UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission File Number: 001-38636

Garrett Motion Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**82-4873189**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
La Pièce 16, Rolle, Switzerland	**1180**
(Address of principal executive offices)	**(Zip Code)**

+41 21 695 30 00
(Registrant's telephone number, including area code)

N/A
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value per share	GTX	The Nasdaq Stock Market LLC
Series A Cumulative Convertible Preferred Stock, par value $0.001 per share	GTXAP	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer
Non-accelerated filer	☐	Smaller reporting company
Emerging growth company	☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

As of April 21, 2022, the registrant had 64,506,104 shares of Common Stock, $0.001 par value per share, outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

GARRETT MOTION INC.
CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
	(Dollars in millions, except per share amounts)	
Net sales (Note 3)	$ 901	$ 997
Cost of goods sold	726	801
Gross profit	175	196
Selling, general and administrative expenses	53	55
Other expense, net	1	1
Interest expense	23	21
Non-operating (income) expense	(28)	26
Reorganization items, net (Note 1)	1	174
Income (loss) before taxes	125	(81)
Tax expense (Note 5)	37	24
Net income (loss)	88	(105)
Less: preferred stock dividend (Note 17)	(38)	—
Net income (loss) available for distribution	$ 50	$ (105)
Earnings (loss) per common share		
Basic	$ 0.15	$ (1.38)
Diluted	$ 0.15	$ (1.38)
Weighted average common shares outstanding		
Basic	64,538,527	75,904,898
Diluted	64,732,090	75,904,898

The Notes to the Consolidated Interim Financial Statements are an integral part of this statement.

GARRETT MOTION INC.
CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
	(Dollars in millions)	
Net income (loss)	$ 88	$ (105)
Foreign exchange translation adjustment	2	110
Changes in fair value of effective cash flow hedges, net of tax (Note 15)	8	1
Changes in fair value of net investment hedges, net of tax (Note 15)	13	—
Total other comprehensive income, net of tax	23	111
Comprehensive income	$ 111	$ 6

The Notes to the Consolidated Interim Financial Statements are an integral part of this statement.

GARRETT MOTION INC.
CONSOLIDATED INTERIM BALANCE SHEETS
(Unaudited)

	March 31, 2022	December 31, 2021
	(Dollars in millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 315	$ 423
Restricted cash	5	41
Accounts, notes and other receivables – net (Note 6)	786	747
Inventories – net (Note 8)	301	244
Other current assets	73	56
Total current assets	1,480	1,511
Investments and long-term receivables	33	28
Property, plant and equipment – net	469	485
Goodwill	193	193
Deferred income taxes	278	289
Other assets (Note 9)	235	200
Total assets	$ 2,688	$ 2,706
LIABILITIES		
Current liabilities:		
Accounts payable	$ 1,071	$ 1,006
Current maturities of long-term debt (Note 13)	7	7
Mandatorily redeemable Series B Preferred Stock (Note 14)	—	200
Accrued liabilities (Note 10)	302	295
Total current liabilities	1,380	1,508
Long-term debt (Note 13)	1,166	1,181
Mandatorily redeemable Series B Preferred Stock – long-term (Note 14)	204	195
Deferred income taxes	24	21
Other liabilities (Note 11)	271	269
Total liabilities	$ 3,045	$ 3,174
COMMITMENTS AND CONTINGENCIES (Note 19)		
EQUITY (DEFICIT)		
Series A Preferred Stock, par value $0.001; 245,715,735 and 245,921,617 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	$ —	$ —
Common Stock, par value $0.001; 1,000,000,000 and 1,000,000,000 shares authorized, 64,506,104 and 64,570,950 issued and 64,506,104 and 64,570,950 outstanding as of March 31, 2022 and December 31, 2021, respectively	—	—
Additional paid–in capital	1,327	1,326
Retained deficit	(1,703)	(1,790)
Accumulated other comprehensive income (loss) (Note 16)	19	(4)
Total deficit	(357)	(468)
Total liabilities and deficit	$ 2,688	$ 2,706

The Notes to the Consolidated Interim Financial Statements are an integral part of this statement.

GARRETT MOTION INC.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)

	Three Months Ended March 31,	
	2022	2021
	(Dollars in millions)	
Cash flows from operating activities:		
Net income (loss)	$ 88	$ (105)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Reorganization items, net	—	19
Deferred income taxes	13	4
Depreciation	22	23
Amortization of deferred issuance costs	2	2
Interest payments, net of debt discount accretion	(6)	—
Foreign exchange (gain) loss	(4)	33
Stock compensation expense	2	2
Other	12	(6)
Changes in assets and liabilities:		
Accounts, notes and other receivables	(61)	(2)
Inventories	(62)	(34)
Other assets	(42)	14
Accounts payable	116	74
Accrued liabilities	—	17
Other liabilities	(7)	(9)
Net cash provided by operating activities	$ 73	$ 32
Cash flows from investing activities:		
Expenditures for property, plant and equipment	(29)	(18)
Other	—	1
Net cash used for investing activities	$ (29)	$ (17)
Cash flows from financing activities:		
Payments of long-term debt	(2)	—
Payments of debtor-in-possession financing	—	(100)
Redemption of Series B Preferred stock	(186)	—
Payments for share repurchases	(2)	—
Debt financing costs	(6)	(1)
Net cash used for financing activities	$ (196)	$ (101)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	8	(30)
Net decrease in cash, cash equivalents and restricted cash	(144)	(116)
Cash, cash equivalents and restricted cash at beginning of the period	464	693
Cash, cash equivalents and restricted cash at end of the period	$ 320	$ 577
Supplemental cash flow disclosure:		
Income taxes paid (net of refunds)	14	15
Interest paid	21	16
Reorganization items paid	2	145

The Notes to the Consolidated Interim Financial Statements are an integral part of this statement

GARRETT MOTION INC.
CONSOLIDATED INTERIM STATEMENTS OF EQUITY (DEFICIT)
(Unaudited)

	Series A Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive (Loss)/Income	Total Deficit
	Shares	Amount	Shares	Amount				
					(in millions)			
Balance at December 31, 2020	—	—	76	—	$ 28	$ (2,207)	$ (129)	$ (2,308)
Net loss	—	—	—	—	—	(105)	—	(105)
Other comprehensive income, net of tax	—	—	—	—	—	—	111	111
Stock-based compensation	—	—	—	—	2	—	—	2
Balance at March 31, 2021	—	—	76	—	$ 30	$ (2,312)	$ (18)	$ (2,300)
Balance at December 31, 2021	246	—	64	—	$ 1,326	$ (1,790)	$ (4)	$ (468)
Net income	—	—	—	—	—	88	—	88
Share repurchases	—	—	—	—	(1)	(1)	—	(2)
Other comprehensive income, net of tax	—	—	—	—	—	—	23	23
Stock-based compensation	—	—	—	—	2	—	—	2
Balance at March 31, 2022	246	—	64	—	$ 1,327	$ (1,703)	$ 19	$ (357)

The Notes to the Consolidated Interim Financial Statements are an integral part of this statement.

Note 1. Background and Basis of Presentation

Background

Garrett Motion Inc., (the “Company” or “Garrett”) designs, manufactures and sells highly engineered turbocharger and electric-boosting technologies for light and commercial vehicle original equipment manufacturers (“OEMs”) and the global vehicle independent aftermarket, as well as automotive software solutions. These OEMs in turn ship to consumers globally. We are a global technology leader with significant expertise in delivering products across gasoline, diesel, natural gas and electric (hybrid and fuel cell) power trains. These products are key enablers for fuel economy and emission standards compliance.

Basis of Presentation

The accompanying unaudited Consolidated Interim Financial Statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission applicable to interim financial statements. While these statements reflect all normal recurring adjustments that are, in the opinion of management, necessary for fair presentation of the results of the interim period, they do not include all of the information and footnotes required by United States generally accepted accounting principles (“GAAP”) for complete financial statements. The unaudited Consolidated Interim Financial Statements should therefore be read in conjunction with the Consolidated Financial Statements and accompanying notes for the year ended December 31, 2021 included in our Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 14, 2022 (our “2021 Form 10-K”). The results of operations and cash flows for the three months ended March 31, 2022 should not necessarily be taken as indicative of the entire year. All amounts presented are in millions, except per share amounts.

We report our quarterly financial information using a calendar convention: the first, second and third quarters are consistently reported as ending on March 31, June 30 and September 30. It has been our practice to establish actual quarterly closing dates using a predetermined fiscal calendar, which requires our businesses to close their books on a Saturday to minimize the potentially disruptive effects of quarterly closing on our business processes. The effects of this practice are generally not significant to reported results for any quarter and only exist within a reporting year. For differences in actual closing dates that are material to year-over-year comparisons of quarterly or year-to-date results, such differences have been adjusted for the three months ended March 31, 2022. Our actual closing dates for the three months ended March 31, 2022 and 2021 were April 2, 2022 and April 3, 2021, respectively.

The preparation of the financial statements in conformity with GAAP requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management bases these estimates on assumptions that it believes to be reasonable under the circumstances, including considerations for the impact of the outbreak of the COVID-19 pandemic on the Company's business due to various global macroeconomic, operational and supply-chain risks as a result of COVID-19. Actual results could differ from the original estimates, requiring adjustments to these balances in future periods.

Voluntary Filing Under Chapter 11

On September 20, 2020 (the “Petition Date”), the Company and certain of its subsidiaries (collectively, the “Debtors”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). The Debtors’ chapter 11 cases (the “Chapter 11 Cases”) were jointly administered under the caption “In re: Garrett Motion Inc., 20-12212.” On April 20, 2021, the Debtors filed the Revised Amended Plan of Reorganization (the “Plan”). On April 26, 2021, the Bankruptcy Court entered an order among other things, confirming the Plan. On April 30, 2021 (the “Effective Date”), the conditions to the effectiveness of the Plan were satisfied or waived and the Company emerged from bankruptcy (“Emergence”).

Emergence from Chapter 11

Upon Emergence or shortly thereafter, amounts recorded as liabilities subject to compromise were either settled, or such amounts have been reinstated to current or non-current liabilities in the Consolidated Interim Balance Sheet, based upon management’s judgment as to the timing for settlement of such claims.

Reorganization items, net represent amounts incurred after the Petition Date as a direct result of the Chapter 11 Cases and are comprised of the following for the three months ended March 31, 2022 and March 31, 2021, respectively:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
	(Dollars in millions)	
Advisor fees	$ 1	$ 84
Bid termination and expense reimbursement	—	79
Debtor in Possession ("DIP") financing fees	—	1
Other	—	10
Total reorganization items, net	$ 1	$ 174

Note 2. Summary of Significant Accounting Policies

The accounting policies of the Company are set forth in Note 3 to the Consolidated Financial Statements for the year ended December 31, 2021 included in our 2021 Form 10-K.

Recently Adopted Accounting Pronouncements

In November 2021, the Financial Accounting Standards Board (“FASB”) issued accounting standards update ("ASU") 2021-10, *Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance*. The amendments in this update increase the transparency surrounding government assistance by requiring disclosure of 1) the types of assistance received, 2) an entity’s accounting for the assistance, and 3) the effect of the assistance on the entity’s financial statements. The update is effective for annual periods beginning after December 15, 2021. The Company adopted the new guidance as of January 1, 2022. The adoption did not have a material impact on our Consolidated Interim Financial Statements; however, the Company expects to increase its disclosures with respect to government assistance beginning with our Annual Report on Form 10-K for the year ended December 31, 2022.

Recently Issued Accounting Pronouncements

We consider the applicability and impact of all recent ASU’s issued by the FASB. For the three months ended March 31, 2022, there were no recently issued, but not yet adopted accounting pronouncements that are expected to have a material impact on the Company’s Consolidated Interim Financial Statements and related disclosures.

Note 3. Revenue Recognition and Contracts with Customers

Disaggregated Revenue

Net sales by region (determined based on country of shipment) and channel are as follows:

	Three Months Ended March 31, 2022			
	OEM	Aftermarket	Other	Total
	(Dollars in millions)			
United States	$ 102	$ 51	$ —	$ 153
Europe	406	38	7	451
Asia	266	10	6	282
Other International	9	6	—	15
	$ 783	$ 105	$ 13	$ 901

	Three Months Ended March 31, 2021			
	OEM	Aftermarket	Other	Total
	(Dollars in millions)			
United States	$ 100	$ 36	$ 2	$ 138
Europe	481	39	8	528
Asia	302	10	7	319
Other International	6	6	—	12
	$ 889	$ 91	$ 17	$ 997

Contract Balances

The following table summarizes our contract assets and liabilities balances:

	2022	2021
	(Dollars in millions)	
Contract assets—January 1	$ 63	$ 61
Contract assets—March 31	60	65
Change in contract assets—(Decrease)/Increase	$ (3)	$ 4
Contract liabilities—January 1	$ (5)	$ (2)
Contract liabilities—March 31	(9)	(1)
Change in contract liabilities—(Increase)/Decrease	$ (4)	$ 1

Note 4. Research, Development & Engineering

Garrett conducts research, development and engineering (“RD&E”) activities, which consist primarily of the development of new products and product applications. RD&E costs are charged to expense as incurred unless the Company has a contractual guarantee for reimbursement from the customer. Customer reimbursements are netted against gross RD&E expenditures as they are considered a recovery of cost. Such costs are included in Cost of goods sold as follows:

	Three Months Ended March 31,	
	2022	2021
	(Dollars in millions)	
Research and development costs	$ 36	$ 33
Engineering-related expenses	6	6
	$ 42	$ 39

Note 5. Income Taxes

	Three Months Ended March 31,	
	March 31, 2022	2021
	(Dollars in millions)	
Tax expense	$ 37	$ 24
Effective tax rate	29.6 %	(29.6)%

The effective tax rates for the three months ended March 31, 2022 and 2021 were 29.6% and (29.6)%, respectively.

The effective tax rate for the three months ended March 31, 2022 was higher than the U.S. federal statutory rate of 21% primarily because of withholding taxes and tax reserves, partially offset by lower taxes on non-U.S. earnings. The negative effective tax rate for three months ended March 31, 2021 reflects a tax expense in a period of an overall pre-tax loss. The change in the effective tax rate for the three months ended March 31, 2022 compared to the prior period is primarily related to the decrease of nondeductible bankruptcy costs, partially offset by true ups to prior year tax reserves.

The effective tax rate can vary from quarter to quarter due to changes in the Company's global mix of earnings, the resolution of income tax audits, changes in tax laws (including updated guidance on U.S. tax reform), deductions related to employee share-based payments, internal restructurings and pension mark-to-market adjustments.

Note 6. Accounts, Notes and Other Receivables—Net

	March 31, 2022	December 31, 2021
	(Dollars in millions)	
Trade receivables	$ 606	$ 553
Notes receivable	110	$ 121
Other receivables	76	$ 78
	792	752
Less—Allowance for expected credit losses	(6)	(5)
	$ 786	$ 747

Trade receivables include $60 million and $63 million of unbilled customer contract asset balances as of March 31, 2022 and December 31, 2021, respectively. These amounts are billed in accordance with the terms of customer contracts to which they relate. See Note 3, *Revenue Recognition and Contracts with Customers*.

Notes receivable is related to guaranteed bank notes without recourse that the Company receives in settlement of accounts receivables, primarily in the Asia Pacific region. See Note 7, *Factoring and Notes Receivable* for further information.

Note 7. Factoring and Notes Receivable

The Company entered into arrangements with financial institutions to sell eligible trade receivables. During the three months ended March 31, 2022 and 2021, the Company sold $143 million and $180 million of eligible receivables, respectively, without recourse, and accounted for these arrangements as true sales. Expense of less than $1 million was recognized within Other expense, net for both the three months ended March 31, 2022 and 2021. As of March 31, 2022 and 2021, the amount of accounts receivable sold but not yet collected by the bank from the customer was $23 million and $64 million, respectively.

The Company also receives guaranteed bank notes without recourse, in settlement of accounts receivables, primarily in the Asia Pacific region. The Company can hold the bank notes until maturity, exchange them with suppliers to settle liabilities, or sell them to third-party financial institutions in exchange for cash. During the three months ended March 31, 2022, the Company sold $28 million of bank notes without recourse and accounted for these as true sales. No bank notes were sold during the three months ended March 31, 2021. Expense of less than $1 million was recognized within Other expense, net for the three months ended March 31, 2022. As of March 31, 2022, the amount of bank notes receivable sold but not yet collected by the bank from the customer was $15 million. As of March 31, 2021, there were no bank notes receivable sold which had not yet been collected by the bank from the customer.

As of March 31, 2022 and December 31, 2021, the Company has pledged as collateral $31 million and $5 million of guaranteed bank notes, respectively, which have not been sold in order to be able to issue bank notes as payment to certain suppliers. Such pledged amounts are included as Notes receivable in our Consolidated Interim Balance Sheet.

Note 8. Inventories—Net

	March 31, 2022	December 31, 2021
	(Dollars in millions)	
Raw materials	$ 192	$ 162
Work in process	20	19
Finished products	112	92
	324	273
Less—Reserves	(23)	(29)
	$ 301	$ 244

Note 9. Other Assets

	March 31, 2022	December 31, 2021
	(Dollars in millions)	
Advanced discounts to customers, non-current	$ 57	$ 61
Operating right-of-use assets (Note 12)	50	51
Income tax receivable	27	27
Pension and other employee related	15	15
Designated cross-currency swaps	44	30
Designated and undesignated derivatives	31	7
Other	11	9
	$ 235	$ 200

Note 10. Accrued Liabilities

	March 31, 2022	December 31, 2021
	(Dollars in millions)	
Customer pricing reserve	$ 72	$ 72
Compensation, benefit and other employee related	63	76
Repositioning	8	10
Product warranties and performance guarantees - short-term (Note 19)	21	21
Income and other taxes	29	25
Advanced discounts from suppliers, current	12	14
Customer advances and deferred income (1)	34	23
Accrued interest	8	8
Short-term lease liability (Note 12)	10	9
Other (primarily operating expenses) (2)	45	37
	$ 302	$ 295

(1) Customer advances and deferred income include $9 million and $5 million of contract liabilities as of March 31, 2022 and December 31, 2021, respectively. See Note 3, *Revenue Recognition and Contracts with Customers*.

(2) Includes $4 million and $3 million of environmental liabilities as of March 31, 2022 and December 31, 2021, respectively.

The Company accrued repositioning costs related to projects to optimize its product costs and right-size our organizational structure. Expenses related to the repositioning accruals are included in Cost of goods sold in our Consolidated Interim Statements of Operations.

	Severance Costs	Exit Costs	Total
		(Dollars in millions)	
Balance at December 31, 2021	$ 10	$ —	$ 10
Charges	1	—	1
Usage—cash	(3)	—	(3)
Balance at March 31, 2022	$ 8	$ —	$ 8

	Severance Costs	Exit Costs	Total
		(Dollars in millions)	
Balance at December 31, 2020	$ 7	$ —	$ 7
Charges	8	—	8
Usage—cash	(2)	—	(2)
Balance at March 31, 2021	$ 13	$ —	$ 13

Note 11. Other Liabilities

	March 31, 2022	December 31, 2021
	(Dollars in millions)	
Income taxes	$ 114	$ 106
Pension and other employee related	58	61
Long-term lease liability (Note 12)	42	42
Advanced discounts from suppliers	13	16
Product warranties and performance guarantees – long-term (Note 19)	11	11
Environmental remediation – long term	15	15
Other	18	18
	$ 271	$ 269

Note 12. Leases

We have operating leases that primarily consist of real estate, machinery and equipment. Our leases have remaining lease terms of up to 16 years, some of which include options to extend the leases for up to two years, and some of which include options to terminate the leases within the year.

The components of lease expense are as follows:

	Three Months Ended March 31,	
	2022	2021
	(Dollars in millions)	
Operating lease cost	$ 4	$ 4

Supplemental cash flow information related to operating leases is as follows:

	Three Months Ended March 31,	
	2022	2021
	(Dollars in millions)	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from operating leases	$ 3	$ 3
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	1	1

Supplemental balance sheet information related to operating leases is as follows:

	March 31, 2022	December 31, 2021
	(Dollars in millions)	
Other assets	$ 50	$ 51
Accrued liabilities	10	9
Other liabilities	42	42

	March 31, 2022	December 31, 2021
Weighted-average remaining lease term (in years)	8.98	8.88
Weighted-average discount rate	5.57 %	5.65 %

Maturities of operating lease liabilities as of March 31, 2022 were as follows:

	(Dollars in millions)
2022	$ 9
2023	10
2024	8
2025	7
2026	6
Thereafter	26
Total lease payments	66
Less imputed interest	(14)
	$ 52

Note 13. Long-term Debt and Credit Agreements

The principal outstanding and carrying amounts of our long-term debt as of March 31, 2022 are as follows:

	Due	Interest Rate			March 31, 2022
Dollar Facility	4/30/2028	3.75	%	$	7
Euro Facility	4/30/2028	3.50	%		4
Total principal outstanding					1,2
Less: unamortized deferred financing costs					(
Less: current portion of long-term debt					
Total long-term debt				$	1,1

Credit Facilities

On the Effective Date, in accordance with the Plan, the Company entered into a credit agreement (as amended from time to time, the "Credit Agreement") providing for senior secured financing, consisting of a seven-year secured first-lien U.S. Dollar term loan facility initially in the amount of $715 million (the “Dollar Term Facility”), a seven-year secured first-lien Euro term loan facility initially in the amount of €450 million (the “Euro Term Facility,” and together with the Dollar Facility, the “Term Loan Facilities”); and a five-year senior secured first-lien revolving credit facility initially in the amount of $300 million providing for multi-currency revolving loans, (the “Revolving Facility,” and together with the Term Loan Facilities, the “Credit Facilities”). On January 11, 2022 and March 22, 2022, the Company amended the Credit Agreement, increasing the maximum amount of borrowings available under the Revolving Facility from $300 million to approximately $475 million. The maturity date of the Revolving Facility remains unchanged at April 30, 2026, with certain extension rights at the discretion of each lender.

Under the first amendment, LIBOR was replaced as an available rate at which borrowings under the Revolving Facility could accrue with, for loans borrowed in U.S. Dollars, the daily overnight secured financing rate (“SOFR”) published by the Federal Reserve Bank of New York and for loans borrowed in Australian Dollars, the average bid reference rate administered by ASX Benchmarks Pty Limited. The Term Loan Facilities under the Credit Agreement continue to be able to accrue interest under the London Inter-bank Offered Rate (“LIBOR”), but will switch to an alternative benchmark rate upon the cessation of LIBOR after June 30, 2023. The Euro Facilities under the Credit Agreement continue to accrue interest under the Euro Interbank Offered Rate (“EURIBOR”).

The second amendment also removed the requirement that payments made in cash for the benefit of holders of the Series A Preferred Stock on or before December 31, 2022 be made on a ratable basis to the holders of the Common Stock, and made additional clarifying amendments to certain provisions.

The amendments to our Credit Agreement as described above were accounted under ASC 470-50, *Debt Modifications and Extinguishments* as a debt modification that did not result in an extinguishment or have a material impact on our Consolidated Interim Financial Statements.

Under the Revolving Facility, the Company may use up to $125 million for the issuance of letters of credit to the Swiss Borrower or any of its subsidiaries. Letters of credit are available for issuance under the Credit Agreement on terms and conditions customary for financings of this kind, which issuances reduce availability under the Revolving Facility. As of March 31, 2022 the Company had no loans outstanding under the Revolving Facility, $2 million of outstanding letters of credit, and available borrowing capacity of approximately $473 million.

Separate from the Revolving Facility, the Company has a $35 million bilateral letter of credit facility, which also matures on April 30, 2026. As of March 31, 2022, the Company had $10 million utilized and $25 million of remaining available capacity under such facility.

Interest Rate and Fees

The Dollar Term Facility is subject to an interest rate, at our option, of either (a) an alternate base rate (“ABR”) (which shall not be less than 1.50%) or (b) an adjusted LIBOR rate (“LIBOR”) (which shall not be less than 0.50%), in each case, plus an applicable margin equal to 3.25% in the case of LIBOR loans and 2.25% in the case of ABR loans. The Euro Term Facility is subject to an interest rate equal to an adjusted EURIBOR rate (“EURIBOR”) (which shall not be less than zero) plus an applicable margin equal to 3.50%. Interest payments with respect to the Dollar and Euro Term Facilities are required either on a quarterly basis (for ABR loans) or at the end of each interest period (for LIBOR and EURIBOR loans) or, if the duration of the applicable interest period exceeds three months, then every three months.

The Revolving Facility is subject to an interest rate comprised of an applicable benchmark rate as provided under the Credit Agreement (which shall not be less than 1.00% if such benchmark is the ABR rate and not less than 0.00% in the case of other applicable benchmark rates) that is selected based on the currency in which borrowings are outstanding thereunder, in each case, plus an applicable margin, that may vary based on our leverage ratio.

In addition to paying interest on outstanding borrowings under the Revolving Facility, we are also required to pay a quarterly commitment fee based on the average daily unused portion of the Revolving Facility during such quarter, which is determined by our leverage ratio and ranges from 0.25% to 0.50% per annum.

Prepayments

The Credit Agreement also contains certain mandatory prepayment provisions in the event that we incur certain types of indebtedness, receive net cash proceeds from certain non-ordinary course asset sales or other dispositions of property or, starting with the fiscal year ending on December 31, 2022, have excess cash flow (calculated on an annual basis with the required prepayment equal to 50%, 25% or 0% of such excess cash flow, subject to compliance with certain leverage ratios), in each case subject to terms and conditions customary for financings of this kind.

Certain Covenants

The Credit Agreement contains certain affirmative and negative covenants customary for financings of this type. The Revolving Facility also contains a financial covenant requiring the maintenance of a consolidated total leverage ratio of not greater than 4.7 times as of the end of each fiscal quarter if, on the last day of any such fiscal quarter, the aggregate amount of loans and letters of credit (excluding backstopped or cash collateralized letters of credit and other letters of credit with an aggregate face amount not exceeding $30 million) outstanding under the Revolving Facility exceeds 35% of the aggregate commitments in effect thereunder on such date.

As of March 31, 2022, the Company was in compliance with all covenants.

The Credit Agreement also contained certain restrictions on the Company’s ability to pay cash dividends on or to redeem or otherwise acquire for cash the Series A Preferred Stock unless a ratable payment (on an as-converted basis) was made to holders of our common equity and such payments would otherwise be permitted under the terms of the Credit Agreement. These restrictions were removed as part of the credit amendments noted above.

The Company's ability to pay cash dividends on shares of Common Stock is also subject to conditions set forth in the Certificate of Designations for the Series A Cumulative Convertible Preferred Stock (the "Series A Certificate of Designations") as described in Note 21, *Equity*, of the Consolidated Financial Statements and accompanying notes for the year ended December 31, 2021 included in our 2021 Form 10-K. On March 3, 2022, the terms of the Series A Certificate of Designations were further amended to (i) expand the scope of permitted Distributions on Dividend Junior Stock (each as defined in the Series A Certificate of Designations) to include purchases by the Company of shares of Dividend Junior Stock in individually negotiated transactions, (ii) remove the requirement that dividends or Distributions on Dividend Junior Stock must occur on or prior to December 31, 2022, and (iii) expressly permit the purchase, redemption or other acquisition for cash by the Company of shares of Dividend Junior Stock without requiring ratable participation by holders of Series A Preferred Stock.

Note 14. Mandatorily Redeemable Series B Preferred Stock

On February 18, 2022, Garrett completed a second planned partial early redemption of its Series B Preferred Stock. Under this partial early redemption, the Company redeemed 217,183,244 shares of its Series B Preferred Stock for an aggregate price of $197 million.

As of March 31, 2022, the remaining scheduled redemptions were $18 million, $100 million, $100 million and $54 million for April 30, 2024, 2025, 2026 and 2027, respectively, totaling $272 million. The net present value of the remaining scheduled redemptions as of March 31, 2022 is $204 million which reflects an effective interest rate of 7.71% and is classified as a long-term liability on the Consolidated Interim Balance Sheet.

Note 15. Financial Instruments and Fair Value Measures

Our credit, market and foreign currency risk management policies are described in Note 19, *Financial Instruments and Fair Value Measures*, to the Consolidated Financial Statements for the year ended December 31, 2021 included in our 2021 Form 10-K. As of March 31, 2022 and December 31, 2021, we had contracts with aggregate gross notional amounts of $2,553 million and $2,788 million, respectively, to hedge interest rates and foreign currencies, principally the U.S. Dollar, Swiss Franc, British Pound, Euro, Chinese Yuan, Japanese Yen, Mexican Peso, New Romanian Leu, Czech Koruna, Australian Dollar and Korean Won.

Fair Value of Financial Instruments

The FASB's accounting guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). Financial and nonfinancial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following table sets forth the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis as of March 31, 2022 and December 31, 2021:

	Notional Amounts		Fair Value			
			Assets		Liabilities	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Designated instruments:						
Designated forward currency exchange contracts	$ 569	$ 382	$ 20	$ 9 (a)	$ 3	$ 1 (c)
Designated cross-currency swap	715	715	44	30 (b)	—	—
Total designated instruments	1,284	1,097	64	39	3	1
Undesignated instruments:						
Undesignated interest rate swap	917	940	31	7 (a)	—	—
Undesignated forward currency exchange contracts	352	751	3	2 (a)	3	4 (c)
Total undesignated instruments	1,269	1,691	34	9	3	4
Total designated and undesignated instruments	$ 2,553	$ 2,788	$ 98	$ 48	$ 6	$ 5

(a) Recorded within Other current assets
(b) Recorded within Other assets
(c) Recorded within Accrued liabilities

As of March 31, 2022, the Company had outstanding interest rate swaps with an aggregate notional amount of €830 million, with maturities of April 2023, April 2024, April 2025, April 2026 and April 2027. The Company uses interest rate swaps specifically to mitigate variable interest risk exposure on its long-term debt portfolio and has not designated them as hedging instruments for accounting purposes.

The cross-currency swaps have been designated as net investment hedges of its Euro-denominated operations. As of March 31, 2022, an aggregate notional amount of €606 million was designated as net investment hedges of the Company's investment in Euro-denominated operations. The cross-currency swaps' fair values were net assets of $44 million at March 31, 2022. Our Consolidated Interim Statements of Comprehensive Income include Changes in fair value of net investment hedges, net of tax of $13 million, during the three months ended March 31, 2022, related to these net investment hedges. No ineffectiveness has been recorded on the net investment hedges.

The Company's forward currency exchange contracts under our cash flow hedging program are assessed as highly effective and are designated as cash flow hedges. Gains and losses on derivatives qualifying as cash flow hedges are recorded in Accumulated other comprehensive income (loss) until the underlying transactions are recognized in earnings.

The foreign currency exchange, interest rate swap and cross-currency swap contracts are valued using market observable inputs. As such, these derivative instruments are classified within Level 2. The assumptions used in measuring the fair value of the cross-currency swap are considered Level 2 inputs, which are based upon market-observable interest rate curves, cross-currency basis curves, credit default swap curves, and foreign exchange rates.

The carrying value of Cash, cash equivalents and restricted cash, Account receivables and Notes and Other receivables contained in the Consolidated Interim Balance Sheet approximates fair value.

The following table sets forth the Company’s financial assets and liabilities that were not carried at fair value:

	March 31, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(Dollars in millions)			
Term Loan Facilities	$ 1,173	$ 1,198	$ 1,188	$ 1,227

The Company determined the fair value of certain of its long-term debt and related current maturities utilizing transactions in the listed markets for similar liabilities. As such, the fair value of the long-term debt and related current maturities is considered Level 2.

Note 16. Accumulated Other Comprehensive Income (Loss)

The changes in Accumulated Other Comprehensive Income (Loss) by component are set forth below:

	Foreign Exchange Translation Adjustment	Changes in Fair Value of Effective Cash Flow Hedges	Changes in Fair Value of Net Investment Hedges	Pension Adjustments	Total Accumulated Other Comprehensive Income (Loss)
	(Dollars in millions)				
Balance at December 31, 2020	$ (81)	$ (3)	$ —	$ (45)	$ (129)
Other comprehensive income before reclassifications	110	—	—	—	110
Amounts reclassified from accumulated other comprehensive income	—	1	—	—	1
Net current period other comprehensive income	110	1	—	—	111
Balance at March 31, 2021	$ 29	$ (2)	$ —	$ (45)	$ (18)

	Foreign Exchange Translation Adjustment	Changes in Fair Value of Effective Cash Flow Hedges	Changes in Fair Value of Net Investment Hedges	Pension Adjustments	Total Accumulated Other Comprehensive Income (Loss)
	(Dollars in millions)				
Balance at December 31, 2021	$ (43)	$ 7	$ 41	$ (9)	$ (4)
Other comprehensive income before reclassifications	2	13	13	—	28
Amounts reclassified from accumulated other comprehensive income	—	(5)	—	—	(5)
Net current period other comprehensive income	2	8	13	—	23
Balance at March 31, 2022	$ (41)	$ 15	$ 54	$ (9)	$ 19

Note 17. Earnings Per Share

Earnings per share ("EPS") is calculated using the two-class method pursuant to the issuance of our Series A Preferred Stock on the Effective Date. Our Series A Preferred Stock is considered a participating security because holders of the Series A Preferred Stock will also be entitled to such dividends paid to holders of Common Stock to the same extent on an as-converted basis. The two-class method requires an allocation of earnings to all securities that participate in dividends with common shares, such as our Series A Preferred Stock, to the extent that each security may share in the entity's earnings. Basic earnings per share are then calculated by dividing undistributed earnings allocated to common stock by the weighted average number of common shares outstanding for the period. The Series A Preferred Stock is not included in the computation of basic earnings per share in periods in which we have a net loss, as the Series A Preferred Stock is not contractually obligated to share in our net losses.

Diluted earnings per share for the three months ended March 31, 2022 is calculated using the more dilutive of the two-class or if-converted methods. The two-class method uses net income available to common shareholders and assumes conversion of all potential shares other than the participating securities. The if-converted method uses net income and assumes conversion of all potential shares including the participating securities. Diluted earnings per share for the three months ended March 31, 2021 is computed based upon the weighted average number of common shares outstanding and all dilutive potential common shares outstanding and all potentially issuable performance stock units at the end of the period (if any) based on the number of shares issuable if it were the end of the vesting period using the treasury stock method and the average market price of our Common Stock for the year.

The details of the EPS calculations for the three months ended March 31, 2022 and 2021 are as follows:

	Three Months Ended March 31,	
	2022	2021
	(Dollars in millions except per share)	
Basic earnings per share:		
Net income (loss)	$ 88	$ (105)
Less: preferred stock dividend	(38)	—
Net income available for distribution	50	(105)
Less: earnings allocated to participating securities	(40)	—
Net income (loss) available to common shareholders	$ 10	$ (105)
Weighted average common shares outstanding- Basic	64,538,527	75,904,898
EPS – Basic	$ 0.15	$ (1.38)
Diluted earnings per share:		
Method used:	*Two-class*	
Weighted average common shares outstanding - Basic	64,538,527	75,904,898
Dilutive effect of unvested RSUs and other contingently issuable shares	193,563	—
Weighted average common shares outstanding – Diluted	64,732,090	75,904,898
EPS – Diluted	$ 0.15	$ (1.38)

The diluted earnings per share calculations exclude the effect of stock options when the options' assumed proceeds exceed the average market price of the common shares during the period. There were no options outstanding as of or during the three months ended March 31, 2022. For the three months ended March 31, 2021, the weighted average number of stock options excluded from the computation was 399,489.

Note 18. Related Party Transactions

We lease certain facilities and receive property maintenance services from Honeywell, which is the owner of our Series B Preferred Stock and appoints a director to our board of directors (the "Board"). We also contract with Honeywell for the occasional purchase of certain goods and services. Lease and service agreements were made at commercial terms prevalent in the market at the time they were executed. Our payments under the agreements with Honeywell were $2 million for the three months ended March 31, 2022, and were included in Cost of goods sold and Selling, general and administrative expenses in our Consolidated Interim Statements of Operations. For the three months ended March 31, 2021, Honeywell was not considered a related party. Related to the agreements with Honeywell, our Consolidated Interim Balance Sheet at March 31, 2022 and our Consolidated Balance Sheet at December 31, 2021, includes liabilities of $11 million and $15 million, respectively. Liability balances are primarily related to lease contracts of $8 million and $12 million as of March 31, 2022 and December 31, 2021, respectively.

Note 19. Commitments and Contingencies

Chapter 11 Cases

On the Effective Date, the conditions to effectiveness of the Plan were satisfied or waived and the Company emerged from bankruptcy. Since the Effective Date, the reorganized Debtors have been administering and reconciling outstanding proofs of claim and proofs of interest filed against the Debtors. All of the Chapter 11 Cases other than the main lead Chapter 11 Case of the Company have been closed. The main Chapter 11 Case of the Company will remain open until all proofs of claim and proofs of interest are fully administered. Refer to Note 1, *Background and Basis of Presentation*, for additional information.

Securities Litigation

On September 25, 2020, a putative securities class action complaint was filed against Garrett Motion Inc. and certain current and former Garrett officers and directors in the United States District Court for the Southern District of New York. The case bears the caption*: Steven Husson, Individually and On Behalf of All Others Similarly Situated, v. Garrett Motion Inc., Olivier Rabiller, Alessandro Gili, Peter Bracke, Sean Deason, and Su Ping Lu*, Case No. 1:20-cv-07992-JPC (SDNY) (the “Husson Action”). The Husson Action asserted claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 as amended (the "Exchange Act"), for securities fraud and control person liability. On September 28, 2020, the plaintiff sought to voluntarily dismiss his claim against Garrett Motion Inc. in light of the Company’s bankruptcy; this request was granted.

On October 5, 2020, another putative securities class action complaint was filed against certain current and former Garrett officers and directors in the United States District Court for the Southern District of New York. This case bears the caption: *The Gabelli Asset Fund, The Gabelli Dividend & Income Trust, The Gabelli Value 25 Fund Inc., The Gabelli Equity Trust Inc., SM Investors LP and SM Investors II LP, on behalf of themselves and all others similarly situated, v. Su Ping Lu, Olivier Rabiller, Alessandro Gili, Peter Bracke, Sean Deason, Craig Balis, Thierry Mabru, Russell James, Carlos M. Cardoso, Maura J. Clark, Courtney M. Enghauser, Susan L. Main, Carsten Reinhardt, and Scott A. Tozier*, Case No. 1:20-cv-08296-JPC (SDNY) (the “Gabelli Action”). The Gabelli Action also asserted claims under Sections 10(b) and 20(a) of the Exchange Act.

On November 5, 2020, another putative securities class action complaint was filed against certain current and former Garrett officers and directors in the United States District Court for the Southern District of New York. This case bears the caption: *Joseph Froehlich, Individually and On Behalf of All Others Similarly Situated, v. Olivier Rabiller, Allesandro Gili, Peter Bracke, Sean Deason, and Su Ping Lu*, Case No. 1:20-cv-09279-JPC (SDNY) (the “Froehlich Action”). The Froehlich Action also asserted claims under Sections 10(b) and 20(a) of the Exchange Act.

The actions were assigned to Judge John P. Cronan. On November 24, 2020, competing motions were filed seeking the appointment of lead plaintiff and lead counsel and the consolidation of the Husson, Gabelli, and Froehlich Actions.

On December 8, 2020, counsel for the plaintiffs in the Gabelli Action — the Entwistle & Cappucci law firm — filed an unopposed stipulation and proposed order that would (1) appoint the plaintiffs in the Gabelli Action — the “Gabelli Entities” — the lead plaintiffs; (2) would appoint Entwistle & Cappucci as lead counsel for the plaintiff class; and (3) consolidate the Gabelli Action, the Husson Action, and the Froehlich Action (the “Consolidated D&O Action”). On January 21, 2021, the Court granted the motion to consolidate the actions and granted the Gabelli Entities’ motions for appointment as lead plaintiff and for selection of lead counsel. On February 25, 2021, plaintiffs filed a Consolidated Amended Complaint.

The Company’s insurer, AIG, has accepted the defense, subject to the customary reservation of rights.

The Company agreed with the Gabelli Entities and their lead counsel to permit a class claim to be recognized in the bankruptcy court and to have securities claims against the Company to be litigated in the district court alongside the Consolidated D&O Action. The Gabelli Entities have agreed that any recoveries against Garrett Motion Inc. on account of securities claims litigated through the class claim are limited to available insurance policy proceeds. On July 2, 2021, the bankruptcy court entered an order approving the joint request from the Company and the Gabelli Entities to handle the securities claims against Garrett Motion Inc. in this manner.

The Gabelli Entities were authorized, and on July 22, 2021 filed a second amended complaint to add claims against Garrett Motion Inc. On August 11, 2021, Garrett Motion Inc., Olivier Rabiller, Alessandro Gili, Peter Bracke, Sean Deason, Russell James, Carlos Cardoso, Maura Clark, Courtney Enghauser, Susan Main, Carsten Reinhardt, and Scott Tozier filed a motion to dismiss with respect to claims asserted against them. On the same day, Su Ping Lu, who is represented separately, filed a motion to dismiss with respect to the claims asserted against her. Lead plaintiffs' opposition to the motions to dismiss was filed on October 26, 2021, and the defendant's reply briefs were filed on or before December 8, 2021. On March 31, 2022, the judge dismissed the complaints entirely - Su Ping Lu's motion to dismiss was granted with prejudice while the court granted the plaintiffs 30 days to file a third amended complaint against the Company and the other defendants.

Brazilian Tax Matter

In September 2020, the Brazilian tax authorities issued an infraction notice against Garrett Motion Industria Automotiva Brasil Ltda, challenging the use of certain tax credits ("Befiex Credits") between January 2017 and February 2020. The infraction notice results in a loss contingency that may or may not ultimately be incurred by the Company. The estimated total amount of the contingency as of March 31, 2022 was $34 million, including penalties and interest. The Company appealed the infraction notice on October 23, 2020. In March 2021, in response to our request, the Brazilian Tax Authorities reconsidered their position for a portion of the $34 million mentioned above and allowed Garrett Motion Brazil the right to offset Federal Tax with the Befiex Credits. The letter does not qualify as a formal decision and requires formal recognition from the Judge and from the Federal Judgement Office in charge of the disputes. In August 2021, the $34 million claim was however suspended until Garrett Motion Brazil receives a final judicial decision. The Company believes, based on management's assessment and the advice of external legal counsel, that it has meritorious arguments in connection with the infraction notice and any liability for the infraction notice is currently not probable. Accordingly, no accrual is required at this time.

Warranties and Guarantees

In the normal course of business, we issue product warranties and product performance guarantees. We accrue for the estimated cost of product warranties and performance guarantees based on contract terms and historical experience at the time of sale to the customer. Adjustments to initial obligations for warranties and guarantees are made as changes to the obligations become reasonably estimable. Product warranties and product performance guarantees are included in Accrued Liabilities and Other Liabilities. The following table summarizes information concerning our recorded obligations for product warranties and product performance guarantees.

	Three Months Ended March 31,	
	2022	2021
	(Dollars in millions)	
Balance at December 31	$ 32	$ 14
Accruals for warranties/guarantees issued during the year	3	5
Settlement of warranty/guarantee claims	(3)	(4)
Amounts reclassified from Liabilities subject to compromise	—	17
Balance at March 31	$ 32	$ 32

Other Commitments and Contingencies

We are subject to other lawsuits, investigations and disputes arising out of the conduct of our business, including matters relating to commercial transactions, government contracts, product liability, prior acquisitions and divestitures, employee benefit plans, intellectual property and environmental, health and safety matters. We recognize a liability for any contingency that is probable of occurring and reasonably estimable. We continually assess the likelihood of adverse judgments of outcomes in these matters, as well as potential ranges of possible losses (taking into consideration any insurance recoveries), based on a careful analysis of each matter with the assistance of outside legal counsel and, if applicable, other experts.

Note 20. Pension Benefits

We sponsor several funded U.S. and non-U.S. defined benefit pension plans. Significant plans outside the U.S. are in Switzerland and Ireland. Other pension plans outside the U.S. are not material to the Company, either individually or in the aggregate.

Our general funding policy for qualified defined benefit pension plans is to contribute amounts at least sufficient to satisfy regulatory funding standards. We are not required to make any contributions to our U.S. pension plan in 2022. We expect to make contributions of cash and/or marketable securities of approximately $7 million to our non-U.S. pension plans to satisfy regulatory funding standards in 2022, of which $1 million has been contributed as of March 31, 2022.

Net periodic benefit costs for our significant defined benefit plans include the following components:

	Three Months Ended March 31,			
	U.S. Plans		Non-U.S. Plan	
	2022	2021	2022	2021
	(Dollars in millions)			
Service cost	$ —	$ —	$ 2	$ 3
Interest cost	1	1	—	—
Expected return on plan assets	(2)	(3)	(2)	(2)
	$ (1)	$ (2)	$ —	$ 1

For both our U.S. and non-U.S. defined benefit pension plans, we estimate the service and interest cost components of net periodic benefit (income) cost by utilizing a full yield curve approach in the estimation of these cost components by applying the specific spot rates along the yield curve used in the determination of the pension benefit obligation to their underlying projected cash flows. This approach provides a more precise measurement of service and interest costs by improving the correlation between projected cash flows and their corresponding spot rates.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations, which we refer to as our “MD&A,” should be read in conjunction with our Consolidated Interim Financial Statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q as well as the audited annual Consolidated Financial Statements for the year ended December 31, 2021, included in our Form 10-K, as filed with the Securities and Exchange Commission on February 14, 2022 (our “2021 Form 10-K”). Some of the information contained in this MD&A or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. As a result of many important factors, including those set forth in the “Risk Factors” section of our 2021 Form 10-K and this Quarterly Report on Form 10-Q, our actual results could differ materially from the results described in, or implied, by these forward-looking statements.

The following MD&A is intended to help you understand the results of operations and financial condition of Garrett Motion Inc., for the three months ended March 31, 2022.

Executive Summary

Our net sales for the three months ended March 31, 2022 was $901 million, representing a decrease of 10% (including an unfavorable impact of 4% due to foreign currency translation) compared to the prior year. The decrease in our sales, net of the impacts of foreign currency translation, approximated the estimated decline in global light vehicle production and reflects the ongoing direct and indirect impacts from the global semiconductor shortages on vehicle production schedules and sales volumes despite strong underlying demand for light vehicles, further accentuated by a strong first quarter in 2021 due to accumulated pent-up demand from 2020. The increased COVID-related lockdown measures implemented in China as well as recent geopolitical tensions arising from the military conflict between Russia and Ukraine also contributed to the lower sales for the quarter.

For the three months ended March 31, 2022, our light vehicle product sales (which comprise diesel and gasoline products, including products for passenger cars, SUVs, light trucks, and other products) accounted for approximately 68% of our revenues. Commercial vehicle product sales (products for on- and off-highway trucks, construction, agriculture and power-generation machines) accounted for 19% of our revenues. Our OEM sales contributed approximately 87% of our revenues while our aftermarket and other products contributed 13% of our revenues. Approximately 50% of our revenues came from sales to customers located in Europe, 31% from sales to customers located in Asia, 17% from sales to customers in North America, and 2% from sales to customers in other international markets.

On January 11, 2022 and March 22, 2022, the Company amended its Credit Agreement, increasing the maximum amount of borrowings under the Revolving Facility from $300 million to $475 million. The amendments also remove the requirement that payments made in cash for the benefit of holders of our Series A Preferred Stock on or before December 31, 2022 be made on a ratable basis to the holders of the Common Stock, and makes additional clarifying amendments to certain payment covenants.

On March 3, 2022, the terms of the Series A Certificate of Designations were further amended to provide the Company with greater flexibility to pay dividends and make certain distributions on, and to purchase, redeem or otherwise acquire, including in individually negotiated transactions, shares of the Company’s Common Stock or any future class of preferred stock that ranks junior to the Series A Preferred Stock in right of payment of dividends. Specifically, the amendments (i) expanded the scope of permitted Distributions on Dividend Junior Stock (as each term is defined in the Series A Certificate of Designations) to include purchases by the Company of shares of Dividend Junior Stock in individually negotiated transactions, (ii) removed the requirement that dividends or Distributions on Dividend Junior Stock must occur on or prior to December 31, 2022, and (iii) expressly permitted the purchase, redemption or other acquisition for cash by the Company of shares of Dividend Junior Stock without requiring ratable participation by holders of Series A Preferred Stock.

On February 18, 2022, the Company completed a second planned partial early redemption of its Series B Preferred Stock. Under this partial early redemption, the Company paid $197 million of which $186 million related to redemption on the principal and $11 million related to interest.

Macroeconomic disruptions

The automotive industry continues to be impacted by uncertainty due to worldwide semiconductor shortages, the COVID-19 pandemic, governmental responses to the pandemic including the lockdown measures in China, and geopolitical tensions in particular from the ongoing military conflict between Russia and Ukraine. While the Company does not have a direct presence in Russia or Ukraine, we expect that the supply-side constraints from these market disruptions will keep influencing our operating activity throughout 2022. Automotive OEMs have already reduced production plans for the first two quarters of 2022 and may further reduce production should COVID-related lockdown measures persist or extend, and the Company continues to review production levels at OEM plants and closely monitor supply-chain disruptions related to logistics and component shortages in order to minimize the impact of the bottleneck in supply and mitigate any potential disruption in production. Additionally, we implemented new procedures in 2021 for the monitoring of supplier risks and we believe we have substantially addressed such risks with manageable economic impacts including use of premium freight or adjusted payment terms that are limited in time. It is however possible that additional supply chain constraints may appear for the industry as the global supply chain restarts. Finally, we have prepared contingency plans for multiple scenarios that we believe will allow us to react swiftly to changes in customer demand while protecting Garrett’s long-term growth potential.

Trends

The turbocharger industry is expected to increase from approximately 43 million units in 2021 to approximately 51 million units by 2026, according to IHS Markit ("IHS") for light vehicle and Knibb, Gormezano and Partners ("KGP") and Power Systems Research ("PSR") for commercial vehicle on-highway and off-highway. The turbocharger industry growth is mainly driven by an expected increase in the penetration of hybrid vehicles, from 10 million hybrid cars globally in 2021 to an anticipated 30 million hybrid cars globally in 2026.

In the short to medium term, we continue to believe that turbocharger demand will grow as turbochargers remain one of the most cost-efficient levers to improve the fuel efficiency of conventional gasoline and diesel vehicles as well as hybrid vehicles. In addition, fuel cell vehicles also require a high-performance electric boosting system. In the commercial vehicle industry, we expect a slower transition to battery electric vehicles ("BEV"), due to specific mission profile and associated range and charging time constraints, which translates into more resilient turbocharger demand, as most commercial vehicles are turbocharged. In addition, low or zero emission alternative fuels for internal combustion engines ("ICE"), like natural gas or hydrogen, are expected to gain momentum in coming years, supporting continued turbocharger demand. We expect growth in the turbocharger industry in all regions, with special mention for high-growth regions in Asia, where rising income levels continue to drive long-term automotive and vehicle component demand. While these positive factors do not isolate the turbocharger industry from fluctuations in global vehicle production volumes, such factors may mitigate the negative impact of macroeconomic cycles.

The global turbocharger industry is traditionally subject to inflationary pressures with respect to raw materials which place operational and profitability burdens on the entire supply chain. Given the recent macroeconomic disruptions including the geopolitical tensions from the ongoing Russia-Ukraine conflict, we expect to see continued commodity cost volatility which could have an impact on future earnings. Accordingly, we continue to seek to mitigate both inflationary pressures and our material-related cost exposures by negotiating commodity cost contract escalation or pass-through agreements with customers and cost reductions with suppliers. Our sales predictability in the short term might also be impacted by sudden changes in customer demand, driven by our OEM customers’ supply-chain management.

The following tables show our revenues by geographic region and product line for the three months ended March 31, 2022 and 2021, respectively.

By Geography

	Three Months Ended March 31,	
	2022	2021
	(Dollars in millions)	
United States	$ 153	$ 138
Europe	451	528
Asia	282	319
Other International	15	12
Total	$ 901	$ 997

By Product Line

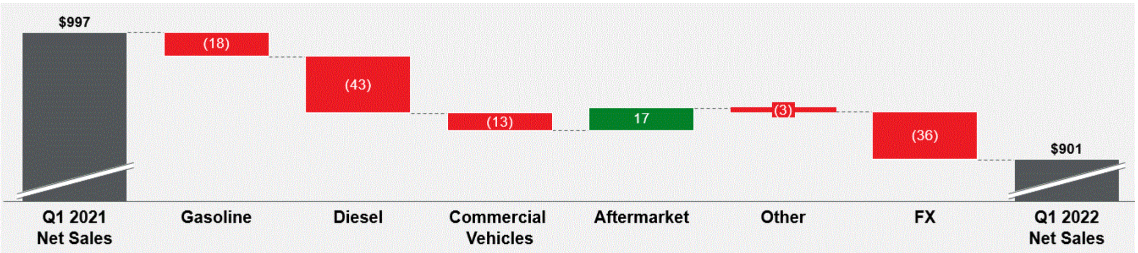
	Three Months Ended March 31, 2022	2021
	(Dollars in millions)	
Diesel	$ 254	$ 312
Gasoline	363	392
Commercial Vehicle	166	185
Aftermarket	105	91
Other	13	17
Total	$ 901	$ 997

Results of Operations for the Three Months Ended March 31, 2022

Net Sales

	Three Months Ended March 31, 2022	2021
	(Dollars in millions)	
Net sales	$ 901	$ 997
% change compared with prior period	(9.6)%	

The change in net sales for the three months ended March 31, 2022 compared with the three months ended March 31, 2021 is attributable to the following:



Net sales decreased for the three months ended March 31, 2022 compared to prior year by $96 million or 10% (including an unfavorable impact of $36 million or 4% due to foreign currency translation driven by a lower Euro-to-US dollar exchange rate).

Gasoline product sales decreased by $29 million or 7% (including an unfavorable impact of $11 million or 2% due to foreign currency translation), primarily driven by lower demand in Europe, mostly related to the semiconductor shortages at customers. Gasoline product sales in China were also adversely affected by increased COVID-related lockdown measures implemented by the Chinese government. These decreases in sales were partially offset by favorable impacts from new product launches delivering incremental sales year over year.

Diesel product sales decreased by $58 million or 19% (including an unfavorable impact of $15 million or 5% due to foreign currency translation). This decrease was mainly due to the global semiconductor shortage, as well as the impact of higher sales for the three months ended March 31, 2021 brought about by recovery in customer demand following pandemic-related disruptions in 2020.

Commercial vehicle sales decreased by $19 million or 10% (including an unfavorable impact of $6 million or 3% due to foreign currency translation), primarily driven by market declines in China following the implementation of heightened

China 6a emissions standards for heavy-duty trucks on July 1, 2021, as well as semiconductor shortages at customers and other impacts from geopolitical tensions in Russia and Ukraine and pandemic-related disruptions.

Aftermarket sales improved by $14 million or 15% (including an unfavorable impact of $3 million or 4% due to foreign currency translation), primarily due to strong demand in North America and Europe related to favorable aftermarket conditions such as increased off-highway demand for new and service parts, as well as growth through new product introductions and favorable pricing impacts.

Cost of Goods Sold

	Three Months Ended March 31, 2022	2021
	(Dollars in millions)	
Cost of goods sold	$ 726	$ 801
% change compared with prior period	(9.4)%	
Gross profit percentage	19.4 %	19.7 %

Cost of goods sold decreased for the three months ended March 31, 2022 compared to the prior year by $75 million or 9.4% (including a favorable impact of $24 million due to foreign exchange rates).

	Cost of Goods Sold	Gross Profit
	(Dollars in millions)	
Cost of Goods Sold / Gross Profit for the three months ended March 31, 2021	$ 801	$ 196
Increase/(decrease) due to:		
Volume	(68)	(30)
Product mix	23	15
Price, net of inflation pass-through	—	(2)
Commodity & transportation inflation	24	(24)
Productivity, net	(33)	35
Research & development	3	(3)
Foreign exchange rate impacts	(24)	(12)
Cost of Goods Sold / Gross Profit for the three months ended March 31, 2022	$ 726	$ 175

The decrease in cost of goods sold was primarily driven by our lower sales volumes and foreign currency impacts which contributed to decreases of $68 million and $24 million, respectively, in cost of goods sold. Cost of goods sold further decreased by $33 million from benefits from our continued focus on productivity, net of $5 million of higher premium freight costs driven by supply chain disruptions, transportation constraints and volume volatility. These decreases were also partially offset by $24 million due to inflation on commodities and transportation costs and $23 million due to an unfavorable product mix. Research and development ("R&D") expenses increased by $3 million which reflects our shift in investment in new technologies and headcount increase year-over-year.

The decrease in gross profit was mainly driven by the lower sales volumes, inflation on commodities and transportation costs, as well as higher premium freight costs as discussed above. Gross profit also decreased due to $2 million of pricing reductions net of inflation recoveries from customer pass-through agreements, as well as higher R&D costs and $12 million from foreign currency translational, transactional and hedging effects, partially offset by higher productivity along with a favorable product mix.

Selling, General and Administrative Expenses

	Three Months Ended March 31, 2022	2021
	(Dollars in millions)	
Selling, general and administrative expense	$ 53	$ 55
% of sales	5.9 %	5.5 %

Selling, general and administrative ("SG&A") expenses decreased for the three months ended March 31, 2022 compared with the prior year by $2 million, primarily due to $2 million of favorable impacts from foreign exchange rates, $2 million of lower professional service fees, and $2 million of incremental compensation cost recognized for the three months ended March 31, 2021 related to one-time cash continuity awards that were fully vested in 2021. These decreases were partially offset by a $4 million non-recurring bad debt recovery recognized during the three months ended March 31, 2021.

Interest Expense

	Three Months Ended March 31,	
	2022	2021
	(Dollars in millions)	
Interest expense	$ 23	$ 21

Interest expense for the three months ended March 31, 2022 increased compared to the prior year by $2 million, primarily due to $6 million of interest accretion on our Series B Preferred Stock (issued at Emergence), partially offset by $4 million of lower interest expense on our current credit facilities compared to our credit facility in the prior year before Emergence and prior year period fees related to amendments on our previous credit facilities.

Non-operating (income) expense

	Three Months Ended March 31,	
	2022	2021
	(Dollars in millions)	
Non-operating (income) expense	$ (28)	$ 26

Non-operating (income) expense for the three months ended March 31, 2022 increased to an income of $28 million from an expense of $26 million in the prior year. This increase is primarily related to a benefit of $26 million recognized in 2022 due to interest income associated with unrealized marked-to-market gains on interest rate swaps, as well as $33 million of unfavorable foreign exchange impacts recognized in 2021 on debt, which were unhedged, due to the restrictions placed on the Company in Chapter 11 proceedings.

Reorganization items, net

	Three Months Ended March 31,	
	2022	2021
	(Dollars in millions)	
Reorganization items, net	$ 1	$ 174

Reorganization items, net for the three months ended March 31, 2022 was an expense of $1 million related to professional service fees on the Chapter 11 Cases. During the prior year, reorganization items, net amounted to $174 million, of which $84 million pertained to legal and professional service fees related to the Chapter 11 Cases, $79 million related to the termination of and expense reimbursement under that certain share and asset purchase agreement entered into on the Petition Date by the Debtors, AMP Intermediate B.V. and AMP U.S. Holdings, LLC (the "Stalking Horse Purchase Agreement"), and $11 million related to other Chapter 11 costs including debtor-in-possession financing and the write-off of original issue discount and deferred long-term fees on debt.

Tax Expense

	Three Months Ended March 31,	
	2022	2021
	(Dollars in millions)	
Tax expense	$ 37	$ 24
Effective tax rate	29.6 %	(29.6)%

The effective tax rates for the three months ended March 31, 2022 and 2021 were 29.6% and (29.6)%, respectively. The change in the effective tax rate for the three months ended March 31, 2022 compared to the prior year is primarily related to the decrease of nondeductible bankruptcy costs, partially offset by true ups to prior year tax reserves. The negative effective tax rate for three months ended March 31, 2021 reflects a tax expense in a period of an overall pre-tax loss.

Net Income

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
	(Dollars in millions)	
Net income (loss)	$ 88	$ (105)

Net income increased $193 million for the three months ended March 31, 2022 compared with the prior year primarily as result of an increase in Non-operating income of $54 million and lower Reorganization items, net of $173 million, partially offset by lower gross profit of $21 million, as described above.

Non-GAAP Measures

It is management's intent to provide non-GAAP financial information to supplement the understanding of our business operations and performance, and it should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure is presented along with the most directly comparable GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure. The non-GAAP financial information presented may be determined or calculated differently by other companies and may not be comparable to other similarly titled measures used by other companies. Additionally, the non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Company's operating results as reported under GAAP.

EBITDA and Adjusted EBITDA [(1)]

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
	(Dollars in millions)	
Net income (loss) — GAAP	$ 88	$ (105)
Net interest (income) expense	(4)	20
Tax expense	37	24
Depreciation	22	23
EBITDA (Non-GAAP)	143	(38)
Other expense, net [(2)]	1	—
Non-operating income [(3)]	(2)	(3)
Reorganization items, net [(4)]	1	174
Stock compensation expense [(5)]	2	2
Repositioning charges [(6)]	1	8
Foreign exchange loss on debt, net of related hedging loss	—	33
Adjusted EBITDA (Non-GAAP)	$ 146	$ 176

(1) We evaluate performance on the basis of EBITDA and Adjusted EBITDA. We define "EBITDA" as our net income (loss) calculated in accordance with U.S. GAAP, plus the sum of net interest expense (income), tax expense (benefit) and depreciation. We define "Adjusted EBITDA" as EBITDA, plus the sum of non-operating (income) expense, other expense, net, stock compensation expense, reorganization items, net, repositioning charges and foreign exchange loss (gain) on debt, net of related hedging loss (gain). We believe that EBITDA and Adjusted EBITDA are important indicators of operating performance and provide useful information for investors because:

- EBITDA and Adjusted EBITDA exclude the effects of income taxes, as well as the effects of financing and investing activities by eliminating the effects of interest and depreciation expenses and therefore more closely measure our operational performance; and

- certain adjustment items, while periodically affecting our results, may vary significantly from period to period and have disproportionate effect in a given period, which affects the comparability of our results.

In addition, our management may use Adjusted EBITDA in setting performance incentive targets to align performance measurement with operational performance.

(2) Other expense, net includes expenses incurred to discount or factor the Company's receivables.

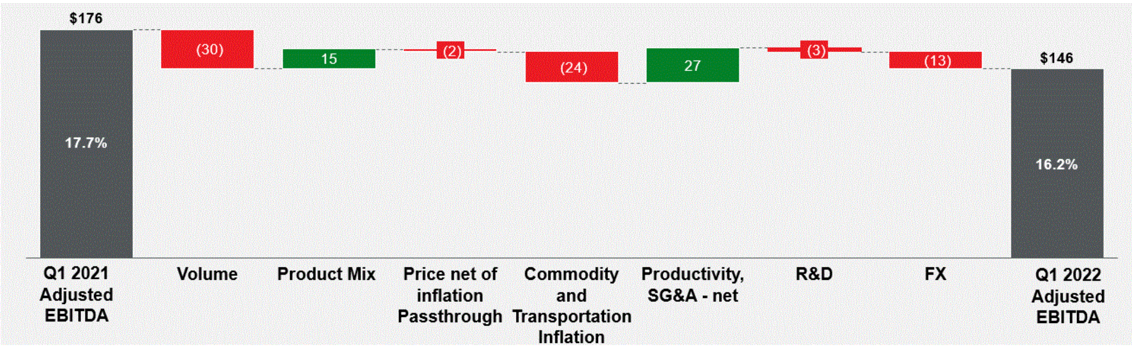
(3) Non-operating income includes the non-service component of pension expense and other expense, net and excludes interest income, equity income of affiliates, and the impact of foreign exchange.

(4) The Company applied ASC 852 for periods subsequent to the Petition Date to distinguish transactions and events that were directly associated with the Company's reorganization from the ongoing operations of the business. Accordingly, certain expenses and gains incurred during the Chapter 11 Cases are recorded within Reorganization items, net in the Consolidated Interim Statements of Operations. See Note 1, *Background and Basis of Presentation* of the Notes to the Consolidated Interim Financial Statements.

(5) Stock compensation expense includes only non-cash expenses.

(6) Repositioning charges includes severance costs related to restructuring projects to improve future productivity.

Adjusted EBITDA for the Three Months Ended March 31, 2022



As discussed above, net income increased $193 million for the three months ended March, 31 2022 as compared to the prior year.

For the three months ended March 31, 2022, Adjusted EBITDA decreased by $30 million compared to the prior year from $176 million to $146 million, mainly due to volume decreases, inflation on commodities and transportation, as well as unfavorable foreign exchange impacts, partially offset by increased productivity and a favorable mix for the quarter. Our volumes for the three months ended March 31, 2022 totaled 3.4 million units, representing a decrease of approximately 10% from the prior year.

Our Adjusted EBITDA margin of 16.2% represented a year-over-year contraction of 150 basis points. During the three months ended March 31, 2022, we faced demand volatility driven mainly by the global semiconductor shortage and geopolitical tensions due to the ongoing military conflict between Russia and Ukraine, resulting in supply chain disruptions. Our Adjusted EBITDA margin was also higher for the three months ended March 31, 2021 due to incremental benefits from recovery in customer demand following pandemic related disruptions in 2020.

We maintained our focus on productivity in the current year as rising commodity prices led to higher raw material costs, particularly for nickel, aluminum and steel alloys. We recovered a majority of the increases from our customer pass-through agreements, especially for nickel, and continue to negotiate with our customers for further escalators while actively managing our supply base and cost recovery mechanisms to minimize the impact of materials cost inflation. The increased productivity was partially offset by year-over-year labor inflation and increased premium freight costs driven by supply chain disruptions, transportation constraints and volume volatility, as well as lower SG&A expenses due to favorable impacts from foreign exchange rates and lower professional service fees and compensation costs that were partially offset by a non-recurring bad debt recovery recognized in 2021.

R&D expenses increased $3 million which reflects our shift in investment in new technologies and year-over-year labor inflation.

Adjusted EBITDA also decreased by $13 million associated with losses in foreign currency from translational, transactional and hedging effects in the three months ended March 31, 2022, primarily driven by a lower Euro-to-US dollar exchange rate versus the prior-year period.

Liquidity and Capital Resources

Historically, we have financed our operations with funds generated from operating activities, available cash and cash equivalents, as well as borrowings under a senior secured revolving credit facility and the issuance of senior notes, commitments under both of which were cancelled in connection with the Chapter 11 Cases. During the pendency of our bankruptcy proceedings, we financed our operations with funds generated from operating activities and available cash and cash equivalents, and also had in place debtor-in-possession financing arrangements.

Following the completion of the Chapter 11 Cases and Emergence, including during the three months ended March 31, 2022, we funded our operations primarily through cash flows from operating activities, borrowings from Credit Facilities and cash and cash equivalents. As of March 31, 2022, the Company reported a cash and cash equivalents position of $315 million (not including $5 million in restricted cash as of March 31, 2022) as compared to $423 million as of December 31, 2021 (not including $41 million in restricted cash as of December 31, 2021). As of March 31, 2022, the Company had no borrowings outstanding under the Revolving Facility, $2 million of outstanding letters of credit, and available borrowing capacity of $473 million. In addition, as of March 31, 2022, the Company had $1,208 million outstanding in Term Loan Facilities and $25 million in available letter of credit facilities.

During the three months ended March 31, 2022, we repaid $2 million on our Dollar Facility and $197 million related to our Series B Preferred Stock. Following the repayment of $197 million on our Series B Preferred Stock, we expect to make redemptions on our Series B Preferred Stock for each of the years 2024 to 2027 of $18 million, $100 million, $100 million and $54 million, respectively. We may also be required to redeem the outstanding shares of Series B Preferred Stock on the exercise by the holder of its right to require the Company to redeem all of the holder's shares of Series B Preferred Stock following the occurrence of certain triggering events on or before December 30, 2022, which could increase our cash requirements by approximately $220 million. Additionally, holders of our Series A Preferred Stock are entitled to receive, and, as and if declared by a committee of disinterested directors of the Board out of funds legally available for such dividend, cumulative cash dividends at an annual rate of 11% on the stated amount per share plus the amount of any accrued and unpaid dividends on such share. These dividends accumulate whether or not declared, and as of March 31, 2022, the aggregate accumulated dividend was approximately $135 million.

As disclosed in our 2021 Form 10-K, we expect to continue investing in our facilities as we expand our manufacturing capacity for new product launches and invest in strategic growth opportunities, in particular in the electrification of drivetrains.

We believe the combination of expected cash flows, the funding received from our Series A Preferred Stock issuance, the term loan borrowings, and the revolving credit facilities being committed until 2026, will provide us with adequate liquidity to support the Company's operations.

Emergence - Exit Financing and Entry into Credit Facilities

Upon our emergence from Chapter 11 proceedings on the Effective Date, the following transactions significantly improved the Company’s liquidity:

- Net proceeds from the issuance of Term Loan Facilities of $1,221 million;

- The Company obtained $300 million in commitments under a five-year secured first-lien multi-currency Revolving Facility, $125 million of which may be used for the issuance of letters of credit;

- The Company obtained a $35 million letter of credit facility for a term of five years;

- Debt repayment of $1,103 million in secured term loan facilities and accrued interest, repayment of $374 million in revolving credit facility, $461 million in Senior Notes and accrued interest and $101 million repayment of Debtor-in-possession Term Loan facility and accrued interest;

- Issuance of Series A Preferred Stock in a rights offering for $1,301 million;

- Settlement of $1,459 million of claims with Honeywell for a $375 million payment and the issuance of $577 million of Series B Preferred Stock.

On January 11, 2022 and March 22, 2022, the Company amended the Credit Agreement, increasing the maximum amount of borrowings under the Revolving Facility from $300 million to $475 million. For more information, see Note 13, *Long-term Debt and Credit Agreements*.

In connection with the Company's Emergence and pursuant to the Plan, the Company issued 247,768,962 shares of the Company's Series A Preferred Stock to the Centerbridge Investors, the Oaktree Investors and certain other investors and parties. All outstanding Series A Preferred Stock will convert into Common Stock of the Company automatically upon the occurrence of certain triggering events. Additionally, holders of the Series A Preferred Stock have the right to convert their shares of Series A Preferred Stock into Common Stock at any time. As the Certificate of Designations governing the Series A Preferred Stock prohibits the issuance of fractional shares of Common Stock upon the conversion of any shares of Series A Preferred Stock, the Company must pay a cash adjustment in respect of any such fractional share of Common Stock that would be issuable pursuant to a conversion. See Note 18, *Equity* of the Consolidated Financial Statements for the year ended December 31, 2021 included in our 2021 Form 10-K for additional information regarding the Series A Preferred Stock.

Additionally, pursuant to the Plan, on the Effective Date the Company issued 834,800,000 shares of Series B Preferred Stock to Honeywell in satisfaction of its claims against the Company arising from certain historical agreements between Honeywell and the Company. As of March 31, 2022, our liabilities with respect to our payment obligations to Honeywell under the terms of the Series B Preferred Stock were $204 million (representing the present value of all then remaining amortization payments due under the outstanding Series B Preferred Stock, discounted at a rate of 7.71% per annum). See Note 14, *Mandatorily Redeemable Series B Preferred Stock* of the Notes to the Consolidated Interim Financial Statements and Note 16, *Mandatorily Redeemable Series B Preferred Stock* of the Consolidated Financial Statements for the year ended December 31, 2021 included in our 2021 Form 10-K for additional information regarding the Series B Preferred Stock.

Share Repurchase Program

On November 16, 2021, the Board of Directors authorized a $100 million share repurchase program valid until November 15, 2022, providing for the purchase of shares of Series A Preferred Stock and Common Stock. As of March 31, 2022, the Company had repurchased $21 million of its Series A Preferred Stock and Common Stock, with $79 million remaining under the share repurchase program. For more information, see Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*.

Cash Flow Summary for the Three Months Ended March 31, 2022

	Three Months Ended March 31,	
	2022	2021
	(Dollars in millions)	
Cash provided by (used for):		
Operating activities	$ 73	$ 32
Investing activities	(29)	(17)
Financing activities	(196)	(101)
Effect of exchange rate changes on cash and restricted cash	8	(30)
Net decrease in cash, cash equivalents and restricted cash	$ (144)	$ (116)

Cash provided by operating activities increased by $41 million for the three months ended March 31, 2022 versus the prior year, primarily due to an increase in net income, net of deferred taxes and non-cash gains related to reorganization items of $157 million, partially offset by a unfavorable impact from working capital of $45 million and $71 million mainly driven by other assets and accrued liabilities.

Cash used for investing activities increased by $12 million for the three months ended March 31, 2022 versus the prior year, primarily due to an increase in expenditures for property, plant and equipment of $11 million.

Cash used for financing activities increased by $95 million for the three months ended March 31, 2022 compared with the prior year. The change was driven by $186 million paid for the partial early redemption of our Series B Preferred Stock (exclusive of $11 million of the redemption attributable to interest and included in cash used for operating activities) and $2 million for repurchases of Series A Preferred Stock and Common Stock. We also incurred $3 million of financing costs on our Revolving Facility and made payments of $2 million on our long term debt pursuant to our Credit Agreement, partially offset by $101 million debt repayments in the prior year on the financing arrangements we maintained while a debtor-in-possession (including $1 million of related financing fees).

Off-Balance Sheet Arrangements

We do not engage in any off-balance sheet financial arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Policies

The preparation of our Consolidated Interim Financial Statements in accordance with generally accepted accounting principles is based on the selection and application of accounting policies that require us to make significant estimates and assumptions about the effects of matters that are inherently uncertain. Actual results could differ from our estimates and assumptions, and any such differences could be material to our financial statements. Our critical accounting policies are summarized in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section of our 2021 Form 10-K.

Recent Accounting Pronouncements

See Note 2, *Summary of Significant Accounting Policies* of the Notes to the Consolidated Interim Financial Statements for further discussion of recent accounting pronouncements.

Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical fact contained in this Quarterly Report on Form 10-Q, including without limitation statements regarding the following, are forward-looking statements: statements regarding our future results of operations and financial position, the consequences of the Chapter 11 Cases, the anticipated impact of the COVID-19 pandemic on our business, anticipated impacts of the ongoing conflict between Russia and Ukraine, results of operations and financial position, expectations regarding the growth of the turbocharger and electric vehicle markets and other industry trends, the sufficiency of our cash and cash equivalents, anticipated sources and uses of cash, anticipated investments in our business, our business strategy, pending litigation, anticipated interest expense, and the plans and objectives of management for future operations and capital expenditures are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negative of these terms or other similar expressions. The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and are subject to a number of important factors that could cause actual results to differ materially from those in the forward-looking statements, including:

- increases in the costs and availability of raw materials and our ability to offset material price inflation;
- risks of natural disasters and climate change, and changes in legislation or government regulations or policies relating to climate change or otherwise, including with respect to greenhouse gas emission reduction targets, or other similar targets, in Europe (as part of the Green Deal objectives or otherwise); the United States; China; Japan; and Korea or other jurisdiction in which the Company does business, and growing recognition among consumers of the dangers of climate change, which may affect demand for our products, our supply chain, and results of our operations;
- changes in the automotive industry and economic or competitive conditions;
- any loss of, or a significant reduction in purchases by, our largest customers, material non-payment or non-performance by any of our key customers, and difficulty collecting receivables;
- impacts on our business from the ongoing COVID-19 pandemic, including reductions to production volumes as a result of reduced capacity at manufacturing facilities;
- any failure to protect our intellectual property or allegations that we have infringed the intellectual property of others; and our ability to license necessary intellectual property from third parties;
- potential material losses and costs as a result of any warranty claims and product liability actions brought against us;
- quality control and creditworthiness of the suppliers on which we rely;
- work stoppages, other disruptions or the need to relocate any of our facilities;
- inaccuracies in estimates of volumes of awarded business;
- the negotiating positions of our customers and our ability to negotiate favorable pricing terms;
- risks related to international operations and our investment in foreign markets, including risks related to the withdrawal of the United Kingdom from the European Union;
- risks related to disruptions in our supply chain and business operations due to the ongoing conflict between Russia and Ukraine;
- the effects of any deterioration on industry, economic or financial conditions on our ability to access the capital markets on favorable terms;

- any significant failure or inability to comply with the specifications and manufacturing requirements of our original equipment manufacturer customers or by increases or decreases to the inventory levels maintained by our customers;

- any failure to increase productivity or successfully execute repositioning projects or manage our workforce;

- potential material environmental liabilities and hazards;

- the commencement of any lawsuits, investigations and disputes arising out of our current and historical businesses, and the consequences thereof;

- inability to recruit and retain qualified personnel; and

- the other factors described under the caption "Risk Factors" in our 2021 Form 10-K, as updated in this Quarterly Report on Form 10-Q, and our other filings with the SEC.

You should read this Quarterly Report on Form 10-Q and the documents that we reference herein completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to the Company's quantitative and qualitative disclosures about market risks as disclosed in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risks, in our 2021 Form 10-K.

Item 4. Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act. Based on management’s evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective at the reasonable assurance level as of March 31, 2022 due to the unremediated material weakness as described below.

Remediation of Previously Identified Material Weakness

As previously disclosed, in the course of preparing our 2021 Form 10-K and our Consolidated Financial Statements for the year ended December 31, 2021, management determined that there was a material weakness in our internal control over financial reporting relating to the calculation of our basic and diluted earnings per share for the three and six months ended June 30, 2021 and the three and nine months ended September 30, 2021, resulting from the Company's failure to correctly account for the outstanding shares of Series A Preferred Stock as a participating security in the earnings per share calculations. Following the identification of the aforementioned error, management performed a root cause analysis and identified that the error related to a deficiency in the design and implementation of effective controls relating to involvement of subject matter experts in management’s review of complex and bespoke transactions.

During the three months ended March 31, 2022, management completed a comprehensive review of our controls and procedures associated with complex and bespoke transactions, including revisiting such transactions with input from relevant subject matter experts as determined necessary, reassessing the understanding of each transaction, evaluating the application of the underlying accounting standards to the transactions, and verifying the completeness, accuracy and reasonableness of the final accounting conclusions. Management has also updated the design of our controls to evaluate the need to involve relevant subject matter experts as part of the review controls associated with complex and bespoke accounting transactions. The material weakness will not be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

Changes in Internal Control Over Financial Reporting

Other than the remedial measures discussed above, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

We are involved in various other lawsuits, claims and proceedings incident to the operation of our businesses, including those pertaining to product liability, product safety, environmental, safety and health, intellectual property, employment, commercial and contractual matters and various other matters. Although the outcome of any such lawsuit, claim or proceeding cannot be predicted with certainty and some may be disposed of unfavorably to us, we do not currently believe that such lawsuits, claims or proceedings will have a material adverse effect on our financial position, results of operations or cash flows. We accrue for potential liabilities in a manner consistent with accounting principles generally accepted in the United States. Accordingly, we accrue for a liability when it is probable that a liability has been incurred and the amount of the liability is reasonably estimable.

For additional information regarding our legal proceedings, see Note 19, *Commitments and Contingencies* of the Notes to the Consolidated Interim Financial Statements.

Item 1A. Risk Factors

Except as disclosed below, there have been no material changes to the risks described under "Risk Factors" in our 2021 Form 10-K. In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed under "Risk Factors" in our 2021 Form 10-K. These factors could materially adversely affect our business, financial condition, or results of operations, and could cause our actual results to differ materially from our historical results or the results contemplated by any forward-looking statements contained in this report.

The ongoing conflict between Russia and Ukraine has impacted our results of operations and could create or exacerbate certain risks we face to our business, financial condition and results of operations

Russia's invasion of Ukraine and the global response, including the imposition of financial and economic sanctions by the United States and other countries, has created supply constraints that have impacted, and may continue to impact, our results of operations and could create or exacerbate risks facing our business. Although we do not presently expect the impacts of the ongoing conflict on our operating results to be material, certain risks that we have identified in our 2021 Form 10-K may be exacerbated. For example, a prolonged or intensified conflict could result in acute shortages of raw materials and price inflation on transportation costs, materials, and energy which in turn may adversely impact our supply chain. If the conflict expands beyond Ukraine, it could negatively impact our operations in neighboring countries such as Romania and Slovakia. An escalation of geopolitical tensions due to the ongoing conflict, including increased sanctions or restrictions on global trade, could also result in further supply chain disruptions, reduced customer demand, state-sponsored cyberattacks as well as increased volatility in the financial markets, all of which could have an adverse impact on our business and operations. These and other risks are described more fully in our 2021 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the quarterly period ended March 31, 2022, there were no conversions of our Series A Preferred Stock into Common Stock pursuant to the terms of the Certificate of Designations for the Series A Preferred Stock.

On November 16, 2021, the Board of Directors authorized a $100 million share repurchase program valid until November 15, 2022, providing for the purchase of shares of Series A Preferred Stock and Common Stock. Our stock repurchases may occur through open market purchases, privately negotiated transactions or trading plans pursuant to Rule 10b5-1 of the Exchange Act. The amount and timing of specific repurchases are subject to market conditions, applicable legal requirements, restricted payment capacity under our debt instruments and other factors. The repurchase program may be suspended, modified or discontinued at any time without prior notice. The following table summarizes our share repurchase activity for the three months ended March 31, 2022 and additional information regarding our share repurchase program:

Period	Total Number of Common Shares Purchased	Average Price Paid per Share	Total Number of Preferred Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan or Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan or Program
January 1, 2022 – January 31, 2022	37,467	$ 7.57	136,100	$ 8.17	173,567	$ 79,537,052
February 1, 2022 – February 28, 2022	9,606	7.19	33,729	8.03	43,335	79,197,290
March 1, 2022 – March 31, 2022	3,233	7.39	27,561	8.27	30,794	78,945,458
Total	50,306	$ 7.49	197,390	$ 8.16	247,696	$ 78,945,458

Other than the amounts repurchased as part of our share repurchase program, there were no purchases of equity securities by the issuer or affiliated purchasers during the quarter ended March 31, 2022.

Item 3. Defaults Upon Senior Securities

Holders of the Series A Preferred Stock will be entitled to receive, when, as and if declared by a committee of disinterested directors of the Board (which committee initially consisted of Daniel Ninivaggi, Julia Steyn, Robert Shanks and D'aun Norman) out of funds legally available for such dividend, cumulative cash dividends at an annual rate of 11% on the stated amount per share plus the amount of any accrued and unpaid dividends on such share, accumulating daily and payable quarterly on January 1, April 1, July 1 and October 1, respectively, in each year. No cash dividends were declared in respect of the period ended March 31, 2022. As a result, as of March 31, 2022, there were $135 million of unpaid cumulative preference dividends on the shares of Series A Preferred Stock outstanding as of that date.

Except as otherwise disclosed in this Quarterly Report on Form 10-Q or reported previously in a Current Report on Form 8-K by the Company, none.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed/ Furnished Herewith
3.1*	Certificate of Amendment of Certificate of Designations of Series A Cumulative Convertible Preferred Stock of Garrett Motion Inc., filed with the Delaware Secretary of State on March 3, 2022					*
3.2	Second Amended and Restated Certificate of Designations of the Company's Series B Preferred Stock	8-K	001-38636	3.1	12/17/2021	
10.1^	Amendment No. 2, dated March 23, 2022, to the Credit Agreement, dated April 30, 2021, among Garrett Motion Inc., Garrett LX I S.à r.l., Garrett Motion Holdings, Inc., Garrett Motion Sàrl, the lenders and issuing banks party thereto and JPMorgan Chase Bank, N.A., as administrative agent	8-K	001-38636	10.1	03/22/2022	
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					*

* Filed herewith.

** Furnished herewith.

^ Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	Garrett Motion Inc.
Date: April 28, 2022	By: /s/ Olivier Rabiller
	Olivier Rabiller
	President and Chief Executive Officer
Date: April 28, 2022	By: /s/ Sean Deason
	Sean Deason
	Senior Vice President and Chief Financial Officer

AMENDED AND RESTATED

CERTIFICATE OF DESIGNATIONS

OF

SERIES A CUMULATIVE CONVERTIBLE PREFERRED STOCK

OF

GARRETT MOTION INC.

GARRETT MOTION INC., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY AS FOLLOWS:

The Board of Directors of the Corporation (including any committee thereof, the "Board of Directors"), by resolutions adopted on April 27, 2021 and July 19, 2021, and a Certificate of Designations filed with the Secretary of State of the State of Delaware on April 30, 2021, and a Certificate of Amendment thereto filed with the Secretary of State of the State of Delaware on July 21, 2021 (as so amended, the "Certificate of Designations"), previously established a series of Preferred Stock, par value $0.001 per share, of the Corporation and designated such series as the Corporation's "Series A Cumulative Convertible Preferred Stock" (the "Series A Preferred Stock").

The Board of Directors, by unanimous written consent dated January 25, 2022, determined that it was advisable and in the best interests of the Corporation and its stockholders to amend and restate the Certificate of Designations, subject to certain terms and conditions as set forth in this amended and restated Certificate of Designations.

The holders of a majority of the outstanding shares of Series A Preferred Stock representing the votes necessary to authorize such action and acting by written consent, approved the adoption of this amended and restated Certificate of Designations, as approved by the Board of Directors, pursuant to Sections 228 and 242 of the Delaware General Corporation Law.

Effective as of March 3, 2022, the Certificate of Designations is amended and restated in its entirety to read as follows:

Section 1. **Designation.** The distinctive serial designation of such series is "Series A Cumulative Convertible Preferred Stock" ("Series A"). Each share of Series A shall be identical in all respects to every other share of Series A.

Section 2. **Number of Designated Shares.** The number of designated shares of Series A shall initially be 247,771,428. Such number may from time to time be decreased (but not below the number of shares of Series A then outstanding) by the Board of Directors. Shares of Series A that are redeemed, purchased or otherwise acquired by the Corporation shall be cancelled and shall revert to authorized but unissued shares of Preferred Stock undesignated as to series.

Section 3. **Definitions.** As used herein with respect to Series A:

(a) "Additional Payment Amount" has the meaning set forth in Section 7(n).

(b) "Additional Shares" has the meaning set forth in Section 7(n).

(c) "Additional Shares Fair Market Value" means, with respect to the shares of the Common Stock:

(1) if the shares are listed on a Principal Exchange on the day as of which Additional Shares Fair Market Value is being determined, the arithmetic average of the daily volume-weighted average price of such stock as reported in composite transactions for United States exchanges and quotation systems, for the thirty (30) consecutive Trading Day period ending on and including such day (or, if such day is not a Trading Day, the Trading Day immediately preceding such day); or

(2) if the shares are not listed on a Principal Exchange on the day as of which Additional Shares Fair Market Value is being determined, but are listed on any Fallback Exchange, the arithmetic average of the daily volume-weighted average price of such stock for the thirty (30) consecutive Trading Day period ending on and including such day (or, if such day is not a Trading Day, the Trading Day immediately preceding such day) as reported by such Fallback Exchange or, if not so reported, a service reporting such information as shall be selected by the Corporation; or

(3) if the shares are not traded on a Fallback Exchange on the day as of which Additional Shares Fair Market Value is being determined but are traded on an Over-the-Counter Market, the arithmetic average of the daily volume-weighted average of the high bid price and the low ask price for the shares for the thirty (30) consecutive Trading Day period ending on and including such day (or, if such day is not a Trading Day, the Trading Day immediately preceding such day) in such Over-the-Counter Market, as reported by such Over-the-Counter Market or, if not so reported, a service reporting such information as shall be selected by the Corporation; or

(4) in the case of securities not covered by clauses (1) through (3) above, the Additional Shares Fair Market Value of such securities shall be determined in good faith by the Board of Directors; provided that, with respect to any determination of Additional Shares Fair Market Value pursuant to clauses (1) through (3) above, the Corporation, in its good faith determination, shall make appropriate adjustments to the arithmetic average of the daily volume-weighted average price, or bid and ask stock price, to account for any stock split, reverse stock split, dividend, Distribution or other event requiring any adjustments to the Conversion Rate, so as to provide for a consistent determination of Additional Shares Fair Market Value over any period of Trading Days as may be specified in this Certificate of Designations.

(d) "Affiliate" means, with respect to any Person, any Person who, directly or indirectly, controls, is controlled by or is under common control with that Person, and the term "control" (including the terms "controlled," "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or partnership or other ownership interests, by contract (including proxy) or otherwise.

(e) "Aggregate Liquidation Entitlement" means the aggregate amount of Liquidation Entitlements for all outstanding shares of Series A.

(f) "Associate" means, when used to indicate a relationship with any Person, (i) a corporation or organization (other than the Corporation or any of its Subsidiaries) of which such Person is an officer or director or is, directly or indirectly, the owner of ten percent (10%) or more of any class of voting or equity securities, (ii) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity and (iii) any Family Member of such Person who lives in the same home as such Person.

(g) "Automatic Conversion Date" has the meaning set forth in Section 7(c).

(h) "Automatic Conversion Event" means (i) at any time the adoption of a resolution of a Majority In Interest to convert the outstanding shares of Series A into Common Stock pursuant to Section 7(c) or (ii) the occurrence of a Trading Day at any time on or after April 30, 2023, on which (A) the aggregate Stated Amount of all outstanding shares of Series B is an amount less than or equal to $125,000,000, (B) the Common Stock is traded on a Principal Exchange, a Fallback Exchange or an Over-the-Counter Market and, in each case, the Automatic Conversion Fair Market Value of the Common Stock exceeds one hundred and fifty percent (150%) of the Conversion Price and (C) Consolidated EBITDA for the last twelve months ended as of the last day of each of the two most recent fiscal quarters is greater than or equal to $600,000,000.

(i) "Automatic Conversion Event Notice" has the meaning set forth in Section 7(d).

(j) "Automatic Conversion Fair Market Value" means, with respect to the shares of the Common Stock:

(1) if the shares are listed on a Principal Exchange on the day as of which Automatic Conversion Fair Market Value is being determined, the arithmetic average of the daily volume-weighted average price of such stock as reported in composite transactions for United States exchanges and quotation systems for the seventy-five (75) consecutive Trading Day period ending on and including such day (or, if such day is not a Trading Day, the Trading Day immediately preceding such day); or

(2) if the shares are not listed on a Principal Exchange on the day as of which Automatic Conversion Fair Market Value is being determined, but are listed on any Fallback Exchange, the arithmetic average of the daily volume-weighted average price of such stock for the seventy-five (75) consecutive Trading Day period ending on and including such day (or, if such day is not a Trading Day, the Trading Day immediately preceding such day) as reported by such Fallback Exchange or, if not so reported, a service reporting such information as shall be selected by the Corporation; or

(3) if the shares are not traded on a Fallback Exchange on the day as of which Automatic Conversion Fair Market Value is being determined but are traded on an Over-the-Counter Market, the arithmetic average of the daily volume-weighted average of the high bid price and the low ask price for the shares for the seventy-five (75) consecutive Trading Day period ending on and including such day (or, if such day is not a Trading Day, the Trading Day immediately preceding such day) in such Over-the-Counter Market, as reported by such Over-the-Counter Market or, if not so reported, a service reporting such information as shall be selected by the Corporation; provided that, with respect to any determination of Automatic Conversion Fair Market Value pursuant to clauses (1) through (3) above, the Corporation, in its good faith determination, shall make appropriate adjustments to the arithmetic average of the daily volume-weighted average price, or bid and ask stock price, to account for any stock split, reverse stock split, dividend, Distribution or other event requiring any adjustments to the Conversion Rate, so as to provide for a consistent determination of Automatic Conversion Fair Market Value over any period of Trading Days as may be specified in this Certificate of Designations.

(k) "Beneficial Owner" or "Beneficially Own" have the meanings assigned to such terms in Rule 13d-3 under the Exchange Act.

(l) "Board of Directors" has the meaning set forth in the Preamble.

(m) "Business Day" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions in The City of New York are not authorized or obligated by law, regulation or executive order to close.

(n) "Bylaws" means the Third Amended and Restated Bylaws of the Corporation, dated as of October 27, 2021, as amended, amended and restated or otherwise modified from time to time.

(o) "Certificate of Incorporation" means the Second Amended and Restated Certificate of Incorporation of the Corporation, dated as of April 30, 2021, as amended, amended and restated or otherwise modified from time to time.

(p) "Change of Control" means any of the following events (whether in a single transaction or series of related transactions):

(i) a "person" or "group" (within the meaning of Section 13(d)(3) of the Exchange Act), other than the Corporation or its wholly owned subsidiaries, acquires, directly or indirectly, capital stock of the Corporation such that following such acquisition, such person or group becomes the direct or indirect Beneficial Owner of shares of the Corporation's capital stock representing more than fifty percent (50%) of the combined voting power of all of the then outstanding shares of all classes and series of capital stock of the Corporation;

(ii) any transaction or series of related transactions in connection with which (whether by means of merger, consolidation, share exchange, combination, reclassification, recapitalization, acquisition or otherwise) a majority of the Corporation's capital stock is exchanged for, converted into, acquired for, or constitutes solely the right to receive, other securities, cash or other property; provided, however, that any merger, consolidation, share exchange or combination of the Corporation pursuant to which the Person or Persons that directly or indirectly Beneficially Owned all classes and series of the Corporation's capital stock immediately before such transaction directly or indirectly Beneficially Own, immediately after such transaction, more than fifty percent (50%) of all classes or series of capital stock of the surviving, continuing or acquiring company or other transferee, as applicable, or the parent thereof, in substantially the same proportions vis-à-vis each other as immediately before such transaction, will be deemed not to be a Change of Control pursuant to this clause (ii); or

(iii) the sale, exchange, lease, or transfer of all or substantially all of the Corporation's assets, determined on a consolidated basis (other than a sale, exchange, lease, or transfer to one or more entities where the stockholders of the Corporation immediately before such sale, exchange or transfer retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the entities to which the assets were transferred, in substantially the same proportions vis-à-vis each other as immediately before such transaction).

(q) "Close of Business" means 5:00 p.m., New York City time.

(r) "Code" has the meaning set forth in Section 17.

(s) "Common Stock" means the common stock, $0.001 par value per share, of the Corporation.

(t) "Consolidated Debt" has the meaning given to such term or any analogous term in the Credit Agreement then in effect; provided, that if a Credit Agreement is no longer in effect, "Consolidated Debt" shall have the meaning set forth in the Credit Agreement as most recently in effect.

(u) "Consolidated EBITDA" has the meaning given to such term or any equivalent term in the Credit Agreement then in effect; provided, that if a Credit Agreement is no longer in effect, "Consolidated EBITDA" shall have the meaning set forth in the Credit Agreement as most recently in effect. Except as otherwise set forth herein, "Consolidated EBITDA" shall be measured over the 12-month period that includes the most recent four fiscal quarters for which financial statements of the Corporation are available.

(v) "Consolidated Leverage Ratio" means, as of any date, the ratio of (x) Consolidated Debt to (y) Consolidated EBITDA for the most recent four fiscal quarters for which financial statements of the Corporation are available.

(w) "Constituent Person" has the meaning set forth in Section 7(j)(iii).

(x) "Conversion Price" means five dollars and twenty-five cents ($5.25) per share of Common Stock, subject to adjustment as described in Section 7(g).

(y) "Conversion Rate" means the number of shares of Common Stock into which each share of Series A may be converted, equal to the Stated Amount of the shares of Series A being converted *divided by* the Conversion Price.

(z) "Corporation" has the meaning set forth in the Preamble.

(aa) "Credit Agreement" means that certain Credit Agreement, dated as of April 30, 2021, among the Corporation, Garrett LX I S.À R.L., Garrett Motion Holdings, Inc., Garrett Motion SÀRL, the lenders and issuing banks party thereto and JPMorgan Chase Bank, N.A., as amended, restated, amended and restated, modified or otherwise supplemented from time to time, or any replacement or successor thereto that is at the applicable time of determination the senior secured credit facility of the Corporation with the largest amount of undrawn commitments plus aggregate principal amount outstanding.

(ab) "Disinterested Directors" means all members of the Board of Directors other than any member of the Board of Directors who is, or is an employee, director, officer, partner, member or stockholder of, or is otherwise Affiliated or Associated with, any Person who Beneficially Owns shares of Series A with an aggregate Series A Fair Market Value greater than or equal to $50,000.

(ac) "Disinterested Directors' Committee" shall mean a duly convened committee comprised solely of each of the Disinterested Directors.

(ad) "Distribution" shall mean the transfer of cash or other property (including capital stock of the Corporation or rights to acquire capital stock of the Corporation), whether by way of dividend, purchase of capital stock of the Corporation or otherwise.

(ae) "Dividend Junior Stock" has the meaning set forth in Section 4(c).

(af) "Dividend Parity Stock" has the meaning set forth in Section 4(c).

(ag) "Dividend Senior Stock" means any future class of Preferred Stock established hereafter by the Board of Directors with the approval of a Majority In Interest in accordance with Section 8(c)(i), the terms of which expressly provide that such class ranks senior to the Series A as to the right to payment of dividends.

(ah) "DTC" means The Depository Trust Company.

(ai) "Effective Date" means April 30, 2021.

(aj) "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

(ak) "Exchange Property" has the meaning set forth in Section 7(j).

(al) "Fallback Exchange" means the principal U.S. national or regional securities exchange other than a Principal Exchange on which the Common Stock is then listed or, if the Common Stock is not then listed on a U.S. national or regional securities exchange, the principal other market on which the Common Stock is then traded.

(am) "Family Member" means with respect to an individual (i) such individual's parent, grandparent, any present or former spouse, children and siblings, whether by blood, marriage or adoption, and any issue of the foregoing, (ii) the trustees of any trust now or hereafter in existence from which or as to which any individual or individuals described in clause (i) of this definition shall be entitled to receive all or part of the income or shall be a remainderman or remaindermen and (iii) in the event of such individual's death, such individual's heirs, executors, administrators, testamentary transferees, legatees and beneficiaries.

(an) "Holder" shall mean the person or entity in which the Series A is registered on the books of the Corporation, which shall initially be the person or entity which such Series A is issued to, and shall thereafter be permitted and legal assigns which the Corporation is notified of by the Holder and which the Holder has provided a valid legal opinion in connection therewith to the Corporation and to whom such shares are legally transferred.

(ao) "Holder Conversion" has the meaning set forth in Section 7(a).

(ap) "Holder Conversion Date" has the meaning set forth in Section 7(a).

(aq) "Indebtedness" has the meaning given to such term or any analogous term in the Credit Agreement then in effect; provided, that if a Credit Agreement is no longer in effect, "Indebtedness" shall have the meaning set forth in the Credit Agreement as most recently in effect.

(ar) "Liquidation Entitlement" means, as of any date with respect to each share of Series A, the greater of (1) (a) the Stated Amount *plus* (b) the aggregate amount of cumulative unpaid Preference Dividends (whether or not authorized or declared) as of such date and (2) (a) the amount the Holders of Series A would receive if such shares were converted immediately prior to the Liquidation Event into Common Stock pursuant to Section 7(c) *plus* (b) the aggregate amount of cumulative unpaid Preference Dividends (whether or not authorized or declared) as of such date.

(as) "Liquidation Event" means any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation.

(at) "Liquidation Junior Stock" has the meaning set forth in Section 5.

(au) "Liquidation Parity Stock" has the meaning set forth in Section 5.

(av) "Liquidation Parity Stock Liquidation Preference" has the meaning set forth in Section 6(a).

(aw) "Liquidation Senior Stock" has the meaning set forth in Section 5.

(ax) "Majority In Interest" means Holders holding a majority of the then issued and outstanding shares of Series A.

(ay) "Market Disruption Event" means (i) a failure by the Principal Exchange or Fallback Exchange, as applicable, to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m. New York City time on any day on which the Principal Exchange or Fallback Exchange, as applicable, is open for trading for more than one half-hour period in the aggregate during regular trading hours of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Principal Exchange or Fallback Exchange, as applicable, or otherwise) in the Common Stock or in any options contracts or futures contracts relating to the Common Stock.

(az) "Notice of Holder Conversion" has the meaning set forth in Section 7(a).

(ba) "Over-the-Counter Market" means OTCQX or OTCQB of OTC Markets and the Over-the-Counter Bulletin Board of Financial Industry Regulatory Authority (or any of their respective successors).

(bb) "Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or other agency or political subdivision thereof. Any division or series of a limited liability company, limited partnership or trust will constitute a separate "Person" under this Certificate of Designations.

(bc) "Preference Dividends" has the meaning set forth in Section 4(a).

(bd) "Preference Dividend Payment Date" has the meaning set forth in Section 4(a).

(be) "Preference Dividend Period" has the meaning set forth in Section 4(a).

(bf) "Preferred Stock" means the Series A, the Series B, and any future series of preferred stock of the Corporation authorized in accordance with the terms of this Certificate of Designations.

(bg) "Principal Exchange" means the Nasdaq Global Select Market (or any of its successors).

(bh) "Redemption" has the meaning set forth in Section 9(a).

(bi) "Redemption Date" has the meaning set forth in Section 9(c).

(bj) "Redemption Notice" has the meaning set forth in Section 9(d).

(bk) "Redemption Price" has the meaning set forth in Section 9(a).

(bl) "Reorganization Event" has the meaning set forth in Section 7(j).

(bm) "Securities Act" means the U.S. Securities Act of 1933, as amended.

(bn) "Series A" has the meaning set forth in Section 1.

(bo) "Series A Fair Market Value" means, with respect to each share of Series A, the arithmetic average of the volume-weighted average prices for a share on the principal United States securities exchange or automated quotation system on which shares of Series A trade, as reported by Bloomberg (or, if Bloomberg ceases to publish such price, any successor service chosen by the Corporation) in respect of the ten (10) Trading Days preceding the date of determination or, if the Series A is not traded on any such exchange or automated quotation system, such value as is determined in good faith by the Board of Directors.

(bp) "Series B" means the Series B Preferred Stock, $0.001 par value per share, of the Corporation.

(bq) "Stated Amount" means, in respect of each share of Series A, five dollars and twenty-five cents ($5.25) per share, and, in respect of any other series of capital stock, the stated amount per share specified in the Certificate of Incorporation or applicable certificate of designations.

(br) "Subsidiary" means, with respect to any Person, any other Person of which a majority of the securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time Beneficially Owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such first Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Corporation.

(bs) "Trading Day" means a day on which (i) no Market Disruption Event occurs and (ii) trading in the Common Stock occurs on the Principal Exchange or, if the shares of Common Stock are not listed on a Principal Exchange, the Fallback Exchange; provided that if the Common Stock is not so listed or traded, then "Trading Day" means a Business Day.

Section 4. Dividends. The Series A shall not accrue any dividends except as provided in this Section 4.

(a) *Preference Dividends*. Holders of Series A shall be entitled to receive, when, as and if declared by the Disinterested Directors' Committee out of funds legally available therefor, cumulative cash dividends at the annual rate of eleven percent (11%) of (x) the Stated Amount per share plus (y) the amount of any accrued and unpaid dividends on each such share as of the last Preference Dividend Payment Date (as defined below) (collectively, the "Preference Dividends"), accumulating on a daily basis and payable quarterly on January 1, April 1, July 1 and October 1, respectively, in each year (or, if any such date is not a Business Day, on the next succeeding Business Day, without any adjustment in the amount paid) (each, a "Preference Dividend Payment Date") with respect to the period from and including the last Preference Dividend Payment Date (or the Effective Date, with respect to the first quarterly period) to and including the day preceding such respective dividend payment date (or portion thereof) (the "Preference Dividend Period") to holders of record on the respective date, not more than sixty (60) nor less than ten (10) days preceding the Preference Dividend Payment Date, fixed for that purpose by the Disinterested Directors' Committee in advance of payment of each particular Preference Dividend. The amount of the Preference Dividend for each Preference Dividend Period (or portion thereof) will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Corporation shall not pay any additional interest, fee, penalty or other amount in respect of any Preference Dividend that may be in arrears on the Series A. Notwithstanding the foregoing, the Disinterested Directors' Committee shall not declare a Preference Dividend at any time when Consolidated EBITDA for the most recent four fiscal quarters for which financial statements of the Corporation are available is less than $425,000,000. Preference Dividends shall accumulate whether or not (i) the Corporation has earnings; (ii) there are funds legally available for the payment of those dividends; or (iii) those dividends are authorized or declared.

(b) *Participating Dividends*. In addition to any cash dividends which may be declared and paid to Holders pursuant to Section 4(a), and except as permitted by Section 4(c)(x)(1), the

Holders shall, as Holders of Series A, be entitled to such dividends paid and other Distributions made to the holders of Common Stock to the same extent as if such Holders had converted the Series A into Common Stock (without regard to any limitations on conversion herein or elsewhere) and, if applicable, had held such shares of Common Stock on the record date for such dividends and Distributions. Payments under the preceding sentence shall be made prior to or concurrently with the dividend or Distribution to the holders of Common Stock.

(c) *Priority of Dividends*. So long as any share of Series A remains outstanding, no dividend whatsoever shall be paid or declared and no Distribution shall be made on any class of Common Stock or any future class of Preferred Stock established hereafter by the Board of Directors (other than Dividend Parity Stock or Dividend Senior Stock) (collectively, referred to as the "Dividend Junior Stock"), other than a dividend payable solely in Dividend Junior Stock, and no shares of Dividend Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of junior stock for or into junior stock, or the exchange or conversion of one share of Dividend Junior Stock for or into another share of Dividend Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Dividend Junior Stock), unless (i) all cumulative accrued and unpaid Preference Dividends on all outstanding shares of Series A have been paid in full and the full dividend thereon for the then current Preference Dividend Period has been paid or declared and set aside for payment and (ii) all prior redemption requirements with respect to Series A have been complied with; provided that the Disinterested Directors' Committee may declare or approve, and the Corporation may pay or make, a dividend or Distribution on any Dividend Junior Stock even if there are cumulative accrued and unpaid Preference Dividends that have not been paid in full or the full dividend for the then current Preference Dividend Period has not been paid or declared and set aside for payment, but only if (x) (1) such Distribution consists of the purchase, redemption or other acquisition by the Corporation of shares of Dividend Junior Stock for cash, or (2) the Holders shall also participate in such dividend or Distribution pursuant to Section 4(b), and (y) the full Board of Directors has ratified (in the case of clause (1), by the affirmative vote of at least two-thirds of the Board of Directors then in office, and in the case of clause (2), by the affirmative vote of a majority of the Board of Directors then in office) the Disinterested Directors' Committee's declaration or approval of such dividend or Distribution under clauses (1) or (2) above. For the avoidance of doubt, the declaration and payment of a dividend or making of any Distribution on any Dividend Junior Stock in which Holders shall participate pursuant to Section 4(b) in accordance with the foregoing proviso shall not obligate the Corporation to pay any Preference Dividends pursuant to Section 4(a). When Preference Dividends are not paid in full upon the shares of Series A and any future class of Preferred Stock established hereafter by the Board of Directors with the vote or written consent of a Majority In Interest, the terms of which expressly provide that such class ranks *pari passu* with the Series A as to rights to payment of dividends (collectively, referred to as the "Dividend Parity Stock"), all Preference Dividends declared upon shares of Series A and all dividends declared upon Dividend Parity Stock shall be declared *pro rata* so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid Preference Dividends per share on the shares of Series A and all accrued but unpaid dividends per share on all such Dividend Parity Stock bear to each other. Subject to the foregoing and subject to Section 4(b), the Corporation may pay such dividends (payable in cash, stock or otherwise) as may be declared by the Board of Directors on any Dividend Junior Stock from time to time out of any funds legally available therefor.

Section 5. Ranking. The Series A shall, with respect to the right to be paid the Liquidation Entitlement upon the occurrence of a Liquidation Event (as provided in Section 6 below), rank (i) senior to (A) all classes of Common Stock, (B) the Series B, and (C) any future class of Preferred Stock established hereafter by the Board of Directors (other than Liquidation Parity Stock or Liquidation Senior Stock established in accordance with Section 8(c)(i) or Section 8(c)(ii)) (the classes referred to in the foregoing clauses (A) through (C), collectively, referred to as the "Liquidation Junior Stock"), (ii) *pari passu* with any future class of Preferred Stock established hereafter by the Board of Directors in accordance with Section 8(c)(ii), the terms of which expressly provide that such class ranks *pari passu* with the Series A as to rights on the occurrence of a Liquidation Event (collectively, referred to as the "Liquidation Parity Stock") and (iii) junior to any future class of Preferred Stock established hereafter by the Board of Directors in accordance with Section 8(c)(i), the terms of which expressly provide that such class ranks senior to the Series A as to rights on the occurrence of a Liquidation Event (collectively, referred to as "Liquidation Senior Stock"). For the avoidance of doubt, this Section 5 shall not prohibit the Corporation from making any redemption payments on the Series B in accordance with the Series B Certificate of Designations.

Section 6. Liquidation Event Rights.

(a) *Payment of Aggregate Liquidation Entitlement*. In the event of the occurrence of any Liquidation Event, before any Distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Liquidation Junior Stock, the Holders of Series A will be entitled to receive out of the assets of the Corporation legally available for distribution to its stockholders an amount equal to the Aggregate Liquidation Entitlement. If, after payment of any liquidation preferences otherwise payable to holders of any Liquidation Senior Stock in respect of any Distribution upon the occurrence of a Liquidation Event, and subject to applicable Law, the assets of the Corporation are not sufficient to pay all Holders of Series A the Aggregate Liquidation Entitlement in full and to pay all holders of any Liquidation Parity Stock the amounts otherwise payable to such holders in respect of any Distributions upon the occurrence of a Liquidation Event (a "Liquidation Parity Stock Liquidation Preference"), then the amounts paid to the Holders of Series A and to the holders of all Liquidation Parity Stock shall be *pro rata* in accordance with the respective Aggregate Liquidation Entitlement and the Liquidation Parity Stock Liquidation Preferences of such Liquidation Parity Stock.

(b) *Residual Distributions*. If the Liquidation Entitlement has been paid in full to all Holders of Series A, all Liquidation Parity Stock Liquidation Preferences, if any, have been paid in full to all holders of any Liquidation Parity Stock, and all other applicable liquidation preferences have been paid to holders of Liquidation Junior Stock which is senior to the Common Stock with respect to rights upon the occurrence of a Liquidation Event, then holders of Common Stock shall be entitled to receive any and all assets remaining legally available for distribution to the Corporation's stockholders.

(c) *Merger, Consolidation and Sale of Assets Not Liquidation*. For purposes of this Certificate of Designations, the merger, consolidation or other business combination of the Corporation with or into any other corporation, including a transaction in which the Holders of Series A receive cash or property for their shares, or the sale, conveyance, lease, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the assets of the Corporation, shall not constitute a Liquidation Event.

Section 7. Conversion.

(a) *Conversion at the Option of the Holders*. Each share of Series A shall be convertible, at the option of the Holder thereof (a "Holder Conversion"), effective on January 1, April 1, July 1 and October 1 in each year (or, if any such date is not a Business Day, on the next succeeding Business Day, without any adjustment in the Additional Payment Amount), or on the third Business Day prior to a Redemption Date (provided, that the Corporation shall have received the Notice of Holder Conversion prior to the Close of Business on the Business Day prior to such Redemption Date) (any such date, the "Holder Conversion Date") into fully-paid, non-assessable shares of Common Stock at the Conversion Rate then in effect. In order to effectuate the Holder Conversion, the Holder must provide the Corporation a written notice of conversion in the form of Annex A hereto (the "Notice of Holder Conversion"). The Notice of Holder Conversion must be received by the Corporation (or, in the discretion of the Corporation, the transfer agent) no later than (A) with respect to any Holder Conversion Date scheduled to fall on January 1, April 1, July 1 or October 1 of any year, ten (10) Business Days prior to the applicable Holder Conversion Date or (B) with respect to any Holder Conversion Date falling on the third Business Day prior to a Redemption Date, prior to the Close of Business on the Business Day prior to such Redemption Date.

(b) *Mechanics of Holder Conversion*. A Holder of Series A that has validly effected a Notice of Holder Conversion shall be deemed to be the holder of record of the Common Stock issuable upon such conversion as of the applicable Holder Conversion Date, notwithstanding that certificates (if any) representing such shares of Series A shall not have been surrendered at the office of the Corporation, that notice from the Corporation shall not have been received by any Holder of record of shares of Series A, or that the certificates evidencing such shares of Common Stock shall not then be actually delivered to such Holder. In order to effect a Holder Conversion, a Holder shall deliver an original copy of the fully executed Notice of Holder Conversion to the transfer agent: Equiniti Trust Company, PO Box 64858 St Paul, MN 55164-0858, or such other address as the Corporation may specify for such purposes. Notwithstanding the foregoing, if beneficial interests in shares of Series A are held through DTC or any other similar facility, a copy of the Notice of Holder Conversion may be given by the applicable Holders of Series A at such time and in any manner permitted by such facility. Dividends payable on shares of Series A surrendered for conversion during the period from the Close of Business on any record date for the payment of a dividend on such shares to the opening of business on the date of payment of such dividend shall be payable to the holder of record of such shares as of such record date notwithstanding such conversion. Except as otherwise expressly set forth herein, no payment or adjustment shall be made upon any conversion of shares of Series A on account of any dividends accumulated on such shares or on account of any dividends accumulated on the shares of Common Stock issued upon such conversion.

(c) *Automatic Conversion*. Each share of Series A shall, on the third Trading Day following the date on which the Corporation delivers an Automatic Conversion Event Notice (the "Automatic Conversion Date") automatically be converted into fully-paid, non-assessable shares of Common Stock at the Conversion Rate then in effect on the Automatic Conversion Date, without any further action by the Holders of such shares and whether or not certificates representing such shares are surrendered to the Corporation or its transfer agent.

(d) *Mechanics of Automatic Conversion*. Within ten (10) Business Days following the occurrence of an Automatic Conversion Event, the Corporation shall deliver a notice to the Holders of outstanding Series A stating that an Automatic Conversion Event has occurred and stating the Conversion Rate in effect as of the Automatic Conversion Date (the "Automatic Conversion Event Notice"). On the Automatic Conversion Date, each Holder of Series A shall be deemed to be the holder of record of the Common Stock issuable upon such conversion, notwithstanding that the certificates (if any) representing such shares of Series A shall not have been surrendered at the office of the Corporation, that notice from the Corporation shall not have been received by any Holder of record of shares of Series A, or that the certificates evidencing such shares of Common Stock shall not then be actually delivered to such Holder. Dividends payable on shares of Series A surrendered for conversion during the period from the Close of Business on any record date for the payment of a dividend on such shares to the opening of business on the date of payment of such dividend shall be payable to the holder of record of such shares as of such record date notwithstanding such conversion. Except as otherwise expressly set forth herein, no payment or adjustment shall be made upon any conversion of shares of Series A on account of any dividends accrued on such shares or on account of any dividends accrued on the shares of Common Stock issued upon such conversion.

(e) *Reservation of Shares, Etc*. The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock, solely for the purpose of effecting the conversion of shares of Series A, the full number of shares of Common Stock that would then be deliverable upon the conversion of all shares of Series A then outstanding. If any shares of Common Stock required to be reserved for purposes of conversion of the Series A hereunder require registration with or approval of any governmental authority under any Federal or State law before such shares may be issued or freely transferred upon conversion, the Corporation will in good faith and as expeditiously as possible endeavor to cause such shares to be duly registered or approved as the case may be. If the Common Stock is quoted on the Nasdaq Global Select Market, New York Stock Exchange, or any other U.S. national securities exchange, the Corporation will, if permitted by the rules of such exchange, list and keep listed on such exchange, upon official notice of issuance, all shares of Common Stock issuable upon conversion of the Series A. Notwithstanding the foregoing, the reference to listing in the third sentence of this paragraph shall apply only when the Series A shall have become freely transferable under the federal securities laws.

(f) *No Fractional Shares*. No fractional shares of Common Stock shall be issued upon conversion of Series A. If a number of shares of Series A (evidenced by one or more certificates) shall be surrendered for conversion at one time by the same holder, the number of full shares issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of Series A being converted at such time by such holder. Instead of any fractional share of Common Stock that would otherwise be issuable to a holder upon conversion of any shares of Series A, the Corporation shall pay a cash adjustment in respect of such fractional share of Common Stock assuming each share of Common Stock has a value equal to the Additional Shares Fair Market Value.

(g) *Adjustment of Conversion Price*. In the event that outstanding shares of Common Stock shall be subdivided or split into a greater number of shares of Common Stock, the Conversion Price in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately reduced, and conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, the Conversion Price in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately increased, such reduction or increase, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective. Notwithstanding the foregoing, the Corporation shall not make any adjustment to the Conversion Price if Holders of the Series A have the opportunity to participate, at the same time and upon the same terms as holders of Common Stock and solely as a result of holding Series A, in any transaction described in this Section 7(g), without having to convert their shares of Series A, as if they held a number of shares of Common Stock issuable to such Holder at the Conversion Price.

(h) *Calculation of Adjustments*. All adjustments to the Conversion Price shall be calculated by the Corporation to the nearest 1/100th of a cent and all conversions based thereon shall be calculated by the Corporation to the nearest 1/10,000th of one share of Common Stock (or if there is not a nearest 1/10,000th of a share, to the next lower 1/10,000th of a share). No adjustment to the Conversion Price will be required unless such adjustment would require an increase or decrease to the Conversion Price of at least $0.0100; provided, however, that any such adjustment that is not required to be made will be carried forward and taken into account in any subsequent adjustment; provided, further that any such adjustment of less than $0.0100 that has not been made will be made upon any Holder Conversion Date or Automatic Conversion Date or redemption or repurchase date.

(i) *Successive Adjustments*. After an adjustment to the Conversion Price under this Section 7, any subsequent event requiring an adjustment under this Section 7 shall cause an adjustment to each such Conversion Price as so adjusted.

(j) *Reorganization Events*. In the event of:

(i) any reclassification, statutory exchange, merger, consolidation or other similar business combination of the Corporation with or into another Person, in each case, pursuant to which at least a majority of the Common Stock is changed or converted into, or exchanged for, cash, securities or other property of the Corporation or another Person;

(ii) any sale, transfer, lease or conveyance to another Person of all or a majority of the property and assets of the Corporation, in each case pursuant to which the Common Stock is converted into cash, securities or other property; or

(iii) any statutory exchange of securities of the Corporation with another Person (other than in connection with a merger or acquisition) or reclassification, recapitalization or reorganization of the Common Stock into other securities;

other than, in each case, any such transaction that constitutes a Change of Control, with respect to which, for the avoidance of doubt, the provisions of Section 9 shall apply (each of which is referred to as a "Reorganization Event"), each share of Series A outstanding immediately prior to such Reorganization Event will, without the consent of the Holders and subject to Section 7(l) and Section 8(c), remain outstanding but shall become convertible into, out of funds legally available therefor, the number, kind and amount of securities, cash and other property (the "Exchange Property") (without any interest on such Exchange Property and without any right to dividends or distributions on such Exchange Property which have a record date that is prior to the applicable Holder Conversion Date or Automatic Conversion Date) that the Holder of such share of Series A would have received in such Reorganization Event had such Holder converted its shares of Series A into the applicable number of shares of Common Stock immediately prior to the effective date of the Reorganization Event using the Conversion Price applicable immediately prior to the effective date of the Reorganization Event, assuming that the Corporation elected to issue Additional Shares in connection with such conversion and including such shares for the foregoing purposes; provided that the foregoing shall not apply if such Holder is a Person with which the Corporation consolidated or into which the Corporation merged or which merged into the Corporation or to which such sale or transfer was made, as the case may be (any such Person, a "Constituent Person"), to the extent such Reorganization Event provides for different treatment of Common Stock held by such Constituent Persons. If the kind or amount of securities, cash and other property receivable upon such Reorganization Event is not the same for each share of Common Stock held immediately prior to such Reorganization Event by a Person (other than a Constituent Person), then for the purpose of this Section 7(j), the kind and amount of securities, cash and other property receivable upon conversion following such Reorganization Event will be deemed to be the weighted average of the types and amounts of consideration received by the holders of Common Stock.

(k) *Successive Reorganization Events*. The above provisions of Section 7(j) shall similarly apply to successive Reorganization Events and the provisions of Section 7(g) shall apply to any shares of capital stock of the Corporation received by the holders of the Common Stock in any such Reorganization Event.

(l) *Reorganization Event Agreements*. The Corporation shall not enter into any agreement for a transaction constituting a Reorganization Event unless (i) such agreement provides for or does not interfere with or prevent (as applicable) conversion of the Series A into the Exchange Property in a manner that is consistent with and gives effect to Section 7(j), and (ii) to the extent that the Corporation is not the surviving corporation in such Reorganization Event or will be dissolved in connection with such Reorganization Event, proper provision shall be made in the agreements governing such Reorganization Event for the conversion of the Series A into stock of the Person surviving such Reorganization Event or such other continuing entity in such Reorganization Event.

(m) *Notice of Adjustments*. Whenever the Conversion Price is adjusted as herein provided, the Corporation shall prepare, and shall keep at the Corporation's principal offices, and shall make available to any Holder upon request, a statement showing in reasonable detail the facts requiring such adjustment and the Conversion Rate that shall be in effect after such adjustment, and the Corporation shall also cause a notice stating that the Conversion Price has been adjusted and setting forth the adjusted Conversion Price shall forthwith be required, and as soon as practicable after it is required such notice shall be mailed by the Corporation to all Holders of Series A, at their last addresses as they shall appear upon the stock transfer books of the Corporation.

(n) *Additional Payment Amount; Additional Conversion Shares*. Upon conversion of any share of Series A, the Holder thereof shall receive a payment in cash in an amount equal to the amount of cumulative unpaid Preference Dividends (whether or not authorized or declared) as of the Holder Conversion Date or Automatic Conversion Date, as applicable (the "Additional Payment Amount"); provided, that the Corporation may elect, in its sole discretion, in lieu of the payment of the Additional Payment Amount, to issue to such Holder an additional number of fully-paid, non-assessable shares of Common Stock equal to the Additional Payment Amount *divided by* the lesser of (i) the Additional Shares Fair Market Value and (ii) the fair market value of the Common Stock at the time of such conversion as determined in good faith by the Board of Directors (the "Additional Shares"). The payment of the Additional Payment Amount, or the issuance of the Additional Shares, as applicable, shall be made on or before the tenth (10th) Business Day following the Automatic Conversion Date or the date on which the Notice of Holder Conversion is actually received by the Corporation, as applicable.

Section 8. Voting Rights.

(a) *General*. The Holders of Series A will have no voting rights except as set forth below or in the Certificate of Incorporation or as otherwise required by law.

(b) *Right to Vote with Holders of Common Stock*. Subject to the other provisions of, and without limiting the other voting rights provided in, this Section 8, and except as provided in the Certificate of Incorporation or required by the Delaware General Corporation Law, the Holders will have the right to vote together as a single class with the holders of the Common Stock on each matter submitted for a vote or consent by the holders of the Common Stock, and, solely for these purposes, (i) the Series A of each Holder will entitle such Holder to cast a number of votes on such matter equal to the number of votes such Holder would have been entitled to cast if such Holder were the holder of record, as of the record date or, if there is no record date, other relevant date for such matter, of a number of shares of Common Stock equal to the whole number of shares of Common Stock that would be issuable upon conversion of such Series A assuming such Series A were converted in connection with an Automatic Conversion Event occurring on such record date or, if there is no record date, other relevant date; in each case assuming that the Corporation elected to issue Additional Shares in connection with such conversion and including such shares for the foregoing purposes (provided, that for the purposes of this Section 8(b), the number of Additional Shares shall not be greater than an amount equal to the Additional Payment Amount *divided by* $1.00) and (ii) the Holders will be entitled to notice of all stockholder meetings or proposed actions by written consent in accordance with the Certificate of Incorporation, the Bylaws, and the Delaware General Corporation Law as if the Holders were holders of Common Stock. For the avoidance of doubt, no Holder of Series A will be treated as the holder of the shares of Common Stock issuable upon conversion of such Series A except as set out in Section 7.

(c) *Other Voting Rights*. So long as any shares of Series A are outstanding, in addition to any other vote or consent of stockholders required by law or by the Certificate of Incorporation, the approval of a Majority In Interest, voting as a class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, will be necessary for:

(i) effecting or validating any amendment, modification or alteration of the Certificate of Incorporation (whether by merger, consolidation or otherwise) to authorize or create, or increase the authorized amount of, any shares of any class or series or any securities convertible into shares of any class or series of capital stock of the Corporation ranking senior to or *pari passu* with Series A with respect to the payment of the Preference Dividend or payment of the Liquidation Entitlement upon the occurrence of a Liquidation Event;

(ii) any increase in the authorized number of shares of Series A, Dividend Parity Stock or Liquidation Parity Stock or issuance of shares of Series A, Dividend Parity Stock or Liquidating Parity Stock after the date hereof;

(iii) effecting or validating any amendment, alteration or repeal (whether by merger, consolidation or otherwise) of any provision of the Certificate of Incorporation (including this Certificate of Designations and any other certificate of designations of the Corporation) or Bylaws that would have an adverse effect on the rights, preferences, privileges or voting power of the Series A or the Holders thereof in any material respect; provided, that for the avoidance of doubt, any merger, consolidation, or similar transaction shall not be deemed to have such an adverse effect so long as (A) the Series A remains outstanding with the terms thereof materially unchanged or the holders of the Series A receive equity securities with rights, preferences, privileges and voting power substantially the same as those of the Series A, and (B) the provisions of the certificate of incorporation or bylaws (or equivalent governing documents) of the surviving entity or successor entity in such transaction do not differ from the Certificate of Incorporation or Bylaws in any manner that would have an adverse effect on the rights, preferences, privileges or voting power of the Series A or such replacement equity securities or the Holders thereof in any material respect; provided, further, to the extent that the Corporation duly consummated its Redemption rights in connection with a Change of Control pursuant to Section 9 prior to the occurrence of such Change of Control, the Holders shall not have voting rights hereunder in respect of any amendment, alteration or repeal relating to such transaction; or

(iv) any action or inaction that would reduce the Stated Amount of any share of Series A (including, but not limited to, any reverse stock split, combination, or other adjustment).

Section 9. Redemption at the Option of the Corporation.

(a) *Generally*. The Series A will not be redeemable by the Corporation except that, subject to the other terms of this Section 9, the Corporation may, at its election, redeem all but not less than all of the outstanding shares of Series A (i) at any time following April 30, 2027 or (ii) in connection with the consummation of a Change of Control, in either case on the applicable Redemption Date (the "Redemption") for a cash purchase price equal to the Stated Amount *plus* cumulative unpaid Preference Dividends (whether or not authorized or declared) as of the Redemption Date (the "Redemption Price").

(b) *Redemption Prohibited in Certain Circumstances*. The Corporation will not call for Redemption, or otherwise send a Redemption Notice in respect of the Redemption of, any Series A pursuant to this Section 9 unless the Corporation has sufficient funds legally available to fully pay the Redemption Price in respect of all shares of Series A called for Redemption.

(c) *Redemption Date*. The "Redemption Date" for any Change of Control will be a Business Day of the Corporation's choosing on or after the date that such Change of Control is consummated that is no more than sixty (60), nor less than ten (10), calendar days after the date the Corporation sends the related Redemption Notice pursuant to Section 9(d).

(d) *Redemption Notice*. Upon the election by the Corporation to call the Series A for Redemption pursuant to Section 9(a), the Corporation will send to each Holder a notice of such Redemption (a "Redemption Notice"). Such Redemption Notice must state:

(i) that the Series A has been called for Redemption;

(ii) briefly, if applicable, the events causing the Change of Control giving rise to the Corporation's right to elect to redeem and the expected consummation date for the Change of Control;

(iii) the Redemption Price per share of Series A;

(iv) that any Series A called for Redemption may be converted pursuant to Section 7 on or before the third Business Day prior to the Redemption Date (provided, that the Corporation shall have received the Notice of Holder Conversion prior to the Close of Business on the Business Day prior to the Redemption Date); and

(v) the Conversion Rate in effect on the date such Redemption Notice was sent.

(e) *Payment of the Redemption Price*. The Corporation will cause the Redemption Price for each share of Series A called for Redemption to be paid to the Holder thereof on the applicable Redemption Date.

Section 10. Incurrence of Certain Indebtedness. The Corporation shall not, and shall cause its Subsidiaries that are "restricted subsidiaries" (or such similarly classified Subsidiaries under the Credit Agreement) not to, create, incur, assume or permit to exist any Indebtedness except:

(i) for Indebtedness that is not prohibited from being created, incurred, assumed or permitted to exist pursuant to the terms of the Credit Agreement;

(ii) for Indebtedness created, incurred, assumed or permitted to exist with the approval of a Majority In Interest; or

(iii) to the extent that the Consolidated Leverage Ratio, calculated on a pro forma basis in accordance with the terms of the Credit Agreement, would not exceed 3.00:1.00.

Section 11. Expenses. In any action at law or suit in equity to enforce this Certificate of Designations or the rights of any Holder hereunder, the prevailing party in such action or suit (as determined by a court of competent jurisdiction) shall be entitled to recover its reasonable out-of-pocket attorneys' fees and all other reasonable and documented out-of-pocket costs and expenses incurred in such action or suit.

Section 12. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for the Series A may deem and treat the record holder of any share of Series A as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 13. Notices. All notices or communications in respect of the Series A will be sufficiently given if given in writing and delivered in person or by first-class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Certificate of Incorporation or Bylaws or by applicable law.

Section 14. **No Other Rights or Privileges.** The shares of Series A will not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation.

Section 15. **Certificates.** The Corporation may at its option issue shares of Series A without certificates.

Section 16. **Technical, Corrective, Administrative or Similar Changes.** The Corporation may, by any means authorized by law and without any vote of the Holders of shares of Series A, make technical, corrective, administrative or similar changes in this Certificate of Designations that do not, individually or in the aggregate, adversely affect the rights or preferences of the Holders of shares of Series A in any way.

Section 17. **Tax Matters.** The Corporation intends that the Series A not be treated as either (i) "preferred stock" for purposes of Section 305 of the Internal Revenue Code of 1986, as amended (the "Code") or (ii) receiving any constructive or deemed distribution pursuant to Section 305(c) of the Code.

Section 18. **Interpretation.** Whenever possible, each provision of this Certificate of Designations shall be interpreted in a manner as to be effective and valid under applicable law and public policy. If any provision set forth herein is held to be invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating or otherwise adversely affecting the remaining provisions of this Certificate of Designations, and a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision. No provision herein set forth shall be deemed dependent upon any other provision unless so expressed herein. If a court of competent jurisdiction should determine that a provision of this Certificate of Designations would be valid or enforceable if a period of time were extended or shortened, then such court may make such change as shall be necessary to render the provision in question effective and valid under applicable law. References herein to any payment shall mean a payment in cash in United States Dollars by wire transfer of immediately available funds to an account designated by the applicable payee.

Section 19. **Enforcement.** To the fullest extent permitted by law, the provisions of this Certificate of Designations shall remain in full force and effect irrespective of (i) the failure of any Person to assert any claim or demand or to enforce any right or remedy under this Certificate of Designations or otherwise or (ii) any change in the corporate existence, structure or ownership of the Corporation or any of its Affiliates, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Corporation or any of its Affiliates.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate to be signed by Jérôme Maironi, its Senior Vice President, General Counsel and Corporate Secretary, this __3rd__ day of March, 2022.

GARRETT MOTION INC.

By: __/s/ Jérôme Maironi____________________
Name: Jérôme Maironi
Title: Senior Vice President, General Counsel and Corporate Secretary

Annex A

Form of Notice of Holder Conversion

This Notice of Conversion is executed by the undersigned holder (the “**Holder**”) in connection with the conversion of shares of the Series A Cumulative Convertible Preferred Stock of Garrett Motion Inc., a Delaware corporation (the “**Corporation**”), pursuant to the terms and conditions of that certain Amended and Restated Certificate of Designations of Series A Cumulative Convertible Preferred Stock of Garrett Motion Inc. (the “**Certificate of Designations**”), approved by the Board of Directors of the Corporation on January 25, 2022. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Certificate of Designations.

Conversion: In accordance with and pursuant to such Certificate of Designations, the Holder hereby elects to convert the number of shares of the Corporation’s Series A Cumulative Convertible Preferred Stock (the “**Series A**”) indicated below into shares of Common Stock of the Corporation (the “**Common Shares**”) as of the date specified below.

Name of Holder: ___________________

Holder Conversion Date: ___________________

Number of Shares of Series A Held by Holder: _______________________

Amount Being Converted Hereby: _______________________

Series A Held After Conversion: _______________________

If the shares of Series A to be converted are held through a nominee, please provide details of the brokerage account:

Broker: ____

DTC No.: _____________________________________

Acct. Name: ____

For Further Credit (if applicable): ____

Delivery of Shares: Pursuant to this Notice of Conversion, the Corporation shall deliver the applicable number of Common Shares issuable in accordance with the terms of the Certificate of Designations as set forth below. If Common Shares are to be issued in the name of a person other than the Holder, the Holder will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Corporation in accordance therewith. No fee will be charged to the Holder for any conversion, except for such transfer taxes, if any. The Holder acknowledges and confirms that the Common Shares issued pursuant to this Notice of Conversion will, to the extent not previously registered by the Corporation under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) be “restricted securities” within the meaning of Rule 144 under the Securities Act, unless the Common Shares are covered by a valid and effective registration statement under the Securities Act or this Notice of Conversion includes a valid opinion from an attorney stating that such Common Shares can be issued free of restrictive legend, which shall be determined by the Corporation in its sole discretion.

If the Common Shares are to be delivered through DWAC, please provide details of the brokerage account for delivery (*Note: Common Shares that will be issued as "restricted securities" are not eligible for settlement through DWAC*):

Broker: ____

DTC No.: _____________________________________

Acct. Name: ____

For Further Credit (if applicable): ____

Exhibit 31.1

CERTIFICATION

I, Olivier Rabiller, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Garrett Motion Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Olivier Rabiller
Olivier Rabiller
President and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION

I, Sean Deason, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Garrett Motion Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Sean Deason

Sean Deason

Senior Vice President and Chief Financial Officer

(*principal financial officer*)

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Garrett Motion Inc. (the "Company") for the period ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 28, 2022

By: /s/ Olivier Rabiller
Olivier Rabiller
President and Chief Executive Officer
(*principal executive officer*)

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Garrett Motion Inc. (the “Company”) for the period ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 28, 2022

By: /s/ Sean Deason
Sean Deason
Senior Vice President and Chief Financial Officer
(*principal financial officer)*