

Individual and Consolidated Interim Financial Information

Iochepe-Maxion S.A. and Subsidiaries

Six-month period ended June 30, 2020
with Independent Auditor's Review Report

1) MESSAGE FROM THE CEO

The second quarter of 2020 will always be remembered for the impacts of the coronavirus pandemic. Our priority, since the beginning, has been and continues to be taking care of the health of our employees, their families and communities in the 32 plants in 14 countries in which we operate. We adopted protocols established in accordance with the guidelines of authorities each location, implemented actions, rules and controls to monitor the entire process, in addition to providing the necessary support to our employees.

The global automotive industry was strongly impacted in the quarter. Excluding China, light vehicles production fell by 62.3% compared to the previous year, according to IHS Automotive consultancy. Likewise, the month of April had the lowest level of production, with a reduction of 83.1% compared with the same period of the previous year. The months of May and June, on the other hand, indicated a gradual recovery with decreases in relation to the previous year of 69.8% and 32.9%, respectively. For full year 2020, the main information providers in the automotive sector estimate a 25% to 30% reduction in global vehicle production. In order to achieve this scenario, the third and fourth quarters must have a reduction compared to the previous year of around 15.0% and 10.0%, respectively. We observed different recovery speeds in several markets. North America is recovering faster than the Brazilian market, while Europe has shown a consistent improvement in recent months. Due to our geographic diversification, we have seen a recovery pace equivalent to the world market average.

In view of the challenges posed by the pandemic, we focused on financial and operational management with the objectives of preserving liquidity and recovering operating margins. On the operational side, we adopted measures on a timely basis: (i) adherence to government-aid programs to support workforce idleness; (ii) reduction of operating expenses by 19.1% and capital expenditures by 41.6% compared to the same quarter of the previous year (excluding the effect of exchange rate variation); (iii) reduction of approximately 8.0% in the number of jobs in this first semester; (v) announcement of an industrial restructuring in North America with closure of the Akron plant in the USA; and (vi) focus and discipline in managing working capital.

On the financial side, the Company ended the quarter with a cash position of R\$ 1.4 billion, a very high level to withstand any volatility generated by the recovery of the industry in the second half of the year. We concluded the renegotiation of financial covenants and borrowed new unsecured credit lines of approximately R\$ 1.2 billion (new lines less amortizations) during the 1H20.

From a different perspective, 2Q20 was very positive in terms of new businesses. Maxion Wheels confirmed the supply of new steel and aluminum wheel projects, with emphasis on new customers in the electric vehicle segment in the USA and Europe, and wheels for commercial vehicles in China. Maxion Structural Components was nominated for new stamping businesses in the commercial and light vehicle segments in Brazil and Mexico. These new programs were demonstrations of our customers' confidence in the quality of our products and in our ability to meet their immediate and future needs with competitive and technologically innovative products and solutions. Some recent awards are examples of the recognition of our customers, such as: "Logistic & Quality Excellence Performance Award" by Honda in Brazil, "Supplier Quality Excellence Performance Award" by General Motors in India, "Quality and Delivery Performance in 2019" by John Deere in Brazil, and "Supplier Quality Excellence Award 2019" from General Motors in Brazil.

We are closely monitoring the speed of recovery in each of the markets where we operate and seeking to flexibly align our production capacity with the different schedules of our customers.

Even with the challenges observed by the pandemic, we are following the recovery of the markets around the world. We maintain our medium and long-term growth plans, mainly in the Asia region, aligning the speed of expansion and capital expenditures to the volume levels projected by the industry.

2) COMPANY OVERVIEW

Iochope-Maxion is a global company, the world leader in the production of automotive wheels and a leading producer of automotive structural components in the Americas.

We have 32 manufacturing plants located in 14 countries and approximately 15,000 employees, which enables us to serve our customers around the world according to their delivery terms, quality standards and competitiveness requirements.

Our Company holds a high level of technical knowledge, and permanently seeks to provide innovative solutions in the areas in which it operates, using global macro-trends that guide the development of new products, technologies and processes, whether independently or in cooperation with strategic partners.

We operate our core business through two divisions: Maxion Wheels and Maxion Structural Components.

At Maxion Wheels, we produce and sell a wide range of steel wheels for light and commercial vehicles and agricultural machinery and aluminum wheels for light vehicles.

At Maxion Structural Components, we produce side rails, cross members and full frames for commercial vehicles and structural components for light vehicles.

In addition, through AmstedMaxion (related company), we produce railway wheels and castings, industrial castings and freight cars.

3) HIGHLIGHTS

- Cash position of R\$ 1,392.6 million at the end of 2Q20, an increase of about 3 times the level observed in 2Q19.
 - Reduction in operating expenses (excluding the effect of exchange rate variation) of 19.1% in 2Q20 and 17.3% in 1H20.
 - Reduction in capital expenditures (excluding the effect of exchange rate variation) of 41.6% in 2Q20 and 27.8% in 1H20.
 - Additional fund raising of approximately R\$ 490.0 million in credit lines in 2Q20 (R\$ 1,160.0 million in 1H20) in order to strengthen the Company's liquidity.
 - Renegotiation, still in 2Q20, of financial covenants.
 - Reduction in net operating revenue of 56.1% in 2Q20 and 33.9% in 1H20.
 - Net debt of R\$ 3,636.2 million in 2Q20 (R\$ 2,640.5 million in 2Q19). Financial leverage (net debt/ adjusted EBITDA LTM) represented 5.8x at the end of 2Q20.
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4) MARKET

Production of vehicles and agricultural machinery in regions where the Company's highest percentage of consolidated revenues are concentrated, presented the following behavior in the periods indicated (in units):

PRODUCTION	BRAZIL ¹			North America ²			EUROPE ²		
Segment	2Q19	2Q20	Var.	2Q19	2Q20	Var.	2Q19	2Q20	Var.
Light Vehicles	737,875	130,587	-82.3%	4,244,667	1,221,919	-71.2%	5,115,285	1,710,453	-66.6%
Commercial Vehicles	38,583	13,048	-66.2%	177,630	45,881	-74.2%	139,964	50,598	-63.8%
Total Vehicles	776,458	143,635	-81.5%	4,422,297	1,267,800	-71.3%	5,255,249	1,761,051	-66.5%
Agricultural Machinery	13,908	8,788	-36.8%	N/A	N/A		N/A	N/A	

Segment	1H19	1H20	Var.	1H19	1H20	Var.	1H19	1H20	Var.
Light Vehicles	1,404,845	685,799	-51.2%	8,478,231	5,013,285	-40.9%	10,296,872	5,940,021	-42.3%
Commercial Vehicles	69,460	43,728	-37.0%	339,035	172,915	-49.0%	284,624	154,482	-45.7%
Total Vehicles	1,474,305	729,527	-50.5%	8,817,266	5,186,200	-41.2%	10,581,496	6,094,503	-42.4%
Agricultural Machinery	24,724	19,135	-22.6%	N/A	N/A		N/A	N/A	

(1) Source: ANFAVEA

(2) Source: IHS Automotive (Light Vehicles) and LMC Automotive (Commercial Vehicles)

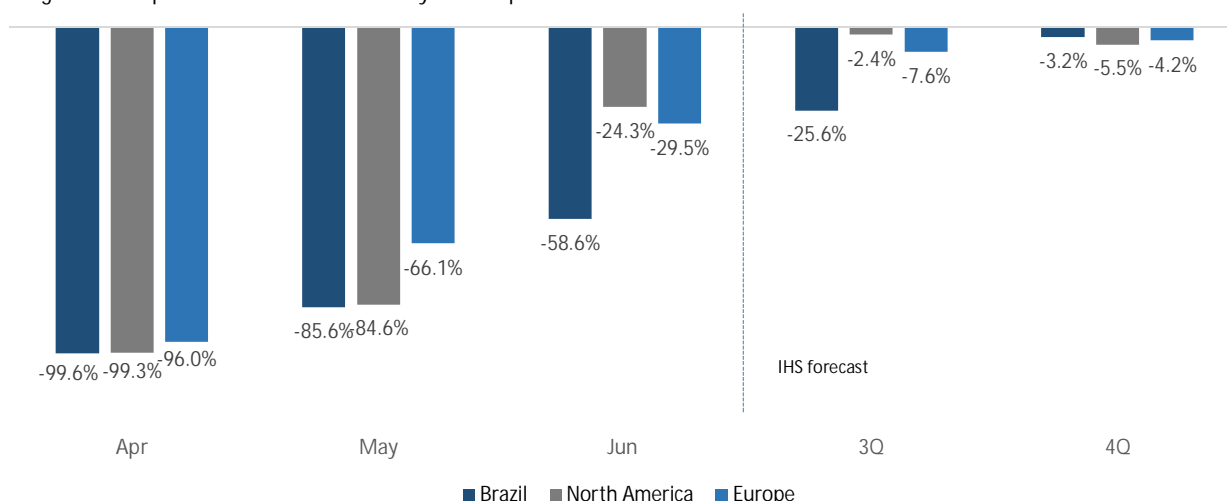
(3) Consider Western Europe + Central Europe + Turkey

The pandemic had a negative impact on world vehicle production. In the regions where the Company has a greater presence, the most significant drop in the period was in Brazil, affected mainly by the light vehicle segment, with longer production stops than other regions.

In North America, the commercial vehicle segment has been declining since the end of 2019 (expected effect due to cyclical demand for trucks) and which intensified during the pandemic in 2Q20. Production in Europe indicated a smaller reduction when compared to other regions.

According to IHS projections, Brazil will have a slower pace of recovery in the third quarter compared to Europe and North America, and the fourth quarter indicates reductions of 3% to 6% compared to 2019 in the main regions where we operate.

Light vehicle production – month – over-year comparison 2019*



*Source: ANFAVEA and IHS automotive. Forecast: IHS automotive

5) OPERATING AND FINANCIAL PERFORMANCE

Consolidated I.S - R\$ thousand	2Q19	2Q20	Var.	1H19	1H20	Var.
Net Operating Revenue	2,667,331	1,171,844	-56.1%	5,135,450	3,396,404	-33.9%
Cost of Goods Sold	(2,330,756)	(1,308,180)	-43.9%	(4,500,565)	(3,348,384)	-25.6%
Gross Profit (Loss)	336,575	(136,336)	-140.5%	634,885	48,020	-92.4%
	12.6%	-11.6%		12.4%	1.4%	
Operating Expenses	(133,158)	(132,365)	-0.6%	(274,132)	(262,621)	-4.2%
Other Operating Expenses/Revenues	1,988	(61,064)	n.m.	(3,853)	(35,300)	n.m.
Equity Income	(3,753)	(2,269)	-39.5%	(11,481)	3,363	-129.3%
Operating Income (Loss) (EBIT)	201,652	(332,034)	-264.7%	345,419	(246,538)	-171.4%
	7.6%	-28.3%		6.7%	-7.3%	
Financial Results	(49,704)	(84,121)	69.2%	(127,506)	(133,701)	4.9%
Income Taxes	(21,886)	64,469	n.m.	(6,797)	58,879	n.m.
Minority Shareholders	(19,672)	(667)	-96.6%	(37,628)	(21,843)	-42.0%
Net Income (Loss)	110,390	(352,353)	n.m.	173,488	(343,203)	-297.8%
	4.1%	-30.1%		3.4%	-10.1%	
EBITDA	304,247	(199,515)	n.m.	546,835	5,452	n.m.
	11.4%	-17.0%		10.6%	0.2%	
Adjusted EBITDA ¹	304,581	(144,430)	n.m.	547,725	65,493	n.m.
	11.4%	-12.3%		10.7%	1.9%	

¹ Adjusted EBITDA: excludes expenses with restructuring and impairments, in order to reflect the calculation of leverage for the measurement of financial covenants

n.m. - not measurable

5.1) Net operating revenue

Consolidated net operating revenue reached R\$ 1,171.8 million in 2Q20 and R\$ 3,396.4 million in 1H20, a reduction of 56.1% and 33.9%, respectively.

Operating revenue in 2Q20 was negatively impacted by the drop in vehicle production in the period, due to the impacts of the pandemic in the different markets where the Company operates.

The exchange rate variation positively impacted the Company's operating revenue by R\$ 256.9 million in 2Q20 and R\$ 483.9 million in 1H20.

The following table indicates the performance of consolidated net operating revenue by origin and by product type.

Net Operating Revenue- R\$ thousand	2Q19	2Q20	Var.	1H19	1H20	Var.
Aluminum Wheels (Light vehicles)	128,201	16,631	-87.0%	256,554	100,041	-61.0%
Steel Wheels (Light vehicles)	127,514	19,156	-85.0%	234,438	111,335	-52.5%
Steel Wheels (Commercial vehicles)	174,302	75,194	-56.9%	327,870	202,159	-38.3%
Structural Components (Light vehicles)	55,877	14,438	-74.2%	93,872	53,976	-42.5%
Structural Components (Commercial vehicles)	254,172	52,179	-79.5%	431,838	224,809	-47.9%
South America	740,065	177,598	-76.0%	1,344,572	692,320	-48.5%
	27.7%	15.2%		26.2%	20.4%	
Aluminum Wheels (Light vehicles)	119,366	41,141	-65.5%	230,607	142,623	-38.2%
Steel Wheels (Light vehicles)	277,832	100,028	-64.0%	553,896	354,924	-35.9%
Steel Wheels (Commercial vehicles)	105,345	64,524	-38.7%	202,099	142,844	-29.3%
Structural Components (Commercial vehicles)	322,880	138,438	-57.1%	616,206	371,600	-39.7%
North America	825,423	344,131	-58.3%	1,602,808	1,011,993	-36.9%
	30.9%	29.4%		31.2%	29.8%	
Aluminum Wheels (Light vehicles)	441,064	249,798	-43.4%	886,888	684,253	-22.8%
Steel Wheels (Light vehicles)	243,228	186,328	-23.4%	463,845	415,762	-10.4%
Steel Wheels (Commercial vehicles)	178,354	139,872	-21.6%	371,255	327,636	-11.7%
Europe	862,646	575,998	-33.2%	1,721,988	1,427,651	-17.1%
	32.3%	49.2%		33.5%	42.0%	
Aluminum Wheels (Light vehicles)	150,830	44,415	-70.6%	300,475	177,217	-41.0%
Steel Wheels (Light vehicles)	23,448	4,895	-79.1%	44,873	26,189	-41.6%
Steel Wheels (Commercial vehicles)	64,917	24,809	-61.8%	120,734	61,035	-49.4%
Asia + Others	239,195	74,118	-69.0%	466,082	264,441	-43.3%
	9.0%	6.3%		9.1%	7.8%	
Iochepe-Maxion Consolidated	2,667,331	1,171,844	-56.1%	5,135,450	3,396,404	-33.9%
	100.0%	100.0%		100.0%	100.0%	
Maxion Wheels	2,034,401	966,789	-52.5%	3,993,534	2,746,019	-31.2%
	76.3%	82.5%		77.8%	80.9%	
Maxion Structural Components	632,929	205,055	-67.6%	1,141,916	650,385	-43.0%
	23.7%	17.5%		22.2%	19.1%	

5.2) Cost of Goods Sold (COGS)

The cost of products sold reached R\$ 1,308.2 million in 2Q20 and R\$ 3,348.4 million in 1H20, a reduction of 43.9% compared to 2Q19 and of 25.6% compared to 1H19.

5.3) Gross Profit

Gross loss of R\$ 136.3 million in 2Q20 and gross profit of R\$ 48.0 million in 1H20. The gross result in the period was decisively impacted by the reduction in world vehicle production.

5.4) Operational expenses

Operating expenses (selling, general and administrative expenses and management fees) reached R\$ 132.4 million in 2Q20 and R\$ 262.6 million in 1H20, a reduction of 0.6% in relation to 2Q19 and of 4.2% compared to 1H19.

The exchange rate variation negatively impacted operating expenses by R\$ 24.1 million in 2Q20 and by R\$ 35.5 million in 1H20. Excluding these effects, the reduction in operating expenses would have decreased by 19.1% in 2Q20 and by 17.3% in 1H20.

The line of other operating expenses / revenues was impacted in the quarter by R\$ 55.1 million in expenses with restructuring and impairments.

5.5) Equity Income

Equity income reached a negative amount of R\$ 2.3 million in 2Q20 and a positive result of R\$ 3.4 million in 1H20, an improvement over the negative results of R\$ 3.8 million in 2Q19 and R\$ 11.5 million in 1H19.

The following table sets forth the amounts corresponding to Iochpe-Maxion's interest, which reflect the results of the equity income in the Company.

R\$ thousand	2Q19			2Q20				Var.
	Amsted Maxion	Maxion Montich	Total	Amsted Maxion	Maxion Montich	Dongfeng Maxion	Total	
Net Income (Loss)	(3,763)	11	(3,753)	(1,589)	(285)	(394)	(2,269)	39.6%

R\$ thousand	1H19			1H20				Var.
	Amsted Maxion	Maxion Montich	Total	Amsted Maxion	Maxion Montich	Dongfeng Maxion	Total	
Net Income (Loss)	(9,446)	(2,035)	(11,481)	3,921	160	(718)	3,363	129.3%

5.6) Earnings before Interest and Tax (EBIT)

Operating loss of R\$ 332.0 million in 2Q20 and R\$ 246.5 million in 1H20, impacted by the reduction in world vehicle production and expenses with restructuring and impairments, mentioned in item 5.4 above.

5.7) EBITDA

Negative EBITDA of R\$ 199.5 million in 2Q20 and a positive EBITDA of R\$ 5.5 million in 1H20.

EBITDA was impacted by the drop in world vehicle production and expenses with restructuring and impairments mentioned in item 5.4 above. Excluding these expenses, the adjusted EBITDA in 2Q20 was negative by R\$ 144.4 million and positive by R\$ 65.5 million in 1H20.

The table below shows the evolution of EBITDA and the effects of restructuring and impairments.

EBITDA Reconciliation - R\$ Thousand	2Q19	2Q20	Var.	1H19	1H20	Var.
Net Income (Loss)	110,390	(352,353)	n.m.	173,488	(343,203)	-297.8%
Minority Shareholders	19,672	667	-96.6%	37,628	21,843	-42.0%
Income Taxes	21,886	(64,469)	n.m.	6,797	(58,879)	n.m.
Financial Results	49,704	84,121	69.2%	127,506	133,701	4.9%
Depreciation / Amortization	102,595	132,519	29.2%	201,416	251,990	25.1%
EBITDA	304,247	(199,515)	-165.6%	546,835	5,452	-99.0%
Restructuring and Impairments	(334)	(55,085)		(890)	(60,041)	
Adjusted EBITDA ¹	304,581	(144,430)	-147.4%	547,725	65,493	-88.0%

¹ Adjusted EBITDA: excludes expenses with restructuring and impairments, in order to reflect the calculation of leverage for the measurement of financial covenants

n.m. - not measurable

5.8) Financial Result

The financial result was negative by R\$ 84.1 million in 2Q20 and R\$ 133.7 million in 1H20, an increase of 69.2% and 4.9% compared to 2Q19 and 1H19, respectively.

The worsening of the financial result is related to the increase in financial expenses resulting from the new borrowings carried out in 1H20, higher cost of carrying cash (given the higher cash balance as well as a greater difference between borrowing and investment rates), exchange rate variation (devaluation of the Real against the Euro of 35.8% and 35.9% against the Dollar in the year) and expenses related to the renegotiation of financial covenants.

5.9) Net income

Net loss of R\$ 352.4 million in 2Q20 (negative result per share of R\$ 2.31257) and R\$ 343.2 million in 1H20 (negative result per share of R\$ 2.25251). Excluding the effects of restructuring and impairments mentioned in item 5.4 above, the net loss in 2Q20 would have been R\$ 297.3 million and R\$ 283.2 million in 1H20.

6) CAPITAL EXPENDITURES

Capital expenditures reached R\$ 85.2 million in 2Q20 and R\$ 195.3 million in 1H20, a reduction of 25.3% and 14.4% compared to 2Q19 and 1H19 (R\$ 114.1 million in 2Q19 and R\$ 228.3 million in 1H19). Excluding the effect of exchange variation, the reduction would have been 41.6% in 2Q20 and 27.8% in 1H20.

The main projects in the period were related to health and safety, maintenance, and productivity at different industrial units of the Company.

The expansion projects continue in the Company's medium and long term planning, mainly in the Asia region, aligning the speed of expansion and capital expenditures to the volumes projected by the industry.

7) LIQUIDITY AND INDEBTEDNESS

The cash and cash equivalents position on June 30, 2020 was R\$ 1,392.6 million, 56.1% in Reais and 43.9% in other currencies.

Consolidated gross debt on June 30, 2020 reached R\$ 5,028.7 million, of which R\$ 1,828.3 million (36.4%) was recorded in current liabilities and R\$ 3,200.5 million (63.6%) in non-current liabilities.

The liquidity ratio (cash to short-term debt ratio) was 0.76x at the end of 2Q20, an improvement over the 0.47x ratio observed at the end of 2Q19.

The increase in gross debt is related to the increase in the Company's liquidity, in view of the uncertainty generated by the pandemic.

The main indicators of consolidated gross debt at the end of 2Q20 were: (i) credit lines in Reais indexed to the CDI, which represented 43.8% (average cost CDI + 1.9%), (ii) credit lines in Euros (Euro + 3.1% per year) with 35.8%, and (iii) credit lines in Dollars (US\$ + average of 2.9% per year) with 12.2%.

Consolidated net debt on June 30, 2020 reached R\$ 3,636.2 million, an increase of 37.7% in relation to the amount of R\$ 2,640.5 million reached at the end of the same period in 2019. The exchange rate variation impacted negatively the net debt by R\$ 628.4 million. Excluding this effect, net debt would have increased by 13.9%.

Net debt at the end of 2Q20 represented 5.8x of the adjusted EBITDA for the last 12 months, while at the end of 2Q19 it represented 2.4x.

8) SHAREHOLDERS' EQUITY

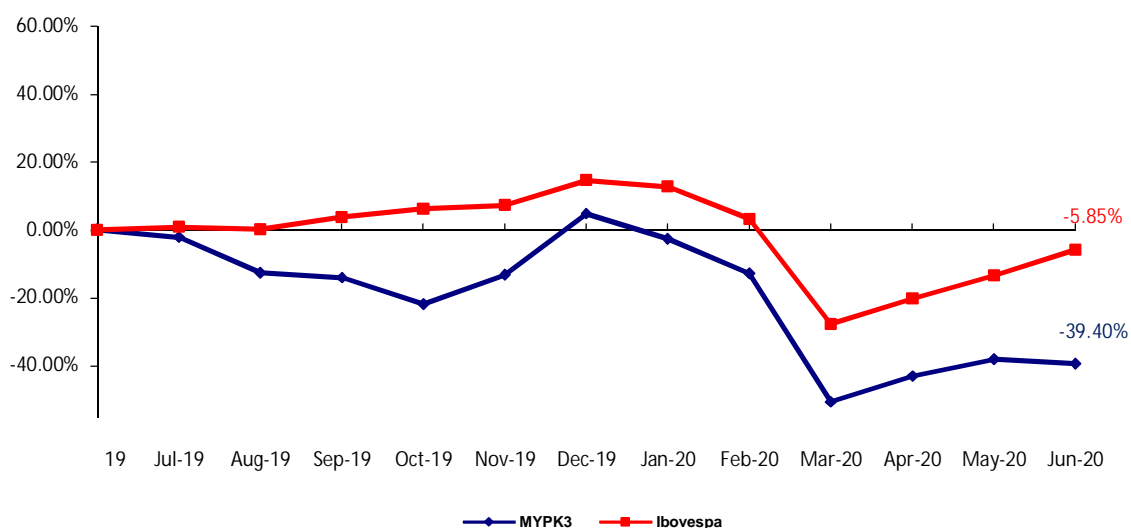
Consolidated shareholders' equity reached R\$ 4,044.7 million (book value per share of R\$ 26.31) on June 30, 2020, an increase of 21.5% in relation to shareholders' equity reached on June 30, 2019 (R\$ 3,330.1 million and book value per share of R\$ 21.66).

The shareholders' equity attributed to the controllers reached R\$ 3,762.4 million (book value per share of R\$ 24.48) on June 30, 2020, an increase of 20.8% in relation to the shareholders' equity attributed to the controllers reached in 30 June 2019 (R\$ 3,114.8 million and book value per share of R\$ 20.26).

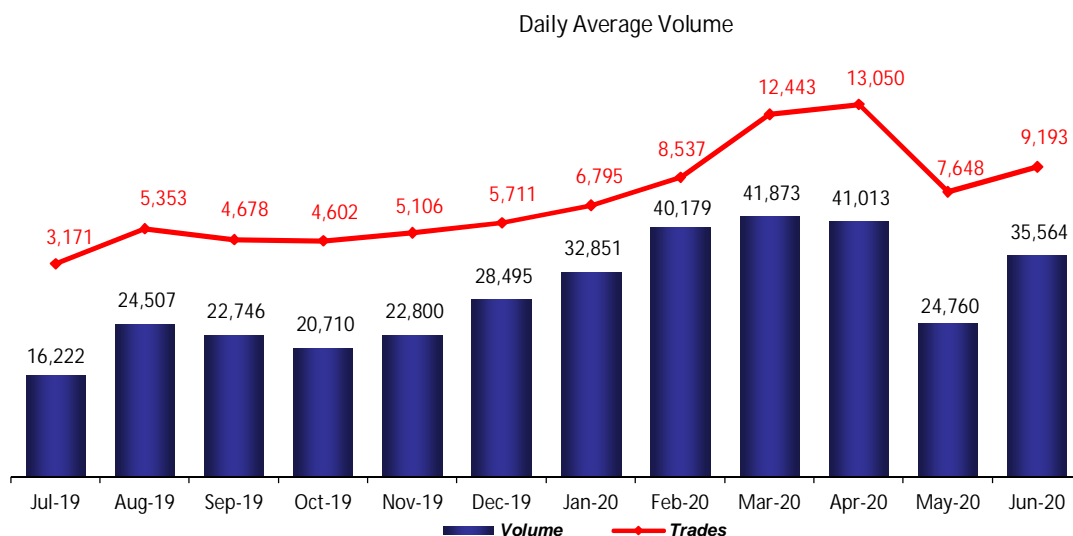
9) CAPITAL MARKETS

Ioche-Maxion common shares (B3: MYPK3) closed 2Q20 quoted at R\$ 13.52, an increase of 22.7% in the quarter and a drop of 39.4 % in the last 12 months. At the end of 2Q20, Ioche-Maxion reached a capitalization (market cap) of R\$ 2,078.3 million (R\$ 3,429.5 million at the end of 2Q19).

Share Performance – Last 12 months



Ioche-Maxion's shares in 2Q20 had an average daily trading volume on the São Paulo Stock Exchange of R\$ 33.6 million (R\$ 17.1 million in 2Q19) and an average daily number of 9,942 trades (3,484 trades in 2Q19).



10) ARBITRATION CLAUSE

The Company is bound to arbitration at the Arbitration Chamber of Novo Mercado, as provided for in the Arbitration Clause included in its By-laws.

11) CVM INSTRUCTION No. 381

In accordance with CVM Instruction No. 381, we inform that during 2Q20, Iochpe-Maxion, its subsidiaries and its jointly-controlled business have contracted services not related to the external audit, for periods lasting less than one year, which represented less than 5% of the fees related to the audit of the consolidated financial statements.

In our relationship with the Independent Auditor, we evaluate conflicts of interest with non-audit work based on the following: the auditor should not (a) audit its own work, (b) carry out management functions and (c) promote our interests.

12) MANAGEMENT'S STATEMENT

Pursuant to article 25 of CVM Instruction No 480/09, of December 7, 2009, Management declares that they have discussed, reviewed and agreed with the independent auditors' report and the individual and consolidated financial statements as of June 30, 2020.

The Company's financial statements presented herein are in accordance with the criteria of the Brazilian corporate law, prepared in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards - IFRS.

EBITDA should not be considered as an alternative to net income (loss), as an indicator of the Company's operating performance or as an alternative to cash flow as an indication of liquidity.

The Company's management believes that EBITDA is a useful measure to assess its operating performance and enables comparison with other companies.

The Company calculates EBITDA according to CVM Instruction 527 of October 04, 2012. Thus, EBITDA represents net income (loss) before financial income, income and social contribution taxes, and depreciation and amortization.

Cruzeiro, August 11th, 2020.

lochpe-Maxion S.A. and Subsidiaries

Individual and consolidated interim financial information

Six-month period ended June 30, 2020

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A free translation from Portuguese into English of Independent Auditor's Review Report on Individual and Consolidated Interim Financial Information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting and the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

Independent auditor's review report on individual and consolidated interim financial information

To the shareholders of
lochpe-Maxion S.A. and Subsidiaries
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of lochpe-Maxion S.A. (Company) for the quarter ended June 30, 2020, comprising the statement of financial position as of June 30, 2020 and the related statements of profit or loss and of comprehensive income for the three and six-month periods then ended, and of changes in equity and of cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 - Interim Financial Reporting, and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statement of value added (SVA) for the six-month period ended June 30, 2020, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Amounts corresponding to the individual and consolidated statement of financial position as of December 31, 2019 and the individual and consolidated interim financial information for the three and six months periods ended June 30, 2019

The examination of the individual and consolidated statement of financial position as of December 31, 2019 and the review of the individual and consolidated interim financial information for the three and six months periods ended June 30, 2019, shown for comparison purposes, were conducted under the responsibility of other independent auditors, who have issued an audit and review reports, without modification, dated on March 5, 2020 and August 5, 2019, respectively.

Sao Paulo, August 11, 2020.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6



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Accountant CRC-1SP210861/O-2

A free translation from Portuguese into English of Individual and Consolidated Interim Financial Information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting and the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

lochpe-Maxion S.A. and Subsidiaries

Statements of financial position

June 30, 2020

(In thousands of Brazilian reais - R\$)

	Note	Parent		Consolidated	
		06/30/2020	12/31/2019	06/30/2020	12/31/2019
Assets					
Current assets					
Cash and cash equivalents	5	775,778	263,853	1,392,574	646,137
Trade receivables	6	181,244	264,811	966,336	1,029,650
Inventories	7	321,640	296,272	1,659,113	1,328,470
Recoverable taxes	8	47,366	42,451	200,080	223,589
Prepaid expenses		5,064	2,474	48,608	20,210
Other receivables		8,357	13,316	105,581	109,565
Total current assets		1,339,449	883,177	4,372,292	3,357,621
Noncurrent assets					
Recoverable taxes	8	4,136	3,141	150,092	166,759
Deferred income tax and social contribution	9. a	111,652	75,075	444,780	306,628
Judicial deposits		54,624	52,254	59,979	58,495
Related parties	10. b	-	4,897	-	4,897
Other receivables		527	790	1,217	1,520
Investments	11	3,773,243	3,010,977	93,706	74,612
Property, Plant and Equipment	12	937,562	928,136	4,372,430	3,590,747
Intangible assets	13	73,033	67,618	2,334,121	1,740,135
Right of use	14	7,739	10,133	63,970	73,997
Total noncurrent assets		4,962,516	4,153,021	7,520,295	6,017,790
Total assets		6,301,965	5,036,198	11,892,587	9,375,411

	Note	Parent		Consolidated	
		06/30/2020	12/31/2019	06/30/2020	12/31/2019
Liabilities and equity					
Current liabilities					
Borrowings, financing and debentures	15	970,272	24,353	1,828,277	648,697
Trade payables		83,514	146,238	919,013	1,126,821
Taxes payable		10,797	8,460	73,495	121,060
Payroll and related taxes		84,652	111,039	351,672	322,088
Advances from customers		35,600	17,539	47,215	27,244
Dividends and interest on equity payable		440	127,146	86,596	127,147
Related parties	10. b	-	31,714	-	-
Other payables		51,208	35,418	296,446	210,561
Total current liabilities		1,236,483	501,907	3,602,714	2,583,618
Noncurrent liabilities					
Borrowings, financing and debentures	15	1,243,941	1,243,975	3,200,463	2,412,886
Provision for labor, tax and civil risks	16	48,882	48,051	84,136	83,753
Deferred income and social contribution taxes	9. a	-	-	203,951	174,548
Actuarial pension plan liability		-	-	678,251	515,932
Other payables		10,256	13,787	78,398	107,698
Total noncurrent liabilities		1,303,079	1,305,813	4,245,199	3,294,817
Equity					
Share capital	17 a.	1,576,954	1,576,954	1,576,954	1,576,954
Stock options		3,061	3,071	3,061	3,071
Earnings reserves		606,530	606,530	606,530	606,530
Capital reserve		6,000	6,000	6,000	6,000
Treasury shares	17 e.	(28,894)	(28,920)	(28,894)	(28,920)
Valuation adjustment to equity		1,938,867	1,064,843	1,938,867	1,064,843
Income for the period		(340,115)	-	(340,115)	-
Equity attributable to controlling interests		3,762,403	3,228,478	3,762,403	3,228,478
Noncontrolling interests		-	-	282,271	268,498
Total equity		3,762,403	3,228,478	4,044,674	3,496,976
Total liabilities and equity		6,301,965	5,036,198	11,892,587	9,375,411

See accompanying notes.

lochpe-Maxion S.A. and Subsidiaries

Statements of profit or loss

For the three-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, except earnings per share)

	Note	Parent		Consolidated	
		04/01/2020 06/30/2020	04/01/2019 06/30/2019	04/01/2020 06/30/2020	04/01/2019 06/30/2019
Net sales and services revenue	22	178,507	690,942	1,171,844	2,667,331
Cost of sales and services rendered	23	(221,747)	(584,898)	(1,308,180)	(2,330,756)
Gross profit		(43,240)	106,044	(136,336)	336,575
Operating income (expenses)					
Selling expenses	23	(2,871)	(3,088)	(13,579)	(9,142)
General and administrative expenses	23	(25,405)	(26,517)	(116,217)	(119,701)
Management fees	10.a	(2,569)	(4,315)	(2,569)	(4,315)
Equity pickup	11	(281,727)	36,936	(2,269)	(3,753)
Operating income (expenses), net	24	(3,451)	10,123	(61,064)	1,988
Operating income before finance income (costs)		(359,263)	119,183	(332,034)	201,652
Finance income	20	5,754	4,010	7,185	4,680
Finance costs	20	(35,633)	(20,680)	(75,746)	(51,480)
Foreign exchange gains (losses), net	21	718	(32)	(15,560)	(2,904)
Profit before income tax and social contribution		(388,424)	102,481	(416,155)	151,948
Income tax and social contribution					
Current	9.b	-	(2,038)	4,858	(50,226)
Deferred	9.b	36,071	9,947	59,611	28,340
Profit for the period		(352,353)	110,390	(351,686)	130,062
Attributable to					
Controlling interests		(352,353)	110,390	(352,353)	110,390
Noncontrolling interests		-	-	667	19,672
Earnings per share for the period:					
Basic - R\$	27	(2.31272)	0.73634	(2.31272)	0.73634
Diluted - R\$	27	(2.31271)	0.73625	(2.31271)	0.73625

See accompanying notes.

Ioche-Maxion S.A. and Subsidiaries

Statements of profit or loss

For the six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, except earnings per share)

	Note	Parent		Consolidated	
		06/30/2020	06/30/2019	06/30/2020	06/30/2019
Net sales and services revenue	22	674,707	1,244,760	3,396,404	5,135,450
Cost of sales and services rendered	23	(681,181)	(1,067,131)	(3,348,384)	(4,500,565)
Gross profit		(6,474)	177,629	48,020	634,885
Operating income (expenses)					
Selling expenses	23	(6,187)	(6,455)	(26,837)	(23,015)
General and administrative expenses	23	(48,841)	(54,363)	(229,635)	(243,382)
Management fees	10.a	(6,149)	(7,735)	(6,149)	(7,735)
Equity pickup	11	(271,200)	87,780	3,363	(11,481)
Operating income (expenses), net	24	(670)	10,282	(35,300)	(3,853)
Operating income before finance income (costs)		(339,521)	207,138	(246,538)	345,419
Finance income	20	8,283	8,008	10,606	10,472
Finance costs	20	(58,309)	(40,123)	(125,145)	(130,660)
Foreign exchange gains (losses), net	21	6,615	(718)	(19,162)	(7,318)
Profit before income tax and social contribution		(382,932)	174,305	(380,239)	217,913
Income tax and social contribution					
Current	9.b	3,151	(2,038)	(31,730)	(110,719)
Deferred	9.b	36,578	1,221	90,609	103,922
Profit for the period		(343,203)	173,488	(321,360)	211,116
Attributable to					
Controlling interests		(343,203)	173,488	(343,203)	173,488
Noncontrolling interests		-	-	21,843	37,628
Earnings per share for the period:					
Basic - R\$	27	(2.25252)	1.15886	(2.25252)	1.15886
Diluted - R\$	27	(2.25252)	1.15870	(2.25252)	1.15870

See accompanying notes.

lochpe-Maxion S.A. and Subsidiaries

Statements of comprehensive income
For the three-month period ended June 30, 2020
(In thousands of Brazilian reais - R\$)

	Parent		Consolidated	
	04/01/2020	04/01/2019	04/01/2020	04/01/2019
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Profit for the period	(352,353)	110,390	(351,686)	130,062
Other comprehensive income				
Items that will be subsequently reclassified to profit or loss:				
Gains on translating of financial statements of foreign subsidiaries	193,012	(58,867)	212,098	(60,326)
Total other comprehensive income	193,012	(58,867)	212,098	(60,326)
Total comprehensive income	(159,341)	51,523	(139,588)	69,736
Attributable to:				
Controlling interests	(159,341)	51,523	(159,341)	51,523
Noncontrolling interests	-	-	19,753	18,213
	(159,341)	51,523	(139,588)	69,736

See accompanying notes.

lochpe-Maxion S.A. and Subsidiaries

Statements of comprehensive income
For the six-month period ended June 30, 2020
(In thousands of Brazilian reais - R\$)

	Parent		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Profit for the period	(343,203)	173,488	(321,360)	211,116
Other comprehensive income				
Items that will be subsequently reclassified to profit or loss:				
Gains on translating of financial statements of foreign subsidiaries	877,323	(23,584)	968,797	(28,034)
Total other comprehensive income	877,323	(23,584)	968,797	(28,034)
Total comprehensive income	534,120	149,904	647,437	183,082
Attributable to:				
Controlling interests	534,120	149,904	534,120	149,904
Noncontrolling interests	-	-	113,317	33,178
	534,120	149,904	647,437	183,082

See accompanying notes.

Ioche-Maxion S.A. and Subsidiaries

Statements of changes in equity
For the six-month period ended June 30, 2020
(In thousands of Brazilian reais - R\$)

	Earnings reserves					Equity adjustment						
	Share capital	Stock options	Legal reserve	Statutory investment and working capital reserve	Capital reserve	Treasury shares	Deemed cost of property, plant and equipment	Other comprehensive income	Profit for the period	Equity	Noncontrolling interests	Total equity
Balances at December 31, 2018	1,407,536	3,084	79,510	313,646	127,006	(26,022)	75,288	941,902	-	2,921,950	276,577	3,198,527
Profit for the period	-	-	-	-	-	-	-	-	173,488	173,488	37,628	211,116
Other comprehensive income	-	-	-	-	-	-	-	(23,584)	-	(23,584)	(4,450)	(28,034)
Total comprehensive income	-	-	-	-	-	-	-	(23,584)	173,488	149,904	33,178	183,082
Capital increase	39,938	-	-	-	-	-	-	-	-	39,938	-	39,938
Recognition of stock option plan	-	16	-	-	-	-	-	-	-	16	-	16
Exercise of stock options	-	-	-	-	-	21	-	-	-	21	-	21
Treasury shares acquired	-	-	-	-	-	(2,987)	-	-	-	(2,987)	-	(2,987)
Realization of deemed cost, net of taxes	-	-	-	-	-	-	(1,733)	-	1,733	-	-	-
Derecognition of deemed cost, net of taxes	-	-	-	-	-	-	(118)	-	-	(118)	-	(118)
Conversion of debentures - 6th issue	-	-	-	-	2,009	-	-	-	-	2,009	-	2,009
Hyperinflationary effect on investment in joint venture	-	-	-	-	4,098	-	-	-	-	4,098	-	4,098
Dividends allocated to noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(94,522)	(94,522)
Balances at June 30, 2019	1,447,474	3,100	79,510	313,646	133,113	(28,988)	73,437	918,318	175,221	3,114,831	215,233	3,330,064
Balances at December 31, 2019	1,576,954	3,071	96,648	509,882	6,000	(28,920)	69,597	995,246	-	3,228,478	268,498	3,496,976
Profit for the period	-	-	-	-	-	-	-	-	(343,203)	(343,203)	21,843	(321,360)
Other comprehensive income	-	-	-	-	-	-	-	877,323	-	877,323	91,474	968,797
Total comprehensive income	-	-	-	-	-	-	-	877,323	(343,203)	534,120	113,317	647,437
Exercise of stock options	-	(10)	-	-	-	26	-	-	-	16	-	16
Realization of deemed cost, net of taxes	-	-	-	-	-	-	(3,088)	-	3,088	-	-	-
Derecognition of deemed cost, net of taxes	-	-	-	-	-	-	(211)	-	-	(211)	-	(211)
Dividends allocated to noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(99,544)	(99,544)
Balances at June 30, 2020	1,576,954	3,061	96,648	509,882	6,000	(28,894)	66,298	1,872,569	(340,115)	3,762,403	282,271	4,044,674

See accompanying notes

lochpe-Maxion S.A. and Subsidiaries

Statements of cash flows

For the six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$)

	Note	Parent		Consolidated	
		06/30/2020	06/30/2019	06/30/2020	06/30/2019
Cash flow from operating activities					
Profit for the period		(343,203)	173,488	(321,360)	211,116
Adjustments to reconcile profit for the period to cash used in operating activities:					
	12, 13 and				
Depreciation and amortization	14	31,867	31,526	251,989	201,258
Income tax and social contribution	9	(39,729)	817	(58,879)	6,797
Residual value of property, plant and equipment items and intangible assets written off	12 and 13	1,538	4,687	51,675	9,438
Equity pickup	11	271,200	(87,780)	(3,363)	11,481
Provision for tax, civil, and labor risks, net of reversals and adjustments	16	1,907	(6,266)	(2,849)	(6,723)
Inflation, adjustment of judicial deposits		(545)	5,310	(655)	5,233
Interest, inflation adjustments and amortization of borrowing costs	15	43,247	35,912	91,255	124,470
Expected credit losses	6	2,440	(430)	4,810	(3,066)
Allowance for inventory losses	7	4,549	(10,568)	40,026	(12,980)
Finance cost (net) of pension plans and post-employment benefits	18	-	-	6,753	2,699
Stock options		(10)	16	(10)	16
Derecognition of deemed cost		(211)	(118)	(211)	(118)
Decrease (increase) in assets:					
Trade receivables	6	81,127	(157,384)	329,260	(157,239)
Inventories	7	(29,917)	44,025	(22,308)	44,026
Other receivables and other assets		(5,103)	(22,394)	108,363	(57,448)
Increase (decrease) in liabilities:					
Trade payables		(62,724)	(11,131)	(534,666)	(72,419)
Payment of pension plan and post-employment benefits	18	-	-	(17,722)	(22,293)
Payment of tax, civil and labor risks	16	(1,076)	(8,585)	(3,031)	(13,528)
Advances from customers		18,061	(31,928)	16,673	(32,643)
Tax, labor and social security obligations		(23,607)	(5,889)	(124,006)	8,602
Other payables and other liabilities		(22,256)	68,868	(69,500)	(45,451)
		(72,445)	22,176	(257,756)	201,228
Payment of interest on borrowings and financing	15	(4,017)	(3,342)	(39,860)	(71,645)
Payment of interest on debentures	15	(35,387)	(23,083)	(35,387)	(23,083)
Payment of interest on lease liability		(61)	(46)	(1,962)	(3,563)
Payment of income tax and social contribution		-	(4,160)	(29,468)	(66,274)
		(39,465)	(30,631)	(106,677)	(164,565)
Net cash used in operating activities		(111,910)	(8,455)	(364,433)	36,663
Cash flow from investing activities					
Capital reduction (increase) in subsidiaries	11.b	(156,143)	(167,583)	-	-
Purchase of property, plant and equipment	12 and 30	(33,473)	(34,490)	(167,665)	(218,609)
Purchase of intangible assets	13	(5,498)	(7,580)	(7,007)	(9,914)
Net cash used in investing activities		(195,114)	(209,653)	(174,672)	(228,523)
Cash flow from financing activities					
Debentures issued	15	-	450,000	-	450,000
Borrowing and financing raised	15	955,862	95,014	1,799,950	1,273,068
Repayment of borrowings and financing - principal	15	(2,447)	(101,888)	(479,504)	(1,363,329)
Debentures amortization - principal	15	-	(152,936)	-	(112,998)
Repayment of lease liability - principal		(1,480)	(2,807)	(16,497)	(9,385)
Capitalization of borrowing costs		(11,061)	(7,618)	(24,497)	(25,476)
Payment of proposed and additional dividends		(126,822)	(108,697)	(126,822)	(108,697)
Dividends paid to noncontrolling interests		-	-	(19,374)	(38,509)
Acquisition of treasury shares	17. e	-	(2,966)	-	(2,966)
Related parties		4,897	41	4,897	41
Net cash provided by financing activities		818,949	168,143	1,138,153	61,749
Increase (Decrease) in cash and cash equivalents		511,925	(49,965)	599,048	(130,111)
Foreign exchange differences on translating cash and cash equivalents of foreign subsidiaries				147,389	(3,753)
Cash and cash equivalents at the beginning of the period		263,853	66,788	646,137	486,903
Cash and cash equivalents at the end of the period		775,778	16,823	1,392,574	353,039
Increase (decrease) in cash and cash equivalents		511,925	(49,965)	746,437	(133,864)

See accompanying notes.

lochpe-Maxion S.A. and Subsidiaries

Statements of value added

For the six-month period ended June 30, 2020
(In thousands of Brazilian reais - R\$)

		Parent		Consolidated	
	Note	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Revenues					
Sales of goods and products	22	833,930	1,539,849	3,571,694	5,479,858
Expected credit losses	6	(2,440)	430	(4,810)	3,066
Other revenue		6,945	18,261	47,890	18,958
		838,435	1,558,540	3,614,774	5,501,882
Inputs acquired from third parties (including ICMS and IPI)					
Raw materials		(329,712)	(590,702)	(1,932,974)	(2,850,311)
Materials, electric power, outside services and other items		(108,928)	(138,800)	(595,330)	(709,601)
		(438,640)	(729,502)	(2,528,304)	(3,559,912)
Gross value added		399,795	829,038	1,086,470	1,941,970
Retentions					
Depreciation and amortization	12, 13 and 14	(31,867)	(31,526)	(251,989)	(201,258)
Net value added produced by the Company and its subsidiaries		367,928	797,512	834,481	1,740,712
Value added received in transfer					
Equity pickup	11.b	(271,200)	87,780	3,363	(11,481)
Finance income	20	8,283	8,008	10,606	10,472
Foreign exchange differences, net	21	6,615	(718)	(19,162)	(7,318)
		(256,302)	95,070	(5,193)	(8,327)
Total value added to be distributed		111,626	892,582	829,288	1,732,385
Distribution of value added					
Employees:					
Salaries and social charges		273,903	335,636	870,500	943,502
Employee's profit sharing		438	16,827	2,204	38,059
Taxes:					
Federal		29,132	154,851	42,433	203,937
State		90,296	168,498	100,617	197,870
Municipal		65	75	65	75
Lenders and lessors:					
Finance costs	20	58,309	40,123	125,145	130,660
Rentals		2,686	3,084	9,684	7,166
Retained earnings		(343,203)	173,488	(343,203)	173,488
Noncontrolling interests in retained earnings		-	-	21,843	37,628
		111,626	892,582	829,288	1,732,385

See accompanying notes.

Iochepe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

1. Operations

Iochepe-Maxion S.A. ("Company") is a publicly held company, headquartered at Rua Dr. Othon Barcellos, 83, in the city of Cruzeiro, São Paulo state, registered with B3 S.A. - Brasil, Bolsa, Balcão, under ticker symbol MYPK3.

The activities of the Company, its subsidiaries, joint ventures and associates are carried out at 9 units located in Brazil and 23 units located abroad.

2. Group Companies

The Company and its subsidiaries operations are focused on the automotive segment and divided into the wheels and structural component units. The consolidation comprises the financial statements of the Company and of the following direct and indirect subsidiaries:

	Country	% - Direct interest		% - Indirect interest	
		06/30/2020	12/31/2019	06/30/2020	12/31/2019
Iochepe-Maxion S.A. (Parent Company - Cruzeiro)	Brazil	-	-	-	-
Limeira Branch	Brazil	-	-	-	-
Limeira Alumínio Branch	Brazil	-	-	-	-
Contagem Branch	Brazil	-	-	-	-
Resende Branch	Brazil	-	-	-	-
Remon-Resende Montadora Ltda.	Brazil	66.66	66.66	33.33	33.33
Maxion (Nantong) Wheels Co. Ltd.	China	100.00	100.00	-	-
Maxion Wheels (Thailand) Co. Ltd.	Thailand	8.15	8.15	91.84	91.84
Iochepe-Maxion Austria GmbH	Austria	100.00	100.00	-	-
Maxion Wheels Aluminum India Pvt. Ltd.	India	-	-	100.00	100.00
Maxion Wheels Immobilien GmbH & Co. KG	Germany	-	-	100.00	100.00
Iochepe Sistemas Automotivos de México, S.A. de C.V.	Mexico	-	-	100.00	100.00
Ingeniería y Maquinaria de Guadalupe, S.A. de C.V.	Mexico	-	-	100.00	100.00
Maxion Wheels de Mexico, S. de R.L. de C.V.	Mexico	-	-	100.00	100.00
Servicios Maxion Wheels San Luis Potosí, S.A. de C.V.	Mexico	-	-	100.00	100.00
Servicios Maxion Wheels Chihuahua, S. de R.L. de C.V.	Mexico	-	-	100.00	100.00
Iochepe Holdings, LLC	USA	-	-	100.00	100.00
Maxion Wheels U.S.A. LLC	USA	-	-	100.00	100.00
HLI Delaware Holdings, LLC	USA	-	-	100.00	100.00
Maxion Wheels Akron LLC	USA	-	-	100.00	100.00
Maxion Wheels Sedalia LLC	USA	-	-	100.00	100.00
Maxion Import LLC	USA	-	-	100.00	100.00
Maxion Luxembourg Holdings S.A.R.L.	Luxemburg	-	-	100.00	100.00
Maxion Wheels South Africa (Pty) Ltd.	South Africa	-	-	100.00	100.00
Maxion Wheels Japan K.K.	Japan	-	-	100.00	100.00
Maxion Wheels Czech s.r.o.	Czech Republic	-	-	100.00	100.00
Maxion Wheels Holding GmbH	Germany	-	-	100.00	100.00
Maxion Wheels España S.L.	Spain	-	-	100.00	100.00
Hayes Lemmerz Barcelona, S.L.	Spain	-	-	100.00	100.00
Maxion Wheels Italy Holding, S.r.l.	Italy	-	-	100.00	100.00
Maxion Wheels Italia S.r.l.	Italy	-	-	100.00	100.00
Maxion Wheels Konigswinter GmbH	Germany	-	-	100.00	100.00
Kalyani Maxion Wheels Private Limited	India	-	-	85.00	85.00
Maxion Wheels Werke GmbH	Germany	-	-	100.00	100.00
Maxion Wheels do Brasil Ltda.	Brazil	-	-	100.00	100.00
Maxion Inci Jant Sanayi, A.S.	Turkey	-	-	60.00	60.00
Maxion Jantas Jant Sanayi ve Ticaret A.S.	Turkey	-	-	60.00	60.00

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

Information on the Company's and its subsidiaries' main operations is consistent with that presented in the financial statements for the year ended December 31, 2019, unless otherwise stated.

Interests in joint ventures

The Company, through its joint venture Maxion Montich S.A. ("Maxion Montich"), located in Cordoba, Argentina, is engaged in the manufacturing and sale of heavy structural components (complete frames, sidebars and crossbars), metal stampings and welded assemblies for commercial and light vehicles.

At June 30, 2020, investments in joint venture Maxion Montich, representing 50% interest, is accounted for by the equity method.

Interest held in associates

The Company, through its associate Amsted-Maxion Fundação e Equipamentos Ferroviários S.A. ("AmstedMaxion"), located in Cruzeiro, São Paulo state, is engaged in the manufacturing of industrial castings and railroad wheels. AmstedMaxion, through Greenbrier Maxion Serviços e Equipamentos Ferroviários S.A. ("GreenbrierMaxionFerroviário"), its joint venture located in the city of Hortolândia, São Paulo state, is engaged in the manufacturing and sale of railway wagons.

The Company, through its associate DongFeng Maxion Wheels Ltd. ("DongFengMaxion") located in Suizhou, Hubei Province, China, will manufacture and sell aluminum wheels for light vehicles focused on the Chinese market. DongFengMaxion is in pre-operating phase.

The Company has significant influence on these associates, evidenced by the appointment of members of the Board of Directors and other rights arising from an Investment Agreement entered into with DongFeng Motor Chassis Systems.

At June 30, 2020, investments in associates AmstedMaxion and DongFengMaxion, representing 19.5% and 50% interests respectively, are accounted for by the equity method.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

3. Basis of preparation of the interim financial information

The individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR), for the three-month period ended June 30, 2020, was prepared and is being presented in accordance with Accounting Pronouncement CPC 21 (R1) - Interim Financial Reporting, issued by Brazilian Financial Accounting Standard Board ("CPC") and in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Quarterly Information Form - ITR.

In preparing this interim financial information contained in the Quarterly Information Form (ITR), the principles, estimates, accounting practices, measurement methods and standards adopted are consistent with those presented in the financial statements for the year ended December 31, 2019, unless otherwise stated.

This information does not include all requirements for annual or complete financial statements and, therefore, should be read in conjunction with the individual and consolidated financial statements for the year ended December 31, 2019, prepared in accordance with International Financial Reporting Standards (IFRS) and accounting practices adopted in Brazil issued by Brazilian Financial Accounting Standard Board ("CPC") and approved by the Brazilian Securities and Exchange Commission (CVM). Accordingly, this interim financial information at June 30, 2020 was not subject to full reporting, by reason of redundancy in relation to information already presented in the individual and consolidated financial statements for the year ended December 31, 2019, which were approved by the Board of Directors on March 5, 2020, and as provided for in the CVM/SNC/SEP Memorandum Circular No. 003/2011. The notes listed below are not presented in this individual and consolidated interim financial information or do not present the same level of details as the notes included in the annual financial statements:

2. Group companies;
6. Trade receivables;
7. Inventories;
9. Income tax and social contribution;
11. Investments;
15. Borrowings, financing and debentures;
16. Trade payables;
17. Taxes payable;
18. Payroll and related taxes;
19. Provision for labor, tax and civil risks;
20. Pension plan actuarial liabilities;
21. Equity;
22. Stock option plan;
29. Risk and Financial instrument management.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

The disclosure and issue of the interim financial information, included in the Company's Quarterly Information Form (ITR) for the six-month period ended June 30, 2020, were approved by the Executive Committee for disclosure and issue at the meeting held on August 11, 2020.

Exchange rates

The exchange rates in Brazilian reais (R\$) prevailing at the financial statement reporting date are as follows:

	Closing rate	06/30/2020	12/31/2019
US dollars - US\$		5.4760	4.0307
Euro - €		6.1539	4.5305
	Average rate	06/30/2020	06/30/2019
US dollars - US\$		4.9233	3.8447
Euro - €		5.4203	4.3429

4. Significant accounting policies

The judgments and significant accounting estimates and assumptions are the same as those adopted in preparing the financial statements for the year ended December 31, 2019, which should be read in conjunction.

In compliance with CVM-SNC/SEP Circular Memoranda No. 02/2020 and No. 03/2020, in view of the current scenario that the country and the world are going through due to the COVID-19 pandemic, at June 30, 2020 the Company reviewed the impairment tests of its property, plant and equipment, intangible assets, rights of use and investments in joint ventures and associates, in view of the impacts arising from COVID-19 on its operations.

The recoverable amount is calculated through the discounted cash flow method, according to the information available on the market in which it operates. Significant assumptions used by the Company to calculate the value in use are described below:

Assessment period: the cash-generating unit (CGU) is assessed for a 5-year period, from which the perpetuity of operation is considered;

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

Growth rate: the impacts of COVID-19 for 2020 were considered in determining estimated growth rate of revenues, costs and expenses, and from the second year onwards growth forecast projected by IHS Markit was considered;

Discount rate: the discount rate used was based on the Weighted Average Cost of Capital (WACC) of each cash-generating unit, which ranged from 8.04% to 17.46% p.a.; and

Perpetuity: considering the growth rates projected by IHS Markit, limiting this growth to 2% when applicable.

Investment: investment estimates were prepared according to the realization (depreciation) of the assets in operation and aiming at maintaining the manufacturing plants upgraded.

Except for the impairment test of property, plant and equipment and inventories disclosed in the next paragraph, the analysis of the other assets did not result in the need to recognize a loss. The Company carried out a sensitivity analysis of the variables of discount rate and perpetuity growth rate, given their significant impacts on cash flows and on value in use. An increase or decrease of 0.5 percentage point in the discount rate or in the perpetuity growth rate of each CGU's cash flow would not result in the need for recognition of loss in the Parent Company and its other subsidiaries.

The impairment test of the assets of subsidiaries Maxion Wheels Akron LLC and Maxion Wheels do Brasil resulted in the need to recognize losses in the amounts of R\$29,621 (of which R\$21,826 in property, plant and equipment and R\$7,795 in inventories) and R\$3,042, respectively.

In addition to the discussion on the recoverability of assets, we included in the notes to accounts receivables, inventories, loans and financing, risk management and financial instruments and subsequent events other impacts arising from the COVID-19 pandemic.

In view of the current scenario that the country and the world are going through due to the COVID-19 pandemic, social isolation was enacted by governments in virtually all states in Brazil and countries where the Company's subsidiaries operate. As a result, net revenue had a material decrease in the six-month period ended June 30, 2020. According to the analyses carried out by management, the referred to drop in net sales and services revenue did not affect the accounting estimates regarding the realization of inventories, realization of deferred taxes, recoverability of indirect taxes and, due to the characteristic of the lease agreements, there was no need to renegotiate them, and no onerous agreement was identified.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

5. Cash and cash equivalents

	Parent		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Cash and banks:				
In Brazil	7,789	18,405	11,675	21,262
Abroad	-	-	590,128	320,975
	7,789	18,405	601,803	342,237
Highly liquid short-term investments:				
In Brazil	767,989	245,448	768,932	246,720
Abroad	-	-	21,839	57,180
	767,989	245,448	790,771	303,900
Total	775,778	263,853	1,392,574	646,137

Transactions	Average profitability 06/30/2020	Liquidity	Country	Parent		Consolidated	
				06/30/2020	12/31/2019	06/30/2020	12/31/2019
Bank Deposit Certificate (CDB)	98.9% CDI	Immediate	Brazil	741,042	78,682	741,985	79,954
Debentures under repurchase agreements	91.9% CDI	Immediate	Brazil	26,947	166,766	26,947	166,766
Investment in Mexican pesos	7.1% p.a.	Immediate	Mexico	-	-	5,249	6,661
Investment in US dollars	0.4% p.a.	Immediate	Mexico	-	-	184	135
Investment in Euros	-	Immediate	Turkey	-	-	-	21,746
Investment in US dollars	-	Immediate	Turkey	-	-	-	13,556
Investment in Turkish liras	6.0% p.a.	Immediate	Turkey	-	-	16,406	15,082
Total				767,989	245,448	790,771	303,900

In the first quarter of 2020, as soon as the outbreak began in Brazil and worldwide, the cash management strategy started to favor the increase in the Company's liquidity. At June 30, 2020, the Company had raised R\$1,162,000 to strengthen its cash and cash equivalents, as described in Note 15. The decision to use new credit lines was a precautionary measure, given the volatile market conditions and the unknown impact of the pandemic. In view of possible scenarios of extension of the social isolation and, consequently, the extension of market liquidity restrictions, the Company understands that has the capacity to manage its cash in order to meet all of its commitments.

Ioche-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

6. Trade receivables

a) Breakdown

	Parent		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
In Brazil	151,212	218,408	162,301	234,991
Abroad	7,007	12,268	803,076	787,053
Related parties (Note 10.b)	28,107	37,018	16,850	17,573
Provision for expected credit losses	(5,082)	(2,883)	(15,891)	(9,967)
Total	181,244	264,811	966,336	1,029,650

In compliance with CVM-SNC/SEP Circular Memorandum No. 03/2020, and given the current scenario that the country is experiencing due to the COVID-19 pandemic, the Company assessed the provision for expected credit losses, taking into consideration all the facts and circumstances, in order to verify whether, in fact, there was a significant increase in credit risk or temporary liquidity restriction.

The Company measures the allowance for expected credit losses at an amount equivalent to the expected credit loss on trade receivable during their term. These expected credit losses are estimated considering the historical experience of the debtor's default and an analysis of the current financial position of this debtor, and are adjusted based on specific factors to the debtors, as well as the general economic conditions in the sector in which these debtors operate as well as a projection of conditions on the reporting date. Therefore, the increase in the allowance for expected credit losses derives from this methodology.

The activities of the Company and its subsidiaries are organized in the automotive segment, and 92% of their accounts receivable refer to transactions with assemblers. Until the disclosure of the results for 2nd quarter of 2020, there was no materialization of the increase in losses resulting from the pandemic.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

7. Inventories

	Parent		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Finished products	49,306	61,027	486,057	376,815
Work-in-process and semi-finished products	89,297	63,813	335,029	262,132
Tooling for resale in-process	33,487	25,382	104,648	88,978
Raw materials	70,304	77,026	392,930	318,360
Auxiliary and packaging materials	76,382	76,154	408,388	318,026
Advances to suppliers	27,409	10,287	54,295	27,906
Imports in transit	845	3,424	1,104	3,861
Allowance for inventory losses	(13,094)	(20,841)	(93,212)	(67,608)
Allowance for idleness cost	(12,296)	-	(30,126)	-
Total	321,640	296,272	1,659,113	1,328,470

In view of the impacts arising from COVID-19 pandemic, in relation to the supply chain, the Company works with safety inventories to support its operations. At June 30, 2020, individual and consolidated inventory balances are net of losses on realization of low-moving inventories and with remote prospects of realization for sale or use, in addition to provision for idleness cost arising from the impacts of COVID-19, are valued at the lower of cost of acquisition or net realizable value. In addition, considering that the idleness cost is neither a cost of acquisition nor transformation of inventories, in addition to not being able to change the condition or location of inventories, although immaterial, these costs are recognized in the cost of products sold.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

8. Recoverable taxes

	Parent		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL)	27,232	22,888	83,910	89,158
State Value-Added Tax (State VAT)	18,373	15,172	24,333	21,199
Federal Value Added Tax (Federal VAT)	330	305	561	653
Export tax credits - Brazilian Special Regime for Reinstatement of Taxes for Exporters (REINTEGRA)	3,088	3,068	4,252	4,224
Contribution Tax on Gross Revenue for Social Security Financing COFINS (tax on revenue)	1,449	2,575	98,820	99,739
Contribution Tax on Gross Revenue for Social Integration Program - PIS (tax on revenue)	301	575	21,434	21,663
Value Added Tax (VAT) - foreign subsidiaries	729	1,009	1,961	2,784
Mexico	-	-	39,707	67,082
Turkey	-	-	24,833	17,724
India - Aluminum	-	-	37,355	50,837
Germany	-	-	5,532	4,040
Other countries	-	-	7,474	11,245
Total	51,502	45,592	350,172	390,348
Current	47,366	42,451	200,080	223,589
Noncurrent	4,136	3,141	150,092	166,759

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

9. Income tax and social contribution

a) Deferred taxes

Deferred income tax and social contribution recognized in noncurrent assets and liabilities are broken down as follows:

	Parent		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Tax losses carryforwards	131,542	97,055	290,911	201,326
Social contribution losses carryforwards	52,349	39,582	64,622	51,856
Provision for labor, tax and civil risks	16,620	16,338	27,942	31,571
Accrued profit sharing	502	14,530	502	14,530
Credit of payments made abroad	43,921	43,921	43,921	43,921
Allowance for inventory losses	8,633	7,086	23,982	16,250
Provision for expected credit losses	2,086	1,428	11,633	10,416
Actuarial Provision plan liability	-	-	100,268	83,623
Intellectual property	-	-	82,009	65,863
Deferred tax on surplus value	16,127	15,462	16,127	15,462
Depreciation and amortization difference	(94,088)	(91,274)	(387,133)	(318,022)
Deemed cost - property, plant and equipment - CPC 27	(35,094)	(36,625)	(35,094)	(36,625)
Goodwill amortization	(40,465)	(40,465)	(40,465)	(40,465)
Other	9,519	8,037	41,604	(7,626)
Total	111,652	75,075	240,829	132,080
Deferred tax asset, net	111,652	75,075	444,780	306,628
Deferred tax liability, net	-	-	(203,951)	(174,548)

Based on taxable profit projections reviewed by Company management, the Company estimates to recover tax credits arising from income tax and social contribution losses carryforwards up to 2028.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

b) Reconciliation of income tax and social contribution credit (expense)

	Parent		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Income (loss) before income tax and social contribution taxes	(382,932)	174,305	(380,239)	217,913
Combined rate - %	34	34	34	34
Income tax and social contribution credit (expense) at combined rate	130,197	(59,264)	129,281	(74,090)
Equity pickup	(92,208)	29,845	1,143	(3,904)
Nondeductible expenses	(1,847)	(1,858)	(20,376)	(14,538)
Unrecognized tax credit on temporary differences and tax loss carryforwards	-	-	(38,028)	19,273
Recognition of deferred tax recognized on brand	-	-	19,254	-
Taxes on foreign dividends	-	-	(11,098)	(11,163)
Difference in tax rate of foreign subsidiaries	-	-	(13,089)	2,447
Tax incentives from subsidiaries	3,151	-	19,984	6,231
Effect of translation (local currency <i>versus</i> functional currency)	-	-	(12,767)	(5,854)
Intellectual property (i)	-	-	82	63,310
Credit on payment of tax	-	27,518	-	27,518
Other	436	2,942	(15,507)	(16,027)
Income and social contribution tax credit (expenses) in profit or loss	39,729	(817)	58,879	(6,797)
Current	3,151	(2,038)	(31,730)	(110,719)
Deferred	36,578	1,221	90,609	103,922

- (i) At March 31, 2019, Maxion Wheels USA LLC ("MW USA") transferred its intellectual property assets to Maxion Wheels Holding GmbH ("Holding") in order to assign the ownership of such assets to the legal entity that will develop the functional activities and concentrate the development and maintenance costs of the assets at issue. The transfer between the entities was carried out at market value and generated a capital gain in the amount of US\$50.5 million for MW USA, which was fully offset against the tax loss balance of this entity. The difference between the tax amount and the book value of the contribution of the assets resulted in the accounting recognition of a deferred income tax asset in the receiving entity, Holding, which according to local accounting rules will be amortized within fifteen years.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

10. Related parties

a) Management compensation

	06/30/2020	06/30/2019
Board of Directors and Statutory Board	6,149	7,735
Key management personnel (salaries and benefits)	39,195	33,136
Profit sharing agreed in Brazil (bonus)	-	7,989
Profit sharing agreed abroad (bonus)	-	14,224

The Company made contributions to the private pension plan totaling R\$637 (R\$574 in June 2019) on behalf of the statutory officers and key management personnel.

The balances of stock options and the related strike prices for the plans granted to the statutory officers and key management personnel are described in Note 18.

The balances of the provision for long-term incentive plan granted to the statutory officers and key management personnel are described in Note 19.

Ioche-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

b) Related-party transactions

In the ordinary course of their business, the Company, its subsidiaries and its joint ventures carried out intragroup transactions under prices, terms and finance charges according to the conditions established among the parties. These transactions include, among other, shared service agreements, intercompany loan agreements and provision of guarantees under the terms detailed below:

b.1) Parent

	06/30/2020					
	Assets		Liabilities		Profit or loss	
	Trade receivables	Intercompany loan	Trade payables	Other accounts payable	Sales	Purchases
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A. (i)	1,123	-	-	-	18,593	-
Ioche-Maxion Austria GmbH	11,218	-	7	-	37,281	-
Ioche Holdings, LLC and subsidiaries	-	-	-	-	-	2,988
Maxion (Nantong) Wheels, Co. Ltd.	969	-	-	-	2,406	-
Maxion Wheels de Mexico, S. de R.L. de C.V.	14,797	-	-	-	8,830	-
Maxion Montich S.A.	28,107	-	7	-	67,110	2,988
Total						

	12/31/2019				06/30/2019	
	Assets		Liabilities		Profit or loss	
	Trade receivables	Intercompany loan	Trade payables	Other accounts payable	Sales	Purchases
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	417	4,897	-	-	19,908	-
Ioche-Maxion Austria GmbH	-	-	-	31,714	-	-
Ioche Holdings, LLC and subsidiaries	18,985	-	-	-	75,377	-
Maxion (Nantong) Wheels, Co. Ltd.	-	-	2,256	-	1	5,803
Maxion Wheels de Mexico, S. de R.L. de C.V.	663	-	-	-	10,025	-
Servicios Maxion Wheels Chihuahua, S. de R.L. de C.V.	30	-	-	-	-	-
Maxion Montich S.A.	16,923	-	-	-	19,154	-
Total	37,018	4,897	2,256	31,714	124,465	5,803

(i) On May 29, 2020, the amount receivable referring to the intercompany loan agreement with AmstedMaxion was received.

Iochepe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

b.2.) Consolidated

	06/30/2020		Profit and loss
	Assets		
	Trade receivables	Intercompany loan	Sales
Amsted-Maxion Fundação e Equipamentos Ferroviários S.A.	1,123	-	18,593
DongFeng Maxion Wheels Limited	930	-	-
Maxion Montich S.A.	14,797	-	8,830
Total	16,850	-	27,423

	12/31/2019		06/30/2019
	Assets		Profit and loss
	Trade receivables	Intercompany loan	Sales
Amsted-Maxion Fundação e Equipamentos Ferroviários S.A. (i)	417	4,897	19,908
DongFeng Maxion Wheels Limited	233	-	-
Maxion Montich S.A.	16,923	-	19,154
Total	17,573	4,897	39,062

(i) On May 29, 2020, the amount receivable referring to the intercompany loan agreement with AmstedMaxion was received.

c) Sureties and guarantees granted

The Company through its parent company keeps the following amounts given as sureties on transactions carried out by its subsidiaries and joint ventures, basically related to the loans and financing disclosed in Note 15:

Subsidiaries	06/30/2020	12/31/2019
Ingenieria y Maquinaria de Guadalupe, S.A. de C.V.	390,300	296,408
Iochepe Holdings, LLC and subsidiaries	2,226,953	1,448,819
Joint Ventures	06/30/2020	12/31/2019
Maxion Montich do Brasil Ltda.	25,298	24,960

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

11. Investments

a) Breakdown

	Parent		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Interest held in subsidiaries	3,679,542	2,936,369	-	-
Interest held in associates	80,491	65,691	80,491	65,691
Interests held in joint ventures	13,042	8,749	13,042	8,749
Subtotal investments	3,773,075	3,010,809	93,533	74,440
Other investments	168	168	173	172
Total investments	3,773,243	3,010,977	93,706	74,612

b) Variations

	Balance at 12/31/2019	Capital increase (decrease)	Foreign exchange differences on investments abroad	Equity pickup	Other (ii)	Balance at 06/30/2020
Iochope Maxion Austria GmbH (i)	2,854,809	156,143	835,445	(265,764)	-	3,580,633
Maxion (Nantong) Wheels, Co. Ltd.	75,373	-	24,879	(6,077)	-	94,175
Remon Resende Montadora Ltda.	1,007	-	-	(71)	-	936
DongFeng Maxion Wheels Limited	34,395	-	11,597	(718)	-	45,274
Maxion Montich S.A.	8,749	-	4,133	160	-	13,042
Amsted-Maxion Fundação e Equipamentos Ferroviários S.A.	31,296	-	-	1,461	2,460	35,217
Maxion Wheels (Thailand) Co. Ltd.	5,180	-	1,269	(2,651)	-	3,798
Total	3,010,809	156,143	877,323	(273,660)	2,460	3,773,075

(i) In January, capital was reduced by R\$13,924 (€3,000 thousand) and R\$2,059 (€438 thousand). In February, March, April, May and June 2020, capital was increased by R\$9,641 (€2,050 thousand), R\$2,690 (€500 thousand), R\$86,526 (€15,000 thousand), R\$28,685 (€5,000 thousand) and R\$44,584 (€8,500 thousand), respectively.

(ii) AmstedMaxion was handed down a favorable and unappealable decision on a lawsuit claiming the exclusion of ICMS from the PIS and COFINS tax base for the period from 2012 to 2019. The effect of this decision was determined by AmstedMaxion and recognized in its financial statements for 2019, which were restated on April 24, 2020. As a result, the Company did not record this gain as equity pickup in its financial statements as at December 31, 2019.

Iochepe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

c) Information on subsidiaries, joint ventures and associates

	06/30/2020								
	Number of shares or units of interest (in thousands)	Equity interest (%)	Assets	Liabilities	Capital	Equity attributable to controlling interests	Noncontrolling interests	Net revenue	Profit (loss) for the period
Iochepe Maxion Austria GmbH (i)	-	100	9,173,856	5,307,154	1,974,747	3,580,633	286,069	2,744,340	(265,764)
Maxion (Nantong) Wheels, Co. Ltd. (i)	-	100	115,114	20,939	439,873	94,175	-	19,950	(6,077)
Remon Resende Montadora Ltda. (ii)	90	100	1,199	263	90	936	-	909	(71)
Maxion Wheels (Thailand) Co. Ltd.	-	8.15	239,933	193,384	203,031	46,549	-	85,630	(32,487)
Maxion Montich S.A.	2,813	50	183,952	157,810	5,986	26,084	58	71,401	319
Amsted-Maxion Fundação e Equipamentos Ferroviários S.A.	28,274,461	19.50	460,349	279,747	261,201	92,107	88,495	186,267	7,492
DongFeng Maxion Wheels Limited (i)	-	50	100,621	10,074	91,462	45,274	45,274	-	(1,435)

(i) Pursuant to respective local legislation, there is no concept of number of shares or units of interest.

(ii) Based on financial information as at May 31, 2020.

In March 2020, the amounts of R\$73,655 and R\$25,888 were allocated as mandatory dividends for noncontrolling interests in indirect subsidiaries Maxion Inci Jant Sanayi, A.S. and Maxion Jantas Jant Sanayi ve Ticaret A.S., respectively. The amount of R\$19,374 was paid out in the 1st quarter of 2020.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

12. Property, Plant and Equipment

a) Parent

	Buildings and Improvements	Machinery and equipment	Land	Construction in progress (ii)	Machinery spare parts	Tooling	Other	Total
Balances at December 31, 2018	151,069	535,006	24,251	94,244	21,324	26,403	43,885	896,182
Additions	22	5,056	-	55,661	10,060	-	29,283	100,082
Write-offs, net	-	(4,467)	-	-	(7,051)	-	(67)	(11,585)
Depreciation	(7,679)	(39,117)	-	-	(1,686)	(3,354)	(5,995)	(57,831)
Transfers	23,541	37,313	2,201	(39,024)	1,689	(23)	(24,409)	1,288
Balances at December 31, 2019	166,953	533,791	26,452	110,881	24,336	23,026	42,697	928,136
Additions	-	246	-	25,642	1,247	-	13,091	40,226
Write-offs, net	-	(158)	-	-	(1,377)	-	(3)	(1,538)
Depreciation	(4,105)	(18,639)	-	-	(867)	(747)	(3,974)	(28,332)
Transfers	20,761	(20,659)	-	5,833	2	(14,082)	7,215	(930)
Balance at June 30, 2020	183,609	494,581	26,452	142,356	23,341	8,197	59,026	937,562
At December 31, 2019								
Cost	274,877	1,074,291	26,452	110,881	29,651	82,831	111,705	1,710,688
Accumulated depreciation	(107,924)	(540,500)	-	-	(5,315)	(59,805)	(69,008)	(782,552)
Carrying amount, net	166,953	533,791	26,452	110,881	24,336	23,026	42,697	928,136
At June 30, 2020								
Cost	303,570	1,036,499	26,452	142,356	29,419	20,526	186,775	1,745,597
Accumulated depreciation	(119,961)	(541,918)	-	-	(6,078)	(12,329)	(127,749)	(808,035)
Carrying amount, net	183,609	494,581	26,452	142,356	23,341	8,197	59,026	937,562

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

b) Consolidated

	Buildings and Improvements	Machinery and equipment	Land	Construction in progress (ii)	Machinery spare parts	Tooling	Other	Total
Balances at December 31, 2018	615,263	1,895,514	238,879	380,439	73,814	58,024	136,392	3,398,325
Additions	1,550	49,493	-	377,987	26,442	18,980	33,318	507,770
Write-offs, net	(401)	(10,259)	-	(3,668)	(7,888)	(1,978)	(796)	(24,990)
Depreciation	(35,073)	(273,585)	-	-	(19,553)	(21,747)	(17,970)	(367,928)
Transfers	113,953	325,494	20,997	(421,405)	2,949	25,671	(66,432)	1,227
Foreign exchange differences	13,120	37,913	6,407	14,579	971	1,801	1,552	76,343
Balance at December 31, 2019	708,412	2,024,570	266,283	347,932	76,735	80,751	86,064	3,590,747
Additions (iii)	114	8,882	-	145,515	5,903	9,241	18,909	188,564
Write-offs, net	(373)	(3,121)	-	(9,374)	(1,083)	(8)	(300)	(14,259)
Impairment	-	(24,868)	-	-	-	-	-	(24,868)
Depreciation	(20,977)	(161,214)	-	-	(12,874)	(18,849)	(6,769)	(220,683)
Transfers (iv)	46,390	19,346	-	(56,875)	1,488	(12,789)	2,118	(322)
Foreign exchange differences	175,030	471,932	79,859	80,957	15,873	20,772	8,828	853,251
Balance at June 30, 2020	908,596	2,335,527	346,142	508,155	86,042	79,118	108,850	4,372,430
At December 31, 2019								
Cost	1,126,184	4,552,871	266,283	347,932	144,714	291,279	261,277	6,990,540
Accumulated depreciation	(417,772)	(2,528,301)	-	-	(67,979)	(210,528)	(175,213)	(3,399,793)
Carrying amount, net	708,412	2,024,570	266,283	347,932	76,735	80,751	86,064	3,590,747
At June 30, 2020								
Cost	1,460,002	5,663,107	346,142	508,155	189,250	312,996	401,512	8,881,164
Accumulated depreciation	(551,406)	(3,327,580)	-	-	(103,208)	(233,878)	(292,662)	(4,508,734)
Carrying amount, net	908,596	2,335,527	346,142	508,155	86,042	79,118	108,850	4,372,430

(i) At June 30, 2020, this comprises: (1) buildings, amounting to R\$6,805 (R\$2,282 at December 31, 2019); (2) machinery and equipment, amounting to R\$126,945 (R\$102,330 at December 31, 2019); and (3) other assets, amounting to R\$8,606 (R\$6,269 at December 31, 2019), relating to the Cruzeiro unit.

(ii) At June 30, 2020, this comprises: (1) buildings, amounting to R\$11,298 (R\$3,156 at December 31, 2019); (2) machinery and equipment, amounting to R\$464,221 (R\$323,630 at December 31, 2019); and (3) other assets, amounting to R\$32,636 (R\$21,145 at December 31, 2019), relating to the Cruzeiro, Mexico, Turkey and India units.

(iii) Of total additions for the period, most of the investments was made by the Turkey, Cruzeiro, Mexico, Czech Republic and India units, in the amounts of R\$44,788, R\$32,192, R\$27,522, R\$21,253 and R\$15,513, respectively.

(iv) In 2020, these comprise transfers made between accounts "Property, plant and equipment" and "Intangible assets", amounting to R\$322.

At June 30, 2020, the Company performed impairment tests on the asset balances stated in the table above. Detailed information is stated in Note 4.

Iochepe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

13. Intangible assets - consolidated

Assets with finite useful lives	Relationship with Customer	Software	Land use rights	Trademark (b)	Other	Total
Balances at December 31, 2018	100,376	35,044	5,890	94,933	2,827	239,070
Additions	-	22,687	-	-	1,874	24,561
Write-offs, net	-	(783)	-	-	(8)	(791)
Amortization	(7,811)	(5,573)	(153)	-	(1,843)	(15,380)
Transfers	-	338	-	21	(21)	338
Foreign exchange differences	3,869	(184)	159	3,819	27	7,690
Balances at December 31, 2019	96,434	51,529	5,896	98,773	2,856	255,488
Additions	-	6,779	-	-	228	7,007
Write-offs, net	-	-	-	-	-	-
Amortization	(4,874)	(2,573)	(94)	(3,456)	(569)	(11,566)
Transfers (a)	-	703	-	174	(555)	322
Foreign exchange differences	34,032	1,496	1,986	34,985	644	73,143
Balance at June 30, 2020	125,592	57,934	7,788	130,476	2,604	324,394
At December 31, 2019						
Cost	159,615	83,398	7,775	98,773	51,298	400,859
Accumulated amortization	(63,181)	(31,869)	(1,879)	-	(48,442)	(145,371)
Carrying amount, net	96,434	51,529	5,896	98,773	2,856	255,488
At June 30, 2020:						
Cost	216,850	100,662	10,407	137,446	53,438	518,803
Accumulated amortization	(91,258)	(42,728)	(2,619)	(6,970)	(50,834)	(194,409)
Carrying amount, net	125,592	57,934	7,788	130,476	2,604	324,394

Goodwill on acquisition of subsidiaries

	Maxion Wheels	Ingenieria y Maquinaria de Guadalupe, S.A. de C.V.	Meritor Comercio e Indústria de Sistemas Automotivos Ltda.	Iochepe Sistemas Automotivos de México S.A. de C.V.	Total
Assets with Indefinite lives					
Balances at December 31, 2018	1,004,166	401,255	20,292	2,297	1,428,010
Transfers	-	-	-	-	-
Foreign exchange differences	40,402	16,142	-	93	56,637
Balances at December 31, 2019	1,044,568	417,397	20,292	2,390	1,484,647
Foreign exchange differences	374,555	149,668	-	857	525,080
Balance at June 30, 2020	1,419,123	567,065	20,292	3,247	2,009,727

(a) Transfers between "Property, plant and equipment" and "Intangible assets" (see note 12.b) item (iv)).

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

- (b) At December 31, 2019, the trademark Hayes Lemmerz, which was classified as having an indefinite life upon acquisition, was reviewed. Accordingly, supported by its business plan, Company management determined that this trademark will be used for the next 15 years, and then eventually replaced with the Maxion trademark. Thus, the Company changed the useful life of this trademark from indefinite to finite, with systematic amortization over 15 years. In accordance with IAS 8, the change in the estimated useful life of an actual change in business operations should be accounted for as a change in an accounting estimate. The change was applied prospectively from the period in which the change in the accounting estimate occurred. The expected use of the mentioned trademark must be consistent throughout the remaining useful life. Therefore, it is assumed that straight-line depreciation reflects its best use.

14. Right of use - consolidated

Assets with finite lives	IT equipment	Properties	Machinery and equipment	Forklifts	Vehicles	Other rights of use	Total
Balances at December 31, 2019	908	25,340	8,453	23,281	8,697	7,318	73,997
Additions	174	1,053	2,269	-	3,208	-	6,704
Eliminations, net	-	(12,402)	-	-	(146)	-	(12,548)
Depreciation	(1,241)	(6,621)	(2,070)	(5,089)	(4,338)	(444)	(19,803)
Transfers	5,569	1,305	-	-	-	(6,874)	-
Foreign exchange differences	118	3,076	1,160	8,121	3,145	-	15,620
Balance at June 30, 2020	5,528	11,751	9,812	26,313	10,566	-	63,970

At June 30, 2020, total lease expenses classified as short-term leases and leases of low-value assets amount to R\$2,559.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

15. Borrowings, financing and debentures

a) Parent

	Index/rate	Annual interest rate (%)	Maturity date	Amortized transaction cost	Balance of unamortized transaction cost (iii)	06/30/2020	12/31/2019
<u>Local currency</u>							
Bank Credit Bill ("CCB")	CDI	3.97	June 2021			434,355	-
FINAME - PSI	-	5.50	December 2020			909	1,819
FINEP (Fund for Financing Studies and Projects)	TJLP	2.00	June 2022			5,724	7,155
Lease	-	2.99	August 2020			119	244
Export Credit Note ("NCE")	CDI	2.13	March 2021			405,511	-
Promissory Note	CDI	3.20	March 2021			101,868	-
Transactions with Forfait	-	7.45	August 2020			23,862	-
Total borrowings and financing						972,348	9,218
8th issuance simple debentures	CDI	1.40	March 2023	2,346	(8,133)	446,998	452,884
9th issuance simple debentures - 1 st series	CDI	0.75	February 2024	957	(7,748)	336,290	341,616
9th issuance simple debentures - 2 nd series	CDI	0.95	February 2026	313	(2,542)	110,460	112,213
10th issuance simple debentures	CDI	0.75	September 2024	41	(5,801)	348,117	352,397
Total debentures				3,657	(24,224)	1,241,865	1,259,110
Total borrowings, financing and debentures						2,214,213	1,268,328
Current liabilities						985,596	28,127
Unamortized costs						(15,324)	(3,774)
Total						970,272	24,353
Noncurrent liabilities						1,252,841	1,254,262
Unamortized costs						(8,900)	(10,287)
Total						1,243,941	1,243,975

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

b) Consolidated

	Index/rate	Annual interest rate (%)	Last maturity date	Amortized transaction cost	Balance of unamortized transaction cost (iii)	06/30/2020	12/31/2019
<u>Local currency</u>							
Bank Credit Bill ("CCB")	CDI	3.97	June 2021	-	-	434,355	-
FINAME - PSI	-	5.50	December 2020	-	-	909	1,819
FINEP	TJLP	2.00	June 2022	-	-	5,724	7,155
Lease	-	2.99	August 2020	-	-	119	243
Export Credit Note ("NCE")	CDI	2.14	March 2021	-	-	425,798	-
Promissory Note	CDI	3.20	March 2021	-	-	101,868	-
Transactions with Forfait	-	7.45	August 2020	-	-	23,862	-
Subtotal in local currency						992,635	9,217
<u>Foreign currency</u>							
Long-term loan - US\$ (i)	6m Libor	2.33	November 2024	4,782	(7,446)	301,829	256,073
Long-term loan - Rupee	MCLR	0.15	December 2024	229	-	141,071	79,369
Syndicate - Euro	3m Euribor	2.75	February 2024	3,570	(23,501)	1,210,382	897,916
Working capital - US dollar	-	4.62	July 2020	-	-	93,329	-
Working capital - US dollar	1m Libor	1.00	November 2020	-	-	54,792	40,335
Working capital - US dollar	3m Libor	0.97	November 2020	-	-	131,595	165,821
Working capital - US dollar	6m Libor	6.60	May 2021	-	-	33,679	-
Working capital - Euro	-	3.76	July 2026	-	-	588,719	265,425
Working capital - Rupee (i)	-	6.04	December 2020	-	-	45,837	15,093
Working capital - Rupee	MCLR	0.15	November 2020	-	-	86,445	43,879
Working capital - Baht	-	2.82	September 2020	-	-	106,562	29,338
Lease - Euro	-	-	-	-	-	-	7
Subtotal in foreign currency				8,581	(30,947)	2,794,240	1,793,256
Total borrowings and financing						3,786,875	1,802,473
Unsecured debentures - 8th issuance	CDI	1.40	March 2023	2,346	(8,133)	446,998	452,884
Unsecured debentures - 9th issuance simple debentures - 1st series	CDI	0.75	February 2024	957	(7,748)	336,290	341,616
Unsecured debentures - 9th issuance simple debentures - 2nd series	CDI	0.95	February 2026	313	(2,542)	110,460	112,213
Unsecured debentures - 10th issuance simple debentures	CDI	0.75	September 2024	41	(5,801)	348,117	352,397
Total debentures				3,657	(24,224)	1,241,865	1,259,110
Total borrowings, financing and debentures				12,238	(55,171)	5,028,740	3,061,583
Current liabilities						1,865,461	659,566
Unamortized costs						(37,184)	(10,869)
Total						1,828,277	648,697
Noncurrent liabilities						3,218,450	2,431,065
Unamortized costs						(17,987)	(18,179)
Total						3,200,463	2,412,886

- (i) At June 30, 2020, the financing taken out by subsidiary Ingenieria y Maquinaria de Guadalupe, SA de CV is guaranteed by the direct parent company Iochope Sistemas Automotivos de México, S.A. de CV with a current balance of R\$280,558, guaranteed by the shares of the subsidiary itself. The financing taken out by subsidiary Kalyani Maxion Wheels Private Limited, with a current balance of R\$45,837, is guaranteed by receivables of the subsidiary itself.
- (ii) The granting of waivers (prior temporary waiver and forgiveness) for the possible non-compliance by the Company with a financial ratio represents changes in the cash flows of bank loan agreements and are analyzed within the scope of CPC 48 - Financial Instruments. When the change is not accounted for as an extinction, applicable to the Company's loans, the costs of granting waivers obtained adjust the book value of the liability and are amortized using the effective interest rate method.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

In the first quarter of 2020, the Company and its subsidiaries raised R\$672,000 to increase their cash in order to face the constraints brought by COVID-19. These borrowings mature between 12 and 15 months, with weighted average interest of CDI + 3% per annum (p.a.), not subject to guarantees or covenants. The total funding comprises R\$270,000 in Export Credit Notes; R\$302,000 in Bank Credit Bills; and R\$100,000 in Promissory Notes, obtained from banks Santander (Brazil), Commerzbank Brasil, Bradesco, Banco do Brasil and Itaú Unibanco.

In the second quarter of 2020, the Company and its subsidiaries took out approximately R\$490,000, in line with the strategy mentioned above. These borrowings mature between 12 and 60 months, with weighted average interest of 4.4% p.a., not subject to guarantees or covenants. The total funding comprises R\$150,000 in Export Credit Notes; R\$278,000 in Working Capital; R\$24,000 in Transactions with Forfait; and R\$38,000 in Long-Term Loan, obtained from banks Santander (Brazil), Santander (Spain), Commerzbank (Austria), Banco do Brasil, Banco ABC Brasil and Caixa Econômica Federal.

At June 30, 2020, the amounts recorded in noncurrent liabilities mature as follows:

	Parent	Consolidated
2021 (6 months)	1,420	392,919
2022	225,257	749,739
2023	565,515	1,092,658
2024	341,679	844,743
2025	55,035	64,673
2026 and thereafter	55,035	55,731
Total	1,243,941	3,200,463

The foreign currency-denominated working capital borrowings obtained by foreign subsidiaries are guaranteed by the Company's sureties, in the total net amount of R\$943,683 (R\$511,869 as at December 31, 2019).

Debentures

The debentures issued by the Company are: (i) 8th issuance (CVM Instruction No. 476) of simple, registered, book-entry, unsecured debentures, in a single series, (ii) 9th issuance (CVM Instruction No. 476) of simple, registered, book-entry, unsecured debentures, in two series; and (iii) 10th issuance (CVM Instruction 476) of simple, registered, book-entry, unsecured debentures, in a single series, all of which were approved at Board Meetings.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

The debentures were subscribed at the unit par value paid in one lump sum in local currency upon subscription, with interest being amortized on a semiannual basis, as detailed below.

Debentures	Category	Principal amount on issue date	Date of issuance	Final maturity	Finance charges	Amount at 06/30/2020
8th issuance	Simple	450,000	03/26/2018	03/26/2023	100% CDI + 1.4% p.a.	446,998
9th issuance - 1st series	Simple	338,800	02/11/2019	02/14/2024	100% CDI + 0.75% p.a.	336,290
9th issuance - 2nd series	Simple	111,200	02/11/2019	02/11/2026	100% CDI + 0.95% p.a.	110,460
10th issuance	Simple	350,000	09/16/2019	09/16/2024	100% CDI + 0.75% p.a.	348,118

Pursuant to the provisions of articles 157 and 542 of Law No. 6404/76, and CVM Instruction No. 358/02, continuing its Material News Release disclosed on June 9, 2020, on June 26, 2020, the Company informed its shareholders and the market that the holders of the debentures of the eighth, ninth and tenth issues of simple, unsecured, nonconvertible debentures of the Company, approved on that date, the granting of prior waiver and forgiveness for the possible non-compliance by the Company with the financial ratio as at June 30 and December 31, 2020 provided for in the indentures of the respective issues, without the characterization of a default event under the terms of the respective indentures of issue, in compliance with certain resolatory conditions, pursuant to article 127 of Law No. 10406/02 (Civil Code), as indicated in the minutes of the respective Annual Debenture Holders' Meetings that is available on the Company's website (<http://www.iochpe.com.br>).

In June 2020, (a) the Company, (b) the Company, representing its subsidiaries borrowing syndicated borrowings in Europe and (c) Ingenieria y Maquinaria de Guadalupe, S.A. de C.V., subsidiary of the Company in Mexico, obtained, respectively, from (i) debenture holders of the Company's eighth, ninth and tenth issues of debenture, whose aggregate principal amount was R\$1,250,000 at June 30, 2020; (ii) the creditors of a Facility Agreement (syndicated loan at Europe), amounting to R\$1,230,078 (€\$200,000) at June 30, 2020; and (iii) a financial institution creditor of the Loan Agreement (bank loan agreement), amounting to R\$300,140 (USD\$54,810) at June 30, 2020, the granting of waivers (prior temporary waiver and forgiveness) for the possible non-compliance by the Company with a financial index (resulting from the division of net debt by EBITDA) included in the respective debt instruments. The waivers were obtained for the measurement periods of the financial indexes ended June 30, 2020 and December 31, 2020, as well as under certain resolatory conditions; (i) highlighting the payment of a premium (waiver fee); (ii) obligation to comply, as the case may be, with the Company's liquidity ratio (resulting from the division of cash and cash equivalent by short-term debt short-term loans and financing), equivalent to 0.5 time at June 30, 2020 and December 31, 2020; and (iii) obligation to not encumber the Company's assets.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

16. Provision for labor, tax and civil risks

The Company and its subsidiaries are parties to legal and administrative proceedings before various courts and government agencies arising in the ordinary course of business, involving tax, labor, civil and other matters.

Based on information from its legal counsel, Management reviewed existing proceedings and recognized a provision in an amount considered sufficient to cover related estimated probable losses, which are presented below together with changes for the year/period:

	Parent				Consolidated			
	Labor	Tax	Civil	Total	Labor	Tax	Civil	Total
Balance at 12/31/2018	15,133	34,888	12,003	62,024	39,767	51,393	13,990	105,150
Additions	4,865	3,029	427	8,321	15,607	5,856	453	21,916
Payments	(5,675)	(1,211)	(3,847)	(10,733)	(12,495)	(2,247)	(3,992)	(18,734)
Reversals	(3,744)	(6,198)	(4,555)	(14,497)	(17,071)	(6,208)	(6,362)	(29,641)
Adjustments	1,225	1,208	503	2,936	2,765	1,500	503	4,768
Foreign exchange differences	-	-	-	-	55	300	(61)	294
Balance at 12/31/2019	11,804	31,716	4,531	48,051	28,628	50,594	4,531	83,753
Additions	140	1,664	23	1,827	3,264	1,664	23	4,951
Payments	(1,076)	-	-	(1,076)	(3,031)	-	-	(3,031)
Reversals	(652)	(172)	(3)	(827)	(7,080)	(2,192)	(3)	(9,275)
Adjustments	487	324	96	907	998	381	96	1,475
Foreign exchange differences	-	-	-	-	814	5,449	-	6,263
Balance at 06/30/2020	10,703	33,532	4,647	48,882	23,593	55,896	4,647	84,136

The Company and its subsidiaries are parties to labor, tax and civil proceedings involving contingent liabilities for which a provision was not recorded since they involve a possible or remote loss, as determined by management and its legal advisors.

At June 30, 2020, the labor claims whose likelihood of loss is assessed as possible in the consolidated financial information totaled R\$156,546 (R\$168,424 at December 31, 2019). The main claims involve, but are not limited to, the payment of risk and health exposure premiums, recognition of employment status guarantees, lawsuits filed against third parties/service providers claiming joint/subsidiary liability of the Company and/or its subsidiaries, as well as indemnity claims deriving from work-related accidents or professional and occupational illnesses; however, no individual lawsuit involves significant loss amounts.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

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Additionally, the Company is a party to a class action brought by the trade union representing the workers of the Company's two units located in the city of Limeira, Sao Paulo state (SP), requesting the Company to (i) pay risk and health exposure premiums, to be reflected in labor, tax, social security and FGTS charges, for employees exercising certain activities over the past five years; (ii) include the abovementioned premiums on the payroll for employees that perform these activities in the future; and (iii) pay attorneys' fees on the award. The class action is assessed as a possible loss and considering it is in the fact-finding phase, the contingent liability cannot be reliably estimated.

At June 30, 2020, these tax and civil proceedings, whose likelihood of loss is assessed as possible in the consolidated financial information, totaled R\$437,656 (R\$398,116 at December 31, 2019). These amounts mainly refer to:

- (a) Administrative tax proceeding No. 3.127.787-1 filed against the Company, regarding: (i) the supposed failure to issue commercial documents (invoices) arising from alleged inventory differences identified in a tax audit of activities involving the shipment for and return from manufacturing operations; (ii) the supposed receipt of goods without commercial documents (invoices) arising from alleged inventory differences identified in a tax audit of activities involving the shipment for and return from manufacturing operations; (iii) the recording of ICMS tax credits on acquisitions from entities subject to the so-called Simples (simplified taxation regime); and (iv) the filing of a digital file (SINTEGRA file) in violation of the template or format required by legislation. The item (i) of the aforementioned tax notice was definitively canceled at the administrative level, and a petition to reverse the decision was filed for the other items, which is pending a decision while the record is taken under advisement. The amount under dispute, assessed as a possible loss, totals R\$185,941.
- (b) Tax notices issued by the Spanish tax authorities for the periods between 2004 and 2009, under proceedings No. 08/8972/2012 and No. 08/01138/2013, deriving from tax audits, involving subsidiaries Maxion Wheels Europe S.à.r.l. (former HLI European Holdings ETVE, S.L.), Maxion Wheels España S.L. (former Hayes Lemmerz Manresa, S.L.) and Hayes Lemmerz Barcelona, S.L. The tax notices challenge the tax deductibility of interest on intragroup borrowings entered into as part of the corporate and financial restructuring process. An administrative defense was filed, an unfavorable decision was handed down at the administrative court of first instance and second instance, and an appeal was filed before the Spanish courts. The case is pending a lower court decision. The total amount under dispute is R\$50,896.

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Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

- (c) Administrative tax proceeding No. 16045.720014/2015-51 filed against the Company, requesting the payment of IRPJ amounts plus interest and a 75% automatic fine, under the allegation that the monthly tax estimates for calendar year 2011 were not settled ("Unapproved Offsets"). An administrative defense was filed, a favorable decision was handed down at the court of first instance, fully cancelling the debt. The case is pending decision by the administrative court of second instance. The amount under dispute, classified as a possible loss, totals R\$22,490.
- (d) Administrative proceedings No. 16045.720012/2015-62 and No. 16048.720.402/2017- 74, requesting respectively: (i) the payment of IRPJ tax amounts under allegations of incorrect deduction of income tax paid abroad for calendar year 2011; and (ii) the payment of CSLL amounts as a result of the IRPJ tax amounts claimed in item (i) above, plus interest and a 75% automatic fine on both IRPJ and CSLL, as well as administrative proceedings No. 10860.901849/2015-11 and No. 10860.901848/2015-76 requesting the disallowance of negative IRPJ and CSLL balances for calendar year 2012, due to the supposedly incorrect deduction of income tax paid abroad mentioned in item (i) above. Administrative defenses were filed, and decisions were handed down at the court of first instance. The case is pending decision by the administrative court of second instance, given the appeals filed by the National Treasury Department and by the Company against the partially favorable decisions. The amount under dispute, assessed as a possible loss, totals R\$15,327.
- (e) Administrative proceedings No. 16048.720140/2017-48 and No. 16048.720.402/2017- 74, requesting respectively: (i) the payment of IRPJ tax amounts under allegations of incorrect deduction of income tax paid abroad for calendar year 2011; and (ii) the payment of CSLL amounts as a result of the IRPJ tax amounts claimed in item (i) above, plus interest, a 75% automatic fine, and a one-time fine on both IRPJ and CSLL. Administrative defenses were filed, pending a decision at the lower court. The amount under dispute, assessed as a possible loss, totals R\$63,257.
- (f) Administrative tax proceedings relating to the Federal Revenue Service's request for the payment of one-time fines due to unapproved offsets, pursuant to article 74, paragraph 17 of Law No. 9430/1996 and Revenue Procedure No. 1675 of 2016. Administrative defenses were filed, pending a decision at the lower court. The total amount under dispute is R\$19,720.

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Notes to individual and consolidated interim financial information (Continued)

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- (g) Administrative proceedings No. 10865-720.674/2020-60, No. 13603-720.924/2020-31 and No. 10860-720.538/2020-10, which request the payment of taxes relating to unapproved offsets, due to the supposed lack of proof of payment of tax credit amounts relating to the CACEX rate, plus interest and a 20% automatic fine. This case is pending a decision at the lower court. The amount under dispute, assessed as a possible loss, totals R\$24,542.

Judicial deposits related to provision - consolidated

These represent restricted assets of the Company and its subsidiaries referring to amounts deposited in court in connection with legal proceedings assessed as probable losses, which will be held by courts until a final decision is reached. At June 30, 2020, these amounts total R\$33,588 (R\$34,012 at December 31, 2019).

17. Equity

a) Share Capital

At June 30, 2020, the Company's fully subscribed and paid-in capital is R\$1,576,954,290.05 (one billion five hundred seventy-six million nine hundred fifty-four thousand, two hundred ninety reais and five cents), comprising 153,719,601 (one hundred fifty-three million, seven hundred nineteen thousand six hundred one) registered common shares with no par value.

Without any amendments to its bylaws, and subject to deliberation by the Board of Directors, the Company may increase capital through the issuance of new shares, limited, however, to 82,000,000 registered common shares with no par value. Out of the total limit, 58,856,229 shares have already been issued, and the Company may still issue 23,143,771 new shares.

Within the limit of authorized capital and in accordance with the plan approved at the Annual General Meeting, the Company may grant stock options to its managing officers, employees or individuals who provide services to the Company, pursuant to article 168, paragraph 3, of Law No. 6404/76.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

b) Statutory investment and working capital reserve

This reserve aims at ensuring investments in production assets and increase in working capital, even by amortizing the Company's debts, as well as by capitalizing and financing subsidiaries and joint ventures. This reserve will comprise a minimum 10% and a maximum of 58% of net profit for the year, limited to the total amount of capital together with the legal reserve.

c) Allocation of profit

The profit for the year, determined in accordance with article 191 of Law No. 6404/76, will be allocated as follows: (i) 5% to the legal reserve, which cannot exceed 20% of capital; (ii) 37% for distribution as mandatory dividends; and (iii) the remaining amount, which is not allocated to the investment and working capital reserve or retained as defined in the capital budget approved at the Annual General Meeting, will be allocated as supplementary dividends to the shareholders.

d) Stock options

Share-based payments refer to the results recorded for the 2015 and 2014 stock option plans, less the eligible stock options exercised. At June 30, 2020, options canceled total 12,825 (15,499 options canceled at December 31, 2019).

e) Treasury shares

At June 30, 2020, the Company had 1,355,089 common shares held in connection with the stock option plans in the amount of R\$28,894 (1,355,089 common shares amounting to R\$28,920 at December 31, 2019), as a commitment under the stock option plan and long-term incentive program.

The market value of common shares held in treasury totals R\$18,321, reflecting the price of R\$13.52 per share at June 30, 2020.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

18. Stock option plan

The rules of the Stock Option Plan ("Plan") granted to the Company's executive officers were disclosed in the financial statements for the year ended December 31, 2019 (Note 22).

The changes in the number of outstanding stock options and their related weighted average prices for the year are as follows:

	06/30/2020		12/31/2019	
	Average exercise price per option - R\$	Outstanding options	Average exercise price per option - R\$	Outstanding options
Balance at beginning of year	26.70	38,342	25.45	57,919
Exercised	13.13	(1,184)	12.84	(4,078)
Canceled	26.73	(12,825)	35.04	(15,499)
Balance at end of year/period	26.40	24,333	26.70	38,342

Of the 24,333 stock options outstanding at June 30, 2020 (38,342 at December 31, 2019), 24,333 stock options (28,778 at December 31, 2019) are exercisable.

At June 30, 2020, the market price of the Company's shares was R\$13.52 (R\$23.38 as at December 31, 2019).

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

19. Long-term incentive plan

The rules of the Long-Term Incentive Plan ("Program") granted to the Company's executive officers were disclosed in the financial statements for the year ended December 31, 2019 (Note 23).

The settlement dates for each program are as follows:

Program	Tranche	Maturity	Outstanding RSUs and PSs
RSU - 2017	33.3%	04/26/2021	56,691
RSU - 2018	33.3%	04/26/2021	48,522
RSU - 2018	33.3%	04/26/2022	48,522
PS - 2018	100%	04/26/2022	145,711
RSU - 2019	33.4%	04/26/2021	58,097
RSU - 2019	33.3%	04/26/2022	58,097
RSU - 2019	33.3%	04/26/2023	58,098
PS - 2019	100%	04/26/2023	174,292

At June 30, 2020, the provision recorded as "Other payables" totals R\$1,477 in the parent financial information (R\$3,812 at December 31, 2019) and R\$3,416 in the consolidated financial information (R\$8,504 at December 31, 2019). Treasury shares held for purposes of making payments under the 2017, 2018 and 2019 Programs are described in Note 17.e).

In the 2nd quarter of 2020, payments were made for the 3rd tranche of the 2016 RSU program, 2nd tranche of the 2017 RSU program and the 1st tranche of the 2018 RSU program. The 2017 PS program was canceled as provided for in the rules.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

20. Finance income (costs)

	Parent		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Finance income				
Short-term investment yield	7,313	4,438	9,397	5,906
Pension plan interest income	-	-	80	158
Discounts obtained and interest receivable	28	91	28	91
Financial gain on legal proceedings	612	799	676	799
Other	330	2,680	425	3,518
Total	8,283	8,008	10,606	10,472
Finance costs:				
Interest payable and finance charges	(42,125)	(34,614)	(91,009)	(88,236)
Pension plan interest	-	-	(6,753)	(5,802)
Inflation adjustment of provisions for risks	(907)	(1,479)	(1,475)	(2,560)
Tax on Financial Transactions (IOF)	(4,853)	(1,037)	(4,916)	(1,037)
Amortized cost of debenture issuance	(897)	(1,465)	(897)	(1,465)
Bank charges	(8,428)	(426)	(17,530)	(27,656)
Other	(1,099)	(1,102)	(2,565)	(3,904)
Total	(58,309)	(40,123)	(125,145)	(130,660)

21. Foreign exchange gains (losses), net

	Parent		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Trade receivables	8,967	(757)	31,104	(4,473)
Borrowings and financing	934	98	(37,140)	(8,328)
Trade payables	(752)	(88)	(13,362)	4,907
Short-term investments	-	-	1,454	(589)
Derivative financial instruments	-	-	352	183
Other	(2,534)	29	(1,570)	982
Total	6,615	(718)	(19,162)	(7,318)

22. Net sales and services revenue

	Parent		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Gross sales revenue	838,503	1,552,197	3,586,470	5,529,275
Revenue Deductions:				
Taxes on sale	(159,223)	(295,089)	(175,290)	(344,408)
Discounts, returns and cancelations	(4,573)	(12,348)	(14,776)	(49,417)
Net sales revenue	674,707	1,244,760	3,396,404	5,135,450

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Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

23. Costs and expenses by nature

	Parent		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Raw material	(304,512)	(579,137)	(1,754,689)	(2,744,294)
Salaries and benefits	(268,569)	(347,803)	(865,255)	(977,258)
Supplies/maintenance	(47,634)	(59,251)	(269,243)	(320,455)
Electric power	(22,168)	(25,263)	(149,210)	(167,774)
Depreciation and amortization	(31,867)	(31,526)	(251,989)	(201,258)
Outsourced services	(30,055)	(33,279)	(97,728)	(114,306)
Freight	(9,071)	(21,007)	(79,149)	(107,066)
Management fees	(6,149)	(7,735)	(6,149)	(7,735)
Transportation/communication	(6,422)	(10,390)	(17,169)	(28,044)
Other costs and expenses	(15,911)	(20,293)	(120,424)	(106,507)
Total	(742,358)	(1,135,684)	(3,611,005)	(4,774,697)
Classified as:				
Cost of sales and services rendered	(681,181)	(1,067,131)	(3,348,384)	(4,500,565)
Selling expenses	(6,187)	(6,455)	(26,837)	(23,015)
General and administrative expenses	(48,841)	(54,363)	(229,635)	(243,382)
Management fees (Note 10)	(6,149)	(7,735)	(6,149)	(7,735)
Total	(742,358)	(1,135,684)	(3,611,005)	(4,774,697)

24. Other operating income (expenses), net

	Parent		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Impairment of assets (i)	-	-	(33,639)	-
Expenses with restructuring (ii)	(1,006)	-	(26,401)	-
Gain on devaluation of stock option (iii)	-	-	25,756	-
Other operating income (expenses)	336	10,282	(1,016)	(3,853)
Total	(670)	10,282	(35,300)	(3,853)

(i) According to details disclosed in Note 4.

(ii) Due to the volatility of markets, and given the lack of visibility related to global automotive production and demand, the Company started a restructuring process in order to adjust its operations according to the production volumes in its subsidiaries.

(iii) In accordance with a put option contract, a subsidiary of the Company is required to acquire certain shares issued by another subsidiary at a fixed price, with the beneficiaries, which are minority shareholders of the subsidiary in question, exercising the option. The acquisition price of these shares is defined according to the formula described in the related put option contract, which is calculated every March 31. According to the formula, at June 30, 2020, the Company has, through its subsidiary, noncurrent liabilities related to that option in the amount of R\$17,824 (R\$35,745 in 2019). Consequently, the impact on "other operating income" was R\$25,756 in the six-month period ended June 30, 2020.

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Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

25. Risk management and financial instruments

a) General considerations and policies

The general considerations and policies on risk management and financial instruments are described in Note 29 to the financial statements for the year ended December 31, 2019, which should be read together with these notes.

b) Financial risk management

Credit risk

The credit risks are described in Note 29 to the financial statements for the year ended December 31, 2019, which should be read together with these notes.

The Company has been monitoring potential risks in connection with COVID-19 that may affect its operations. To date, there has been no significant disruption in the supply of goods, financial assets, fixed assets, inventories and other financial positions, in addition to potential liquidity risks, default and other corporate risks.

In relation to trade receivables, the Company understands that, due to (i) its strict credit rating analysis; (ii) continuous monitoring of outstanding balances; and (iii) the fact that its customers are large-sized car manufacturers that have good risk ratings, the credit risk is under control.

Liquidity risk and interest rate risk

The liquidity and interest rate risks are described in Note 29 to the financial statements for the year ended December 31, 2019, which should be read together with these notes.

In relation to the liquidity risk inherent to COVID-19, R\$1,162,000 were taken out through financing lines in the six-month period ended June 30, 2020. In addition, prior waivers and forgiveness were granted for possible non-compliance by the Company at December 31, 2020 and June 30, 2020 with the financial ratio foreseen in the debt instruments with its main creditors, as disclosed in Note 15. The Company's operating income and cash flow projections present full conditions for the continuity of operations.

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(In thousands of Brazilian reais - R\$, unless otherwise stated)

The risks of higher debt charges following the outbreak of COVID-19 arise from the fact that the Company may incur losses due to fluctuations in interest rates or other debt indexes, which increase finance costs related to borrowings and financing raised in the market, or decrease the finance income from financial investments of the subsidiaries. The Company and its subsidiaries continuously monitor market interest rates in order to assess the possible need to hedge themselves against the risk of rate fluctuations.

Foreign currency risk

This risk arises from the possible fluctuation in the exchange rates of foreign currencies used by the Company and its subsidiaries for the acquisition of raw material, sale of products, and financial instruments the entities enter into. In addition to payables and receivables in foreign currencies, the Company and its subsidiaries invest in foreign direct and indirect subsidiaries and have operating cash flows involving purchase and sale in other currencies. The Company and its subsidiaries have a specific policy on hedging transactions aimed at mitigating these risks.

At June 30, 2020, the Company had foreign currency-indexed assets in excess of liabilities by R\$7,932. There was no liability exposure, as the geographical diversification of the business provides a natural hedge and greater stability to the Company's results, serving as a natural hedge to borrowings and other payables in foreign currency.

	Parent		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Assets:				
Trade receivables (i)	7,007	12,268	803,076	787,053
Foreign related parties	12,281	19,590	94	69
Total assets	19,288	31,858	803,170	787,122
Liabilities:				
Borrowings and financing (ii)	-	-	2,794,240	1,793,256
Trade payables (iii)	1,368	2,164	833,019	977,163
Foreign related parties	7	2,256	-	-
Total liabilities	1,375	4,420	3,627,259	2,770,419
Net exposure	17,913	27,438	(2,824,089)	(1,983,297)
(-) Foreign subsidiaries with local functional currency	-	-	2,832,025	1,997,425
Total exposure for sensitivity analysis purposes	17,913	27,438	7,936	14,128

(i) In the consolidated financial information for June 30, 2020, 83.1% (76.4% at December 31, 2019) refers to trade receivables by foreign subsidiaries, denominated in U.S. dollars, euros and yuans.

(ii) In the consolidated financial information for June 30, 2020, 55.6% (58.6% at December 31, 2019) refers to borrowings obtained in local currency by foreign subsidiaries, denominated in U.S. dollars, as described in Note 15.

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(iii) In the consolidated financial information for June 30, 2020, 90.6% (86.7% at December 31, 2019) refers to trade payables by foreign subsidiaries, denominated in U.S. dollars, euros and yuans.

Foreign currency risk arises from fluctuations in foreign exchange rates of foreign currency-denominated borrowings and financing, and trade receivables and payables.

Concentration risk

The Company's and its subsidiaries' products are usually sold under purchase orders of material amounts regularly placed by a limited number of customers that represent a significant volume of sales. Currently, some 70% of their operating income derives from ten customers. The loss of a major customer or the decrease in the volume purchased by such customer could have an adverse impact on the Company and its subsidiaries.

Risk of fluctuation in steel and aluminum prices

A significant part of the Company's and its subsidiaries' operations depends on their ability to purchase steel and aluminum at competitive prices. If steel and aluminum prices increase significantly, and the Company and its subsidiaries are unable to pass the price increase on to products or to reduce operating costs to offset such increase, the operating margin will be lower.

Sensitivity analysis - consolidated

Financial instruments, including derivatives, as applicable, are exposed to changes due to fluctuations in exchange rates, interest rates (Long-term Interest Rate, or TJLP) and CDI rate. The sensitivity analyses of financial instruments to these variables, considered by Company management, are shown below:

i) Selection of risks

The Company and its subsidiaries selected three market risks that could impact the value of their financial instruments more significantly, namely (1) U.S. dollar/Brazilian real exchange rate; (2) interest rates on borrowings and financing (TJLP, CDI and LIBOR); and (3) short-term investment yield rate (CDI).

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ii) Selection of scenarios

Three scenarios were considered in the risk sensitivity analysis for the indices on these financial assets and financial liabilities, and the Company adopted the probable scenario. CVM Instruction No. 475/08 required two additional scenarios with a 25% and 50% decrease in the risk variables considered at June 30, 2020.

The probable scenario considered by the Company is the actual Brazilian real versus U.S. dollar exchange rate, and TJLP, CDI and IPCA indexes at June 30, 2020. Accordingly, the Company visited the website of Brazil's Central Bank as a source to obtain the U.S. dollar/Brazilian real price, the website of BNDES for TJLP, the website of CETIP S.A. - Mercados Organizados for CDI, and Bloomberg portal for LIBOR.

Sensitivity analysis of fluctuations in foreign currency rates

For the sensitivity analysis of foreign currency exposure at June 30, 2020, as shown in the table with the foreign currency exposure under "Foreign currency risk," the balances of trade receivables, trade payables and borrowings and financing held by foreign subsidiaries were disregarded because they are denominated in the local functional currencies of each foreign subsidiary, and, therefore, Company management understands that there is no foreign currency risk that could affect the subsidiaries' cash flows.

Considering these foreign currency exposures at June 30, 2020, the sensitivity analysis of outstanding position in the consolidated financial information is as follows:

Company risk	Possible scenario	Remote scenario
Decrease in U.S. dollar rate	1,984	3,968

The possible scenario considers a 25% appreciation of the Brazilian real against the U.S. dollar based on the exchange rate as at June 30, 2020, i.e., R\$5.476/US\$1.00 (R\$4.1070/US\$1.00), and the remote scenario considers a 50% appreciation (R\$2.7380 /US\$1.00).

In light of the currency parities considered, the results would correspond to losses totaling R\$1,984 and R\$3,968 in the possible and remote scenarios, respectively.

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Management did not use the probable scenario in the sensitivity analysis because it understands that it substantially reflects the currency rate fluctuations recognized in the financial information for the period ended June 30, 2020.

Sensitivity analysis of interest rate changes - Company's exposure to interest rate increase - Consolidated

The sensitivity analysis below takes into consideration the principal amount of borrowings and financing.

Borrowings and financing - TJLP	Scenarios		
	Probable	Possible	Remote
TJLP at June 30, 2020	4.94%	6.18%	7.41%
TJLP-indexed financing - R\$5.682			
Estimated finance costs	281	351	421
Effect - loss		(70)	(140)

Borrowings and financing - CDI	Scenarios		
	Probable	Possible	Remote
IPCA at June 30, 2020	2.15%	2.69%	3.23%
CDI-indexed loans - R\$952,000			
Estimated finance costs	20,468	25,609	30,750
Effect - loss		(5,141)	(10,282)

Borrowings and financing - 1-month LIBOR	Scenarios		
	Probable	Possible	Remote
LIBOR at June 30, 2020	0.16%	0.20%	0.24%
1-month LIBOR-indexed loan - R\$54,760			
Estimated finance costs	89	110	131
Effect - loss		(21)	(43)

Borrowings and financing - 3-month LIBOR	Scenarios		
	Probable	Possible	Remote
LIBOR at June 30, 2020	0.30%	0.38%	0.45%
3-month LIBOR-indexed loan - R\$131,424			
Estimated finance costs	397	499	591
Effect - loss		(103)	(195)

Borrowings and financing - 6-month LIBOR	Scenarios		
	Probable	Possible	Remote
LIBOR at June 30, 2020	0.37%	0.46%	0.55%
6-month LIBOR-indexed loan - R\$354,516			
Estimated finance costs	1,309	1,631	1,950
Effect - loss		(322)	(641)

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

Debentures - CDI	Scenarios		
	Probable	Possible	Remote
CDI at June 30, 2020	2.15%	2.69%	3.23%
Debentures indexed to 100% of CDI - R\$1,250,000			
Estimated finance costs	26,875	33,625	40,375
Effect - loss		(6,750)	(13,500)

Sensitivity analysis of changes in short-term investments - Company's exposure to a potential decrease in interest rates

Short-term investments - CDI	Scenarios		
	Probable	Possible	Remote
CDI - R\$ at June 30, 2020	2.12%	1.59%	1.06%
Short-term investments - 98.7% of CDI - R\$768,932			
Estimated finance income	16,301	12,226	8,151
Effect - loss		(4,075)	(8,151)

In December 2019 and June 2020, due to expected future purchases of steel and aluminum and in order to hedge the risk of price fluctuations, subsidiaries Maxion Jantas Jant Sanayi ve Ticaret A.S. and Maxion Inci Jant Sanayi A.S. entered into a forward contract to set the price of such commodity. As at June 30, 2020, total unrealized net gains on these steel and aluminum forward contracts, recognized as "Raw materials" (Note 7), totaled R\$707, matched with "Cost of goods sold and services rendered" (Note 23) in the statement of profit and loss for the period.

The transactions entered into in December 2019 have settlement terms that consider anticipated purchases from one to nine months from the contract date. At June 30, 2020, the outstanding transactions totaled six contracts maturing between July 31, 2020 and September 30, 2020.

The transactions entered into in June 2020 have settlement terms that consider anticipated purchases from three to eight months from the contract date. As at June 30, 2020, the outstanding transactions totaled twelve contracts maturing between September 30, 2020 and February 26, 2021.

Hedged item	Risk	Counterparty	Notional amount (in thousands)		Market value gain
			€	R\$	
Inventories	Commodity price	Türkiye İş Bankası A.Ş.	6,074	37,691	297
Inventories	Commodity price	Türkiye İş Bankası A.Ş.	14,842	91,770	410
			20,916	129,461	707

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

26. Capital management

The Company's Management seeks to keep a balance between the highest possible yields with the most appropriate levels of borrowing and the advantages and security afforded by a sound capital position. This aims at reaching a rate of return commensurate with its cost of capital, which is reviewed annually using the Weighted Average Cost of Capital (WACC) approach.

The debt-to-equity ratio is as follows:

	Parent		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Total borrowings, financing and debentures	2,214,213	1,268,328	5,028,740	3,061,583
Cash and cash equivalents and short-term investments	(775,778)	(263,853)	(1,392,574)	(646,137)
Net debt	1,438,435	1,004,475	3,636,166	2,415,446
Total equity	3,762,403	3,228,478	4,044,674	3,496,976
Net debt-to-equity ratio	38%	31%	90%	69%

Ioche-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

27. Earnings (loss) per share

	06/30/2020	06/30/2019
Denominator:		
Weighted average number of shares	153,719,601	150,968,455
Weighted average number of treasury shares	(1,355,089)	(1,262,258)
Weighted average number of shares outstanding	152,364,512	149,706,197
Numerator - basic earnings:		
Profit (loss) for the period - R\$	(343,203,364)	173,488,196
Basic earnings (loss) per share for the period - R\$	(2.25252)	1.15886
Denominator - diluted earnings:		
Weighted average number of shares outstanding	152,364,512	149,706,197
Number of shares for the stock option plan (i)	-	19,956
Weighted average number of shares	152,364,512	149,726,153
Numerator - diluted earnings:		
Profit (loss) for the period	(343,203,364)	173,488,196
Diluted earnings (loss) per share for the period - R\$	(2.25252)	1.15870

(i) At June 30, 2020, the Company presented an antidilution effect related to 15,140 options of the share-based compensation programs, with an effect of R\$0.00022 in the six-month period ended June 30, 2020.

28. Segment information

Accounting Pronouncement CPC 22/IFRS 8 - Segment Reporting requires segment reporting consistently with managerial reports submitted to and revised by the chief operating decision-maker for assessing the financial performance of each operating segment and for allocating funds. The Company's chief operating decision-maker is the Chief Executive Officer - CEO.

The Company and its subsidiaries operate in a single business segment (automotive), and have a matrix management structure that requires the decision-maker to review in detail only the sales revenue, as the products manufactured and sold by the Company and its subsidiaries are segregated into the Maxion Wheels and Maxion Structural Components divisions.

Net revenue is as follows:

	06/30/2020		06/30/2019	
	Net revenue	interest	Net revenue	interest
Operations in South America - Brazil	692,320	20.4%	1,344,572	26.2%
International operations:				
North America	1,011,992	29.8%	1,602,808	31.2%
Europe	1,427,651	42.0%	1,721,988	33.5%
Other	264,441	7.8%	466,082	9.1%
Total	3,396,404	100%	5,135,450	100%

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

29. Insurance coverage

The Company and its subsidiaries have insurance coverage for some inventory items, property, plant and equipment items, civil liability, and other assets. As at June 30, 2020, the insurance policies and coverage are as follows:

Insured assets	Coverage	Sum insured
Inventory and property, plant and equipment	Fire, lightning, explosion, windstorm, machinery breakdown and other risks	2,764,560
Guarantee	Judicial, traditional and customs guarantees	22,083
Freight	Highway risk and cargo carrier liability and transportation risk in import and export transactions	150,144
Civil and professional Liability	Third-party claims, crimes	1,075,293

30. Additional information to the statements of cash flows

Non-cash transactions

	Parent		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Purchases of property, plant and equipment payable recorded in line item as "Trade payables"	6,753	6,363	20,899	12,282
Borrowing costs capitalized	11,061	-	24,497	-

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

31. Subsequent events

Impacts of COVID-19

It should be noticed that, at the date of these financial information, all of the Company's manufacturing units are operating at an output capacity that is in line with our customers' demand, and it has adopted some additional safety measures, which include providing individual protection equipment, measuring body temperature at the entrance of the units, providing hand sanitizer, adjusting the employees' transportation and restaurants for greater distance between people, and cleaning common areas more thoroughly and frequently. In order to keep all employees and their families safe and fight the spread of COVID-19, protocols were adopted in accordance with the guidelines of the relevant authorities in each jurisdiction where the Company operates.

Additionally, national and international travel has been canceled, face-to-face meetings have been replaced with videoconference calls, third party access to the Company's units has been restricted, and work schedules have been adjusted in order to avoid the concentration of people in the same environment.

Considering the uncertainties arising from this situation, management maintained significantly the Company's liquidity, reviewed output volumes, adjusted the purchase of raw materials and implemented actions to reduce costs and expenses.

Due to market volatility and considering the dynamics of the automotive segment, possible impacts are expected for the next quarters, although they are difficult to be measured at this point, given the lack of visibility related to the global automotive production and demand. The Company has been following the changes in this context in order to adjust its operations when necessary.

The Company also continues to follow the development of COVID-19, adopting necessary measures and reiterating its commitment to the safety of all employees, customers and other stakeholders.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Six-month period ended June 30, 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

32. Officers statement of compliance

Under the terms of CVM Instruction No. 480/09, the Company's Executive Board represents that it has reviewed, discussed and agreed with the individual and consolidated interim financial information for the quarter ended June 30, 2020 and with the related independent auditor's review report. Moreover, for purposes of compliance with CVM Rule No. 727/14, the Company's Executive Board states that all the relevant information specific to the financial information, and only such information, is being disclosed and corresponds to the information used to manage the Company's operations.

33. Authorization for issuance and disclosure of the financial statements

This interim financial information was approved by the Company's Executive Committee and authorized for disclosure and issue at the Board Meeting held on August 11, 2020.

Marcos S. de Oliveira
Chief Executive Officer

Elcio Mitsuhiro Ito
Chief Financial and Investor Relations Officer

Paulo Marcio Almada dos Santos
Chief Human Resources Officer

Renato J. Salum Junior
Accountant
CRC - 1 SP 237586/O-4