

MAHLE REPORTS ADJUSTED EBITDA¹ OF R\$ 169.5 million in 3Q20; ADJUSTED EBITDA MARGIN OF 24.5%

Mogi Guaçu, São Paulo, November 11, 2020 - MAHLE Metal Leve S.A. (B3: LEVE3), a Brazilian automotive parts company that manufactures and sells components for internal combustion engines and automotive filters, today announced financial results for the third quarter of 2020. Unless otherwise noted, financial and operating information is provided on a consolidated basis and in Brazilian reais (BRL) and is prepared in accordance with the Brazilian Corporation Law.

Earnings conference call and webcast:

Date: 11/12/2020

Time:

12 noon - Brasilia

3:00 p.m. - London

10:00 a.m. - New York

Webcast

(in Portuguese):

<https://webcastlite.mziq.com/cover.html?webcastId=1c11041f-e84d-464c-8d71-e36b6c719ef8>

Webcast

(simultaneous translation to English):

<https://webcastlite.mziq.com/cover.html?webcastId=d79150ff-2448-4ee9-8f2a-2e07c8c2df68>

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HIGHLIGHTS

- **Net Sales Revenue:** R\$ 691.2 million in 3Q20, up 7.1% compared with 3Q19. Net sales revenue in 9M20 was 15.8% lower than in 9M19;
- **Domestic Aftermarket:** Sales were up 35.3% in 3Q20 compared to sales for 3Q19, while in 9M20 we saw almost same levels as in 9M19 (sales fell by 0.5%);
- **Export Aftermarket:** Sales grew 21.2% in 3Q20 compared with 3Q19; sales dropped by 8.1% in 9M20 compared to the same period of the prior year;
- **Domestic Original Equipment Market:** Sales fell by 21.8% compared to 3Q19 and by 32.1% in 9M20 versus 9M19. Consolidated vehicle production dropped 39.8%, the Brazilian market has seen a decline of 40.7% and the Argentine market of 31.5%;
- **Gross Margin:** was 27.7% in 3Q20 (27.6% in 3Q19) and 24.4% in 9M20 (26.5% in 9M19);
- **MBE2 Technology:** Impairment of R\$ 45.1 million related to technology development costs and exclusive production and sales rights and R\$ 36.2 million related to provision for inventory loss. At November 10, 2020, according to the material fact statement issued on the same date, the Board of Directors approved the cessation of the technology development activities;

| (R\$ million) | Key indicators | | | | | | | |
|-------------------------------------|----------------|--------|-------|-----------|-----------|---------|---------|-----------|
| | 3Q20 | 2Q20 | 3Q19 | (a/b) | (a/c) | 9M20 | 9M19 | (d/e) |
| | (a) | (b) | (c) | | | (d) | (e) | |
| Net revenue | 691.2 | 360.9 | 645.5 | 91.5% | 7.1% | 1,625.9 | 1,930.5 | -15.8% |
| EBITDA | 88.2 | (14.9) | 129.1 | -691.9% | -31.7% | 164.8 | 364.3 | -54.8% |
| Adjusted EBITDA ¹ | 169.5 | 14.3 | 129.1 | 1085.3% | 31.3% | 275.3 | 364.3 | -24.4% |
| EBITDA margin | 12.8% | -4.1% | 20.0% | 16,9 p.p. | -7,2 p.p. | 10.1% | 18.9% | -8.8 p.p. |
| Adjusted EBITDA margin ¹ | 24.5% | 4.0% | 20.0% | 20,5 p.p. | 4,5 p.p. | 16.9% | 18.9% | -2 p.p. |
| Profit for the year | 41.7 | (39.5) | 69.2 | -205.6% | -39.7% | 23.7 | 192.8 | -87.7% |
| Adjusted net income ² | 95.4 | (17.5) | 69.2 | -645.1% | 37.9% | 99.4 | 192.8 | -48.4% |
| Net margin | 6.0% | -10.9% | 10.7% | 16,9 p.p. | -4,7 p.p. | 1.5% | 10.0% | -8.5 p.p. |
| Adjusted net margin ² | 13.8% | -4.9% | 10.7% | 18,7 p.p. | 3,1 p.p. | 6.1% | 10.0% | -3,9 p.p. |

¹ Adjustment to EBITDA for impairment of R\$ 29.2 million (9M20) of goodwill of subsidiary MAHLE Argentina S.A.; impairment of R\$ 81.3 million (3Q20 and 9M20) of Project MBE2 – further details are provided in items 5.10 and 5.11 in this document.

² Adjustment to net profit (loss) for the aforementioned impairment and the effects of the reversal of income tax and social contribution (R\$ 7.2 million and R\$ 27.6 million) related to the impairment – further details are provided in items 5.13 and 5.14 in this document.

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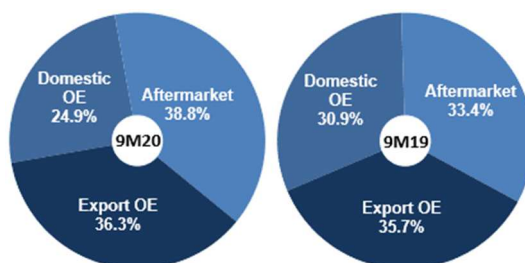
1 Management Commentary

After the most turbulent times of the COVID-19 crisis, the market is seeing a more favorable business environment. However, the Company will continue to monitor developments globally as a second wave of coronavirus cases is emerging in some countries.

In the face of the COVID-19 pandemic, the Company's business model has once again contributed to the Company's resilience, i.e. we have adapted our business to have a balanced mix of segments (Original Equipment and Aftermarket) in both domestic and foreign markets, in order to offset oscillations in different markets and segments and stabilize our profit margin over time.

The Company's revenue grew 7.1% in 3Q20 compared with the same period of 2019, driven by increases in aftermarket sales (+32.2%), OE exports (+9.2%), offset in part by the domestic OE market (-21.8%). The Company's 9M20 revenue fell by 15.8% compared to the same period of 2019, due to a decline in the domestic OE market (-32.1%), OE exports (-14.4%), and aftermarket sales (-2.2%).

The chart below shows the Company's revenue by business segment in 9M20 and 9M19:



The Company reported an adjusted EBITDA margin of 24.5% and adjusted EBITDA of R\$ 169.5 million for 3Q20. In 9M20, adjusted EBITDA margin was 16.9% (R\$ 275.3 million). Adjustments relate to non-recurring events such as impairment of R\$ 29.2 million (with impact in 9M20) of the goodwill of subsidiary MAHLE Argentina S.A., and impairment of R\$ 81.3 million of Project MBE2 with impact in 3Q20 and 9M20.

In the light of the COVID-19 pandemic, the Company formed a crisis committee to closely monitor the evolving situation at all its plants with the objective of reducing as much as possible the risk of contamination of employees and service providers. The Company has taken a series of measures in line with the recommendations and guidance from the proper health authorities and stringent sanitizing protocols.

The Company formed a task force to develop a production line for face masks at its Mogi Guaçu filter factory using available resources. Initially, the masks were given to the Company's employees and, after the expansion of the Company's product portfolio, masks produced are for commercial sale.

We have adopted preventive measures in line with the guidance from the World Health Organization (WHO) and local authorities for a gradual and safe return of our employees to work. We will continue to actively monitor the economic situation in Brazil and globally in order to adjust our operations accordingly.

2 About MAHLE Metal Leve

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

We have been operating in Brazil since the 1950's and have a large portfolio of products and integrated solutions, including customized products developed in close collaboration with our principal customers. In the original

equipment industry, MAHLE supplies automotive manufacturers and the Aftermarket business segment supplies large auto parts distributors and engine repair shops.

Our products are manufactured and sold in Brazil and Argentina and exported to more than 60 countries, including USA, Germany, Mexico, Portugal and Spain, for a broad customer portfolio which includes General Motors, Volkswagen, Fiat, Ford, Daimler MBB, Opel, International, Cummins, Volvo, PSA Peugeot, John Deere, Renault, Scania, Caterpillar, Honda, Hyundai, among others.

We own five production plants, four of which are located in Brazil, in the cities of Mogi Guaçu (two units) and São Bernardo do Campo, in the State of São Paulo, and in Itajubá, State of Minas Gerais. Our fifth plant is located in the city of Rafaela, Argentina. We have two distribution centers: one in the city of Limeira, State of São Paulo, and one in Buenos Aires, Argentina. We have a technology center in the city of Jundiaí, State of São Paulo, which we believe is one of the largest and most well-equipped technology centers in Latin America for the development of components and solution packages for internal combustion engines. This center allows us to serve and deliver value to our customers in a customized and efficient manner, and develop innovative new product technologies and processes.

As part of the globally active MAHLE Group, we are able to exchange knowledge, provide and have constant access to the latest technologies and develop products in close collaboration with customers, which we believe are key factors to the high level of market penetration and customer loyalty that we have achieved.

3 The MAHLE Group celebrates its 100-year anniversary

MAHLE has been keeping people in motion for 100 years.

It is time to celebrate. On December 1, 2020 we will achieve an important milestone in our Company's history: the 100th anniversary of the MAHLE Group.

MAHLE Metal Leve S.A. is part of the MAHLE Group (controlling shareholder), one of the world's most traditional groups in the automotive parts industry and that was founded in Germany. Today, the MAHLE Group, including the Company, operates around 160 production locations and 16 research and development centers, in 35 countries on 5 continents.

The year is 1920. The start of an exciting decade in which Charles Lindberg flies across the Atlantic, Albert Einstein receives the Nobel Prize, Mahatma Gandhi begins his non-violent protest, Deutsche Luft Hansa AG is founded and the Nürburgring starts operating. In Stuttgart/Germany, two brothers lay the foundation for a global company: Back in those times, Ernst and Hermann Mahle develop products which become best-sellers and which establish the reputation of today's global corporation as an innovator. Since then, MAHLE has become one of the 20 largest automotive suppliers worldwide with around 79,000 employees. Our innovative solutions continue to set new standards in the field of alternative drives and in the optimization of internal combustion engines.

"We will continue to grow and work on being an innovative and attractive company for our employees and partners. We want to shape the next 100 years of mobility", says Dr. Jörg Stratmann, CEO of the MAHLE Group.

The automotive industry is going through an unprecedented transformation. The MAHLE Group is positioning itself for the future of mobility, focusing on global and automotive megatrends.



The automotive industry is going through an unprecedented transformation. The MAHLE Group is positioning itself for the future of mobility, focusing on global and automotive megatrends.

The MAHLE Group's vision will drive the transformation process. The motivation to be part of the change is therefore crucial in accomplishing goals and turning vision into reality.

We are looking forward to celebrating our 100th anniversary together with you and for this reason we would like to invite you to visit us at <http://www.br.mahle.com/pt/100-years/>

Today and tomorrow. For future generations. And for the next 100 years.

4 Development of the Automotive Industry

4.1 Development of the Brazilian market

| Brazilian automotive industry | | | | | | | | | | | | |
|---------------------------------|-------------------|----------------|-----------------|-----------------|----------------------|-------------------|----------------|-----------------|----------------|----------------------|-----------------------|----------------------------|
| Segments | Jan-Sep 2020 | | | | | Jan-Sep 2019 | | | | | Sales Variation (A/C) | Production Variation (B/D) |
| | Sales (**) (A) | Export | Import | Inventory (*) | Total Production (B) | Sales (**) (C) | Export | Import | Inventory (*) | Total Production (D) | | |
| Total light vehicles | 1,301,659 | 195,604 | -148,894 | -89,982 | 1,258,387 | 1,940,170 | 322,442 | -217,239 | 103,902 | 2,149,275 | -32.9% | -41.5% |
| Total medium and heavy vehicles | 106,040 | 18,196 | -3,942 | -14,564 | 105,730 | 122,446 | 24,733 | -2,403 | 5,722 | 150,498 | -13.4% | -29.7% |
| Total vehicle sales | 1,407,699 | 213,800 | -152,836 | -104,546 | 1,364,117 | 2,062,616 | 347,175 | -219,642 | 109,624 | 2,299,773 | -31.8% | -40.7% |
| Variation (un) - 9M20 x 9M19 | -654,917 | -133,375 | 66,806 | -214,170 | -935,656 | | | | | | | |
| Variation (%) - 9M20 x 9M19 | -31.8% | -38.4% | -30.4% | -195.4% | -40.7% | | | | | | | |

Source: Anfavea

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

(**) Sales (Domestic + Imported)

The table below shows Brazil's domestic auto production, sales and inventory for the periods under review:

| Vehicle Production - monthly (thousand units) | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Total |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|
| 2019 | 202.0 | 261.3 | 245.3 | 272.0 | 281.0 | 237.5 | 273.2 | 275.4 | 252.1 | 2,299.8 |
| 2020 | 194.2 | 207.8 | 194.3 | 3.6 | 46.7 | 101.7 | 175.8 | 215.3 | 224.8 | 1,364.2 |
| Total vehicle sales - monthly (thousand units) | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Total |
| 2019 | 202.5 | 201.5 | 213.0 | 235.0 | 248.5 | 227.6 | 247.5 | 247.2 | 239.5 | 2,062.3 |
| 2020 | 193.5 | 201.0 | 163.6 | 58.1 | 66.1 | 146.2 | 179.0 | 187.8 | 212.5 | 1,407.8 |
| Brazilian Vehicles Inventory (days) | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | |
| 2019 | 37 | 43 | 41 | 40 | 39 | 42 | 39 | 42 | 45 | |
| 2020 | 43 | 37 | 48 | 128 | 80 | 36 | 23 | 20 | 20 | |

4.2 Development of the Argentine market

| Argentina's automotive industry | | | |
|--|---------------------|---------------------|---------------|
| Vehicle Sales (Locally-manufactured and imported) | Jan-Sep 2020 (A) | Jan-Sep 2019 (B) | A/B |
| Total of Light vehicle | 209,044 | 291,219 | -28.2% |
| Total of medium and heavy vehicle | 10,893 | 14,312 | -23.9% |
| Total vehicle sales | 219,937 | 305,531 | -28.0% |
| Exports | 94,343 | 168,023 | -43.9% |
| Imports | 137,584 | 210,331 | -34.6% |
| Automotive trade balance | (43,241) | (42,308) | 2.2% |
| Vehicle inventory variation in the period (*) | 3,674 | (1,355) | -371.1% |
| Production of Light vehicle | 165,739 | 241,330 | -31.3% |
| Medium and heavy vehicle production | 3,738 | 6,226 | -40.0% |
| Total vehicle production | 169,477 | 247,556 | -31.5% |

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

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

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

The table below shows consolidated vehicle production and sales figures for Brazil and Argentina. The Company's domestic market comprises Brazil and Argentina.

| Production and sales: Brazil & Argentina | Vehicle production | | | Vehicle sales | | |
|---|--------------------|------------------|---------------|------------------|------------------|---------------|
| | Jan-Sep 2020 | Jan-Sep 2019 | variation | Jan-Sep 2020 | Jan-Sep 2019 | variation |
| Light vehicle | 1,424,126 | 2,390,605 | -40.4% | 1,510,703 | 2,231,389 | -32.3% |
| Medium and heavy vehicle | 109,468 | 156,724 | -30.2% | 116,933 | 136,758 | -14.5% |
| Total | 1,533,594 | 2,547,329 | -39.8% | 1,627,636 | 2,368,147 | -31.3% |

Source: Anfavea and Adefa

4.4 Vehicle production in the major export markets

| Vehicle Production in the main export market (in thousands) | | | |
|---|---------------------|---------------------|---------------|
| Segment | Jan-Sep 2020 (A) | Jan-Sep 2019 (B) | A/B |
| Production of Light vehicle | 9,143 | 12,478 | -26.7% |
| Production of medium and heavy vehicle | 282 | 515 | -45.2% |
| North America | 9,424 | 12,993 | -27.5% |
| Production of Light vehicle | 11,212 | 16,093 | -30.3% |
| Production of medium and heavy vehicle | 319 | 483 | -34.0% |
| Europe | 11,531 | 16,576 | -30.4% |
| Total Vehicle Production | 20,955 | 29,570 | -29.1% |

Source: IHS

5 Company's Financial and Economic Performance

| Summary P&L (R\$ million) | 3Q20 (a) | 3Q19 (b) | V.A. (%) (a) | V.A. (%) (b) | H.A. (%) (a/b) | 9M20 (c) | 9M19 (d) | V.A. (%) (c) | V.A. (%) (d) | H.A. (%) (c/d) |
|--|-------------|-------------|--------------------|--------------------|----------------------|-------------|-------------|--------------------|--------------------|----------------------|
| Net sales revenue | 691.2 | 645.5 | 100.0% | 100.0% | 7.1% | 1,625.9 | 1,930.5 | 100.0% | 100.0% | -15.8% |
| Cost of sales | (499.6) | (467.2) | -72.3% | -72.4% | 6.9% | (1,228.7) | (1,418.2) | -75.6% | -73.5% | -13.4% |
| Gross profit | 191.6 | 178.3 | 27.7% | 27.6% | 7.5% | 397.2 | 512.3 | 24.4% | 26.5% | -22.5% |
| Selling and distribution expenses | (41.4) | (42.0) | -6.0% | -6.5% | -1.4% | (118.9) | (122.3) | -7.3% | -6.3% | -2.8% |
| General and administrative expenses | (24.2) | (18.9) | -3.5% | -2.9% | 28.0% | (68.9) | (61.3) | -4.2% | -3.2% | 12.4% |
| Technology and product development expenses | (13.1) | (19.1) | -1.9% | -3.0% | -31.4% | (43.3) | (63.0) | -2.7% | -3.3% | -31.3% |
| ¹ Other operating income (expenses) | (61.2) | (2.1) | -8.9% | -0.3% | 2814.3% | (106.8) | (4.6) | -6.6% | -0.2% | -2221.7% |
| Equity in the results of investees | (0.0) | (0.1) | 0.0% | 0.0% | -100.0% | (0.1) | (0.1) | 0.0% | 0.0% | 0.0% |
| Gains/losses on net monetary position | 10.4 | 9.1 | 1.5% | 1.4% | 14.3% | 28.1 | 33.7 | 1.7% | 1.7% | -16.6% |
| Operating profit | 62.1 | 105.2 | 9.0% | 16.3% | -41.0% | 87.3 | 294.7 | 5.4% | 15.3% | -70.4% |
| Finance income (costs), net | (13.2) | (10.5) | -1.9% | -1.6% | 25.7% | (73.6) | (28.8) | -4.5% | -1.5% | 155.6% |
| ² Income tax and social contribution | (8.4) | (25.7) | -1.2% | -4.0% | -67.3% | 6.9 | (75.5) | 0.4% | -3.9% | -109.1% |
| Profit for the period | 40.5 | 69.0 | 5.9% | 10.7% | -41.3% | 20.6 | 190.4 | 1.3% | 9.9% | -89.2% |
| Profit for the period attributable to: Owners of the parent | 41.7 | 69.2 | 6.0% | 10.7% | -39.7% | 23.7 | 192.8 | 1.5% | 10.0% | -87.7% |
| Adjusted profit attributable to owners of the parent | 95.4 | 69.2 | 13.8% | 10.7% | 37.9% | 99.4 | 192.8 | 6.1% | 10.0% | -48.4% |
| Attributable to: Non-controlling-interests | (1.2) | (0.2) | -0.2% | 0.0% | 500.0% | (3.1) | (2.4) | -0.2% | -0.1% | -29.2% |
| EBITDA | 88.2 | 129.1 | 12.8% | 20.0% | -31.7% | 164.8 | 364.3 | 10.1% | 18.9% | -54.8% |
| Adjusted EBITDA | 169.5 | 129.1 | 24.5% | 20.0% | 31.3% | 275.3 | 364.3 | 16.9% | 18.9% | -24.4% |
| Margins: | | | | | | | | | | |
| Gross margin | 27.7% | 27.6% | | | 0,1 p.p. | 24.4% | 26.5% | | | -2,1 p.p. |
| Operating margin | 9.0% | 16.3% | | | -7,3 p.p. | 5.4% | 15.3% | | | -9,9 p.p. |
| Net margin | 5.9% | 10.7% | | | -4,8 p.p. | 1.3% | 9.9% | | | -8,6 p.p. |
| Net margin attributable to owners of the parent | 6.0% | 10.7% | | | -4,7 p.p. | 1.5% | 10.0% | | | -8,5 p.p. |
| Adjusted net margin attributable to owners of the parent | 13.8% | 10.7% | | | 3,1 p.p. | 6.1% | 10.0% | | | -3,9 p.p. |
| EBITDA margin | 12.8% | 20.0% | | | -7,2 p.p. | 10.1% | 18.9% | | | -8,8 p.p. |
| Adjusted EBITDA margin | 24.5% | 20.0% | | | 4,5 p.p. | 16.9% | 18.9% | | | -2 p.p. |
| SG&A expenses to net sales revenue | 9.5% | 9.4% | | | 0,1 p.p. | 11.6% | 9.5% | | | 2,1 p.p. |

¹ Additional information is presented in item 5.10 below.

² Additional information is presented in item 5.13 below.

5.1 Net sales revenue and net revenue by market

It is important to note that the Company considers as Domestic Market the revenue generated from its operations in Brazil and Argentina. For this reason, in this market, with respect to the consolidation of the financial statements, the tables below present negative exchange rate effects of the translation of the financial statements from Argentine peso to Brazilian real.

The Company reported a 7.1% increase in its consolidated net revenue for 3Q20 compared with the same period of 2019. The table below shows revenue by market and its respective impacts in terms of volume/price and exchange rate variation period over period:

| Net revenue by market (R\$ Million) | | 3Q20 (a) | Volume/Price (b) | FX-Variation (c) | 3Q19 (d) | % volume/price impact (b/d) | % FX-impacts (c/d) | H.A. (%) (a/d) |
|--|-----------------------|---------------|---------------------|---------------------|--------------|--------------------------------------|-----------------------|----------------------|
| Original equipment | Domestic ¹ | 165.7 | (45.8) | (0.4) | 211.9 | -21.6% | -0.2% | -21.8% |
| | Export | 226.8 | (26.9) | 46.1 | 207.6 | -13.0% | 22.2% | 9.2% |
| | Subtotal | 392.5 | (72.7) | 45.7 | 419.5 | -17.3% | 10.9% | -6.4% |
| Aftermarket | Domestic ¹ | 238.2 | 64.8 | (2.7) | 176.1 | 36.8% | -1.5% | 35.3% |
| | Export | 60.5 | (7.3) | 17.9 | 49.9 | -14.7% | 35.9% | 21.2% |
| | Subtotal | 298.7 | 57.5 | 15.2 | 226.0 | 25.5% | 6.7% | 32.2% |
| Total | 691.2 | (15.2) | 60.9 | 645.5 | -2.3% | 9.4% | 7.1% | |

¹ Domestic market includes Brazil and Argentina.

In 9M20, the Company's consolidated net revenue decreased 15.8% compared with the same period of 2019. The table below shows revenue by market and its respective impacts in terms of volume/price and exchange rate variation period over period:

| Net revenue by market (R\$ Million) | | 9M20 (a) | Volume/Price (b) | FX-Variation (c) | 9M19 (d) | % volume/price impact (b/d) | % FX-impacts (c/d) | H.A. (%) (a/d) |
|--|-----------------------|----------------|---------------------|---------------------|----------------|--------------------------------------|-----------------------|----------------------|
| Original equipment | Domestic ¹ | 405.3 | (190.5) | (0.8) | 596.6 | -32.0% | -0.1% | -32.1% |
| | Export | 590.3 | (161.0) | 62.0 | 689.3 | -23.4% | 9.0% | -14.4% |
| | Subtotal | 995.6 | (351.5) | 61.2 | 1,285.9 | -27.3% | 4.7% | -22.6% |
| Aftermarket | Domestic ¹ | 495.8 | 6.3 | (8.8) | 498.3 | 1.3% | -1.8% | -0.5% |
| | Export | 134.5 | (41.2) | 29.4 | 146.3 | -28.2% | 20.1% | -8.1% |
| | Subtotal | 630.3 | (34.9) | 20.6 | 644.6 | -5.4% | 3.2% | -2.2% |
| Total | | 1,625.9 | (386.4) | 81.8 | 1,930.5 | -20.0% | 4.2% | -15.8% |

¹ Domestic market includes Brazil and Argentina.

5.2 Original Equipment (OE) sales

Domestic market:

Sales in the domestic market were primarily impacted by the effects of COVID-19 pandemic on the Brazilian society and economy, principally after quarantine was imposed and plants throughout the supply chain, including our customers' plants, have temporarily shut down.

However, the negative impact of the pandemic has lessened in 3Q20 and we are seeing a reduction in negative results in the last quarter after a more challenging period between April-June 2020. The OE domestic sales fell 21.8% in 3Q20 and 32.1% compared to the same periods of 2019.

It should be noted that consolidated vehicle production (vehicle production in Brazil – Anfavea and in Argentina – Adefa) dropped 39.8% in the first nine months of 2020; hence, the Company has had a better performance than the market.

Export market:

In 3Q20, the export market grew 9.2%, consisting of exchange rate changes of +22.2% and fall in volume/price of 13.0% (compared to 3Q19). In 9M20, the fall was 14.4% compared to 9M19, with the impact of the 23.4% fall in volume/price, offset in part by exchange rate changes of 9.0%.

Exports were impacted mainly by the global pandemic of COVID-19 that initially hit our major export markets. The Company continues to track economic developments around the world as some countries are facing a second wave of COVID-19.

The table below presents exports in hard currency:

| Export Sales by currency (million) | Jul-Sep 2020 (a) | Jul-Sep 2019 (b) | H.A. (%) (a/b) |
|---------------------------------------|---------------------|---------------------|-------------------|
| Original equipment | | | |
| EUR | 16.7 | 17.4 | -4.0% |
| USD | 25.4 | 35.5 | -28.5% |

| Export Sales by currency (million) | Jan-Sep 2020 (a) | Jan-Sep 2019 (b) | H.A. (%) (a/b) |
|---------------------------------------|---------------------|---------------------|-------------------|
| Original equipment | | | |
| EUR | 47.6 | 57.0 | -16.5% |
| USD | 72.5 | 118.1 | -38.6% |

5.3 Aftermarket sales

Domestic market:

When comparing 3Q20 with 3Q19, the domestic Aftermarket sales grew 35.3%, with positive impacts of volume/price of 36.8% and exchange rate changes of -1.5%. In 9M20, we saw a slight fall of 0.5%, with a positive

impact of volume/price increase of 1.3% plus exchange rate changes of -1.8%, almost reaching the levels seen last year.

It should be considered that, in both periods, the effects of exchange rate changes arise from the operations in Argentina (which were consolidated in our Domestic Aftermarket), and as a result, excluding the effects of exchange rate changes, the Company would have reported a positive variation in this market also in 9M20.

Our positive performance in 3Q20 was driven by surging market demand and stock replenishment by distributors. It is worth mentioning that the sales of our customers (distributors) were affected to a lesser extent by the COVID-19 crisis and, after reducing their purchases during the most critical period of the pandemic, they are now replenishing their inventories. The Company is a leader in the automotive aftermarket due to the recognition of its brand name, the mix and quality of its products, among other.

In 9M20, domestic market sales were hit hard by the COVID-19 impacts on society and the economy as governments ordered the closure of businesses to slow the spread of coronavirus, causing supply chain disruptions. As a consequence, as from mid-March the market began to feel the effects of the pandemic and sales plummeted by a record amount in April and picked up slightly in May. In that period, the domestic market was also impacted by the fall in consumer confidence and, as a consequence, retailers saw a fall in purchases.

Despite the difficulties mentioned above and the decline in demand, the Company has not experienced any late payment problems.

Export market:

In 3Q20, the export market grew 21.2% compared with the same period of 2019, with the positive impact of the exchange rate changes of 35.9% and the fall in volume/price of 14.7%. In 9M20, there was a negative variance of 8.1%, with a 28.2% fall in volume/price, which was offset in part by exchange rate changes of 20.1%.

The table below shows Aftermarket exports in hard currency:

| Export Sales by currency (million) | Jul-Sep 2020 (a) | Jul-Sep 2019 (b) | H.A. (%) (a/b) |
|------------------------------------|------------------|------------------|----------------|
| Aftermarket | | | |
| EUR | 0.6 | 0.4 | 50.0% |
| USD | 10.7 | 12.4 | -13.7% |

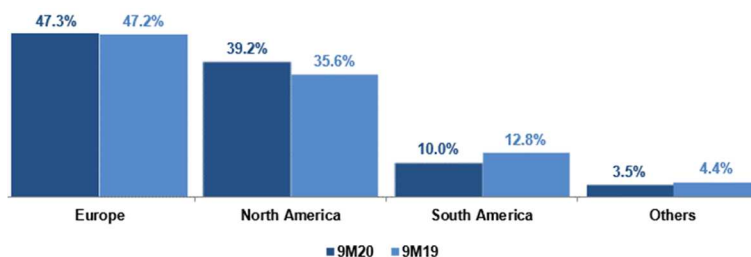
| Export Sales by currency (million) | Jan-Sep 2020 (a) | Jan-Sep 2019 (b) | H.A. (%) (a/b) |
|------------------------------------|------------------|------------------|----------------|
| Aftermarket | | | |
| EUR | 1.5 | 0.8 | 87.5% |
| USD | 25.4 | 37.0 | -31.4% |

In 9M20, the scenario was challenging for this segment on account of several economic and political crises in South American countries since the end of 2019. Added to this is the COVID-19 pandemic, which led some countries to establish stricter customs controls. In addition, we have strengthened control over receivables from our customers to mitigate the risk of bad debt and have restructured commercial and marketing actions.

The recovery of our export destination countries is slower than in Brazil, but even so countries such as Uruguay, Paraguay, Chile, Bolivia and Peru are showing signs of improvement.

5.4 Consolidated export by region

The graph below shows our exports by geographic region in 9M20 and 9M19:



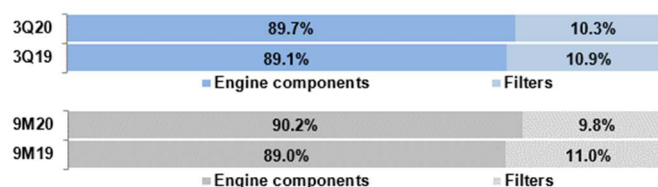
5.5 Net revenue by segment

In 3Q20, the engine component segment reported a 7.8% increase in sales and the filter segment registered a growth of 1.1% compared with the same period of 2019.

In 9M20, the engine component segment sales fell 14.7% and the filter segment dropped 24.7% compared with the same period of 2019.

The fall in sales of both segments for the first nine months of 2020, as shown below, can be attributed principally to the COVID-19 pandemic:

| Net sales revenue by segment (R\$ million) | 3Q20 (a) | 3Q19 (b) | H.A. (%) (a/b) | 9M20 (c) | 9M19 (d) | H.A. (%) (c/d) |
|---|--------------|--------------|----------------------|----------------|----------------|----------------------|
| Engine components | 619.9 | 575.0 | 7.8% | 1,466.1 | 1,718.5 | -14.7% |
| Filters | 71.3 | 70.5 | 1.1% | 159.8 | 212.1 | -24.7% |
| Total | 691.2 | 645.5 | 7.1% | 1,625.9 | 1,930.5 | -15.8% |



The filter segment sales were impacted by large quantities of inventory at our customers that have adjusted their inventory levels to lower volumes in 9M20.

5.6 Net revenue by product

The graph below shows the share of each product in the Company's total sales in terms of percentage for 9M20 and 9M19:



5.7 Gross margin

The Company ended 3Q20 with a gross margin of 27.7% versus 27.6% in 3Q19. In 9M20, gross margin was 24.4% versus 26.5% in 9M19, as shown in the table below:

| Summary P&L (R\$ million) | 3Q20 (a) | 3Q19 (b) | V.A. (%) (a) | V.A. (%) (b) | H.A. (%) (a/b) | 9M20 (c) | 9M19 (d) | V.A. (%) (c) | V.A. (%) (d) | H.A. (%) (c/d) |
|------------------------------|-------------|-------------|--------------------|--------------------|----------------------|-------------|-------------|--------------------|--------------------|----------------------|
| Net sales revenue | 691.2 | 645.5 | 100.0% | 100.0% | 7.1% | 1,625.9 | 1,930.5 | 100.0% | 100.0% | -15.8% |
| Cost of sales | (499.6) | (467.2) | -72.3% | -72.4% | 6.9% | (1,228.7) | (1,418.2) | -75.6% | -73.5% | -13.4% |
| Gross profit | 191.6 | 178.3 | 27.7% | 27.6% | 7.5% | 397.2 | 512.3 | 24.4% | 26.5% | -22.5% |
| Gross margin | 27.7% | 27.6% | | | 0,1 p.p. | 24.4% | 26.5% | | | -2,1 p.p. |

Please note that the fall in sales volume in the first nine months of the year was due to the COVID-19 pandemic that caused tighter quarantine measures and the closure of our customers' plants. In the light of the severity of the pandemic and unpredictable factors beyond our control, the Company has implemented stringent sanitizing protocols and adopted collective and/or selective vacation at all units in Brazil, from the week of March 23 to the week of April 13-18, 2020, varying according to the business unit and the COVID-19 situation at each location.

However, in 3Q20 our segments, especially Aftermarket, have reported positive results, contributing positively to our gross margin to reaching pre-pandemic levels.

5.8 Selling, general and administrative expenses

Selling expenses in 3Q20 were impacted principally by freight expenses due to work resumption of companies and other small impacts such as foreign currency exposure of some expenses. In 9M20, in addition to the impacts noted for 3Q20, selling expenses were also impacted by the restructuring costs from prior quarters (1Q20).

General and administrative expenses in 3Q20 were impacted principally by changes in maintenance, materials and utilities expenses, while in 9M20, added to said impacts are the effects of restructuring and inflation (Argentina) of prior quarters (1Q20).

| Summary P&L (R\$ million) | 3Q20 (a) | 3Q19 (b) | V.A. (%) (a) | V.A. (%) (b) | H.A. (%) (a/b) | 9M20 (c) | 9M19 (d) | V.A. (%) (c) | V.A. (%) (d) | H.A. (%) (c/d) |
|-------------------------------------|-------------|-------------|--------------------|--------------------|----------------------|-------------|-------------|--------------------|--------------------|----------------------|
| Net sales revenue | 691.2 | 645.5 | 100.0% | 100.0% | 7.1% | 1,625.9 | 1,930.5 | 100.0% | 100.0% | -15.8% |
| Selling and distribution expenses | (41.4) | (42.0) | -6.0% | -6.5% | -1.4% | (118.9) | (122.3) | -7.3% | -6.3% | -2.8% |
| General and administrative expenses | (24.2) | (18.9) | -3.5% | -2.9% | 28.0% | (68.9) | (61.3) | -4.2% | -3.2% | 12.4% |
| SG&A expenses | (65.6) | (60.9) | 9.5% | 9.4% | 7.7% | (187.8) | (183.6) | 11.6% | 9.5% | 2.3% |
| SG&A expenses to net sales revenue | 9.5% | 9.4% | | | 0.1 p.p. | 11.6% | 9.5% | | | 2.1 p.p. |

5.9 Technology and new product development expenses

The decrease in technology and new product development expenses, as shown in the table below, was due to the COVID-19 pandemic as during the quarantine the R&D activities have been temporarily suspended or delayed. It is worth mentioning that the Company believes that it is of utmost importance to continue to invest in R&D and that the focus on technology innovations involving developments in partnership with customers and patent registration and launch of new products in the market are among our key competitive advantages.

| Summary P&L (R\$ million) | 3Q20 (a) | 3Q19 (b) | V.A. (%) (a) | V.A. (%) (b) | H.A. (%) (a/b) | 9M20 (c) | 9M19 (d) | V.A. (%) (c) | V.A. (%) (d) | H.A. (%) (c/d) |
|---|-------------|-------------|--------------------|--------------------|----------------------|-------------|-------------|--------------------|--------------------|----------------------|
| Net sales revenue | 691.2 | 645.5 | 100.0% | 100.0% | 7.1% | 1,625.9 | 1,930.5 | 100.0% | 100.0% | -15.8% |
| Technology and product development expenses | (13.1) | (19.1) | -1.9% | -3.0% | -31.4% | (43.3) | (63.0) | -2.7% | -3.3% | -31.3% |

5.10 Other operating income (expenses), net

This account records a net expense of R\$ 61.2 million in 3Q20 versus a net expense of R\$ 2.1 million in the same period of 2019. In 9M20, the Company recorded a net expense of R\$ 106.8 million versus R\$ 4.6 million in 9M19, as shown in the table below:

| Other income and expenses, net (R\$ million) | 3Q20 (a) | 3Q19 (b) | Var. (a-b) | 9M20 (c) | 9M19 (d) | Var. (c-d) |
|---|---------------|--------------|---------------|----------------|--------------|----------------|
| Provision for environmental liability | - | (4.2) | 4.2 | - | (4.2) | 4.2 |
| Gains/losses on disposal of assets/other | 1.6 | (0.1) | 1.7 | 1.7 | - | 1.7 |
| Export Expenses (Argentina) | (2.8) | (3.2) | 0.4 | (6.4) | (10.7) | 4.3 |
| Electric power | 0.3 | 0.2 | 0.1 | 1.2 | 0.8 | 0.4 |
| Provision/Reversal for obsolescence | 0.1 | - | 0.1 | 0.1 | (0.2) | 0.3 |
| Compulsory loan reversal | - | - | - | 4.3 | - | 4.3 |
| Recovered taxes (Reintegra) | 0.2 | 0.2 | - | 0.5 | 0.6 | (0.1) |
| Provision/Reversal for losses on products | - | 0.3 | (0.3) | - | 0.3 | (0.3) |
| Provision/Reversal for labor, civil and tax contingencies | (14.5) | 4.0 | (18.5) | (32.8) | 8.1 | (40.9) |
| Provision for intangible losses (impairment) | (45.2) | - | (45.2) | (74.4) | - | (74.4) |
| Other income/expenses | (0.9) | 0.7 | (1.6) | (1.0) | 0.7 | (1.7) |
| Total other income and expenses | (61.2) | (2.1) | (59.1) | (106.8) | (4.6) | (102.2) |

The major variances in the periods were as follows:

- Non-recurring expense from impairment losses on intangible assets of subsidiary MAHLE Argentina S.A. – with impact of R\$ 29.2 million in 9M20;
- Non-recurring expense from impairment losses on intangible assets of Project MBE2; – with impact of R\$ 45.2 million in 3Q20 and 9M20;
- Negative variance in "Provision/reversal for labor, civil and tax contingencies" related principally to labor contingencies, was mainly due to the following: (i) decrease in reversals because courts reduced their activities at the beginning of March 2020 during the pandemic; (ii) reversals for the prior period used for comparison were above the Company's historical average;
- Export expenses (Argentina) relate to the new export tax imposed by the Argentine government (3 pesos per dollar on exports).

5.11 Operating result measured by EBITDA

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

| | Amount | Margin | | Amount | Margin |
|--|--------------|--------------|--|--------------|--------------|
| EBITDA 3Q19 | 129.1 | 20.0% | EBITDA 9M19 | 364.3 | 18.9% |
| Gross profit | 13.3 | | Gross profit | -115.1 | |
| Selling and distribution expenses | 0.6 | | Selling and distribution expenses | 3.4 | |
| General and administrative expenses | -5.3 | | General and administrative expenses | -7.6 | |
| Technology and product development expenses | 6.0 | | Technology and product development expenses | 19.7 | |
| ¹ Other operating income (expenses) | -59.1 | | ¹ Other operating income (expenses) | -102.2 | |
| Equity in the results of investees | 0.1 | | Equity in the results of investees | 0.0 | |
| Gains/losses on net monetary position | 1.3 | | Gains/losses on net monetary position | -5.6 | |
| Depreciation | 2.2 | | Depreciation | 7.9 | |
| EBITDA 3Q20 | 88.2 | 12.8% | EBITDA 9M20 | 164.8 | 10.1% |
| Impairment (subsidiary MAHLE Argentina S.A.) | 0.0 | | Impairment (subsidiary MAHLE Argentina S.A.) | 29.2 | |
| Impairment (MBE2) Intangible | 45.1 | | Impairment (MBE2) Intangible | 45.1 | |
| ² Impairment (MBE2) Inventories | 36.2 | | ² Impairment (MBE2) Inventories | 36.2 | |
| Adjusted EBITDA 3Q20 | 169.5 | 24.5% | Adjusted EBITDA 9M20 | 275.3 | 16.9% |

¹ Additional information is presented in the preceding item 5.10.

² Additional information is presented in Notes 8 and 14 to the Interim Financial Statements at September 30, 2020.

5.12 Net finance costs

The Company recorded net finance costs of R\$ 13.2 million for 3Q20 and of R\$ 10.5 million for the same period of 2019, a change of R\$ 2.7 million between the periods. In 9M20, the Company recorded net finance costs of R\$ 73.6 million and of R\$ 28.8 million for 9M19, a change of R\$ 44.8 million period over period.

| Finance income and costs (R\$ million) | 3Q20 (a) | 3Q19 (b) | Var. (a - b) | 9M20 (c) | 9M19 (d) | Var. (c - d) |
|--|---------------|---------------|-----------------|---------------|---------------|-----------------|
| Interest income on financial investments | 2.0 | 1.3 | 0.7 | 6.2 | 3.4 | 2.8 |
| Interest on loans | (7.0) | (3.7) | (3.3) | (17.9) | (10.7) | (7.2) |
| Other income | 0.0 | 0.5 | (0.5) | 1.8 | 1.7 | 0.1 |
| Finance costs, net | (5.0) | (1.9) | (3.1) | (9.9) | (5.6) | (4.3) |
| 1. Accounts receivable / Accounts payable Exchange Variation (1.1. + 1.2.) | 7.1 | 5.2 | 1.9 | 31.8 | 10.6 | 21.2 |
| 1.1. Exchange Variation | 11.0 | 12.8 | (1.8) | 66.6 | 14.8 | 51.8 |
| 1.2. FX-Hedging | (3.9) | (7.6) | 3.7 | (34.8) | (4.2) | (30.6) |
| 2. ACC Exchange Variation | (12.1) | (6.7) | (5.4) | (88.0) | (7.2) | (80.8) |
| 3. Other transactios | 4.5 | (0.4) | 4.9 | 14.8 | (1.9) | 16.7 |
| Exchange variation and Gain (loss) on derivatives (ii) - (1+2+3) | (0.5) | (1.9) | 1.4 | (41.4) | 1.5 | (42.9) |
| Monetary variation, net | (8.7) | (6.5) | (2.2) | (19.3) | (22.1) | 2.8 |
| Other | 0.9 | (0.2) | 1.1 | (3.1) | (2.6) | (0.5) |
| Monetary variation, net + Others (iii) | (7.8) | (6.7) | (1.1) | (22.4) | (24.7) | 2.3 |
| Finance income (costs) (i + ii + iii) | (13.2) | (10.5) | (2.7) | (73.6) | (28.8) | (44.8) |

Net interest (i):

The positive variance of R\$ 0.7 million in “Interest income on financial investments” from 3Q19 to 3Q20 was due to the increase in the average amount of financial investments to R\$ 425.1 million in 3Q20 from R\$ 106,5 million in 3Q19, while there was a reduction in the average rates of interest to 2.9% p.a. in 3Q20 from 5.5% p.a. in 3Q19. When this same analysis is made for the first nine months of the year, the positive variance of R\$ 2.8 million in “Interest income on financial investments” is the result of the increase in the average amount of financial investments to R\$ 348.5 million in 9M20 from R\$ 97.7 million in 9M19, offset in part by a reduction in the interest rates to 3.3% p.a. in 9M20 from 5.9% p.a. in 9M19. In both periods, the reduction in interest rates followed the cut in Brazil’s basic interest rate (SELIC).

The negative variation of R\$ 3.3 million in “Interest expenses on loans” from 3Q19 to 3Q20 was due to the increase in the average levels of borrowings to R\$ 617.1 million in 3Q20 from R\$ 382.2 million in 3Q19, coupled with an increase in the weighted average cost to 4.2% p.a. in 3Q20 from 4.1% p.a. in 3Q19. When this analysis is made for the first nine months of the year, the negative variance of R\$ 7.2 million was due to the increase in the average levels of borrowings to R\$ 597.5 million in 9M20 from R\$ 376.7 million in 9M19, offset by a reduction in the weighted average cost to 4.0% p.a. in 9M20 from 4.1% p.a. in 9M19.

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

| Interest rates and volumes (average) | 3Q20 (a) | 3Q19 (b) | Var. (a - b) | 9M20 (c) | 9M19 (d) | Var. (c - d) |
|--------------------------------------|-------------|-------------|-----------------|-------------|-------------|-----------------|
| Investment Yield | 2.9% | 5.5% | -2,6 p.p. | 3.3% | 5.9% | -2,6 p.p. |
| Cost of debt | 4.2% | 4.1% | 0,1 p.p. | 4.0% | 4.1% | -0,1 p.p. |
| Investments - average (R\$ million) | 425.1 | 106.5 | 299.2% | 348.5 | 97.7 | 256.7% |
| Average debt (R\$ million) | (617.1) | (382.2) | 61.5% | (597.5) | (376.7) | 58.6% |

The Company’s average debt increased 61.5% from 3Q19 to 3Q20 due to new borrowing agreements such as 4131/Bank Credit Note (working capital loan with floating rates of CDI + annual fixed cost). The increase in average debt levels is primarily attributable to cash conservation measures to respond to the challenges of COVID-19.

Net exchange rate variation and Gain (loss) on derivatives (ii):

It is worth mentioning that these two line items “Exchange rate variation, net” and “Gain (loss) on derivatives” should always be analyzed together, because the Company monitors and manages its foreign

currency exposures and continually assesses whether it needs to use derivatives to hedge its foreign exchange risk. The objective of the currency hedging program is to minimize foreign exchange risks that could arise from adverse market conditions and negatively impact the Company's profitability. Also, with respect to foreign exchange risks, the hedging policy is to protect the estimated cash flow position (budget) and actual cash flow (balance sheet) denominated in and/or indexed to foreign currency through the use of derivative financial instruments (NDF – Non-Deliverable Forwards). Additional information is presented in Note 31 to the Interim Financial Statements at September 30, 2020.

Net monetary variation + Other (iii):

The positive variance period over period was due to the inflation-adjustment to the provisions for labor and tax contingencies and judicial deposits.

5.13 Income tax and social contribution

The Company recorded a credit of R\$ 6.9 million for income tax and social contribution on profit at September 30, 2020 in the consolidated financial statements (expense of R\$ 75.5 million at September 30, 2019) as detailed below:

- Current tax: expense of R\$ 38.9 million generated principally by the parent company and subsidiary MAHLE Argentina S.A.;
- Deferred tax: credit of R\$ 45.8 million with no impact on cash, comprising mainly changes in provisions, impairment of goodwill from investment in subsidiary MAHLE Argentina S.A. and impairment of Project MBE2.

Additional information is presented in Note 11 to the Interim Financial Statements at September 30, 2020.

5.14 Net profit (loss)

The following table shows the movement in profit attributable to owners of the Company and adjusted profit attributable to owners of the Company, reflecting the impact of the impairment of the goodwill of subsidiary MAHLE Argentina S.A. (9M20) and of the impairment of Project MBE2 (3Q20 and 9M20):

| Summary P&L (R\$ million) | 3Q20 (a) | 3Q19 (b) | 9M20 (c) | 9M19 (d) | H.A. (%) (a/b) | H.A. (%) (c/d) |
|--|-------------|-------------|-------------|--------------|----------------------|----------------------|
| Profit for the year attributable to: Owners of the parent | 41.7 | 69.2 | 23.7 | 192.8 | -39.7% | -87.7% |
| Impairment (subsidiary MAHLE Argentina S.A.) | - | - | 29.2 | - | | |
| Impairment (MBE2) Intangible | 45.1 | - | 45.1 | - | | |
| Impairment (MBE2) Inventories | 36.2 | - | 36.2 | - | | |
| Income tax and social contribution (reversal related to impairment of subsidiary MAHLE Argentina S.A.) | - | - | (7.2) | - | | |
| Income tax and social contribution (reversal related to impairment of Project MBE2) | (27.6) | - | (27.6) | - | | |
| Adjusted profit attributable to owners of the parent | 95.4 | 69.2 | 99.4 | 192.8 | 37.9% | -48.4% |
| Margins: | | | | | | |
| Net margin attributable to owners of the parent | 6.0% | 10.7% | 1.5% | 10.0% | -4.7 p.p. | -8.5 p.p. |
| Adjusted net margin attributable to owners of the parent | 13.8% | 10.7% | 6.1% | 10.0% | 3.1 p.p. | -3.9 p.p. |

Additional information on earnings (loss) per share is presented in Note 23 to the Interim Financial Statements at September 30, 2020.

5.15 Capital expenditures

The table below shows capital expenditures and total accumulated depreciation for 9M20 and 9M19:

| CAPEX & Depreciation (R\$ million) | 3Q20 | 3Q19 | 9M20 | 9M19 |
|------------------------------------|-------------|-------------|-------------|-------------|
| Capex | 8.9 | 21.6 | 17.5 | 56.8 |
| Total depreciation | 26.8 | 24.4 | 78.2 | 70.5 |
| Capex | 3Q20 | 3Q19 | 9M20 | 9M19 |
| % of Net sales revenue | 1.3% | 3.3% | 1.1% | 2.9% |
| % of Depreciation | 33.2% | 88.6% | 22.4% | 80.6% |

In 9M20, the Company invested in R&D equipment, energy efficiency programs, new machinery and equipment in order to improve productivity and quality, new products, new buildings, information technology, among others.

It is worth noting that the Company has decreased its capital investments in the period due to the COVID-19 pandemic.

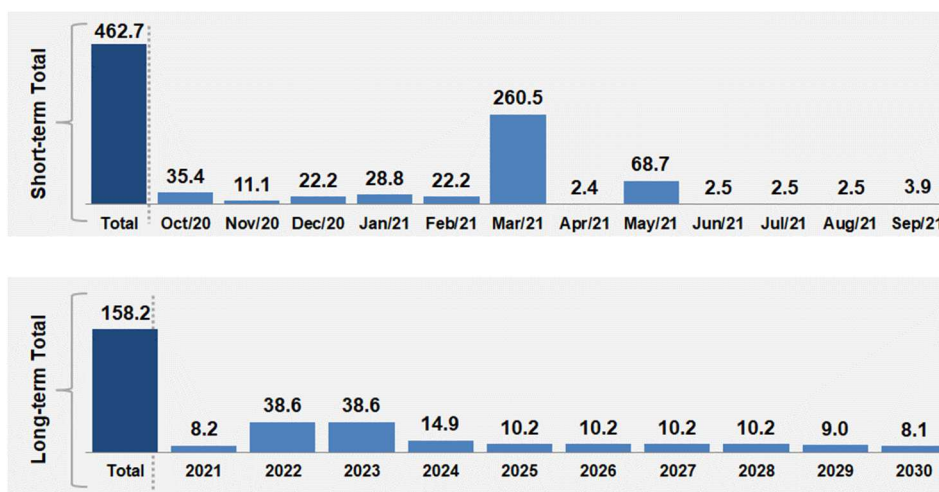
5.16 Net position of financial assets and liabilities

The Company's net debt was R\$ 33.0 million at the end of 9M20, down 82.5% from R\$ 188.3 million at the end of 2019.

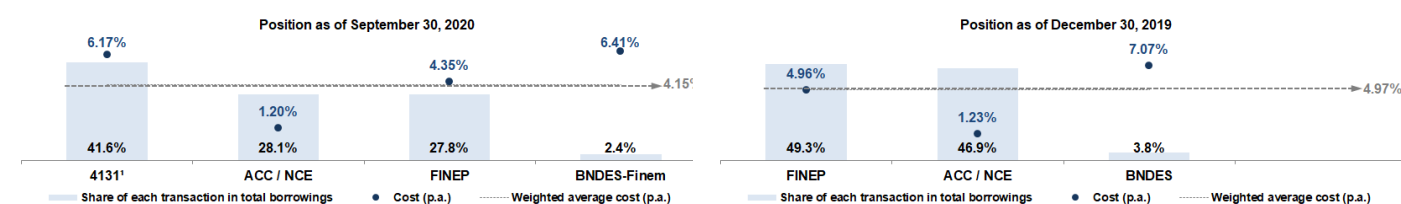
| Net debt (R\$ million) | 09.30.2020 (a) | 12.31.2019 (b) | Variation (a-b) | % Debt (a) | % Debt (b) |
|--|-------------------|-------------------|--------------------|---------------|---------------|
| Cash / banks / cash investments/ Loans to related parties (i): | 587.9 | 205.8 | 382.1 | | |
| Liabilities (ii) | (620.9) | (394.1) | (226.8) | 100% | 100% |
| Short-term | (462.7) | (213.9) | (248.8) | 75% | 54% |
| Long-term | (158.2) | (180.2) | 22.0 | 25% | 46% |
| Net position (i - ii) | (33.0) | (188.3) | 155.3 | | |

The Company continuously monitors liquidity risk by managing cash, financial investments and bank loans, and has deferred payment of dividends initially scheduled for May 2020 to create a special reserve in order to protect liquidity and strengthen cash position. The Company also has pre-approved lines of credits that can be drawn upon as needed.

The charts below show the maturities of the liabilities classified into short-term and long-term at the end of 9M20, which represents 75% and 25%, respectively, of the debt displayed in the table above:



The following chart shows our borrowings by type of facility and respective cost and weighted average cost:



¹ Foreign currency loan with swap for BRL

5.17 Distribution of interest on capital to shareholders

In fiscal year 2019, the Board of Directors approved the distribution of R\$ 81.9 million in Interest on Capital (gross), which was submitted to the Ordinary General Meeting for approval on May 29, 2020, as shown below:

| Date | Record Date | Ex-interest on capital date | Payment Date | Type of payout | Period | Reference Year | Total Gross Amount (in R\$ million) | Gross Amount per Share (in R\$) | Net Amount per Share (in R\$) |
|-------------------|-------------------|-----------------------------|-------------------|---------------------|-------------------------------|----------------|-------------------------------------|---------------------------------|-------------------------------|
| December 26, 2019 | December 26, 2019 | January 3, 2020 | May 25, 2020 | Interest on capital | November 2019 - December 2019 | 2019 | 11.9 | 0.0929136226 | 0.0789765792 |
| November 11, 2019 | November 11, 2019 | November 22, 2019 | December 20, 2019 | Interest on capital | January 2019 - October 2019 | 2019 | 70.0 | 0.5455655350 | 0.4637307048 |

For more information about payout, please visit our website <https://ri.mahle.com.br/acoas/historico-de-proventos/>

In the fulfillment of the duty of diligence set forth in article 153 of the Brazilian Corporate Law and sensitive to the potential impacts of COVID-19 on the Brazilian and global economies, which are unprecedented in world history, Management emphasized the need to preserve the Company's cash resources in order to have a cushion to ride out the effects of the COVID-19 pandemic, the extent of which was and still is not possible to estimate, and to keep our business operating smoothly and to meet legal and contractual obligations previously assumed by the Company.

The balance of retained earnings at December 31, 2019 was recorded as a proposal for distribution of additional dividends according to the terms of paragraph 6 of article 202 of the Brazilian Corporation Law. On May 29, 2020, the Ordinary General Meeting of the Company discussed and approved the retention of its previously proposed additional dividends of R\$ 175.6 million. The portion of retained earnings was transferred to a special reserve and will be distributed at an opportune time. The Company aims to preserve cash to weather the world crisis and to meet all its legal and contractual obligations.

6 Investor Relations and Capital Market

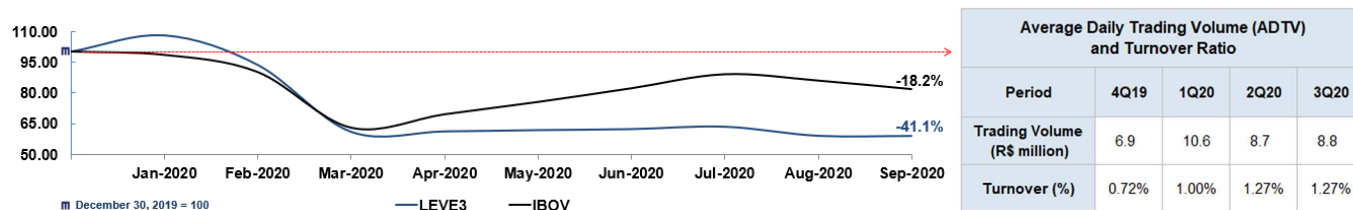
During the first nine months of 2020, our Investor Relations team stayed connected to investors and the general market whilst working remotely due to social distancing measures in response to the COVID-19 pandemic.

Unfortunately, in-person meetings, conferences and site visits were canceled and have not yet been rescheduled.

Ongoing communication with our shareholders and the general market is maintained via traditional conference calls, phone, e-mail, and digital tools.

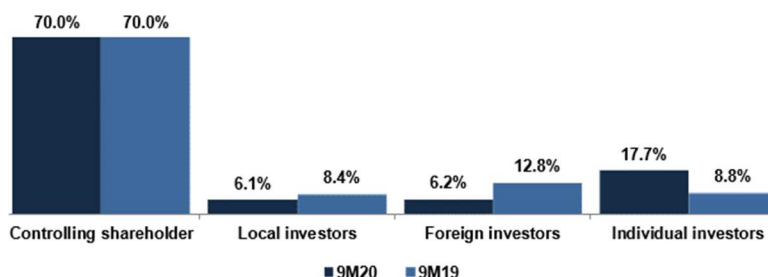
6.1 Stock performance and free float turnover

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



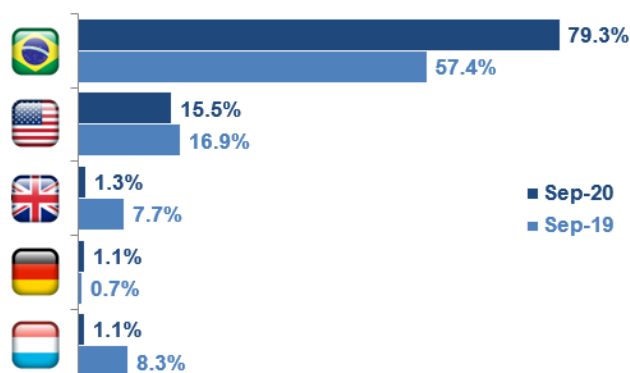
6.2 Shareholder structure

At the end of 9M20 and 9M19, the Company's existing shareholder base and free float are as follows:



At the end of 9M20, investors based in five countries accounted for 98.3% of the free float, and the remaining countries from the Company's shareholder base do not account for individually for more than 1.0%.

The graph on the right side shows the free-float structure by country at the end of 9M20 and 9M19:



7 Coronavirus

Our concern is the health of our employees and society and hence MAHLE Metal Leve has joined the fight against COVID-19.

Initially, the Company formed a task force to develop a production line for face masks at its filter factory in Mogi Guaçu using available resources. The masks produced were sent to the cities of Mogi Guaçu, Itajubá and Limeira for supply to health care workers and wider community.

The Company's facilities in Mogi Guaçu, Itajubá and Limeira donated medical supplies to the local hospitals to help combat coronavirus pandemic. The medical supplies include mechanical ventilators, vital signs monitors, disposable face masks and masks with filter, gloves, oximeters, etc. according to the needs of the hospitals. At a later stage, the Company donated disposable face masks to the local hospitals in Itajubá, Limeira and São João da Boa Vista and to the Social Promotion Department of the city of Mogi Guaçu.

As a consequence of this initiative, at the Extraordinary General Meeting held on September 25, 2020, the shareholders approved an amendment to article 2 of the Bylaws of the Company to broaden the scope of the Company's operations to manufacturing and marketing of face masks.

The Company expanded its health service offerings during this unsettling time to include online health care services to support employees and their families.

The Company has taken preventive measures in line with the guidance from the World Health Organization (WHO) and local authorities to ensure a safe and gradual return of employees to work. In an effort to help understand such measures, the Company has created a complete handbook containing all preventive measures and instructions and advice about how to handle issues concerning the health and safety of employees and those involved in the

Company's internal processes, and has implemented controlling access to its buildings to contain and mitigate the spread of COVID-19 in the workplace.

The Company will continue to evaluate other ways to support communities, using existing available resources and its technology experience to help fight COVID-19 pandemic.

8 *Independent Auditors*

In accordance with CVM Instruction 381/03, the Company and its subsidiaries take appropriate steps to ensure that the provision of non-audit services by the external auditors does not create any conflict of interest or impair the independence and objectivity of the external auditors.

During the third quarter of 2020, the Company did not engage KPMG Auditores Independentes to perform non-audit services and there is, therefore, no situation that could constitute conflict of interest under that Instruction.

9 *Executive Board's Declaration*

In compliance with the provisions of CVM Instruction 480, the Executive Board hereby declares that it has discussed, reviewed and agrees with the financial statements for the quarter ended September 30, 2020 and the opinions expressed in the independent auditor's report.

10 *Acknowledgements*

The Management Board would like to thank all employees, shareholders, customers and suppliers of the Company for their support and confidence in the Company during the third quarter of 2020.

The Management Board

11 Exhibits

11.1 Balance Sheet

| BALANCE SHEET (CONSOLIDATED) | 09.30.20 | 03.31.20 |
|--|----------------|----------------|
| ASSETS | 2,723.1 | 2,327.7 |
| Current assets | 1,554.5 | 1,096.8 |
| Cash and cash equivalents | 114.7 | 80.7 |
| Financial investments | 432.0 | 88.1 |
| Trade accounts receivable | 505.8 | 394.3 |
| Inventories | 376.0 | 396.1 |
| Recoverable taxes | 41.7 | 45.9 |
| Income tax and social contribution recoverable | 47.4 | 60.2 |
| Other assets | 36.9 | 31.5 |
| Non-current assets | 1,168.6 | 1,230.9 |
| Deferred taxes | 66.0 | 1.8 |
| Loans to related parties | 41.2 | 37.0 |
| Recoverable taxes | 16.3 | 17.2 |
| Investments in subsidiaries | 0.2 | 0.3 |
| Property, plant and equipment | 603.5 | 641.1 |
| Intangible assets | 392.3 | 469.6 |
| Long-term assets in use | 16.2 | 23.0 |
| Other assets | 32.9 | 40.9 |
| LIABILITIES | 2,723.1 | 2,327.7 |
| Current liabilities | 953.8 | 587.1 |
| Salaries, vacation and social charges | 88.7 | 67.6 |
| Trade accounts payable | 197.6 | 149.5 |
| Lease liability | 8.1 | 8.8 |
| Income tax and social contribution payable | 28.2 | 37.7 |
| Borrowings | 462.7 | 213.9 |
| Provisions | 47.0 | 45.6 |
| Other liabilities | 121.5 | 64.0 |
| Non-current liabilities | 438.3 | 443.6 |
| Borrowings | 158.2 | 180.2 |
| Trade accounts payable | 10.0 | 16.2 |
| Deferred taxes | 8.5 | 3.1 |
| Provisions | 255.4 | 235.3 |
| Other liabilities | 6.2 | 8.8 |
| Consolidated shareholder's equity | 1,331.0 | 1,297.0 |
| Capital stock | 966.3 | 966.3 |
| Revenue reserves | 308.0 | 308.0 |
| Special reserve | 175.6 | - |
| Retained earnings (accumulated deficit) | 24.1 | 0.0 |
| Proposed dividends | - | 175.6 |
| Other comprehensive income | 11.4 | 36.6 |
| Cumulative translation adjustments | (147.7) | (182.9) |
| Non-controlling interests | (6.7) | (6.6) |

11.2 Statement of Income

| INCOME STATEMENT (CONSOLIDATED) | 09.30.20 (a) | 09.30.19 (b) | Var. (a/b) |
|--|-----------------|-----------------|---------------|
| Net sales revenue | 1,625.9 | 1,930.5 | -15.8% |
| Cost of sales | (1,228.7) | (1,418.2) | -13.4% |
| Gross income | 397.2 | 512.3 | -22.5% |
| Operating income (expenses) | (309.9) | (217.6) | 42.3% |
| Selling expenses | (118.2) | (120.4) | -1.7% |
| Gains/losses on the recoverable value of accounts receivable | (0.7) | (1.9) | 0.0% |
| General and administrative expenses | (68.9) | (61.3) | 12.7% |
| Technology and product development expenses | (43.3) | (63.0) | -31.3% |
| Other operating income (expenses), net | (106.8) | (4.6) | 2370.2% |
| Gains/losses on net monetary position | 28.1 | 33.7 | -16.1% |
| Equity in the results of investees | (0.1) | (0.1) | 0.0% |
| Profit before finance income and costs | 87.3 | 294.7 | -70.5% |
| Finance income | 179.8 | 92.8 | 93.9% |
| Finance costs | (253.4) | (121.6) | 108.1% |
| Income and social contribution taxes | 13.7 | 265.9 | -94.9% |
| Current Income tax and social contribution | (38.9) | (68.2) | -42.7% |
| Deferred Income tax and social contribution | 45.8 | (7.3) | -728.8% |
| Profit (loss) for the period | 20.6 | 190.4 | -89.3% |
| Attributable to: Owners of the parent | 23.7 | 192.8 | -87.7% |
| Attributable to: Non-controlling-interests | (3.1) | (2.4) | 41.3% |
| Basic and diluted earnings per share (in reais) | 0.18439 | 1.50314 | -87.7% |

11.3 Statement of Cash Flows

| STATEMENT OF CASH FLOWS (CONSOLIDATED) | 09.30.20 | 09.30.19 |
|---|--------------|----------------|
| Cash flows from operating activities | | |
| Profit (losses) before tax | 13.7 | 266.0 |
| Depreciation and amortization | 77.5 | 69.6 |
| Equity in the results of investees | 0.1 | 0.1 |
| Interest and monetary and exchange variations, net | 132.7 | 25.9 |
| Losses/(gains) on derivative financial instruments | 0.9 | 2.5 |
| Result on disposal of property, plant and equipment | (1.7) | (0.0) |
| Provision (reversal) for impairment of trade receivables | 3.2 | 1.4 |
| Provision (reversal) for contingencies and legal obligations | 17.7 | (16.8) |
| Provision (reversal) for guarantees | 3.0 | (0.3) |
| Other provisions (reversal) | 0.9 | 3.6 |
| Recognition (reversal) of provision for impairment of the property, plant and equipment and intangible assets | 74.7 | 0.2 |
| Provision (reversal) for losses on inventories | 48.2 | (3.7) |
| Interest expense on lease liability | 1.6 | 0.8 |
| Gain / loss on monetary variation, net | (28.1) | (33.7) |
| Changes in assets and liabilities | | |
| Trade accounts receivable and related parties | (114.7) | (30.5) |
| Inventories | (27.4) | (21.3) |
| Recoverable taxes | 6.2 | 57.2 |
| Other assets | 1.5 | (5.0) |
| Trade accounts payable and related parties | 48.1 | 21.8 |
| Salaries, accrual for vacation and social charges | 21.1 | 26.3 |
| Taxes and contributions payable | (7.4) | (13.4) |
| Other liabilities | 0.3 | (31.6) |
| Cash from operations | 272.1 | 319.1 |
| Income tax and social contribution paid | (16.2) | (52.1) |
| Net cash used in operating activities | 255.9 | 267.0 |
| Net Cash from Investment Activities | (2.7) | (42.2) |
| Loans granted to related subsidiaries | (467.1) | (427.6) |
| Loan repayments received from related parties | 479.7 | 441.8 |
| Additions to property, plant and equipment | (17.4) | (51.1) |
| Additions to intangible assets | (0.2) | (5.8) |
| Proceeds from sales of property, plant and equipment | 2.3 | 0.5 |
| Net Cash from Financing Activities | 98.9 | (121.9) |
| Proceeds from borrowings | 352.7 | 287.0 |
| Repayment of principal of loans | (230.7) | (189.9) |
| Payment of interest on loans | (7.6) | (9.5) |
| Dividends and interest on capital paid | (10.4) | (204.6) |
| Related Party Loans | 2.9 | - |
| Repayment of the principal of the lease liability | (8.0) | (4.9) |
| Effect of foreign exchange variation on cash and cash equivalents | 25.8 | 4.1 |
| Net increase in cash and cash equivalents | 377.9 | 107.0 |
| Cash and cash equivalents at the beginning of the period | 168.8 | 97.6 |
| Cash and cash equivalents at the end of the period | 546.7 | 204.6 |
| Net increase in cash and cash equivalents | 377.9 | 107.0 |