720	66.505	19.119	85.624

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

2) Distribution by geographic area

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

Net operating revenue is distributed as follows:

Sales per country	Consolidated			
	1Q2022	%	1Q2021	%
Domestic market (Brazil and Argentina)	527,802	59.3%	471,485	56.5%
Brasil	467,541	52.5%	422,921	50.7%
Argentina	60,261	6.8%	48,564	5.8%
Mercado externo	362,202	40.7%	363,489	43.5%
EUA	85,835	9.6%	62,823	7.5%
México	48,120	5.4%	65,956	7.9%
Itália	30,854	3.5%	35,628	4.3%
Alemanha	44,679	5.0%	47,274	5.7%
Espanha	17,717	2.0%	21,375	2.6%
Suécia	9,206	1.0%	18,987	2.3%
França	14,037	1.6%	16,106	1.9%
Portugal	9,095	1.0%	12,842	1.5%
Canadá	4,707	0.5%	6,797	0.8%
Chile	6,154	0.7%	5,603	0.7%
Paraguai	6,352	0.7%	5,375	0.6%
Peru	7,204	0.8%	4,030	0.5%
Bolívia	2,657	0.3%	3,037	0.4%
China	1,736	0.2%	2,708	0.3%
Uruguai	2,019	0.2%	1,862	0.2%
Índia	2,510	0.3%	3,036	0.4%
Reino Unido	4,055	0.5%	2,708	0.3%
Outros	65,265	7.4%	47,342	5.6%
Total	890,004	100%	834,974	100%

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

6. Cash and cash equivalents

	Parent company		Consolidated	
	03.31.2022	12.31.2021	03.31.2022	12.31.2021
R\$	3,048	3,394	3,226	3,532
ARS (expressed in R\$)	-	-	2,784	5,831
USD (expressed in R\$)	20,213	19,197	20,213	19,197
EUR (expressed in R\$)	8,633	2,615	10,546	5,087
Cash and demand deposits	31,894	25,206	36,769	33,647
 R\$	 260,288	 242,024	 263,273	 244,879
ARS (expressed in R\$)	-	-	45,569	66,082
USD (expressed in R\$)	8,443	6,697	8,443	6,697
Financial investments	268,731	248,721	317,285	317,658
 R\$	 4,795	 -	 4,795	 -
ARS (expressos em R\$)	-	-	551	295
USD (expressos em R\$)	-	-	1,649	6,302
EUR (expressos em R\$)	-	-	-	3,187
Cash in transit	4,795	-	6,995	9,784
	305,420	273,927	361,049	361,089

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

Financial investments have made as follows:

- BRL – Certificates of bank deposit (CDBs) and resale agreements (100.0%) – These investments accrue interest, on average, at 101.1% p.a. (101,1% p.a on December 31, 2021) of the CDI and are held only with Brazilian top-tier banks.
- ARS – Investment funds without grace periods and fixed-income investments with a term of thirty days, which carry average interest of 37% p.a. (34% p.a. on December 31, 2021) (BADLAR – Interest rate for term deposits).
- USD - Certificate deposits and Time deposits – These investments accrue interest, on average, at 0.4% p.a. (0,12% p.a. on December 31, 2021), are short-term and have original maturities of less than three months.

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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

7. Trade accounts receivables and other accounts receivables

	Parent company		Consolidated	
	03.31.2022	12.31.2021	03.31.2022	12.31.2021
Market				
Domestic	299,772	287,135	299,983	287,427
Foreign	61,477	59,366	183,718	179,061
	361,249	346,501	483,701	466,488
Other accounts receivable	12,839	10,124	12,839	10,124
Provision for impairment of trade receivables	(3,731)	(4,201)	(5,451)	(6,872)
	370,357	352,424	491,089	469,740
Related parties (Note 10)	98,326	100,806	88,029	97,340
	468,683	453,230	579,118	567,080

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

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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

	Parent company		Consolidated	
	03.31.2022	12.31.2021	03.31.2022	12.31.2021
Not yet due	359,887	334,735	469,435	442,743
Past due:				
Up to 7 days	3,731	7,198	10,870	9,916
From 8 to 30 days	4,127	6,249	8,033	10,684
From 31 to 60 days	850	2,785	1,024	4,249
From 61 to 90 days	1,038	1,260	1,342	2,168
From 91 to 120 days	976	435	1,037	529
From 121 to 180 days	545	915	706	1,354
From 181 to 360 days	1,219	1,139	1,535	1,549
Over 360 days	1,715	1,909	2,558	3,420
(-) Provision for impairment of trade receivables	<u>(3,731)</u>	<u>(4,201)</u>	<u>(5,451)</u>	<u>(6,872)</u>
Total past due deducted provision	10,470	17,689	21,654	26,997
	<u>370,357</u>	<u>352,424</u>	<u>491,089</u>	<u>469,740</u>

On March 31, 2022, trade receivables of the parent company in the amount of R\$ 10,470 (December 31, 2021 - R\$ 17,689) and consolidated trade receivables on March 31, 2022 of R\$ 21,654 (December 31, 2021 - R\$ 26,997) were past due but not impaired. These relate to a number of original equipment and aftermarket customers for whom there is no recent history of default. Other past-due accounts do not pose a risk for the Company because they were settled after the date of these interim financial statements.

The table above which presents the loss provision for accounts receivable past due for more than 120 days does not include amounts of goods returned and advances from customers to reflect the economic essence of the potential loss. No provision for impairment of accounts receivable has been recognized for related parties, but there are no significant accounts.

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

	Parent company	Consolidated
At December 31, 2021	<u>(4,201)</u>	<u>(6,872)</u>
Receivables provided for in the period	(1,113)	(1,616)
Receivables reversed in the period	1,093	2,048
Receivables written off definitively	265	265
Foreign exchange variation	<u>225</u>	<u>724</u>
At March 31, 2022	<u>(3,731)</u>	<u>(5,451)</u>

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

8. Inventories

	Parent company		Consolidated	
	03.31.2022	12.31.2021	03.31.2022	12.31.2021
Finished products	196,650	154,962	271,179	249,059
Work in progress	145,492	110,584	159,406	127,335
Raw materials	72,628	58,017	84,950	76,919
Auxiliary materials	7,618	6,553	18,581	13,744
Imports in transit	14,640	27,970	29,781	46,212
	437,028	358,086	563,897	513,269

On March 31, 2022, inventory was stated net of provision for losses. These losses relate to products with a negative margin, tooling, quality issues, out-of-specification materials, obsolescence and slow-moving items in the amount of R\$ 45,026 (R\$ 44,798 on December 31, 2021) in the parent company and R\$ 58,756 (R\$ 62,538 on December 31, 2021) in the consolidated accounts.

Changes in the provision for inventory loss are as follows:

	Parent company	Consolidated
At December 31, 2021	(44,798)	(62,538)
Reversal of provision	4,560	8,609
Recognition of provision	(4,797)	(8,505)
Inventory written off definitively as loss	9	9
Foreign exchange variation	-	3,669
At March 31, 2022	(45,026)	(58,756)

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

9. Taxes recoverable and income tax and social contribution recoverable

	Parent Company		Consolidated	
	03.31.2022	12.31.2021	03.31.2022	12.31.2021
Income tax and social contribution recoverable	35,286	47,358	58,898	69,939
Value-added Tax on Sales and Services (ICMS) on purchases of fixed assets	33,026	28,449	33,062	28,484
ICMS and Excise Tax (IPI)	6,116	6,268	6,116	6,268
Import Tax	5,494	4,106	5,916	4,106
Social Contribution on Revenues (COFINS)	3,804	6,659	3,805	6,659
Social Integration Program (PIS)	817	1,427	817	1,428
I.V.A. (Argentina)	-	-	4,473	5,073
Other	10	9	2,587	2,908
Taxes recoverable	49,267	46,918	56,776	54,926
Current	84,553	94,276	115,675	124,865
ICMS credit based on PIS and COFINS	126,183	116,509	126,366	116,687
Value-added Tax on Sales and Services (ICMS) on purchases of fixed assets	9,218	9,622	9,218	9,622
Export incentive - Argentina	-	-	5,599	6,881
Non-current	135,401	126,131	141,183	133,190

(*) The Company has lawsuits to recover amounts of ICMS included in the calculation basis of PIS and COFINS.

On May 13, 2021, the Brazilian Supreme Court (STF) decided that the amount of ICMS stated in the invoice can be excluded from the basis of calculation of PIS and COFINS with retroactive effect to March 15, 2017. After the Supreme Court judged the motion for clarification of judgment and modulation of the effects of the Supreme Court decision, it was possible to have sufficient elements to reliably measure the amount of tax credit to be recovered and recognized by the Company and its subsidiary. A final and unappealable decision was issued on the Company's lawsuit on August 24, 2021.

Notes to the interim financial statements

(in thousand of reais)

10. Related parties

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

	Parent company										
	Balances at 03.31.2022						Transactions from 01.01.2022 to 03.31.2022				
	Current assets			Non-current assets	Current liabilities			Sales/revenue		Purchases	
	Receivables (Note 7)	Payment term in days (***)	Dividends and interest on capital receivable	Loan	Suppliers (Note 15)	Payment term in days (***)	Dividends and interest on capital payable	Products	Other	Products	Other
Companies											
Subsidiaries											
Direct subsidiaries											
MAHLE Metal Leve GmbH	52,348	60	109,841	-	-	-	-	93,839	1,536	-	-
MAHLE Argentina S.A.	20,673	60	-	21,572	363	60	-	36,177	835	358	-
MAHLE Filtroil Indústria e Comércio de Filtros Ltda	80	60	-	7,728	-	-	-	-	76	-	-
MAHLE Hirschvogel Forjas S.A.	16	60	-	-	-	-	-	-	22	-	-
Sub-total Controladas Diretas	73,117		109,841	29,300	363		-	130,016	2,469	358	-
Related companies											-
MAHLE Componenti Motori Italia S.p.A.	5,840	60	-	-	241	60	-	9,338	-	80	
MAHLE Behr Gerenciamento Térmico Brasil Ltda.	4,341	60	-	-	9,213	60	-	861	5,041	8,837	260
MAHLE Compressores do Brasil Ltda.	2,362	60	-	-	10,710	60	-	381	2,722	11,464	-
MAHLE Engine Components USA, Inc.	2,261	60	-	-	1,543	60	-	5,032	-	2,604	-
MAHLE Aftermarket GmbH	1,684	60	-	-	3,581	60	-	2,491	314	1,925	78
MAHLE Aftermarket Inc.	1,580	60	-	-	118	60	-	1,763	104	-	56
MAHLE International GmbH	1,507	60	-	-	15,773	60	-	-	1,131	-	10,611
MAHLE Motor Parcalari San. Izmir A.S.	1,234	60	-	-	3	-	-	1,467	-	102	-
MAHLE Aftermarket S. de R.L. de C.V.	1,057	60	-	-	-	-	-	1,582	-	-	-
MAHLE Engine Components (Chongqing) Co., Ltd.	583	60	-	-	-	-	-	758	-	-	-
MAHLE Holding (China) Co., Ltd.	513	60	-	-	139	60	-	-	-	-	11
MAHLE Engine Systems UK Ltd.	411	60	-	-	2,689	60	-	397	48	2,180	-
MAHLE Componentes de Motor de Mexico, S. de R.	383	60	-	-	1,727	60	-	471	-	5,237	-
MAHLE Filter Systems USA	379	60	-	-	40	60	-	185	211	-	-
MAHLE Indústria e Comércio Ltda.	349	60	-	-	2,006	60	74,593	-	671	509	2,531 (**)
MAHLE Industriemotoren-Komponenten GmbH	236	60	-	-	-	-	-	14	-	-	-
MAHLE Componentes de Motores S.A.	150	60	-	-	-	-	-	245	7	9	-
MAHLE Kleinmotoren-Komponenten GmbH & Co. f	105	60	-	-	-	-	-	50	-	-	-
MAHLE Engine Components (Yingkou) Co., Ltd.	80	60	-	-	-	-	-	289	-	-	-
MAHLE GmbH	43	60	-	-	4,319	60	-	58	3	1,047	4,572 (*)
MAHLE Electric Drives Slovenija d.o.o.	30	60	-	-	1,002	60	-	-	34	-	-
MAHLE France SAS	25	60	-	-	-	-	-	19	-	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	21	60	-	-	-	-	-	30	-	-	-
MAHLE Anand Filter Systems Private Limited	19	60	-	-	8	60	-	21	-	9	-
MAHLE Trading Japan Co., Ltd.	11	60	-	-	-	-	-	-	12	-	-
MAHLE Engine Components India Priv. Ltd.	5	60	-	-	2	60	-	5	-	-	1
MAHLE Industries, Inc.	-	-	-	-	924	60	-	-	-	-	-
MAHLE Aftermarket Pte. Ltd.	-	-	-	-	885	60	-	-	-	1,217	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	-	697	60	-	-	-	46	1
Mahle Automotive Technologies (China) Co., Ltd	-	-	-	-	652	60	-	-	-	-	-
MAHLE Japan Ltd.	-	-	-	-	541	60	-	-	-	-	53
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	-	401	60	-	-	-	663	-
MAHLE Aftermarket Italy S.p.A.	-	-	-	-	309	60	-	-	-	-	-
MAHLE Filter Systems Japan Corporation	-	-	-	-	131	60	-	-	-	-	-
MAHLE Componente de Motor SRL	-	-	-	-	23	60	-	-	-	54	-
MAHLE S.A.U.	-	-	-	-	22	60	-	-	-	-	-
MAHLE Filter Systems Philippines Corporation	-	-	-	-	21	60	-	-	-	-	-
MAHLE France SARL	-	-	-	-	13	60	-	-	-	-	-
MAHLE Engineering Services India Private Limited	-	-	-	-	12	60	-	-	-	-	-
MAHLE Industriebeteiligungen GmbH	-	-	-	-	-	-	12,432	-	-	-	-
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	-	-	-	-	-	-	846	-
Other	-	-	-	-	(315)	60	-	223	-	196	-
Total related companies	25,209		-	-	57,430		87,025	25,680	10,298	37,025	18,174
Total related parties	98,326		109,841	29,300	57,793		87,025	155,696	12,767	37,383	18,174

* Brand license of RS 3,742

** Rent of RS 2,531

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

Notes to the interim financial statements

(in thousand of reais)

	Parent company										
	Balances at 12.31.2021						Transactions from 01.01.2021 to 03.31.2021				
	Current assets			Non-current assets	Current liabilities			Sales/revenue		Purchases	
	Receivables (Note 7)	Payment term in days (***)	Dividends and interest on capital receivable	Loan	Suppliers (Note 15)	Payment term in days (***)	Dividends and interest on capital payable	Products	Other	Products	Other
Companies											
Subsidiaries											
Direct subsidiaries											
MAHLE Metal Leve GmbH	54,157	60	132,095	-	-	-	-	114,453	12	-	-
MAHLE Argentina S.A.	20,175	60	-	25,109	68	60	-	17,040	820	-	-
MAHLE Filtröil Indústria e Comércio de Filtros Ltd.	53	60	-	7,519	-	-	-	-	66	-	-
MAHLE Hirschvogel Forjas S.A.	23	60	-	-	-	-	-	-	33	-	-
Sub-total Controladas Diretas	74,408		132,095	32,628	68		-	131,493	931	-	-
Related companies											-
MAHLE Engine Components USA, Inc.	7,095	60	-	-	828	60	-	6,643	-	556	-
MAHLE Componenti Motori Italia S.p.A.	6,725	60	-	-	311	60	-	9,497	-	-	28
MAHLE Behr Gerenciamento Térmico Brasil Ltda.	2,916	60	-	-	6,319	60	-	860	4,330	6,075	257
MAHLE Compressores do Brasil Ltda.	1,932	60	-	-	4,886	60	-	584	2,647	9,562	81
MAHLE Aftermarket GmbH	1,708	60	-	-	4,945	60	-	1,581	547	911	36
MAHLE GmbH	624	60	-	-	10,527	60	-	68	87	719	4,521 (*)
MAHLE International GmbH	616	60	-	-	10,890	60	-	-	605	-	9,840
MAHLE Holding (China) Co., Ltd.	604	60	-	-	189	60	-	228	-	-	112
MAHLE Motor Parcalari San. Izmir A.S.	587	60	-	-	111	60	-	825	-	451	-
MAHLE Aftermarket S. de R.L. de C.V.	502	60	-	-	-	-	-	1,406	-	-	-
MAHLE Engine Components (Yingkou) Co., Ltd.	442	60	-	-	6	60	-	702	-	-	-
MAHLE Engine Components Slovakia s.r.o.	439	60	-	-	-	-	-	37	-	-	-
MAHLE Componentes de Motor de Mexico, S. de R.	413	60	-	-	1,756	60	-	221	-	4,229	-
MAHLE France SAS	355	60	-	-	-	-	-	201	-	-	-
MAHLE Industriemotoren-Komponenten GmbH	340	60	-	-	-	-	-	35	-	-	-
MAHLE Indústria e Comércio Ltda.	228	60	-	-	1,573	60	74,593	-	536	171	2,258 (**)
MAHLE Kleinmotoren-Komponenten GmbH & Co. K	158	60	-	-	-	-	-	6	-	-	-
MAHLE Engine Components (Chongqing) Co., Ltd.	149	60	-	-	-	-	-	240	-	-	-
MAHLE Componentes de Motores S.A.	142	60	-	-	6	60	-	1,637	11	50	-
MAHLE Engine Systems UK Ltd.	111	60	-	-	2,040	60	-	-	(29)	2,007	-
MAHLE Filter Systems USA	89	60	-	-	48	60	-	-	-	-	-
MAHLE Aftermarket Inc.	87	60	-	-	127	60	-	477	104	-	38
MAHLE Trading Japan Co., Ltd.	66	60	-	-	-	-	-	-	8	289	-
MAHLE Industries, Inc.	31	60	-	-	1,089	60	-	-	12	-	66
MAHLE Anand Filter Systems Private Limited	22	60	-	-	-	-	-	21	-	-	-
MAHLE Japan Ltd.	17	60	-	-	606	60	-	-	13	-	161
MAHLE Filtersysteme Austria GmbH	1	60	-	-	226	60	-	-	-	433	-
MAHLE Aftermarket Pte. Ltd.	-	-	-	-	1,197	60	-	23	-	1,816	-
MAHLE Aftermarket Italy S.p.A.	-	-	-	-	1,162	60	-	-	-	5	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	-	883	60	-	-	-	24	17
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	-	882	60	-	-	-	-	-
Mahle Automotive Technologies (China) Co., Ltd	-	-	-	-	766	60	-	-	-	-	149
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	-	680	60	-	-	37	695	-
MAHLE Electric Drives Slovenija d.o.o.	-	-	-	-	461	60	-	-	29	841	-
MAHLE Polska Sp. z o.o.	-	-	-	-	389	60	-	-	-	-	-
MAHLE Filtersysteme GmbH	-	-	-	-	293	60	-	-	-	-	18
MAHLE Filter Systems Japan Corporation	-	-	-	-	141	60	-	-	-	124	-
MAHLE Shared Services Mexico S. de R.L. de C.V.	-	-	-	-	85	60	-	-	-	-	-
MAHLE Componente de Motor SRL	-	-	-	-	53	60	-	-	-	129	-
MAHLE S.A.U.	-	-	-	-	26	60	-	-	-	275	-
MAHLE France SARL	-	-	-	-	19	60	-	-	-	-	-
MAHLE Engineering Services India Private Limited	-	-	-	-	14	60	-	-	-	-	-
MAHLE Industrial Thermal Systems GmbH & Co. K	-	-	-	-	14	60	-	-	-	-	-
MAHLE Composants Moteur France SAS	-	-	-	-	9	60	-	(9)	-	2	-
MAHLE Vöcklabruck GmbH	-	-	-	-	2	60	-	-	-	-	-
MAHLE Holding (India) Private Limited	-	-	-	-	1	60	-	-	(7)	-	-
Innoferm Tecnologia Ltda.	-	-	-	-	-	-	-	-	-	-	-
MAHLE Engine Components USA, Inc.	-	-	-	-	-	-	-	-	-	-	-
MAHLE Filtre Sistemleri A.S.	-	-	-	-	-	-	-	-	267	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	-	-	-	-	-	-	-	367	-	-	-
MAHLE Motorsports Inc	-	-	-	-	-	-	-	8	-	-	-
MAHLE Industriebeteiligungen GmbH	-	-	-	-	-	-	12,432	-	-	-	-
Other	(1)	60	-	-	-	-	-	105	-	322	-
Total related companies	26,398		-	-	53,560		87,025	25,763	9,197	29,686	17,582
Total related parties	100,806		132,095	32,628	53,628		87,025	157,256	10,128	29,686	17,582

* Brand license of R\$ 3,193

** Rent of R\$ 2,258

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

	Consolidated									
	Balances at 03.31.2022					Transactions from 01.01.2021 to 03.31.2022				
	Current assets		Non-current assets	Current liabilities			Sales/revenue		Purchases	
	Receivables	Payment term in days		Suppliers	Payment term in days	Dividends and interest on capital payable	Products	Other	Products	Other
	(Note 7)	(***)	Loan	(Note 15)	(***)					
Related companies										
MAHLE Aftermarket GmbH	16,107	60	-	4,278	60	-	22,419	314	2,501	78
MAHLE Componenti Motori Italia S.p.A.	15,165	60	-	488	60	-	28,066	-	80	-
MAHLE Componentes de Motor de Mexico, S. de R.L. de C.V.	13,508	60	-	1,776	60	-	16,343	-	5,237	-
MAHLE France SAS	6,777	60	-	-	-	-	10,239	-	-	-
MAHLE Componentes de Motores S.A.	5,510	60	-	-	-	-	7,888	7	9	-
MAHLE Engine Components USA, Inc.	5,247	60	-	2,991	60	-	9,158	-	2,604	96
MAHLE Behr Gerenciamiento Térmico Brasil Ltda.	4,481	60	-	10,977	60	-	897	5,041	11,039	260
MAHLE Aftermarket S. de R.L. de C.V.	4,008	60	-	-	-	-	6,228	-	-	-
MAHLE Motor Parcalari San. Izmir A.S.	3,014	60	-	3	60	-	3,913	-	102	-
MAHLE Compressores do Brasil Ltda.	2,362	60	-	10,710	60	-	381	2,722	11,464	-
MAHLE Vöcklabruck GmbH	1,786	60	-	-	-	-	(48)	-	-	-
MAHLE Aftermarket Inc.	1,775	60	-	118	60	-	2,155	104	-	56
MAHLE International GmbH	1,507	60	-	22,727	60	-	-	1,131	-	10,967
MAHLE Industriemotoren-Komponenten GmbH	1,503	60	-	265	60	-	1,466	-	-	-
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	1,267	60	-	26	60	-	2,025	-	-	23
MAHLE Engine Components (Thailand) Co., Ltd.	665	60	-	-	-	-	731	-	-	-
MAHLE Engine Components (Chongqing) Co., Ltd.	583	60	-	-	-	-	758	-	-	-
MAHLE Holding (China) Co., Ltd.	513	60	-	139	60	-	-	-	-	11
MAHLE Engine Systems UK Ltd.	411	60	-	2,689	60	-	397	48	2,180	-
MAHLE Filter Systems USA	379	60	-	40	60	-	185	211	-	-
MAHLE Indústria e Comércio Ltda.	349	60	-	2,006	60	74,593	-	671	509	2,531
MAHLE GmbH	286	60	-	7,176	60	-	404	3	1,047	5,253
MAHLE Polska Sp. z o.o.	251	60	-	-	-	-	420	-	-	-
MAHLE S.A.U.	169	60	-	22	60	-	169	-	-	-
MAHLE Engine Components India Priv. Ltd.	142	60	-	2	60	-	138	-	-	1
MAHLE Engine Components Slovakia s.r.o.	103	60	-	-	-	-	359	-	-	-
MAHLE Engine Components (Yingkou) Co., Ltd.	80	60	-	-	-	-	289	-	-	-
MAHLE Electric Drives Slovenija d.o.o.	30	60	-	1,056	60	-	-	34	48	-
MAHLE Engine Components (Nanjing) Co., Ltd.	21	60	-	-	-	-	30	-	-	-
MAHLE Anand Filter Systems Private Limited	19	60	-	8	60	-	21	-	9	-
MAHLE Trading Japan Co., Ltd.	11	60	-	-	-	-	-	12	-	-
MAHLE Industries, Inc.	-	-	-	924	60	-	-	-	-	-
MAHLE Aftermarket Pte. Ltd.	-	-	-	885	60	-	-	-	1,217	-
MAHLE Industriebeteiligungen GmbH	-	-	-	766	60	12,432	-	-	-	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	697	60	-	-	-	46	1
MAHLE Engine Components USA, Inc.	-	-	-	659	60	-	-	-	-	-
Mahle Automotive Technologies (China) Co., Ltd.	-	-	-	652	60	-	-	-	-	-
MAHLE Japan Ltd.	-	-	-	541	60	-	-	-	-	53
MAHLE Aftermarket Italy S.p.A.	-	-	-	402	60	-	-	-	-	-
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	401	60	-	-	-	663	-
MAHLE Filter Systems Japan Corporation	-	-	-	131	60	-	-	-	-	-
MAHLE Filtersysteme Austria GmbH	-	-	-	97	60	-	-	-	196	92
MAHLE Holding Austria GmbH	-	-	164,935	24	60	-	-	-	-	-
MAHLE Componente de Motor SRL	-	-	-	23	60	-	-	-	53	-
MAHLE Filter Systems Philippines Corporation	-	-	-	21	60	-	-	-	-	-
MAHLE France SARL	-	-	-	13	60	-	-	-	-	-
MAHLE Engineering Services India Private Limited	-	-	-	12	60	-	-	-	-	-
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	-	-	-	-	-	846	-
Outros	-	-	-	(315)	-	-	179	-	-	-
Total related companies	88,029		164,935	73,430		87,025	115,210	10,298	39,850	19,422
Total related parties	88,029		164,935	73,430		87,025	115,210	10,298	39,850	19,422

* Brand license of R\$ 4,018

** Rent of R\$ 2,531

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

Notes to the interim financial statements

(in thousand of reais)

	Consolidated									
	Balances at 12.31.2021						Transactions from 01.01.2021 to 03.31.2021			
	Current assets		Non-current assets		Current liabilities		Sales/revenue		Purchases	
	Receivables (Note 7)	Payment term in days (***)	Loan	Suppliers (Note 15)	Payment term in days (***)	Dividends and interest on capital payable	Products	Other	Products	Other
Related companies										
MAHLE Componenti Motori Italia S.p.A.	22,784	60	-	1,406	60	-	36,351	-	-	28
MAHLE Aftermarket GmbH	21,851	60	-	7,316	60	-	18,961	547	2,697	36
MAHLE Componentes de Motor de Mexico, S. de R.L. de C.V.	11,999	60	-	1,813	60	-	29,494	-	4,229	-
MAHLE Engine Components USA, Inc.	9,874	60	-	1,999	60	-	8,828	-	556	-
MAHLE France SAS	7,234	60	-	6	60	-	10,523	-	37	-
MAHLE Aftermarket S. de R.L. de C.V.	3,063	60	-	-	-	-	6,334	-	-	-
MAHLE Behr Gerenciamento Técnico Brasil Ltda.	3,036	60	-	9,670	60	-	860	4,330	6,869	257
MAHLE Componentes de Motores S.A.	2,937	60	-	6	60	-	13,089	11	50	-
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	2,043	60	-	14	60	-	2,266	-	-	-
MAHLE Compressores do Brasil Ltda.	1,932	60	-	4,886	60	-	584	2,647	9,562	81
MAHLE Industriemotoren-Komponenten GmbH	1,839	60	-	318	60	-	1,934	-	-	-
MAHLE Vöcklabruck GmbH	1,389	60	-	2	60	-	(21)	-	-	-
MAHLE Engine Components (Thailand) Co., Ltd.	1,236	60	-	(81)	60	-	1,281	-	-	-
MAHLE GmbH	1,014	60	-	13,255	60	-	978	87	719	4,885 (*)
MAHLE Motor Parcalari San. Izmir A.S.	971	60	-	111	60	-	1,205	-	451	-
MAHLE S.A.U.	961	60	-	26	60	-	2,719	-	275	-
MAHLE International GmbH	616	60	-	18,414	60	-	-	605	-	10,684
MAHLE Holding (China) Co., Ltd.	604	60	-	189	60	-	228	-	-	112
MAHLE Engine Components Slovakia s.r.o.	602	60	-	-	-	-	311	-	-	-
MAHLE Engine Components (Yingkou) Co., Ltd.	442	60	-	6	60	-	702	-	-	-
MAHLE Indústria e Comércio Ltda.	228	60	-	1,573	60	74,593	-	536	171	2,258 (**)
MAHLE Aftermarket Inc.	181	60	-	127	60	-	1,151	104	-	38
MAHLE Engine Components (Chongqing) Co., Ltd.	149	60	-	-	-	-	240	-	-	-
MAHLE Engine Systems UK Ltd.	111	60	-	2,040	60	-	-	(29)	2,007	-
MAHLE Filter Systems USA	89	60	-	48	60	-	-	-	-	-
MAHLE Trading Japan Co., Ltd.	66	60	-	-	-	-	-	8	289	-
MAHLE Polska Sp. z o.o.	47	60	-	389	60	-	847	-	-	-
MAHLE Industries, Inc.	31	60	-	1,770	60	-	-	12	-	511
MAHLE Anand Filter Systems Private Limited	22	60	-	-	-	-	21	-	-	-
MAHLE Japan Ltd.	17	60	-	606	60	-	-	13	-	161
MAHLE Engine Components India Priv. Ltd.	5	60	-	-	-	-	994	-	-	-
MAHLE Filtersysteme Austria GmbH	1	60	-	306	60	-	-	-	433	85
MAHLE Aftermarket Italy S.p.A.	-	-	-	1,274	60	-	-	-	5	-
MAHLE Aftermarket Pte. Ltd.	-	-	-	1,197	60	-	23	-	1,816	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	883	60	-	-	-	24	17
MAHLE Trading (Shanghai) Co., Ltd.	-	-	-	882	60	-	-	-	-	-
Mahle Automotive Technologies (China) Co., Ltd.	-	-	-	766	60	-	-	-	-	149
MAHLE Electric Drives Slovenija d.o.o.	-	-	-	722	60	-	-	29	841	-
MAHLE Electric Drives (Taicang) Co., Ltd.	-	-	-	680	60	-	-	37	695	-
MAHLE Engine Components USA, Inc.	-	-	-	664	60	-	-	-	-	61
MAHLE Filtersysteme GmbH	-	-	-	293	60	-	-	-	-	18
MAHLE Filter Systems Japan Corporation	-	-	-	141	60	-	-	-	124	-
MAHLE Shared Services Mexico S. de R.L. de C.V.	-	-	-	85	60	-	-	-	-	-
MAHLE Componente de Motor SRL	-	-	-	53	60	-	-	-	129	-
MAHLE Holding Austria GmbH	-	-	147,745	46	60	-	-	-	-	-
MAHLE France SARL	-	-	-	19	60	-	-	-	-	-
MAHLE Industrial Thermal Systems GmbH & Co. KG	-	-	-	14	60	-	-	-	-	-
MAHLE Engineering Services India Private Limited	-	-	-	14	60	-	-	-	-	-
MAHLE Composants Moteur France SAS	-	-	-	9	60	-	(9)	-	2	-
MAHLE Holding (India) Private Limited	-	-	-	1	60	-	-	(7)	-	-
MAHLE Behr Service Asia Co., Ltd.	-	-	-	-	-	-	-	-	421	-
MAHLE Filtre Sistemleri A.S.	-	-	-	-	-	-	-	267	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	-	-	-	-	-	-	367	-	-	-
MAHLE Motorsports Inc	-	-	-	-	-	-	8	-	-	-
Shanghai MAHLE Thermal Systems Co. Ltd.	-	-	-	-	-	-	-	-	-	-
MAHLE Industriebeteiligungen GmbH	-	-	-	-	-	12,432	-	-	-	-
Outros	(34)	60	-	-	-	-	105	-	322	1
Total related companies	97,340		147,745	73,958		87,025	140,374	9,197	32,724	19,382
Total related parties	97,340		147,745	73,958		87,025	140,374	9,197	32,724	19,382

* Brand license of R\$ 3,399

** Rent of R\$ 2,258

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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

On March 31, 2022, the subsidiary MAHLE Filtroil Indústria e Comércio de Filtros Ltda. has a balance with the Company of R\$ 7,728 (R\$ 7,519 on December 31, 2021) (loan agreement in the amount of R\$ 19,698 (R\$ 18,971 on December 31, 2021), with interest rate at 115% of the CDI and provision for losses on investees in the amount of (-) R\$ 11,970) ((-) R\$ 11,452 on December 31, 2021). The Company expects to recover this loan via cash flows from the financial asset.

On March 31, 2022, the subsidiary MAHLE Argentina S.A. has a loan agreement with the Company in the amount of USD 4,553,19 equivalent to R\$ 21,572 (R\$ 25,109 on December 31, 2021) with interest of 5.38% plus spread of 2.5% p.a. Although the amortization term began in June 2021, MAHLE Argentina S.A. has not yet received authorization to remit the USD because of current foreign exchange restrictions in Argentina. The authorization process is being monitored by the teams of MAHLE Brazil and MAHLE Argentina

The subsidiary MAHLE Metal Leve GmbH has a daily cash management contract with MAHLE Holding Austria GmbH, subject to interest based on Eonia (Euro OverNight Index Average) + 1.15% p.a., with no definite maturity date. On March 31, 2022, the subsidiary has a balance payable of R\$ 164,935 arising from these transactions (balance receivable of R\$ 147,745 on December 31, 2021).

Since February 15, 2012, the Company has had a brand licensing agreement with its parent company MAHLE GmbH, which is registered with the National Institute of Industrial Property, in which the licensor establishes the payment of royalties of up to 1% of net sales revenue and the Company is authorized to manufacture and distribute products using the brand "MAHLE". On March 31, 2022, the royalty expenses were recorded within "selling expenses - brand license", in the parent company in the amount of R\$ 3,742 (March 31, 2021 - R\$ 3,193) and in the consolidated accounts in the amount of R\$ 4,018 (March 31, 2021 - R\$ 3,399).

Parent company and ultimate parent company

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

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

Dividends and interest on capital receivable

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

	Parent company		
	12.31.2021	Exchange variation	03.31.2022
Income on interest	132,095	(22,254)	109,841
	132,095	(22,254)	109,841

Dividends and interest on capital payable

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

	Parent company and consolidated		
	Balance 12.31.2021	Payment	Balance 03.31.2022
MAHLE Indústria e Comércio Ltda.	74,593	-	74,593
MAHLE Industriebeteiligungen GmbH.	12,432	-	12,432
Non-controlling	38,999	(24)	38,975
Total	126,024	(24)	126,000

Management compensation

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

	Parent company and consolidated	
	03.31.2022	03.31.2021
Statutory officers	1,701	1,869
Non-statutory officers	808	695
	2,509	2,564

The officers receive no share-based compensation.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

11. Income tax and social contribution

Income tax and social contribution are calculated at the statutory rates.

a. Reconciliation of income tax and social contribution expense

The reconciliation of the amount that results from applying the combined statutory tax rates with the income tax and social contribution expense recorded in the statement of profit or loss is as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>03.31.2022</u>	<u>03.31.2021</u>	<u>03.31.2022</u>	<u>03.31.2021</u>
Profit before income tax and social contribution	<u>149,701</u>	<u>154,191</u>	<u>151,924</u>	<u>167,447</u>
Income tax and social contribution at the statutory rate in Brazil (34%)	(50,898)	(52,425)	(51,654)	(56,932)
Effects of permanent differences:				
Equity in the results of investees	15,034	17,817	-	(21)
Gain on monetary items, net	9,191	6,907	5,462	5,050
Loss for the year for which no deferred tax asset was recognized	815	-	462	256
Others, net	<u>(785)</u>	<u>(289)</u>	<u>16,426</u>	<u>10,783</u>
Total income tax and social contribution	<u>(26,643)</u>	<u>(27,990)</u>	<u>(29,304)</u>	<u>(40,864)</u>
Current income tax and social contribution	(25,723)	(26,982)	(28,138)	(38,358)
Deferred income tax and social contribution (Note 11.b ii)	<u>(920)</u>	<u>(1,008)</u>	<u>(1,166)</u>	<u>(2,506)</u>
	<u>(26,643)</u>	<u>(27,990)</u>	<u>(29,304)</u>	<u>(40,864)</u>

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

b. Recognized deferred tax assets and liabilities

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

i. Breakdown of deferred tax assets and liabilities:

	Parent company			
	Assets		Liabilities	
	Balance in 03.31.2022	Balance in 12.31.2021	Balance in 03.31.2022	Balance in 12.31.2021
Property, plant and equipment	-	-	(27,561)	(27,867)
Intangible assets	-	-	(97,025)	(97,025)
Tax credit	-	-	(38,635)	(36,161)
Derivatives	-	3,367	(2,937)	-
Inventory	15,308	15,231	-	-
Provision labor risks	65,867	64,898	-	-
Other provision	92,972	92,016	-	-
Tax (assets) liabilities	174,147	175,512	(166,158)	(161,053)
Amount eligible for offsetting	(166,158)	(161,053)	166,158	161,053
Net tax (assets) liabilities	7,989	14,459	-	-

	Consolidated			
	Assets		Liabilities	
	Balance in 03.31.2022	Balance in 12.31.2021	Balance in 03.31.2022	Balance in 12.31.2021
Property, plant and equipment	-	-	(37,844)	(38,301)
Intangible assets	-	-	(97,025)	(97,025)
Tax credit	-	-	(38,635)	(36,161)
Derivatives	-	3,367	(2,937)	-
Inventory	15,323	14,347	-	-
Provision labor risks	65,867	64,898	-	-
Other provision	91,301	88,409	-	-
Tax (assets) liabilities	172,491	171,021	(176,441)	(171,487)
Amount eligible for offsetting	(164,502)	(156,562)	164,502	156,562
Net tax (assets) liabilities	7,989	14,459	(11,939)	(14,925)

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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

ii. Changes in temporary differences:

	Parent company	Consolidated
At December 31, 2021	14,459	(466)
(+) Recognized in profit or loss (note 11.a)	(920)	(1,166)
(+) Recognized in other comprehensive income	(5,550)	(2,318)
At March 31, 2022	7,989	(3,950)

12. Investments in subsidiaries

	03.31.2022			
	Investments accounted for using the equity method	Goodwill	Impairment	Elimination of profit on inventory (Balance at 03/31/2022)
MAHLE Argentina S.A.	221,071	68,071	(68,071)	(3,400)
MAHLE Metal Leve GmbH	122,379	-	-	(1,148)
MAHLE Hirschvogel Forjas S.A.	3,685	35,755	(35,755)	-
Total	347,135	103,826	(103,826)	(4,548)

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

											Interest in equity		
	Interest (%)	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities	Equity	Net revenue	Profit (loss) for the period	Investments	Equity in the results of subsidiaries	Elimination of profit on inventory (other assets (equity))
March 31, 2022						(3M 2022)					(3M 2022)		
Subsidiaries													
MAHLE Argentina S.A.	99.20	284,766	74,255	359,021	98,135	38,032	136,167	222,854	133,110	(1,036)	221,071	(1,028)	226
MAHLE Metal Leve GmbH	100.00	129,715	166,718	296,433	173,560	494	174,054	122,379	157,483	42,758	122,379	42,758	2,870
MAHLE Filtröl Ind. e Com. de Filtrros Ltda.	60.00	953	198	1,151	815	8,317	9,132	(7,981)	323	(864)	-	(518)	-
MAHLE Hirschvogel Forjas S.A.	51.00	6,600	3,202	9,802	908	1,668	2,576	7,226	-	(179)	3,685	(91)	-
Total		422,034	244,373	666,407	273,418	48,511	321,929	344,478	290,916	40,679	347,135	41,121	3,096
December 31, 2021						(FY 2021)					(FY 2021)		
Subsidiaries													
MAHLE Argentina S.A.	99.20	325,499	90,027	415,526	119,134	45,949	165,083	250,443	667,700	22,574	248,438	22,393	(924)
MAHLE Metal Leve GmbH	100.00	140,728	149,749	290,477	197,936	362	198,298	101,179	684,044	202,242	101,177	202,242	(594)
MAHLE Filtröl Ind. e Com. de Filtrros Ltda.	60.00	973	194	1,167	723	8,078	8,801	(7,634)	1,868	(1,355)	-	(813)	-
MAHLE Hirschvogel Forjas S.A.	51.00	5,946	4,186	10,132	765	1,962	2,727	7,405	-	615	3,776	314	-
Subtotal subsidiaries		482,146	244,156	726,302	318,558	56,351	374,909	351,393	1,353,972	224,076	353,391	224,136	(1,518)
Related companies													
Insoferm Tecnologia Ltda.	33.33	-	-	-	-	-	-	-	-	-	-	(220)	3,493
Subtotal related companies		-	-	-	-	-	-	-	-	-	-	(220)	3,493
Total		482,146	244,156	726,302	318,558	56,351	374,909	351,393	1,353,972	224,076	353,391	223,916	1,975
March 31, 2021						(3M 2021)					(3M 2021)		
Subsidiaries													
MAHLE Argentina S.A.	99.20	270,138	82,418	352,556	117,303	28,612	145,915	206,641	142,127	9,925	204,988	9,846	364
MAHLE Metal Leve GmbH	100.00	153,167	116,849	270,016	187,891	-	187,891	82,125	160,688	41,670	82,125	41,670	226
MAHLE Filtröl Ind. e Com. de Filtrros Ltda.	60.00	1,601	20	1,621	794	8,010	8,804	(7,183)	651	(226)	-	(136)	-
MAHLE Hirschvogel Forjas S.A.	51.00	3,448	5,264	8,712	2,139	3,312	5,451	3,261	-	971	1,663	495	-
Subtotal subsidiaries		428,354	204,551	632,905	308,127	39,924	348,061	284,844	303,466	52,340	288,776	51,875	590
Related companies													
Insoferm Tecnologia Ltda.	33.33	1,450	9,628	11,078	16	146	162	10,916	-	(187)	3,639	(62)	-
Subtotal related companies		1,450	9,628	11,078	16	146	162	10,916	-	(187)	3,639	(62)	-
Total		429,804	214,179	643,983	308,143	40,080	348,223	295,760	303,466	52,153	292,415	51,813	590

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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

MAHLE Argentina S.A.

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

MAHLE Filtroil Indústria e Comércio de Filtros Ltda.

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

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

MAHLE Hirschvogel Forjas S.A.

As of March 31, 2022, the equity interest in subsidiary MAHLE Hirschvogel Forjas S.A. is R\$ 3,685 (R\$ 3,776 on December 31, 2021) and are recorded in non-current liabilities as "Investments in subsidiaries".

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

13. Property, plant and equipment

	Parent company												
	Property, plant and equipment								Rights-of-use assets				
	Land	Buildings and construction	Machinery, equipment and facilities	Furniture and fittings	Vehicles	Construction in progress	Advances to suppliers	Impairment	Sub-total	Rights-of-use assets (IFRS 16) - buildings	Rights-of-use assets (IFRS 16) - vehicles	Sub-total	Total
At December 31, 2021	52,454	77,092	396,250	3,186	2,775	914	9,908	(7,293)	535,286	5,371	2,094	7,465	542,751
Total cost	52,454	232,851	2,134,362	25,188	21,852	914	9,908	(7,293)	2,470,236	25,720	6,232	31,952	2,502,188
Accumulated depreciation	-	(155,759)	(1,738,112)	(22,002)	(19,077)	-	-	-	(1,934,950)	(20,349)	(4,138)	(24,487)	(1,959,437)
Net book value	52,454	77,092	396,250	3,186	2,775	914	9,908	(7,293)	535,286	5,371	2,094	7,465	542,751
Additions	-	54	9,891	193	175	5,440	1,087	-	16,840	-	-	-	16,840
Write-offs	-	-	(73)	-	(23)	-	-	194	98	-	-	-	98
Transfer	-	-	5,203	-	-	(806)	(4,397)	-	-	-	-	-	-
Depreciation	-	(1,156)	(19,384)	(176)	(235)	-	-	-	(20,951)	(1,611)	(419)	(2,030)	(22,981)
Depreciation/write-off (deemed cost)	-	(639)	(27)	-	-	-	-	-	(666)	-	-	-	(666)
At March 31, 2022	52,454	75,351	391,860	3,203	2,692	5,548	6,598	(7,099)	530,607	3,760	1,675	5,435	536,042
Total cost	52,454	232,909	2,143,911	25,351	21,849	5,548	6,598	(7,099)	2,481,521	25,720	6,232	31,952	2,513,473
Accumulated depreciation	-	(157,558)	(1,752,051)	(22,148)	(19,157)	-	-	-	(1,950,914)	(21,960)	(4,557)	(26,517)	(1,977,431)
Net book value	52,454	75,351	391,860	3,203	2,692	5,548	6,598	(7,099)	530,607	3,760	1,675	5,435	536,042

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

	Consolidated												
	Property, plant and equipment								Rights of use assets				
	Land	Buildings and construction	Machinery, equipment and facilities	Furniture and fittings	Vehicles	Construction in progress	Advances to suppliers	Impairment	Sub-total	Rights-of-use assets (IFRS 16) - buildings	Rights-of-use assets (IFRS 16) - vehicles	Sub-total	Total
At December 31, 2021	52,512	90,658	468,062	3,318	4,666	914	5,100	(7,381)	617,849	5,887	2,095	7,982	625,831
Total cost	52,512	251,884	2,391,721	25,499	32,657	914	5,100	(7,381)	2,752,906	28,036	6,232	34,268	2,787,174
Accumulated depreciation	-	(161,226)	(1,923,659)	(22,181)	(27,991)	-	-	-	(2,135,057)	(22,149)	(4,137)	(26,286)	(2,161,343)
Net book value	52,512	90,658	468,062	3,318	4,666	914	5,100	(7,381)	617,849	5,887	2,095	7,982	625,831
Additions	-	54	10,165	195	357	5,440	1,509	-	17,720	-	-	-	17,720
Write-offs	-	-	(77)	-	(23)	-	-	194	94	-	-	-	94
Transfer	-	-	6,148	-	-	(806)	(5,342)	-	-	-	-	-	-
Depreciation	-	(1,165)	(20,142)	(181)	(263)	-	-	-	(21,751)	(1,777)	(418)	(2,195)	(23,946)
Depreciation/write-off (deemed cost)	-	(639)	(27)	-	-	-	-	-	(666)	-	-	-	(666)
Gain on monetary items, net	-	1,657	2,318	-	(172)	-	-	-	3,803	(255)	-	(255)	3,548
Translation effects	(11)	(2,913)	(19,972)	(29)	(404)	-	5,483	18	(17,828)	(97)	-	(97)	(17,925)
At March 31, 2022	52,501	87,652	446,475	3,303	4,161	5,548	6,750	(7,169)	599,221	3,758	1,677	5,435	604,656
Total cost	52,501	250,270	2,370,247	25,598	31,646	5,548	6,750	(7,169)	2,735,391	1,843,766	6,232	1,849,998	4,585,389
Accumulated depreciation	-	(162,618)	(1,923,772)	(22,295)	(27,485)	-	-	-	(2,136,170)	(1,840,008)	(4,555)	(1,844,563)	(3,980,733)
Net book value	52,501	87,652	446,475	3,303	4,161	5,548	6,750	(7,169)	599,221	3,758	1,677	5,435	604,656

MAHLE Metal Leve S.A.

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(in thousand of reais)

Deemed cost

Changes in deemed cost

	Parent Company and consolidated		
	12.31.2021	Depreciation / write-off (deemed cost)	03.31.2022
Land	46,905	-	46,905
Buildings and construction	32,801	(639)	32,162
Machinery, equipment and facilities	981	(27)	954
Furniture and fittings	17	-	17
Vehicles	(147)	-	(147)
	80,557	(666)	79,891

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

Impairment

The Group has recorded provision at an amount sufficient to cover any impairment losses on property, plant and equipment, which relates substantially to the group of machinery and equipment and is recorded in the parent company and consolidated accounts of property, plant and equipment in accordance with the requirements set out in NBC TG 01 (CPC 01) - (R1)/IAS 36 "Impairment of assets". The parent company and consolidated balance of the provision for losses at March 31, 2022 is R\$ 7,099 (R\$ 7,293 at December 31, 2021) and R\$ 7,169 (R\$ 7,381 at December 31, 2021), respectively.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

14. Intangible assets

	Annual amortization rates (%)	Parent company		Consolidated	
		03.31.2022	12.31.2021	03.31.2022	12.31.2021
Goodwill on merger with subsidiary:					
MAHLE Participações Ltda. (a) (rings business)	-	568,612	568,612	568,612	568,612
Goodwill on acquisition of subsidiaries:					
MAHLE Argentina S.A. (a)	-	-	-	68,071	68,071
MAHLE Hirschvogel Forjas S.A. (a)	-	-	-	35,755	35,755
Cost of acquisition and installation of software (b)	20	52,048	52,064	55,056	55,367
Other (a and b)	-	334	334	878	1,024
Usage right and concessions (a)	-	5,665	5,665	5,665	5,665
Usage right and concessions (b)	20	9,325	9,325	9,325	9,325
Provision for impairment of intangible assets (Rings business)	-	(188,654)	(188,654)	(188,654)	(188,654)
Provision for impairment of intangible assets (MAHLE Argentina S.A.)	-	-	-	(68,071)	(68,071)
Provision for impairment of intangible assets (MAHLE Hirschvogel Forjas S.A.)	-	-	-	(35,755)	(35,755)
Provision for impairment of intangible assets (other)	-	(334)	(334)	(343)	(343)
		446,996	447,012	450,539	450,996
Accumulated amortization		(56,179)	(55,791)	(59,665)	(59,693)
		390,817	391,221	390,874	391,303

(a) Indefinite useful life

(b) finite useful life

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

Statement of changes in intangible assets

	Parent company				
	Goodwill on acquisition of subsidiaries (merged or not)	Cost of acquisition and installation of software	Usage right and concessions	Other	Total
At December 31, 2021	379,958	2,379	8,884	-	391,221
Amortization	-	(398)	(6)	-	(404)
At March 31, 2022	379,958	1,981	8,878	-	390,817
	Consolidated				
	Goodwill on acquisition of subsidiaries (merged or not)	Cost of acquisition and installation of software	Usage right and concessions	Other	Total
At December 31, 2021	379,958	2,436	8,884	25	391,303
Amortization	-	(404)	(6)	-	(410)
Foreign exchange variation	-	(10)	-	(4)	(14)
Net position gains	-	(5)	-	-	(5)
At March 31, 2022	379,958	2,017	8,878	21	390,874

Impairment

The Company's management continuously monitors the activities and did not detect substantial changes in their operational performance in the first quarter of 2022 of the subsidiaries which could justify a change in the previously recorded impairment amounts.

15. Trade and related-party payables

	Parent company		Consolidated	
	03.31.2022	12.31.2021	03.31.2022	12.31.2021
Suppliers - Third Party				
Raw material	170,302	112,626	212,396	166,348
Services	33,257	40,050	33,479	40,094
	203,559	152,676	245,875	206,442
Related parties (Note 10)	57,793	53,628	73,430	73,958
	261,352	206,304	319,305	280,400

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

16. Taxes and contributions payable

	Parent company		Consolidated	
	03.31.2022	12.31.2021	03.31.2022	12.31.2021
State taxes	10,226	17,720	10,792	18,670
ICMS payable	10,226	17,720	10,235	17,754
Other	-	-	557	916
Federal taxes	13,733	11,737	16,932	14,792
Import tax	4,917	6,792	5,446	7,536
COFINS payable	2,955	1	2,957	15
IRRF	2,483	4,940	2,489	4,950
PIS payable	0	-	1	3
IPI payable	3,378	-	4,038	92
Other	-	4	2,001	2,196
Municipal taxes	-	-	220	1,543
Taxes and contributions payable	23,959	29,457	27,944	35,005
Income tax and social contribution	4,967	-	14,872	10,921
Income tax and social contribution payable	4,967	-	14,872	10,921
Current liabilities	28,926	29,457	42,816	45,926

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(in thousand of reais)

17. Borrowings and lease liabilities

a) Borrowings

Description		Parent company and consolidated		
		Average cost	03.31.2022	12.31.2021
Borrowings in local currency (R\$)				
FINEP (Long-Term Interest Rate (TJLP) + 5.00% p.y. - 6.00% p.y.)		5.08%	54,453	61,526
FINEP II (Long-Term Interest Rate (TJLP) + 5.00% p.y. - 5.00% p.y.)		6.08%	73,182	75,236
		5.65%	127,635	136,762
Borrowings in foreign currency		Currency		
ACC (average interest 1.05% p.y)	USD (expressed in R\$)	1.05%	10,588	12,699
ACC (average interest 0.97% p.y)	EUR (expressed in R\$)	0.97%	94,121	112,919
		1.83%	104,709	125,618
		3.55%	232,344	262,380
Current - borrowings in local currency			37,182	37,139
Current - borrowings in foreign currency			104,709	125,617
Total current			141,891	162,756
Non-current - borrowings in local currency			90,453	99,624
Total non-current			90,453	99,624

The Company and its subsidiaries did not take new bank borrowings during the first quarter of 2022.

On March 31, 2022, long-term borrowings mature as follows:

	Parent company and Consolidated
	03.31.2022
From april 2023	27.342
2024	13.065
2025	8.341
2026	8.341
2027	8.341
2028	8.341
2029	8.341
2030	8.341
	90.453

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Reconciliation of movements in profit or loss with cash flows from financing activities during the first quarter of 2022:

Parent company and consolidated					
Cash Flow					
12.31.2021	Principal Amortization	Amortization Interest	Exchange Variation	Appropriation of interest	03.31.2022
262,380	(9,171)	(1,770)	(22,690)	3,595	232,344

Parent company and consolidated					
Cash Flow					
01.01.2021	Principal Amortization	Amortization Interest	Exchange Variation	Appropriation of interest	03.31.2021
552,369	(302,624)	(20,023)	3,764	7,327	240,813

Restrictive covenants

FINEP I: This financing was obtained from the Financing Agency for Studies and Projects (FINEP) to partially fund (at an average of 64%) the expenses incurred in several projects of the program "Innovation in MAHLE Components and Systems" and is collateralized by a bank guarantee with maturity on february 15, 2024. This financing is based on the TJLP interest rate (6.08 % p.a. as of March 31, 2022) plus a bank spread of 5% p.a. less an equalization rate of 6% p.a. There are various accelerated maturity clauses (respecting ample defense for the Company) with loss of the equalization value: use of funds for a purpose other than that established in the contract; change in effective control of the Company; existence of FINEP amounts in arrears; inaccurate information provided to FINEP by the Company; and suspension of the projects.

FINEP II: This financing was obtained from the Financing Agency for Studies and Projects (FINEP) to partially fund (at an average of 90%) the expenses incurred in several projects of the program "Strategic plan for innovation" and is collateralized by a bank guarantee with maturity on November 03, 2022. This financing is based on the TJLP interest rate (6.08 % p.a. as of March 31, 2022) plus a bank spread of 5% p.a. less an equalization rate of 4.5% p.a. and an additional interest equalization reduction of 0.5% p.a. for provision of bank guarantee. There are various accelerated maturity clauses (respecting ample defense for the Company) with loss of the equalization value: use of funds for a purpose other than that established in the contract; change in effective control of the Company; existence of FINEP amounts in arrears; inaccurate information provided to FINEP by the Company; and suspension of the projects.

On March 31, 2022, the Company did not have delinquent principal and interest payments and had not breached any provisions of the agreements with FINEP

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b) Lease obligations

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

Contracts by term and discount rate	Terms of the lease	Discount rate
Lease of buildings (Argentina)	3 years	8,73%
Lease of buildings (Brazil)	3 years and 10 months	12,33%
Lease of vehicles (Brazil)	2 years	11,03%

The movement in lease liabilities is shown below:

	Parent company	Consolidated
Balance at December 31, 2021	9.277	9.818
Lease payments	(2.716)	(3.145)
Interest	153	155
Exchange rate variation	-	(114)
Balance at March 31, 2022	6.714	6.714

As required by CPC 06 (R2)/IFRS 16- Leases, the Company presents in the table below an aging analysis of its contracts, reconciled to the balance appearing in the balance sheet:

	Parent company	Consolidated
	03.31.2022	03.31.2022
30 days	2,564	2,564
From 31 to 90 days	4,150	4,150
Total	6,714	6,714
Current	6,714	6,714
	6,714	6,714

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18. Salaries, vacation pay and social charges

	Parent company		Consolidated	
	03.31.2022	12.31.2021	03.31.2022	12.31.2021
Employee profit sharing	33,680	36,528	35,454	38,228
Accrued vacation pay / 13th month salary	55,991	38,128	61,402	43,940
INSS /FGTS	13,333	14,464	13,352	14,485
Other social security obligations	1,065	400	3,704	4,879
	104,069	89,520	113,912	101,532

19. Sundry provision

	Parent company					
	Losses on contracts	Commercial bonuses	Electric power	Employee benefits	Other	Total
At December 31, 2021	9,374	21,952	13,587	323	-	45,236
Reversal	-	(953)	(13,587)	-	-	(14,540)
Payment	-	(5,270)	-	-	-	(5,270)
Complement	-	8,067	9,853	426	1,673	20,019
At March 31, 2022	9,374	23,796	9,853	749	1,673	45,445

	Consolidated						
	Losses on contracts	Commercial bonuses	Restructuring	Electric power	Employee benefits	Other	Total
At December 31, 2021	11.182	21.953	684	14.543	326	1.507	50.195
Reversal	-	(953)	-	(14.543)	-	-	(15.496)
Payment	-	(5.270)	-	-	-	(409)	(5.679)
Complement	-	8.067	-	10.593	427	2.266	21.353
Foreign exchange variation	(388)	-	-	-	-	(324)	(712)
At March 31, 2022	10.794	23.797	684	10.593	753	3.040	49.661

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20. Provision for warranties

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

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2021	9,991	10,835
Reversal	(1,214)	(1,214)
Payment	(240)	(240)
Complement	500	525
Foreign exchange variation	-	(147)
At March 31, 2022	9,037	9,759

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

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

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

	Parent company				
	Civil and labor	Tax	Environmental liability	Judicial deposits	Total
At December 31, 2021	190.876	62.485	28.128	(23.641)	257.848
Additions	11.341	-	-	(1.941)	9.400
Monetary restatements	4.702	1.182	-	211	6.095
Write-off for use	(5.012)	(320)	(448)	253	(5.527)
Write-off for reversal	(8.181)	-	-	24	(8.157)
Transfer	-	-	-	909	909
At March 31, 2022	193.726	63.347	27.680	(24.185)	260.568

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	Consolidated				
	Civil and labor	Tax	Environmental liability	Judicial deposits	Total
At December 31, 2022	195,908	66,707	28,128	(24,124)	266,619
Additions	11,856	-	-	(1,941)	9,915
Monetary restatements	4,861	1,182	-	212	6,255
Write-off for use	(5,513)	(320)	(448)	253	(6,028)
Write-off for reversal	(8,492)	-	-	24	(8,468)
Transfer	-	-	-	945	945
Foreign exchange variation	(437)	(907)	-	-	(1,344)
At March 31, 2022	198,183	66,662	27,680	(24,631)	267,894

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

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

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

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

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

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

Proceedings involving the risk of possible loss

On March 31, 2022, the Group had civil and tax proceedings brought before the proper authorities in the amount of R\$ 73,004 (December 31, 2021 - R\$ 71,385), which were assessed by the Group's management as having a risk of possible loss, and, therefore, were not provided for in the financial statements.

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Contingent assets

a) Municipal incentive

The Company has a contingent asset related to a favorable court decision received in September 2019 on a lawsuit concerning a municipal financial incentive but at this time it is not possible to determine with reasonable accuracy the amount to be received.

The above-mentioned final favorable court decision allows us to conclude that future economic benefits may flow to the Company.

However, there is substantial uncertainty around the period of time it will take to reach a definitive solution in terms of both the payment method and the actual amount to be paid, so it is not yet possible to determine with certainty that the inflow of benefits arising from the favorable court decision obtained is virtually certain and the Company has control over such asset, meaning no gain will be recorded from the contingent asset until the gain actually occurs.

This contingent asset will be assessed periodically to ensure that the developments are appropriately reflected in the financial statements in accordance with CPC 25/IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

b) Compulsory loan - Eletrobrás

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

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

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

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

Administrative Council for Economic Defense (“CADE”)

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

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

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

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

22. Equity

a. Share capital

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

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

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

On March 31, 2022, the market value of the Company's common shares corresponded the price of R\$ 25.65 per share (R\$ 30.80 on December 31, 2021).

There were no changes in the policies regarding dividends, interest on capital and revenue reserves in relation to those applied in the financial statements for the year ended December 31, 2021.

b. Appropriation of profit for the year

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

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

c. Special cash reserve

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

d. Other comprehensive income

Cumulative translation adjustments

The Company recognizes under this heading the cumulative effect of the currency translation of the financial statements of its subsidiaries that keep accounting records in a functional currency different from the parent company's functional currency. On March 31, 2022, the Company recorded cumulative translation adjustments of R\$ (-) R\$ 74,926 ((+) R\$ 3,750 on March 31, 2021). This cumulative effect will be reversed in the statement of income as a gain or loss only in the event of the sale or write-off of the investment.

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Cumulative translation adjustments

- The effects of carrying value adjustments relating to the effective portion of gains or losses on cash flow hedges, which are recognized on March 31, 2022, net of taxes, at (+) R\$ 10,776 (On March 31, 2021 (-) R\$ 2,721) in the parent company and in the consolidated accounts.
- The adjustments for the adoption of the deemed cost of property, plant and equipment, net at R\$ 123 on March 31, 2022 (On March 31, 2021 - R\$ 134). The deemed cost is accrued to property, plant and equipment recorded in carrying value adjustments, according to the depreciation, disposal or write-off of the respective item of property, plant and equipment, against retained earnings.

23. Earnings per share

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

	<u>03.31.2022</u>	<u>03.31.2021</u>
Profit attributable to owners of the parent	<u>123,058</u>	<u>126,201</u>
Company total shares	128,308,500	128,308,500
Basic earnings per share (R\$ per share)	<u>0.95908</u>	<u>0.98357</u>

There are no diluted earnings per share for the Company.

24. Net operating revenue

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>03.31.2022</u>	<u>03.31.2021</u>	<u>03.31.2022</u>	<u>03.31.2021</u>
Gross revenue				
Products	894,617	836,260	1,100,100	1,043,168
Services	22,145	13,088	19,706	9,116
Total revenue with products + services	<u>916,762</u>	<u>849,348</u>	<u>1,119,806</u>	<u>1,052,284</u>
Deductions from sales:				
Taxes on sales	(175,204)	(174,772)	(175,297)	(174,948)
Discounts , returns and sales incentives	(9,657)	(10,668)	(54,505)	(42,362)
Net operating revenue	<u>731,901</u>	<u>663,908</u>	<u>890,004</u>	<u>834,974</u>

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

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

	Parent company		Consolidated	
	03.31.2022	03.31.2021	03.31.2022	03.31.2021
Revenue by market				
Original equipment	428,585	401,282	548,171	538,090
Aftermarket	303,316	262,626	341,833	296,884
	731,901	663,908	890,004	834,974

25. Cost of sales and services

Cost of sales and services by nature are as follows:

	Parent company		Consolidated	
	03.31.2022	03.31.2021	03.31.2022	03.31.2021
Raw material and others materials	(312,294)	(260,657)	(375,196)	(323,424)
Personnel and benefits	(143,692)	(134,400)	(151,799)	(146,388)
Utilities and services	(44,342)	(44,079)	(45,376)	(46,069)
Depreciation and amortization	(19,777)	(22,536)	(20,713)	(23,470)
Other	(49,335)	(28,542)	(60,794)	(39,410)
Total	(569,440)	(490,214)	(653,878)	(578,761)

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26. Selling expenses and distribution

Selling expenses by nature are as follows:

	Parent company		Consolidated	
	03.31.2022	03.31.2021	03.31.2022	03.31.2021
Freight	(21,264)	(19,308)	(23,810)	(21,318)
Personnel and benefits	(12,216)	(11,511)	(14,528)	(13,434)
Brand license	(3,742)	(3,193)	(4,018)	(3,399)
Variable selling expenses	(3,652)	(3,444)	(7,281)	(6,806)
General expenses	(1,416)	(1,182)	(3,191)	(2,176)
Professional services/service orders	(1,068)	(2,125)	(1,428)	(2,502)
Advertising	(835)	(182)	(1,141)	(378)
Travel and entertainment allowance	(302)	(34)	(407)	(50)
Depreciation	(121)	(139)	(133)	(159)
Other expenses	(1,388)	(1,521)	(2,025)	(2,127)
	(46,004)	(42,639)	(57,962)	(52,349)

27. General and administrative expenses

General and administrative expenses by nature are as follows:

	Parent company		Consolidated	
	03.31.2022	03.31.2021	03.31.2022	03.31.2021
Personnel and benefits	(7,659)	(7,990)	(9,164)	(10,073)
Professional services/service orders	(4,170)	(6,025)	(5,132)	(6,560)
Management	(2,509)	(2,564)	(2,509)	(2,564)
Maintenance	(807)	(1,601)	(854)	(1,645)
Depreciation	(739)	(720)	(764)	(743)
PIS/COFINS	(705)	(555)	(714)	(565)
Materials and utilities	(689)	(1,089)	(870)	(1,144)
Travel and entertainment allowance	(79)	(22)	(105)	(32)
Other expenses	(2,805)	(4,045)	(3,071)	(4,228)
	(20,162)	(24,611)	(23,183)	(27,554)

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28. Technology and product development costs

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

	Parent company		Consolidated	
	03.31.2022	03.31.2021	03.31.2022	03.31.2021
Personnel and benefits	(6,031)	(8,248)	(6,256)	(8,509)
Materials/utilities	(1,330)	(1,704)	(1,339)	(1,715)
Professional services/service orders	(612)	(709)	(750)	(865)
General expenses	(598)	(1,521)	(1,541)	(2,758)
Depreciation	(947)	(1,304)	(966)	(1,321)
Maintenance	(385)	(342)	(387)	(343)
Other expenses	(165)	(323)	(181)	(364)
	(10,068)	(14,151)	(11,420)	(15,875)

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29. Finance income and costs, net

	Parent company		Consolidated	
	03.31.2022	03.31.2021	03.31.2022	03.31.2021
Finance income				
Interest	10,539	2,630	14,767	6,209
Exchange variation (a)	25,455	22,365	39,227	37,198
Monetary variation gains	243	144	516	468
Derivative financial instruments (c)	28,237	(515)	28,443	(515)
Other	1,738	399	1,738	399
	66,212	25,023	84,691	43,759
Finance costs				
Interest	(2,193)	(8,046)	(2,995)	(8,477)
Exchange variations (b)	(61,216)	(8,271)	(76,320)	(20,869)
Monetary variation losses	(5,885)	(5,383)	(6,156)	(5,788)
Derivative financial instruments (d)	(1,460)	(12,612)	(1,460)	(12,634)
Other	(363)	(537)	(1,737)	(2,033)
	(71,117)	(34,849)	(88,668)	(49,801)
Finance income (costs), net	(4,905)	(9,826)	(3,977)	(6,042)
Summary of foreign exchange variations (a+b)	(35,761)	14,094	(37,093)	16,329
Trade receivables	(27,157)	10,389	(22,720)	18,277
Cash and cash equivalents	(9,127)	5,151	(10,776)	1,692
Interest on capital receivable	(22,254)	3,259	(22,254)	3,259
Loan receivable	(3,818)	2,155	(3,818)	2,155
Trade payables	5,513	(2,925)	2,931	(2,895)
Borrowings	21,085	(4,017)	19,548	(6,097)
Lease obligations (IFRS 16)	-	-	(1)	(144)
Other	(3)	82	(3)	82
Summary of derivative instruments (c+d)	26,777	(13,127)	26,983	(13,149)
Income	28,237	(515)	28,443	(515)
Expenses	(1,460)	(12,612)	(1,460)	(12,634)
Net result of foreign exchange variations and derivative financial instruments	(8,984)	967	(10,110)	3,180

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30. Other operating income and expenses, net

	Parent company		Consolidated	
	03.31.2022	03.31.2021	03.31.2022	03.31.2021
Other income				
Reversal of provision for labor, civil and tax contingencies	8,181	8,600	8,492	10,168
Taxes recovered (Reintegra)	1,479	237	1,481	237
Reversal of provision for obsolescence	195	23	195	23
Provision for restructuring	-	329	-	329
Gains on disposal of assets /other	-	56	-	56
Gain on monetary items	-	-	652	559
Other income	717	1,196	716	1,198
	10,572	10,441	11,536	12,570
Other expenses				
Provision for labor, civil and tax contingencies	(12,433)	(12,857)	(13,012)	(13,401)
Losses on disposal of assets /other	(73)	(20)	(77)	(20)
Export expenses - Argentina	-	-	(1,595)	(1,928)
Losses on monetary items	-	-	(549)	(360)
Other expenses	(915)	(1,576)	(1,017)	(1,586)
	(13,421)	(14,453)	(16,250)	(17,295)
Other operating income (expenses), net	(2,849)	(4,012)	(4,714)	(4,725)

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(in thousand of reais)

31. Financial instruments

I. Financial instruments and risk management

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

Parent Company									
03.31.2022					12.31.2021				
Assets	Note	Amortized Cost	Fair Value by Result	Designated Derivatives for Cash Flow Hedge	Total	Amortized Cost	Fair Value by Result	Designated Derivatives for Cash Flow Hedge	Total
Cash, demand deposits and cash in transit	6	-	36,689	-	36,689	-	25,206	-	25,206
Financial investments	6	-	268,731	-	268,731	-	248,721	-	248,721
Trade receivables	7	468,683	-	-	468,683	453,230	-	-	453,230
Receivables from and loans to related parties	10	29,300	-	-	29,300	32,628	-	-	32,628
Unrealized gains on derivatives	31	-	-	27,595	27,595	-	-	3,692	3,692
Total		497,983	305,420	27,595	830,998	485,858	273,927	3,692	763,477

Consolidated									
03.31.2022					12.31.2021				
Assets	Note	Amortized Cost	Fair Value by Result	Designated Derivatives for Cash Flow Hedge	Total	Amortized Cost	Fair Value by Result	Designated Derivatives for Cash Flow Hedge	Total
Cash, demand deposits and cash in transit	6	-	43,764	-	43,764	-	43,431	-	43,431
Financial investments	6	-	317,285	-	317,285	-	317,658	-	317,658
Trade receivables	7	579,118	-	-	579,118	567,080	-	-	567,080
Receivables from and loans to related parties	10	164,935	-	-	164,935	147,745	-	-	147,745
Unrealized gains on derivatives	31	-	-	29,299	29,299	-	-	5,845	5,845
Total		744,053	361,049	29,299	1,134,401	714,825	361,089	5,845	1,081,759

Consolidated									
03.31.2022					12.31.2021				
Liabilities	Note	Amortized Cost	Fair Value by Result	Designated Derivatives for Cash Flow Hedge	Total	Amortized Cost	Fair Value by Result	Designated Derivatives for Cash Flow Hedge	Total
Payables to related parties	15	(73,430)	-	-	(73,430)	(73,958)	-	-	(73,958)
Trade payables	15	(245,875)	-	-	(245,875)	(206,442)	-	-	(206,442)
Lease liabilities	17.b	(6,714)	-	-	(6,714)	(9,818)	-	-	(9,818)
Borrowings	17.a	(232,344)	-	-	(232,344)	(262,380)	-	-	(262,380)
Unrealized losses on derivatives	31	-	-	(11,819)	(11,819)	-	-	(8,652)	(8,652)
Total		(558,363)	-	(11,819)	(570,182)	(552,598)	-	(8,652)	(561,250)

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

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

- Fair value hierarchy and measurement

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

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

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

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

- Fair value calculation

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

- The values of derivative financial instruments (NDFs) were calculated using the discounted cash flow method, which consists of:

- a) The difference between the future exchange rate contracted for the settlement of each contract, and the future exchange rate of "B3" a valid for the mark-to-market (MTM) date of the US dollar, euro and yen is determined. In the absence of a future rate for the maturity date disclosed by "B3", an interpolation is made of the rate for that date;

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b) The result of the above difference is multiplied by the notional value of each operation;

c) The amounts obtained in item "b" are brought to present value at the Interbank Deposit (DI) curve of "B3" valid for the MTM date.

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

a) The difference between the future price of the metal (USD/tons) contracted for the settlement of each contract, and the future price of the metal (USD/tons) published by Bloomberg for the maturity date of each contract, valid on the MTM date. In the absence of a future price for the maturity date of a given contract, an interpolation is made of the price of the metal for that date;

b) The result of the above difference is multiplied by the contracted volume in tons and the US dollar rate (Ptax sale) valid for the MTM date.

- Fair value versus carrying amount

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

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

		Consolidado				
		03.31.2022		12.31.2021		Level
Assets	Note	Carrying amount	Fair value	Carrying amount	Fair value	
Cash, demand deposits and cash in transit	6	43,764	43,764	43,431	43,431	2
Financial investments	6	317,285	317,285	317,658	317,658	2
Trade receivables	7	579,118	579,118	567,080	567,080	2
Receivables from and loans to related parties	10	164,935	164,935	147,745	147,745	2
Unrealized gains on derivatives	31	29,299	29,299	5,845	5,845	2
Total		1,134,401	1,134,401	1,081,759	1,081,759	
Liabilities						
Payables to related parties	15	(73,430)	(73,430)	(73,958)	(73,958)	2
Trade payables	15	(245,875)	(245,875)	(206,442)	(206,442)	2
Lease liabilities	17.b	(6,714)	(6,714)	(9,818)	(9,818)	2
Borrowings	17.a	(232,344)	(232,344)	(262,380)	(262,380)	2
Unrealized losses on derivatives	31	(11,819)	(11,819)	(8,652)	(8,652)	2
Total		(570,182)	(570,182)	(561,250)	(561,250)	

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- Hedge accounting

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

Hedging objective and strategy:

Currency hedge

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

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

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

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

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

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

Commodity hedging (metal raw materials)

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

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

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The risks inherent in metal commodities are calculated for each of the metals most used by the Company: aluminum, copper, tin and nickel. The calculation is based on the consumption of each metal according to the list of products to which the metal is applied, multiplied by the average price of the metal as disclosed by the London Market Exchange (LME) for the month preceding the check. The quantity considered in the risk calculation is the total quantity of metal applied in the production, by subtracting the quantity whose price increase is passed on to customers under the agreement. During 2020 and in the first quarter of 2021, only copper had a risk of over USD 1 million, which is the maximum amount of risk the Company assumes. The hedge program is executed for risk above USD 1 million.

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

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

Year 1:

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

Year 2/Year 3:

- i) up to 25% of the net exposure

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

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

II. Risk management

Overview

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

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

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

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a.1) Operational risk

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

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

a.2) Business risk

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

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

- b) Economic/financial risks mainly reflect the behavior of macroeconomic variables, such as the prices of metals used by the Group (aluminum, copper and nickel), exchange and interest rates, which have direct impacts on operations, as well as the characteristics of the financial instruments used by the Group. These risks are monitored by senior management, which is actively involved in the Group's operational management, by reference to the Group's global policies. On March 31, 2022, the Company did not enter into hedge transactions for tin and nickel because the level of risk was acceptable according to global policies.

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

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

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b.1) Liquidity risk

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

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

		03.31.2022					
	Note	Carrying amount	Cash Flow	Up to 1 year	1 - 2 years	2 - 5 years	More than 5 years
Liabilities							
Payables to related parties	15	(73,430)	(73,430)	(73,430)	-	-	-
Trade payables	15	(245,875)	(245,875)	(245,875)	-	-	-
Lease liabilities	17.b	(6,714)	(6,714)	(6,714)	-	-	-
Borrowings	17.a	(232,344)	(266,357)	(146,697)	(38,516)	(36,054)	(45,090)
Unrealized losses on derivatives	31	(11,819)	(11,819)	(11,819)	-	-	-
Total		(570,182)	(604,195)	(484,535)	(38,516)	(36,054)	(45,090)

		12.31.2021					
	Note	Carrying amount	Cash Flow	Up to 1 year	1 - 2 years	2 - 5 years	More than 5 years
Liabilities							
Payables to related parties	15	(73,958)	(73,958)	(73,958)	-	-	-
Trade payables	15	(206,442)	(206,442)	(206,442)	-	-	-
Lease liabilities	17.b	(9,818)	(9,818)	(9,368)	(450)	-	-
Borrowings	17.a	(262,380)	(306,596)	(176,564)	(41,148)	(40,803)	(48,081)
Unrealized losses on derivatives	31	(8,652)	(8,652)	(8,652)	-	-	-
Total		(561,250)	(605,466)	(474,984)	(41,598)	(40,803)	(48,081)

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b.2) Credit risk

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

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

Assets	Note	Parent company		Consolidated	
		03.31.2022	12.31.2021	03.31.2022	12.31.2021
Cash, demand deposits and cash in transit	6	36,689	25,206	43,764	43,431
Financial investments	6	268,731	248,721	317,285	317,658
Trade receivables	7	468,683	453,230	579,118	567,080
Receivables from and loans to related parties	10	29,300	32,628	164,935	147,745
Unrealized gains on derivatives	31	27,595	3,692	29,299	5,845
Total		830,998	763,477	1,134,401	1,081,759

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

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

Trade receivables

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

	Parent Company		Consolidated	
	03.31.2022	12.31.2021	03.31.2022	12.31.2021
Counterparties unrated external de crédito				
<i>Top 20</i>	205,236	170,606	274,613	233,427
<i>Third Parties</i>	168,852	186,020	221,927	243,185
<i>Intercompanies</i>	98,326	100,805	88,029	97,340
Total Trade Receivables and Others	472,414	457,431	584,569	573,952

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

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

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(in thousand of reais)

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

Cash, demand deposits and financial investments	Nota	Parent company		Consolidated	
		03.31.2022	12.31.2021	03.31.2022	12.31.2021
AAA	6	172,650	149,604	175,796	152,594
AA		53,863	52,660	53,863	52,660
Others		78,907	71,663	131,390	155,835
		305,420	273,927	361,049	361,089

S&P National Long Term

b.3) Risk of fluctuation in interest rates

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

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

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

	Note	Parent company		Consolidated	
		03.31.2022	12.31.2021	03.31.2022	12.31.2021
Cash, demand deposits and cash in transit	6	36,689	25,206	43,764	43,431
Financial investments	6	268,731	248,721	317,285	317,658
Borrowings	17.a	(232,344)	(262,380)	(232,344)	(262,380)
Total		73,076	11,547	128,705	98,709

On March 31, 2022, the balances of loans and borrowings of R\$ 232,344 (Parent company and Consolidated) consist of: 23.43% FINEP I with simplified interest rate of TJLP -1% p.a., average cost of 5.08%; 31.50% FINEP II with simplified interest rate of TJLP p.a., average cost of 6.08%; 40.51% NCE, with average cost of 0.97% p.a.; 4.56% ACC, with average cost of 1.05% p.a.

This rate condition being considered, the Group believes that fluctuations in interest rates will not result in any material impact on its results. Accordingly, the Group maintains financial assets or liabilities bearing fixed interest rates at amortized cost and does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model, or carries out sensitivity analyses for the interest rate variation.

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b.4) Risk of fluctuation in exchange rates

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

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

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

On March 31, 2022, the Group's exposure in USD (EUR and JPY equivalents in USD) was USD 15,257 thousand in the parent company in the consolidated accounts, as shown below:

Foreign exchange exposure arising from accounts receivable and payable in foreign currency at March 31, 2022

	USD thousand	EUR thousand (*)	JPY thousand (**)
Item	Parent company and Consolidated	Parent company and Consolidated	Parent company and Consolidated
(+) Trade receivables	28,531	7,154	-
(+) Demand deposits (in foreign currency)	4,842	1,642	-
(+) Receivable - Dividends (TEUR)	-	20,898	-
(-) Advances on export exchange contract	-	(19,921)	-
(-) Imports	(3,796)	(4,620)	(150,555)
(-) Currency forwards - sale	(16,035)	(3,251)	102,540
(=) Net balance of foreign exchange exposure	13,542	1,902	(48,015)

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

Currency	Consolidated	
USD	13,542	
EUR	2,110	(*) Parity EUR / USD 1,1094
JPY	(395)	(**) Parity JPY / USD 121,41978
Total	15,257	

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

Parent company and consolidated (USD)				
Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	% Hedged
2022 (Mar-Dec)	(4.606)	3.615	5,4748	78,5%
2023 (Jan-Dec)	(4.376)	3.584	5,9927	81,9%
2024 (Jan-Mar)	(1.786)	446	6,1277	25,0%
Total	(10.768)	7.645	5,7557	71,0%

Parent company and consolidated (EUR)				
Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	% Hedged
2021 (Jan-Dec)	(11.887)	8.066	6,5629	67,9%
2023 (Jan-Dec)	(15.551)	3.967	7,3551	25,5%
2024 (Jan-Mar)	(4.259)	1.065	6,9384	25,0%
Total	(31.697)	13.098	6,8334	41,3%

Parent company and consolidated (JPY)				
Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	% Hedged
2021 (Jan-Dec)	691.119	(463.548)	0,0518	67,1%
2023 (Jan-Dec)	1.045.124	(261.280)	0,0585	25,0%
2024 (Jan-Mar)	388.561	(97.140)	0,0549	25,0%
Total	2.124.804	(821.968)	0,0543	38,7%

- Sensitivity analysis

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

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

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

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Sensitivity analysis table – foreign exchange exposure of March 31, 2022.

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

The selling rates published on March 31, 2022, by the Brazilian Central Bank for USD, EUR and JPY were used in this sensitivity analysis.

	Controladora e Consolidado USD			
	Taxa de câmbio USD/BRL de Liquidação das cambiais	* Saldo Líquido de Exposição Cambial Valor USD	** Taxa média das Cambiais	Total BRL
50% Valorização	7,1067		5,0924	27.277
25% Valorização	5,9223		5,0924	11.238
Cenário provável	4,7378	13.542	5,0924	(4.802)
25% Desvalorização	3,5534		5,0924	(20.842)
50% Desvalorização	2,3689		5,0924	(36.882)

(*) Valores em milhares

(**) Taxa média de Embarque das Cambiais que compõem o saldo líquido de exposição cambial

	Controladora e Consolidado EUR			
	Taxa de câmbio EUR/BRL de Liquidação das cambiais	* Saldo Líquido de Exposição Cambial Valor EUR	** Taxa média das Cambiais	Total BRL
50% Valorização	7,8842		5,4719	4.589
25% Valorização	6,5701		5,4719	2.089
Cenário provável	5,2561	1.902	5,4719	(410)
25% Desvalorização	3,9421		5,4719	(2.910)
50% Desvalorização	2,6281		5,4719	(5.409)

(*) Valores em milhares

(**) Taxa média de Embarque das Cambiais que compõem o saldo líquido de exposição cambial

	Controladora e Consolidado JPY			
	Taxa de câmbio JPY/BRL de Liquidação das cambiais	* Saldo Líquido de Exposição Cambial Valor JPY	** Taxa média das Cambiais	Total BRL
50% Valorização	0,0195		0,0473	1.335
25% Valorização	0,0293		0,0473	864
Cenário provável	0,0390	(48.015)	0,0473	398
25% Desvalorização	0,0488		0,0473	(72)
50% Desvalorização	0,0585		0,0473	(538)

(*) Valores em milhares

(**) Taxa média de Embarque das Cambiais que compõem o saldo líquido de exposição cambial

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Budgeted cash flow - exposure in foreign currency

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

Sensitivity analysis table

Parent company and consolidated sensitivity analysis table – cash flow derivatives portfolio for the period ended March 31, 2022

Scenario	USD/BRL exchange rate for settlement of operations	Notional value - USD (thousand)	Weighted average rate at maturity (*)	Adjustment in RS thousand	EUR/BRL exchange rate for settlement of operations	Notional value - EUR (thousand)	Weighted average rate at maturity (*)	Adjustment in RS thousand	JPY/BRL exchange rate for settlement of operations	Notional value - JPY (thousand)	Weighted average rate at maturity (*)	Adjustment in RS thousand	Total adjustment in RS thousand
50% better	2.3689	7,645	5.7557	25,892	2.6281	13,098	6.8334	55,080	0.0585	(821,968)	0.0543	3,480	84,452
25% better	3.5534	7,645	5.7557	16,837	3.9421	13,098	6.8334	37,870	0.0488	(821,968)	0.0543	(4,538)	50,169
Balance sheet date	4.7378	7,645	5.7557	7,782	5.2561	13,098	6.8334	20,659	0.0390	(821,968)	0.0543	(12,556)	15,885
25% worse	5.9223	7,645	5.7557	(1,274)	6.5701	13,098	6.8334	3,448	0.0293	(821,968)	0.0543	(20,575)	(18,401)
50% worse	7.1067	7,645	5.7557	(10,329)	7.8842	13,098	6.8334	(13,763)	0.0195	(821,968)	0.0543	(28,593)	(52,685)

The selling rates published on March 31, 2022, by the Brazilian Central Bank for USD, EUR and JPY were used.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

All the instruments are traded with top-tier banks on an organized over-the-counter market, duly registered with the Clearing House for the Custody and Financial Settlement of Securities, as presented below:

Weighted average forward rate - value for settlement			Notional value - thousand	
Foreign currency			Parent company and consolidated	
			03.31.2022	12.31.2021
Short position	EUR	6.66597	16,349	19,179
Short position	USD	5.33002	23,680	30,054
Long position	JPY	0.05352	(924,508)	(421,409)

Weighted average forward rate - value for settlement			Fair market value - thousand	
(1) Foreign currency			Parent company and consolidated	
			03.31.2022	12.31.2021
Short position	EUR	6.66597	16,337	(15,295)
Short position	USD	5.33002	9,825	(15,346)
Long position	JPY	0.05352	(10,061)	903

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

This risk arises from possible fluctuations in prices of the main raw materials used in the Group's production process, which are: copper.

To minimize and manage this risk, the Group contracts derivative transactions to hedge against fluctuations in the prices of these raw materials, in compliance with the Group's hedging policy.

The table below presents the outstanding position on March 31, 2022 and 2021:

<u>Long position</u> <u>Commodities</u>	Weighted average price on maturity	Notional value - metric tons	
		Parent company and consolidated	
		03.31.2022	12.31.2021
Copper	10,238	178	233
TOTAL		178	233

<u>Long position</u> <u>Commodities</u>	Weighted average price on maturity	Notional value (fair market value)	
		Parent company and consolidated	
		03.31.2022	12.31.2021
Copper	10,238	615	1,862
TOTAL		615	1,862

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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

Parent company and Consolidated (COPPER)				
Year	Net Exposure (Tons)	Notional Value - Hedge (Tons)	Average Price - Portfolio Swap	% Hedged
2022 (Mar-Oct)	282	(178)	9,633	63.1%
Total	282	(178)	9,633	63.1%

- Sensitivity analysis table

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

For the sensitivity analysis of commodity transactions, management adopted as a probable scenario the amounts recognized in its books, determined by projected prices disclosed by the LME and exchange rates published by the Brazilian Central Bank at March 31, 2022. As a reference, the depreciation and appreciation of the prices used for accounting records were considered for the other scenarios. The scenarios were estimated with appreciation and depreciation of 25% and 50%, respectively, of prices in the probable scenario.

The methodology adopted for calculating the balances presented in the table below consisted of replacing the closing exchange rate and commodity prices at March 31, 2022 used for the purposes of accounting records with the stressed rates and prices calculated in accordance with the following scenarios.

Sensitivity analysis on results of operations of purchase of commodity swap contracts - Parent company and Consolidated					
Commodity	Volume in metric tons	Settlement price on maturity (USD/metric ton)	Weighted average price on maturity (USD/metric ton)	Total adjustment BRL	Total effect on purchases of commodities BRL
Copper					
50% better		15,506		4,443	(4,443)
25% better		12,921		2,263	(2,263)
Balance sheet date	178	10,337	10,238	84	(84)
25% worse		7,753		(2,096)	2,096
50% worse		5,169		(4,275)	4,275

The selling rates of the USD published on March 31, 2022, by the Brazilian Central Bank and the metal prices published on the same date by the LME were used.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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

	03.31.2022		03.31.2021	
	Parent company	Consolidated	Parent company	Consolidated
Results of derivatives (exports/imports/loan)				
Provisions				
- Operations on accounts receivable and payable	8,687	8,893	(6,215)	(6,237)
Cash effect				
- Operations on accounts receivable and payable	18,090	18,090	(6,912)	(6,912)
Note 29	26,777	26,983	(13,127)	(13,149)
Total Derivative Operations- Net Finance Result	26,777	26,983	(13,127)	(13,149)
Exchange variations (gains and losses)	(35,761)	(37,093)	14,094	16,329
Results of derivatives (exports/imports/loan)	26,777	26,983	(13,127)	(13,149)
Gross sales	4	4	8,829	8,829
Cost of sales	1,897	1,897	(3,057)	(3,057)
Effects of Foreign Exchange Variatons and Financial Instruments on Profit and Loss	(7,083)	(8,209)	6,739	8,952
Gross result				
Gross sales				
- Settlements with cash effect	4	4	8,829	8,829
	4	4	8,829	8,829
Cost of sales				
- Settlements with cash effect	1,897	1,897	(3,057)	(3,057)
	1,897	1,897	(3,057)	(3,057)
Total Derivative Operations - Gross Result	1,901	1,901	5,772	5,772
Equity				
Provisions				
- Operations on sales to be made	(BS) 8,651	8,651	(25,082)	(25,082)
- Operations on commodities	(BS) (615)	(615)	(1,862)	(1,862)
Deferred income tax and social contribution	2,732	2,732	(9,161)	(9,161)
Total Derivative Operations - Equity	10,768	10,768	(36,105)	(36,105)
Provision for unrealized losses and gains on derivatives				
(BS) - Sum of the net balance sheet				
Balance sheet assets	27,595	29,299	3,776	7,101
Balance sheet liabilities	(11,819)	(11,819)	(30,883)	(30,883)
Balance sheet, net	15,776	17,480	(27,107)	(23,782)

Guarantees

The Group had no guarantee deposits relating to these derivative instruments for the periods presented above (March 31, 2022 and 2021).

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

32. Employee benefits

The employee benefits offered by the Group are mainly granted on a monthly basis and recognized in the accounting records accordingly. There are no post-employment benefits, pension funds or other benefits that require specific accounting treatment.

For the period ended March 31, 2022, the Company paid to its employees profit sharing of R\$ 11,568 (R\$ 12,328 in the first quarter of 2021), Parent company, and R\$ 11,594 (R\$ 12,356 in the first quarter of 2021), Consolidated, based on an agreement made with the workers' union. The employee profit sharing payment followed the rules set forth in the collective labor agreement. That agreement establishes conditions to be met, as summarized herein: i) production goals for a predetermined number of workers; ii) maintenance of the absenteeism level up to previously defined annual average absence rate in relation to standard hours worked; and iii) maintenance of the scrap level up to the previously defined annual average scrap rate in relation to the number of parts produced.

Supplementary pension plan - defined contribution

In September 2006, the Group joined a free benefit-generating private pension plan, managed by Bradesco Vida e Previdência S.A. (the Manager), offering all its employees the option to participate. The contributions are defined according to salary bracket. Annually, the Manager conducts an actuarial valuation of the plan in order to determine possible adjustments to the contribution levels.

The Group contributed to the private pension plan an amount of R\$ 556 on March 31, 2022 (R\$ 511 on March 31, 2021).

33. Insurance

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

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

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

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

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

The impacts of the application of NBC TG 42 (CPC 42) / IAS 29 Financial Reporting in Hyperinflationary Economies on the parent company and consolidated financial statements as at March 31, 2022 are shown below:

	<u>03.31.2022</u>	<u>03.31.2021</u>
Reconciliation of result adjustments		
Gain on monetary position of investments from parent company - reflex recomposition	27,031	20,317
Gain on monetary position of investments from subsidiary - reflex recomposition	227	165
Loss on monetary position of subsidiary MAHLE Argentina S.A.	<u>(10,872)</u>	<u>(6,380)</u>
Gain on monetary item, result (consolidated)	16,386	14,102

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

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

Board of Directors

Principal members

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

Alternate members

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

Executive Board

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

Fiscal Conciul

Principal members

Axel Erhard Brod
Hélio Carlos de Lamare Cox
Michel Lehmann

Alternate members

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

Audit Committee

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

Technical specialist

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

* * *

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Representation by officers on the parent company and consolidated financial statements

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

REPRESENTATION

Messrs. Sergio Pancini de Sá and Nathan John Quye, executive officers of MAHLE Metal Leve S.A., with its head office at Avenida Ernst MAHLE, 2000, Mombaça, in the city of Mogi Guaçu, State of São Paulo, in conformity with item VI of Article 25 of CVM Instruction 480, of December 7, 2009, do hereby declare that:

They have reviewed and discussed, and agree with, the parent company and consolidated financial statements of MAHLE Metal Leve S.A. for the year ended March 31, 2022, and thus authorize their completion.

Mogi Guaçu, May 10, 2022.

Sergio Pancini de Sá
CEO

Nathan John Quye
Finance director

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

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

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

REPRESENTATION

Messrs. Sergio Pancini de Sá and Nathan John Quye, executive officers of MAHLE Metal Leve S.A., with its head office at Avenida Ernst MAHLE, 2000, Mombaça, in the city of Mogi Guaçu, State of São Paulo, in conformity with item V of Article 25 of CVM Instruction 480, of December 7, 2009, do hereby declare that:

They have reviewed and discussed, and agree with, the opinion expressed by KPMG Auditores Independentes, on the parent company and consolidated financial statements of MAHLE Metal Leve S.A. for the year ended March 31, 2022.

Mogi Guaçu, May 10, 2022.

Sergio Pancini de Sá
CEO

Nathan John Quye
Finance director