

**Individual and consolidated interim
financial information**

lochpe-Maxion S.A. and Subsidiaries

Three-month period ended March 31, 2021
with Independent Auditor's Report

1) MESSAGE FROM THE CEO

The first quarter of 2021 was still marked by the pandemic. As a result, we remained focused on the health of our employees, their families and communities, through the adoption of protocols aligned with the guidelines of authorities for each location we operate.

In this period, we observed a scenario of recovery in demand for motor vehicles, facing a challenging environment for the automotive industry due to the inconsistent supply of raw materials and other inputs such as semiconductors, as well as the lack of electricity and natural gas related to low temperatures in North America, observed in February.

According to IHS, global automotive market (excluding China) increased by 0.8% compared to the same period of the previous year, after a significant reduction of more than 20% during the entire year of 2020. It is worth mentioning the faster growth in demand for trucks, which contributed positively to the Company's results in the Americas and Asia. In Europe, we observed an increase in sales for the trailer segment and for the aftermarket.

Our net operating revenue increased 40.8% in 1Q21 compared to 1Q20, reaching R\$ 3.1 billion, a record for the Company's quarterly revenue, driven mainly by the growth in sales in Brazil, North America and Asia, and by the exchange rate variation.

We achieved an adjusted EBITDA of R\$ 374.7 million in 1Q21, another quarterly record for the Company, with a margin of 12.0% and an increase of 78.5% compared to 1Q20. After three quarters of negative results, strongly impacted by the pandemic, we posted a net profit of R\$ 51.5 million in 1Q21, more than 5 times higher than the result in 1Q20. The restructuring measures carried out in 2020 are beginning to reflect positively on the Company's results.

In relation to the balance sheet, financial leverage, measured by the ratio of net debt to adjusted EBITDA in the last twelve months, was reduced from 6.46x in 4Q20 to 5.73x in 1Q21, still negatively impacted by the results of 2020, especially the 2Q20. And positively impacted by the EBITDA growth starting at 3Q20.

We were able to improve our capital structure in a structural manner: (i) we maintained our liquidity position at R\$ 1.5 billion, still a high level, due to the uncertainties arising from the pandemic; (ii) we concluded the negotiation of financial covenants for the year 2021; (iii) we signed financing contracts with development banks in Brazil in the amount of R\$ 940 million, with a 7-year amortization term and up to 2 years to draw down the funds; (iv) as a subsequent event, we executed our first issuance in the international capital markets with a "Sustainability-linked bond" in the amount of US\$ 400 million and an amortization term of 7 years. As a result of these transactions and assuming development banks' lines fully drawn, the average net debt term will increase from 2.2 years to 5.8 years. It is important to highlight that in this process of the bond issuance, the Company's rating (on a global scale) was consolidated at BB-, BB- and Ba3 with the credit rating agencies S&P, Fitch and Moody's, respectively

In this bond issuance, we established a target of a 30% reduction in greenhouse gas emission by the end of 2025. In addition, in line with our sustainability strategy, we announced a target of a 70% reduction in this metric by the end of 2030.

These targets demonstrate Iochpe-Maxion's commitment to the sustainability agenda and to our vision of an automotive sector with less emissions, which should involve greater electrification of vehicles. We are confident in achieving these targets with the continuous increase in the use of renewable energy in our factories, with the modernization of our infrastructure for the use of green gas, with the reduction of energy consumption in our activities, among other measures identified by our team.

In regards to new products, in 1Q21 we successfully launched 5 new high-performance wheels for customers in Europe using our RRT development (Reduced Rim Technology), a lighter and more competitive alternative to the Flow Forming production process, and we concluded 4 new contracts for the VersaStyle wheel that are expected to enter the market in early 2022.

We received important recognitions in 1Q21. The Mexican unit of our Maxion Structural Components division received the “Diamond Supplier Award” from Navistar that recognizes excellence in aspects such as Quality, Supply and Technology in North America. The US Manufacturing Leadership Association recognized and awarded 2 Iochpe-Maxion Digitalization projects. In our Maxion Wheels division, the Saraburi unit in Thailand was recognized for the development of a digital casting equipment monitoring system, and the Königswinter unit in Germany was awarded for the development of the predictive maintenance system for the roll forming equipment.

The 1Q21 results demonstrate the benefit of the diversification of the Company in its different geographies, customer base, product portfolio and operating segments (light and commercial vehicles). Additionally, we observe the Company's flexibility and ability to adapt to circumstances and adversities. The scenario remains uncertain, related to the pandemic and instability of the supply chain.

We remain attentive to market movements and prepared to act on a timely manner. We will keep the focus on executing the long-term strategic agenda, with innovation projects, consistently advancing in the efficient use of our productive capacity, launching new programs and aligned with the ESG-related priorities

2) COMPANY OVERVIEW

Iochpe-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 more than 16,000 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 OF THE 1Q21

- Net Operating Revenue: R\$ 3,133.1 million, an increase of 40.8%¹
- Adjusted EBITDA: R\$ 374.7 million, an increase of 78.5%¹
- Cash and cash equivalents: R\$ 1.5 billion, an increase of 33.1%¹
- Net debt: R\$ 4.057,3 million, an increase of 28.1%¹

¹ Compared to the same period of the previous year.

- Financial leverage of 5.73x in 1Q21 compared to 2.94x in 1Q20²
- Funding of R\$ 940.0 million with development banks in Brazil with a 7-year amortization period with up to 2 years to draw down, of which R\$ 320.0 million has already been withdrawn (subsequent event)
- As a subsequent event, the issuance of a US\$ 400.0 million sustainability-linked bond with a 7-year amortization period

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 (thousand):

PRODUCTION Segment	BRAZIL ¹			North America ²			EUROPE ²		
	1Q20	1Q21	Var.	1Q20	1Q21	Var.	1Q20	1Q21	Var.
Light Vehicles	555	560	0.8%	3,780	3,607	-4.6%	4,269	4,272	0.1%
Commercial Vehicles	31	38	24.7%	125	129	3.4%	114	106	-7.4%
Total Vehicles	586	598	2.0%	3,904	3,736	-4.3%	4,384	4,378	-0.1%

(1) Source: ANFAVEA

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

(3) Consider Western Europe + Central Europe + Turkey

Highlight for the growth of the production of commercial vehicles in Brazil and North America.

The light vehicle segment presented a more challenging scenario in North America and Europe, mainly due to problems in the semiconductor supply chain.

Despite the effects of the pandemic in different countries and difficulties in the supply chain, IHS projections indicate positive expectations for the production of light vehicles in the year, with growth of approximately 20% in North America and 15% in Europe.

² Net debt/ Adjusted EBITDA of the last twelve months.

5) OPERATING AND FINANCIAL PERFORMANCE

Consolidated I.S - R\$ thousand	1Q20	1Q21	Var.
Net Operating Revenue	2,224,560	3,133,096	40.8%
Cost of Goods Sold	(2,040,204)	(2,723,380)	33.5%
Gross Profit	184,356	409,716	122.2%
	8.3%	13.1%	
Operating Expenses	(130,256)	(181,874)	39.6%
Other Operating Expenses/Revenues	25,764	(5,692)	-122.1%
Equity Income	5,632	931	-83.5%
Operating Income (EBIT)	85,496	223,081	160.9%
	3.8%	7.1%	
Financial Results	(49,580)	(59,042)	19.1%
Income Taxes	(5,590)	(86,037)	n.m.
Minority Shareholders	(21,176)	(26,500)	25.1%
Net Income	9,150	51,502	n.m.
	0.4%	1.6%	
EBITDA	204,967	367,938	79.5%
	9.2%	11.7%	
Adjusted EBITDA¹	209,923	374,714	78.5%
	9.4%	12.0%	

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

5.1) Net operating revenue

Consolidated net operating revenue reached R\$ 3,133.1 million in 1Q21, an increase of 40.8% compared to 1Q20.

Net operating revenue in 1Q21 was positively impacted by higher sales in Brazil, North America and Asia, increased sales in the aftermarket and trailer segments in Europe, and by the exchange rate variation (R\$ 511.6 million).

In 1Q20, revenue was negatively impacted in the last half of March by the effects of the pandemic at that time.

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

Net Operating Revenue- R\$ thousand	1Q20	1Q21	Var.
Aluminum Wheels (Light vehicles)	83,411	113,754	36.4%
Steel Wheels (Light vehicles)	92,179	94,939	3.0%
Steel Wheels (Commercial vehicles)	126,965	242,798	91.2%
Structural Components (Light vehicles)	39,538	64,792	63.9%
Structural Components (Commercial vehicles)	172,630	268,303	55.4%
South America	514,723	784,586	52.4%
	23.1%	25.0%	
Aluminum Wheels (Light vehicles)	101,483	129,984	28.1%
Steel Wheels (Light vehicles)	254,897	369,419	44.9%
Steel Wheels (Commercial vehicles)	78,321	91,488	16.8%
Structural Components (Commercial vehicles)	233,161	278,553	19.5%
North America	667,862	869,444	30.2%
	30.0%	27.8%	
Aluminum Wheels (Light vehicles)	434,455	533,487	22.8%
Steel Wheels (Light vehicles)	229,434	288,002	25.5%
Steel Wheels (Commercial vehicles)	187,764	300,299	59.9%
Europe	851,653	1,121,788	31.7%
	38.3%	35.8%	
Aluminum Wheels (Light vehicles)	132,802	206,261	55.3%
Steel Wheels (Light vehicles)	21,294	50,823	138.7%
Steel Wheels (Commercial vehicles)	36,226	100,194	176.6%
Asia + Others	190,322	357,278	87.7%
	8.6%	11.4%	
Iochope-Maxion Consolidated	2,224,560	3,133,096	40.8%
	100.0%	100.0%	
Maxion Wheels	1,779,229	2,521,448	41.7%
	80.0%	80.5%	
Maxion Structural Components	445,329	611,648	37.3%
	20.0%	19.5%	

5.2) Cost of goods sold

The cost of goods sold reached R\$ 2,723.4 million in 1Q21, an increase of 33.5% compared to 1Q20. The exchange rate variation negatively impacted the cost of products sold by R\$ 456.4 million in 1Q21.

5.3) Gross profit

Gross profit of R\$ 409.7 million in 1Q21, an increase of 122.2% compared to 1Q20.

The increase in gross profit observed in 1Q21 is mainly due to the growth in revenue and greater operating leverage.

5.4) Operational expenses

Operating expenses (selling, general and administrative expenses and management fees) reached R\$ 181.9 million in 1Q21, an increase of 39.6% compared to 1Q20.

The exchange variation negatively impacted operating expenses by R\$ 30.4 million in 1Q21.

5.5) Other operating expenses/income

The line of other operating expenses/income was negative by R\$ 5.7 million in 1Q21, impacted by

expenses with restructuring and impairments of R\$ 6.8 million in 1Q21 and by the R\$ 2.5 million gain generated by the sale of land not used by the Company.

It is worth mentioning that in the same period of the previous year, the line of other operating expenses/income was impacted by a gain of R\$ 25.7 million related to the devaluation of the put option to purchase a shareholding interest in a subsidiary, and by expenses with restructuring and impairments of R\$ 5.0 million.

5.6) Equity income

Equity income reached a negative amount of R\$ 0.9 million in 1Q21, a reduction of 83.5% compared to 1Q20.

It should be noted that in the same period of the previous year, AmstedMaxion's result was impacted by a gain of R\$ 5.1 million due to the judicial process related to the exclusion of ICMS on PIS/Cofins.

The highlight in 1Q21 was the increase in Maxion Montich's results in Argentina due to the increase in pickup trucks production in that country.

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

R\$ thousand	1Q20				1Q21				Var.
	Amsted Maxion	Maxion Montich	Dongfeng Maxion	Total	Amsted Maxion	Maxion Montich	Dongfeng Maxion	Total	
Net Income (Loss)	5,510	444	(323)	5,632	327	1,786	(1,183)	931	-83.5%

5.7) Earnings before Interest and Tax (EBIT)

EBIT of R\$ 223.1 million in 1Q21, an increase of 160.9% compared to 1Q20. The increase in operating profit is mainly related to revenue growth and greater operating leverage.

5.8) EBITDA

EBITDA of R\$ 367.9 million in 1Q21, an increase of 79.5% compared to 1Q20.

EBITDA was impacted by expenses with restructuring and impairments and by the gain from the sale of land mentioned in item 5.5 above.

Adjusted EBITDA, which does not include expenses with restructuring and impairments, was R\$ 374.7 million in 1Q21, with a 12.0% margin, an increase of 78.5% compared to 1Q20 (R\$ 209.9 million and 9.4% margin).

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

EBITDA Reconciliation - R\$ Thousand	1Q20	1Q21	Var.
Net Income	9,150	51,502	<i>n.m.</i>
Minority Shareholders	21,176	26,500	25.1%
Income Taxes	5,590	86,037	<i>n.m.</i>
Financial Results	49,580	59,042	19.1%
Depreciation / Amortization	119,471	144,857	21.2%
EBITDA	204,967	367,938	79.5%
Restructuring and Impairments	(4,956)	(6,776)	
Adjusted EBITDA¹	209,923	374,714	78.5%

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

5.9) Financial result

The financial result was negative by R\$ 59.0 million in 1Q21, an increase of 19.1% compared to 1Q20.

The financial result in 1Q21 was impacted by the following factors: (i) increase in financial expenses resulting from new debt borrowing during the pandemic, essentially for contingent reinforcement of the cash position; and (ii) the exchange rate variation (devaluation of the Real against the Euro of 16.9% and 9.6% against the Dollar in comparison with 1Q20).

5.10) Net income

Net income of R\$ 51.5 million in 1Q21 (earnings per share of R\$ 0.33799), an increase of more than 5 times the net income of R\$ 9.2 million in 1Q20 (earnings per share of R\$ 0.06020).

6) CAPITAL EXPENDITURES

Capital expenditures reached R\$ 59.0 million in 1Q21, a reduction of 46.0% compared to 1Q20 (R\$ 110.1 million). Excluding the effect of the exchange variation, the reduction would have been 54.0% in 1Q21. Main capital expenditures in the period were related to health and safety, maintenance, the launch of new products and implementation of productivity improvement actions in different industrial units of the Company.

7) LIQUIDITY AND INDEBTEDNESS

Cash and cash equivalents position on March 31, 2021 was R\$ 1,508.9 million, 44.0% in BRL and 56.0% in other currencies.

Consolidated gross debt in the period reached R\$ 5,566.2 million, of which R\$ 3,303.2 million (59.3%) was recorded in current liabilities and R\$ 2,263.0 million (40.7%) in non-current liabilities.

The liquidity ratio (cash to short-term debt ratio) was 0.46x at the end of 1Q21, in relation to the 0.78x index observed at the end of 1Q20.

The increase in gross debt is mainly related to the exchange rate variation and 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 1Q21 were: (i) credit lines in Reais indexed to the CDI, which represented 40.5% (average cost CDI + 1.7%), (ii) credit lines in Euros (Euro + 3.0% per year) with 38.1%, and (iii) credit lines in Dollars (US\$ + average of 3.0% per year) with 9.6%.

Consolidated net debt on March 31, 2021 reached R\$ 4,057.3 million, an increase of 28.1% compared to the amount of R\$ 3,166.2 million reached on March 31, 2020. The exchange rate variation impacted negatively the net debt by R\$ 285.6 million. Disregarding this effect, net debt would have increased by 19.1% due to the strong drop in volumes in the last twelve months, particularly in 2Q20 and 3Q20.

Net debt at the end of 1Q21 represented 5.73x the adjusted EBITDA for the last twelve months (a reduction in relation to the 6.46x presented in 4Q20), while at the end of 1Q20 it represented 2.94x. The exchange rate variation and the drop in volumes over the last 12 months particularly in 2Q20 and 3Q20) had a negative impact on this indicator.

During 1Q21, the Company signed financing agreements in the total amount of R\$ 940.0 million with Agência Especial de Financiamento Industrial S.A. - FINAME and with Banco de Desenvolvimento de Minas Gerais S.A. - BDMG. This amount has not yet been fully withdrawn (until this date, only R\$ 350.0 million has been withdrawn). If the Company had already fully drawn the amount, the liquidity ratio (cash to short-term debt ratio) would have been 0.64x at the end of 1Q21 and short-term debt would have been 42.5% in 1Q21.

8) SHAREHOLDERS' EQUITY

Consolidated shareholders' equity reached R\$ 4,149.5 million (book value per share of R\$ 26.99) on March 31, 2021, a reduction of 0.8% in relation to shareholders' equity reached on March 31, 2020 (R\$ 4,184.4 million and book value per share of R\$ 27.22). This growth was favorably influenced by the foreign exchange variation of equity and negatively by the net loss of 2020.

The shareholders' equity attributed to the controllers reached R\$ 3,838.5 million (book value per share of R\$ 24.97) on March 31, 2021, a reduction of 2.1% in relation to the shareholders' equity attributed to the controllers reached in March 31, 2020 (R\$ 3.921,9 million and book value per share of R\$ 25.51).

9) SUBSEQUENT EVENTS

On April 16, 2021, the debenture holders of the 8th, 9th and 10th issuances of the Company approved the granting of prior waivers and forgiveness for the eventual non-compliance by the Company of the financial covenants in 2021, with the observance of certain resolute conditions, especially the payment of a premium (waiver) as an additional advantage. Thus, the financial covenants (measured by the division of net debt over adjusted EBITDA) for the measurements of June and December 2021 are 5.25x and 4.75x, respectively.

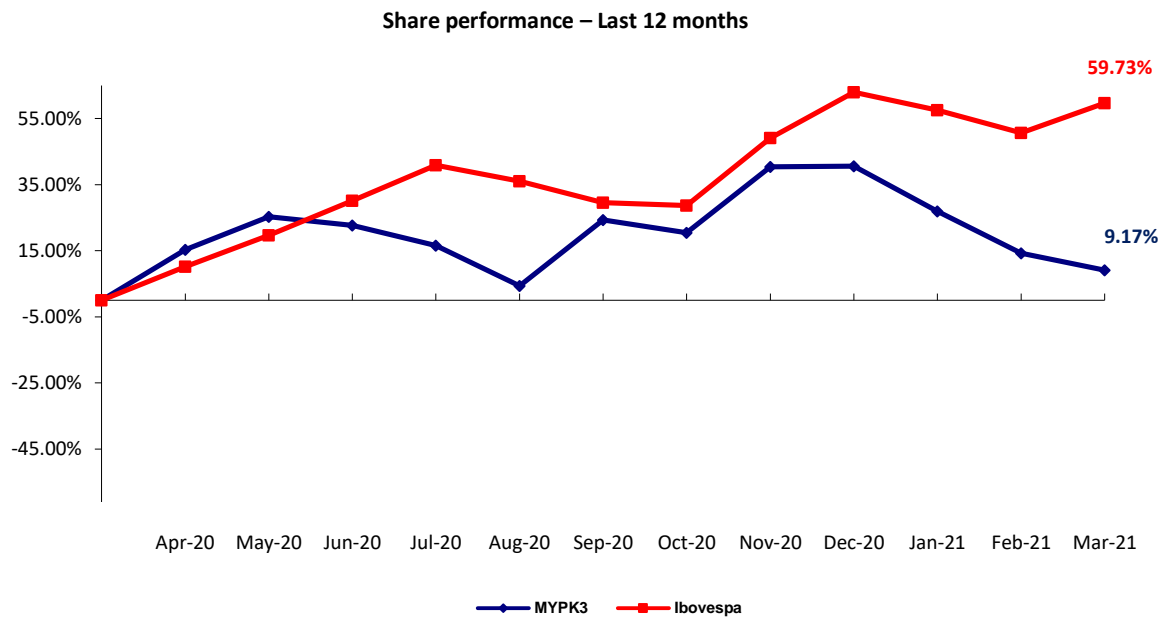
On April 16, 2021, May 4, 2021 and May 10, 2021, the Company withdrew R\$ 116.5 million, R\$ 113.0 million and R\$ 15.5 million, respectively, of its credit line for bank notes – CCB, with collateral, in the amount of R\$ 245.0 million, against the Special Agency Industrial Financing S.A. -FINAME.

On April 27, 2021, the Company issued a sustainability-linked bond in the amount of US\$ 400 million with a 7-year term and an interest rate of 5.00% per year. In this issuance, the Company has set a target of a 30% reduction in greenhouse gas emissions by 2025.

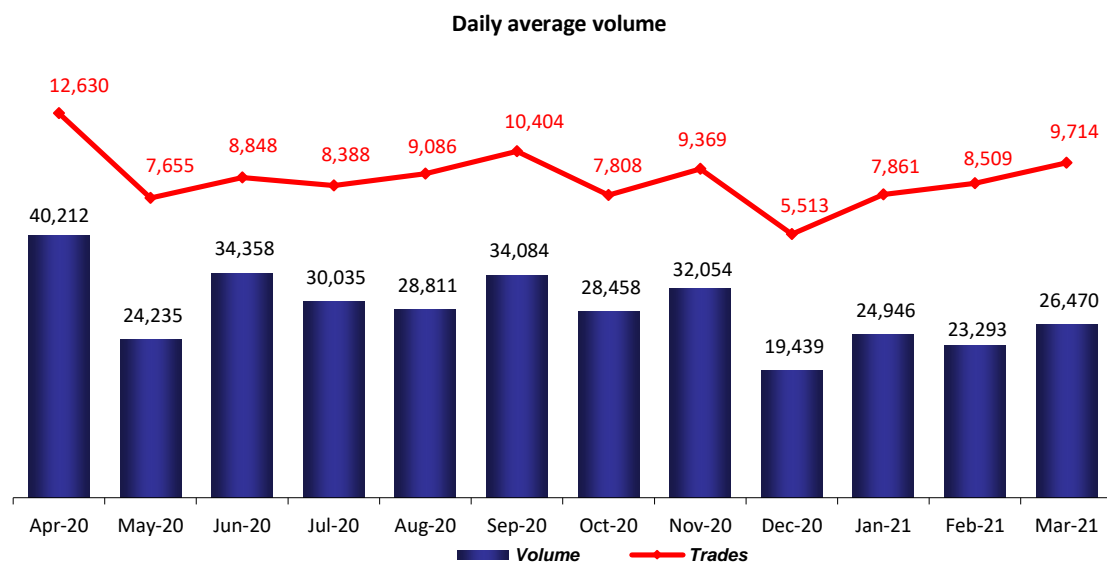
On April 30, 2021, the Company has fully withdrawn its credit line for bank credit notes- CCB in the amount of R\$ 75.0 million, in favor of the Development Bank of Minas Gerais –BDMG.

10) CAPITAL MARKETS

Iochope-Maxion common shares (B3: MYPK3) closed 1Q21 quoted at R\$ 12.03, a reduction of 22.4% in the quarter and an increase of 9.2% in the last 12 months. At the end of 1Q21, Iochope-Maxion reached a capitalization (market cap) of R\$ 1,849.2 million (R\$ 1,694.0 million at the end of 1Q20).



Iochope-Maxion's shares in 1Q21 had an average daily trading volume in B3 of R\$ 25.0 million (R\$ 38.6 million in 1Q20) and an average daily number of 8,766 trades (9,393 trades in 1Q20).



11) 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.

12) CVM INSTRUCTION No. 381

In accordance with CVM Instruction No. 381, we inform that during 1Q21, 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.

13) 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 March 31, 2021.

The Company's financial information presented here is in accordance with the criteria of Brazilian corporate law, and prepared in accordance with accounting practices adopted in Brazil and the international financial reporting standards - IFRS, as issued by the International Accounting Standard Board.

EBITDA should not be considered as an alternative to net income, as an indicator of the Company's operating performance, or as an alternative to cash flow as an indicator 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, May 14, 2021.

lochpe-Maxion S.A. and Subsidiaries

Individual and consolidated interim financial information

March 31, 2021

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

To the Board of Directors and Shareholders of
lochpe-Maxion S.A. and Subsidiaries
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, identified as Parent and Consolidated, respectively, contained in the Quarterly Information Form (ITR) of lochpe-Maxion S.A. ("Company") for the quarter ended March 31, 2021, comprising the statement of financial position as at March 31, 2021 and the related statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the three-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 include the individual and consolidated Statements of Value Added (SVA) for the three-month period ended March 31, 2021, prepared under the Company's Management responsibility and presented as supplementary information for IAS 34 purposes. 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 with 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.

São Paulo, May 14, 2021.

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



Luciano Ferreira da Cunha
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 with 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

March 31, 2021

(In thousands of Brazilian reais - R\$)

	Note	Parent		Consolidated	
		3/31/2021	12/31/2020	3/31/2021	12/31/2020
Assets					
Current assets					
Cash and cash equivalents	5	655,791	669,805	1,508,930	1,605,439
Trade receivables	6	490,160	330,946	1,824,896	1,405,954
Inventories	7	595,250	416,426	2,200,098	1,748,497
Recoverable taxes	8	85,447	51,571	314,949	239,884
Prepaid expenses		4,829	3,441	55,688	49,145
Other receivables		8,222	12,534	149,793	113,007
Total current assets		1,839,699	1,484,723	6,054,354	5,161,926
Noncurrent assets					
Recoverable taxes	8	15,320	13,375	152,278	151,962
Deferred income tax and social contribution	9.a	68,526	96,193	410,705	419,156
Judicial deposits		50,982	51,101	56,339	56,466
Other receivables		1,451	1,581	2,107	2,046
Investments	11	3,941,270	3,562,291	102,535	95,283
Property, plant and equipment	12	936,168	936,432	4,389,253	4,237,764
Intangible assets	13	83,724	82,465	2,420,960	2,219,880
Right of use	14	4,843	6,868	63,701	67,320
Total noncurrent assets		5,102,284	4,750,306	7,597,878	7,249,877
Total assets		6,941,983	6,235,029	13,652,232	12,411,803

	Note	Parent		Consolidated	
		3/31/2021	12/31/2020	3/31/2021	12/31/2020
Liabilities and equity					
Current liabilities					
Borrowings, financing and debentures	15	1,555,476	1,083,741	3,303,156	1,907,564
Trade payables	16	266,410	188,331	1,729,247	1,463,594
Tax obligations		11,957	9,212	117,971	90,868
Payroll and related taxes		101,349	79,633	399,131	318,632
Advances from customers		50,912	42,062	78,299	58,849
Dividends and interest on equity payable		391	439	74,790	89,731
Other payables		36,178	66,463	436,883	423,213
Total current liabilities		2,022,673	1,469,881	6,139,477	4,352,451
Noncurrent liabilities					
Borrowings, financing and debentures	15	1,008,501	1,231,148	2,263,046	3,212,825
Provision for labor, tax and civil risks	17	62,840	62,674	90,726	79,423
Deferred income tax and social contribution	9.a	-	-	192,230	175,180
Pension plan actuarial liabilities		-	-	730,273	701,929
Other payable		9,430	9,041	86,951	87,234
Total noncurrent liabilities		1,080,771	1,302,863	3,363,226	4,256,591
Equity					
Capital	18.a	1,576,954	1,576,954	1,576,954	1,576,954
Stock options		3,061	3,061	3,061	3,061
Earnings reserves		120,921	120,921	120,921	120,921
Capital reserve		12,467	12,467	12,467	12,467
Treasury shares	18.e	(28,894)	(28,894)	(28,894)	(28,894)
Valuation adjustments to equity		2,101,020	1,777,776	2,101,020	1,777,776
Income (loss) for the period		53,010	-	53,010	-
Equity attributable to controlling interests		3,838,539	3,462,285	3,838,539	3,462,285
Noncontrolling interests		-	-	310,990	340,476
Total equity		3,838,539	3,462,285	4,149,529	3,802,761
Total liabilities and equity					
		6,941,983	6,235,029	13,652,232	12,411,803

See accompanying notes.

lochpe-Maxion S.A. and Subsidiaries

Statements of profit or loss

For the three-month period ended March 31, 2021

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

	Note	Parent		Consolidated	
		3/31/2021	3/31/2020	3/31/2021	3/31/2020
Net sales and services revenue	23	796,279	496,200	3,133,096	2,224,560
Cost of goods sold and services rendered	24	(638,250)	(459,434)	(2,723,380)	(2,040,204)
Gross profit		158,029	36,766	409,716	184,356
Operating income (expenses)					
Selling expenses	24	(6,621)	(3,316)	(22,412)	(13,258)
General and administrative expenses	24	(30,095)	(23,436)	(154,524)	(113,418)
Management fees	10.a	(4,938)	(3,580)	(4,938)	(3,580)
Equity pick up	11	(6,876)	10,527	931	5,632
Other operating income (expenses), net	25	(7,477)	2,781	(5,692)	25,764
Operating income before finance income (costs)		102,022	19,742	223,081	85,496
Finance income	21	2,960	2,529	4,640	3,421
Finance costs	21	(28,909)	(22,676)	(67,805)	(49,399)
Foreign exchange gains (losses), net	22	5,565	5,897	4,123	(3,602)
Profit before income tax and social contribution		81,638	5,492	164,039	35,916
Income tax and social contribution					
Current	9.b	(22,539)	3,151	(78,198)	(36,588)
Deferred	9.b	(7,597)	507	(7,839)	30,998
Profit for the period		51,502	9,150	78,002	30,326
Attributable to					
Controlling interests		51,502	9,150	51,502	9,150
Noncontrolling interests		-	-	26,500	21,176
Earnings per share for the period:					
Basic - R\$	28	0.33801	0.06021	0.33801	0.06021
Diluted - R\$	28	0.33799	0.06020	0.33799	0.06020

See accompanying notes.

lochpe-Maxion S.A. and Subsidiaries

Statements of comprehensive income (loss)
 For the three-month period ended March 31, 2021
 (In thousands of Brazilian reais - R\$)

	Parent		Consolidated	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Profit for the period	51,502	9,150	78,002	30,326
Other comprehensive income				
Items that will be subsequently reclassified to profit or loss:				
Gains on translation of financial statements of foreign subsidiaries	324,855	684,311	343,266	756,699
Total other comprehensive income	324,855	684,311	343,266	756,699
Total comprehensive income	376,357	693,461	421,268	787,025
Attributable to:				
Controlling interests	376,357	693,461	376,357	693,461
Noncontrolling interests	-	-	44,911	93,564
	376,357	693,461	421,268	787,025

See accompanying notes.

lochpe-Maxion S.A. and Subsidiaries

Statements of changes in equity
For the three-month period ended March 31, 2021
(In thousands of Brazilian reais - R\$)

	Earnings reserves					Valuation adjustments to equity				Profit for the period	Equity	Noncontrolling interests	Total equity
	Capital	Stock options	Legal reserve	Statutory investment and working capital reserve	Capital reserve	Treasury shares	Deemed cost to property, plant and equipment	Other comprehensive income (loss)					
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	-	-	-	-	-	-	-	-	9,150	9,150	21,176	30,326	
Other comprehensive income	-	-	-	-	-	-	-	684,311	-	684,311	72,388	756,699	
Total comprehensive income	-	-	-	-	-	-	-	684,311	9,150	693,461	93,564	787,025	
Stock options exercised	-	(10)	-	-	-	26	-	-	-	16	-	16	
Realization of deemed cost, net of tax effects	-	-	-	-	-	-	(1,536)	-	1,536	-	-	-	
Derecognition of deemed cost, net of tax effects	-	-	-	-	-	-	(105)	-	-	(105)	-	(105)	
Dividends allocated to noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(99,544)	(99,544)	
Balances at March 31, 2020	1,576,954	3,061	96,648	509,882	6,000	(28,894)	67,956	1,679,557	10,686	3,921,850	262,518	4,184,368	
Balances at December 31, 2020	1,576,954	3,061	96,648	24,273	12,467	(28,894)	63,109	1,714,667	-	3,462,285	340,476	3,802,761	
Profit for the period	-	-	-	-	-	-	-	-	51,502	51,502	26,500	78,002	
Other comprehensive income	-	-	-	-	-	-	-	324,855	-	324,855	18,411	343,266	
Total comprehensive income	-	-	-	-	-	-	-	324,855	51,502	376,357	44,911	421,268	
Realization of deemed cost, net of tax effects	-	-	-	-	-	-	(1,508)	-	1,508	-	-	-	
Derecognition of deemed cost, net of tax effects	-	-	-	-	-	-	(103)	-	-	(103)	-	(103)	
Dividends allocated to noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(74,397)	(74,397)	
Balances at March 31, 2021	1,576,954	3,061	96,648	24,273	12,467	(28,894)	61,498	2,039,522	53,010	3,838,539	310,990	4,149,529	

See accompanying notes.

Lochpe-Maxion S.A. and Subsidiaries

Statements of cash flows

For the three-month period ended March 31, 2021

(In thousands of reais - Brazilian R\$)

	Note	Parent		Consolidated	
		3/31/2021	3/31/2020	3/31/2021	3/31/2020
Cash flow from operating activities					
Profit for the period		51,502	9,150	78,002	30,326
Adjustments to reconcile profit for the period to cash used in operating activities:					
Depreciation and amortization	24	16,385	15,958	144,857	119,472
Income tax and social contribution	9.b	30,136	(3,658)	86,037	5,590
Residual value of property, plant and equipment and intangible assets written off	12 and 14	1,225	1,469	4,467	18,693
Equity pick up	11	6,876	(10,527)	(931)	(5,632)
Provision for tax, civil, and labor contingencies, net of reversals and adjustments	17	525	24	11,479	(4,220)
Inflation adjustment of judicial deposits		(172)	(279)	(202)	(343)
Interest, monetary variations and amortization of borrowing costs	15	24,401	17,250	56,355	37,248
Interest on lease liability		139	160	725	896
Expected credit losses		4,726	496	3,043	2,137
Allowance for inventory losses		4,174	(439)	6,760	4,793
Finance cost (net) of pension plans and post-employment benefits		-	-	2,484	3,041
Stock options written off		-	(10)	-	(10)
Derecognition of Deemed cost		(103)	(105)	(103)	(105)
Decrease (increase) in assets:					
Trade receivables	6	(163,940)	(70,258)	(347,012)	(73,411)
Inventories	7	(182,998)	(16,763)	(358,966)	(108,870)
Other receivables and other assets		(32,476)	(5,884)	(109,343)	78,722
Increase (decrease) in liabilities:					
Trade payables	16	205,138	15,626	305,334	57,739
Actuarial pension plans and post-employment benefits		-	-	(8,258)	(8,285)
Payments of tax, civil and labor risks	17	(359)	(771)	(905)	(1,185)
Advances from customers		8,850	18,401	17,768	18,422
Tax, labor and social security obligations		4,360	(25,532)	49,929	(116,758)
Other payables and other liabilities		(15,388)	(25,146)	33,872	(123,785)
		(36,999)	(80,838)	(24,608)	(65,525)
Payment of interest on borrowings and financing	15	(30,145)	(172)	(48,938)	(11,264)
Payment of interest on debentures	15	(17,961)	(35,387)	(17,961)	(35,387)
Payment of interest on lease liability		(58)	(160)	(2,005)	(896)
Payment of Income tax and social contribution		-	-	(37,463)	(11,048)
		(48,164)	(35,719)	(106,367)	(58,595)
Cash used in operating activities		(85,163)	(116,557)	(130,975)	(124,120)
Cash flow from investing activities					
Capital reduction (increase) in subsidiaries	11.b	(61,000)	3,652	-	-
Purchase of property, plant and equipment items	12 and 31	(11,969)	(22,819)	(52,798)	(96,421)
Purchase of intangible assets	13	(1,370)	(3,868)	(1,763)	(4,952)
Cash used in investing activities		(74,339)	(23,035)	(54,561)	(101,373)
Cash flow from financing activities					
Borrowings and financing raised	15	335,000	652,000	525,104	990,797
Repayment of borrowings and financing - principal	15	(189,266)	(1,244)	(368,814)	(229,655)
Repayment of lease liabilities - principal		(246)	(581)	(7,518)	(8,225)
Borrowing costs capitalized		-	-	(141)	-
Payment of proposed and additional dividends		-	(126,822)	-	(126,822)
Dividends paid to noncontrolling interests	11.c	-	-	(91,243)	(19,374)
Related parties		-	(74)	-	(74)
Cash from financing activities		145,488	523,279	57,388	606,647
Increase (decrease) in cash and cash equivalents		(14,014)	383,687	(128,148)	381,154
Foreign exchange differences on cash and cash equivalents of foreign subsidiaries				31,639	106,630
Cash and cash equivalents at beginning of period		669,805	263,853	1,605,439	646,137
Cash and cash equivalents at end of period		655,791	647,540	1,508,930	1,133,921
Increase (decrease) in cash and cash equivalents		(14,014)	383,687	(96,509)	487,784

See accompanying notes.

lochpe-Maxion S.A. and Subsidiaries

Statements of value added
For the three-month period ended March 31, 2021
(In thousands of Brazilian reais - R\$)

	Note	Parent		Consolidated	
		3/31/2021	3/31/2020	3/31/2021	3/31/2020
Revenues					
Sales of goods and products	23	958,587	613,867	3,306,059	2,356,035
Expected credit losses	6	(4,726)	(496)	(3,043)	(2,137)
Other revenue		6,584	5,521	14,242	34,181
		960,445	618,892	3,317,258	2,388,079
Inputs acquired from third parties (including State VAT - ICMS and Federal VAT - IPI)					
Raw materials		(379,187)	(239,134)	(1,715,983)	(1,200,756)
Materials, electric power, outside services and other items		(98,780)	(64,427)	(493,259)	(358,999)
		(477,967)	(303,561)	(2,209,242)	(1,559,755)
Gross value added		482,478	315,331	1,108,016	828,324
Retentions					
Depreciation and amortization	24	(16,385)	(15,958)	(144,857)	(119,472)
Net value added produced by the Company and its subsidiaries		466,093	299,373	963,159	708,852
Value added received in transfer					
Equity pick up	11.b	(6,876)	10,527	931	5,632
Finance income	21	2,960	2,529	4,640	3,421
Foreign exchange gains (losses), net	22	5,565	5,897	4,123	(3,602)
		1,649	18,953	9,694	5,451
Total value added to be distributed		467,742	318,326	972,853	714,303
Distribution of value added					
Employees:					
Salaries and social charges		188,280	166,884	586,024	495,079
Employees' profit sharing		4,009	4,126	32,203	4,197
Taxes:					
Federal		100,954	47,143	105,710	55,550
State		91,465	66,835	98,093	75,741
Municipal		24	30	24	30
Lenders:					
Finance costs	21	28,909	22,676	67,805	49,399
Rentals		2,599	1,482	4,992	3,981
Retained earnings		51,502	9,150	51,502	9,150
Noncontrolling interests in retained earnings		-	-	26,500	21,176
		467,742	318,326	972,853	714,303

See accompanying notes.

lochpe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information
 Three-month period ended March 31, 2021
 (In thousands of Brazilian reais - R\$, unless otherwise stated)

1. Operations

lochpe-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 activities of the Company and its subsidiaries 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	
		3/31/2021	12/31/2020	3/31/2021	12/31/2020
lochpe-Maxion S.A. (Parent Company - Cruzeiro)	Brazil	-	-	-	-
São Paulo Branch	Brazil	-	-	-	-
Limeira Branch - Steel	Brazil	-	-	-	-
Limeira Branch - Aluminum	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
lochpe-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
lochpe 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
lochpe Holdings, LLC	USA	-	-	100.00	100.00
Maxion Wheels U.S.A. 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 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

(*)

Iochepe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
Three-month period ended March 31, 2021
(In thousands of Brazilian reais - R\$, unless otherwise stated)

2. Group companies (Continued)

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 March 31, 2021, investments in joint venture Maxion Montich representing 50% interests are accounted for by the equity method.

Interests in associates

Amsted-Maxion Fundação e Equipamentos Ferroviários S.A.

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.

DongFeng Maxion Wheels Ltd.

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 and its operations are planned to commence in the 2nd half of 2021.

The Company has significant influence on this associate, 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 December 31, 2020 and March 31, 2021, 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)
Three-month period ended March 31, 2021
(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 March 31, 2021, was prepared and is being presented in accordance with Accounting Pronouncement CPC 21 (R1) - Interim Financial Reporting, issued by Brazilian Accounting Pronouncements Committee ("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, 2020, 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, 2020, prepared in accordance with International Financial Reporting Standards (IFRS) and accounting practices adopted in Brazil issued by Brazilian Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities and Exchange Commission (CVM). Accordingly, this interim financial information at March 31, 2021 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, 2020, which were approved by the Board of Directors on March 3, 2021, 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) Tax obligations;

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
 Three-month period ended March 31, 2021
 (In thousands of Brazilian reais - R\$, unless otherwise stated)

3. Basis of preparation of the interim financial information (Continued)

- (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;

The disclosure and issue of the interim financial information, included in the Company's Quarterly Information Form (ITR) for the three-month period ended March 31, 2021, were approved by the Executive Committee at the meeting held on May 14, 2021.

Exchange rates

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

Closing rate	3/31/2021	12/31/2020
US dollars - US\$	5.6973	5.1967
Euro - €	6.6915	6.3779
Average rate	3/31/2021	3/31/2020
US dollars - US\$	5.4730	4.4581
Euro - €	6.5958	4.9113

4. Summary of 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, 2020, which should be read in conjunction.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Three-month period ended March 31, 2021

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

5. Cash and cash equivalents

	Parent		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Cash and banks:				
In Brazil	66,257	26,671	68,446	29,797
Abroad	-	-	806,296	909,921
	66,257	26,671	874,742	939,718
Highly liquid short-term investments:				
In Brazil	589,534	643,134	595,657	644,251
Abroad	-	-	38,531	21,470
	589,534	643,134	634,188	665,721
Total	655,791	669,805	1,508,930	1,605,439

Operations	Average yields at 3/31/2021	Liquidity	Country	Parent		Consolidated	
				3/31/2021	12/31/2020	3/31/2021	12/31/2020
Bank Deposit Certificate (CDB)	94.9% CDI	Immediate	Brazil	578,528	626,368	579,650	627,485
Debentures under repurchase agreements	75.0% CDI	Immediate	Brazil	11,006	16,766	16,007	16,766
Investment in Mexican pesos	6.1% p.a.	Immediate	Mexico	-	-	212	194
Investment in US dollars	0.3% p.a.	Immediate	Turkey	-	-	9,120	-
Investment in Turkish liras	18.3% p.a.	Immediate	Turkey	-	-	29,199	21,276
Total				589,534	643,134	634,188	665,721

6. Trade receivables

a) Breakdown

	Parent		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
In Brazil	401,924	263,879	429,403	286,808
Abroad	15,482	8,990	1,389,757	1,117,029
Related parties (Note 10.b)	82,995	64,492	27,396	20,997
Provision for expected credit losses	(10,241)	(6,415)	(21,660)	(18,880)
Total	490,160	330,946	1,824,896	1,405,954

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Three-month period ended March 31, 2021

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

7. Inventories

	Parent		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Finished products	58,076	50,447	604,372	501,504
Work-in-process and semi-finished products	135,275	105,486	442,969	345,534
Tooling for resale in process	55,327	39,856	132,865	99,474
Raw materials	220,203	121,733	612,684	423,486
Auxiliary and packaging materials	85,413	81,071	456,749	425,880
Advances to suppliers	50,751	34,976	60,578	56,699
Imports in transit	14,223	2,701	14,571	7,327
Allowance for inventory losses	(24,018)	(19,844)	(124,690)	(111,407)
Total	595,250	416,426	2,200,098	1,748,497

8. Recoverable taxes

	Parent		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL)	29,486	27,778	77,878	77,132
State Value Added Tax (State VAT (ICMS))	47,672	26,077	53,430	31,829
Federal Value Added Tax (Federal VAT (IPI))	449	445	764	747
Export tax credits - Brazilian Special Regime for Reinstatement of Taxes for Exporters (REINTEGRA)	3,269	3,259	4,451	4,441
Contribution on Gross Revenue for Social Security Financing (COFINS)	15,827	5,518	117,071	105,573
Contribution on Gross Revenue for Social Integration Program (PIS)	3,336	1,141	25,302	22,857
Other	728	728	2,054	1,939
Value Added Tax (VAT) - foreign subsidiaries				
Mexico	-	-	102,135	70,732
Turkey	-	-	39,024	33,635
India – Aluminum	-	-	24,671	28,111
Germany	-	-	9,881	7,900
Other countries	-	-	10,566	6,950
Total	100,767	64,946	467,227	391,846
Current	85,447	51,571	314,949	239,884
Noncurrent	15,320	13,375	152,278	151,962

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
 Three-month period ended March 31, 2021
 (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 presented as follows:

	Parent		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Tax losses carryforwards	101,943	109,198	251,129	253,642
Social contribution losses carryforwards	41,760	44,343	59,050	61,723
Provision for labor, tax and civil risks	21,365	21,309	39,036	35,597
Accrued profit sharing	5,452	2,791	5,452	2,791
Credit of payments made abroad	35,377	55,448	35,377	55,448
Allowance for inventory losses	8,166	6,747	21,477	17,429
Provision for expected credit losses	3,706	2,450	17,581	13,266
Actuarial Pension plan liability	-	-	110,103	115,089
Intellectual property	-	-	84,309	81,903
Deferred tax on surplus value	17,051	16,775	17,051	16,775
Depreciation and amortization difference	(97,903)	(95,976)	(377,768)	(362,291)
Deemed cost - property, plant and equipment - CPC 27	(32,101)	(33,604)	(32,101)	(33,604)
Goodwill amortization	(40,465)	(40,465)	(40,465)	(40,465)
Other	4,175	7,177	28,244	26,673
Total	68,526	96,193	218,475	243,976
Deferred tax assets, net	68,526	96,193	410,705	419,156
Deferred tax liabilities, net	-	-	(192,230)	(175,180)

Based on taxable profit projections reviewed by management, the Company estimates to recover tax credits arising from income tax and social contribution losses carryforwards until 2030.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
 Three-month period ended March 31, 2021
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9. Income tax and social contribution (Continued)

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

	Parent		Consolidated	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Profit before income tax and social contribution	81,638	5,492	164,039	35,916
Combined rate - %	34	34	34	34
Income tax and social contribution credit (expense) at combined rate	(27,757)	(1,867)	(55,773)	(12,211)
Equity pickup	(2,338)	3,579	317	1,915
Nondeductible expenses	(512)	(1,362)	(9,197)	(6,646)
Unrecognized tax credit on temporary differences and tax loss carryforwards	-	-	(8,448)	(4,167)
Write-off of deferred tax recognized on brand	-	-	-	19,254
Taxes on foreign dividends	-	-	(8,665)	(9,092)
Tax rate difference of foreign subsidiaries	-	-	8,164	4,764
Tax incentives from subsidiaries	-	3,151	7,263	15,351
Effect of translation (local v. functional currency)	-	-	(11,921)	(11,424)
Intellectual property	-	-	-	(1,283)
Benefits from technology innovation projects	165	-	165	-
Other	306	157	(7,942)	(2,051)
Income and social contribution tax credit (expenses) in profit or loss	(30,136)	3,658	(86,037)	(5,590)
Current	(22,539)	3,151	(78,198)	(36,588)
Deferred	(7,597)	507	(7,839)	30,998

10. Related parties

a) Management compensation

	3/31/2021	12/31/2020
Board of Directors and Statutory Board	4,938	3,580
Key management personnel (salaries and benefits)	20,399	17,986
Profit sharing agreed in Brazil (bonus)	2,074	-
Profit sharing agreed abroad (bonus)	8,280	-

For the quarter ended March 31, 2021, the Company made contributions to the private pension plan totaling R\$320 (R\$308 for the quarter ended March 31, 2020) 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.

lochpe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
 Three-month period ended March 31, 2021
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10. Related parties (Continued)

b) Transactions with related parties

Wheel and structural component sale transactions were performed in the ordinary course of business of the Company, its subsidiaries, associates and joint ventures. These transactions were carried out under prices, terms and payment conditions established among the parties, as if such transactions had been performed with non-related entities. The settlement terms of these transactions range from 30 to 45 days, according to the conditions established between the parties and in compliance with the other Company transactions. These transactions include, among others, loan agreements and provision of guarantees under the terms detailed below:

b.1) *Parent*

	3/31/2021			
	Assets	Liabilities	P&L	
	Accounts receivable	Trade payables	Sales	Purchases
Amsted-Maxion Fundação e Equipamentos Ferroviários S.A.	6,235	-	11,792	-
lochpe Holdings, LLC and subsidiaries	47,197	1,969	57,989	39
Maxion (Nantong) Wheels, Co. Ltd.	-	-	-	2,119
Maxion Wheels de Mexico, S. de R.L. de C.V.	8,402	-	9,687	-
Maxion Montich S.A.	21,161	-	26,639	-
Total	82,995	1,969	106,107	2,158

	12/31/2020	3/31/2020		
	Assets	Liabilities	P&L	
	Accounts receivable	Trade payables	Sales	Purchases
Amsted-Maxion Fundação e Equipamentos Ferroviários S.A.	3,547	-	13,095	-
lochpe Holdings, LLC and subsidiaries	39,642	-	26,632	616
Maxion Wheels de Mexico, S. de R.L. de C.V.	3,853	-	1,469	2,988
Maxion Montich S.A.	17,450	107	6,569	-
Total	64,492	107	47,765	3,604

lochpe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
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 (In thousands of Brazilian reais - R\$, unless otherwise stated)

10. Related parties (Continued)

b) Transactions with related parties (Continued)

b.2) *Consolidated*

	3/31/2021		
	Assets	Liabilities	P&L
	Accounts receivable	Trade payables	Sales
Amsted-Maxion Fundação e Equipamentos Ferroviários S.A.	6,235	-	11,792
Maxion Montich S.A.	21,161	-	26,639
Total	<u>27,396</u>	<u>-</u>	<u>38,431</u>

	12/31/2020	3/31/2020	
	Assets	Liabilities	P&L
	Accounts receivable	Trade payables	Sales
Amsted-Maxion Fundação e Equipamentos Ferroviários S.A.	3,547	-	13,095
Maxion Montich S.A.	17,450	107	6,569
Total	<u>20,997</u>	<u>107</u>	<u>19,664</u>

c) Sureties and guarantees granted

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

Subsidiaries	3/31/2021	12/31/2020
Ingenieria y Maquinaria de Guadalupe, S.A. de C.V.	300,545	267,604
lochpe Holdings, LLC and subsidiaries	2,490,531	2,369,922
Joint Ventures	3/31/2021	12/31/2020
Maxion Montich do Brasil Ltda.	11,414	11,312

lochpe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Three-month period ended March 31, 2021

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

10. Related parties (Continued)

d) Intercompany loans

The subsidiaries perform intercompany loan transactions, as presented below. The payment rates, conditions and terms are entered into as if the entities operated as separate companies. The amounts are used by the borrower to supply working capital requirements.

Lender	Borrower	Nature	3/31/2021		
			Rate	Currency	Total
Short term					
lochpe-Maxion Austria GmbH	Maxion Wheels Czech s.r.o.	Working capital	2.538%	EUR	1,426mil
lochpe-Maxion Austria GmbH	Maxion Wheels Czech s.r.o.	Working capital	2.848%	CZK	23,832mil
Maxion Wheels Czech s.r.o.	lochpe-Maxion Austria GmbH	Working capital	2.538%	EUR	887mil
Maxion Wheels Czech s.r.o.	lochpe-Maxion Austria GmbH	Working capital	2.848%	CZK	11,288mil
lochpe-Maxion Austria GmbH	Maxion Wheels Werke GmbH	Working capital	2.538%	EUR	21,957mil
Maxion Wheels Holding GmbH	lochpe-Maxion Austria GmbH	Working capital	2.538%	EUR	5,074mil
Maxion Wheels Italia S.r.l.	lochpe-Maxion Austria GmbH	Working capital	2.538%	EUR	2,731mil
Maxion Wheels de Mexico, S. de R.L. de C.V.	Ingenieria y Maquinaria de Guadalupe, S.A. de C.V.	Working capital	7.192%	USD	13,052mil
Long term					
lochpe-Maxion Austria GmbH	Maxion Wheels USA LLC	Working capital	2.750%	EUR	37,456mil
Maxion Wheels USA LLC	lochpe Holdings, LLC	Loan	3.754%	USD	22,093mil
Hayes Lemmerz Barcelona, S.L.	Maxion Wheels Espana S.L.	Working capital	2.962%	EUR	284mil
Maxion Wheels Italia S.r.l.	lochpe-Maxion Austria GmbH	Working capital	2.750%	EUR	12,083mil
Maxion Wheels Czech s.r.o.	lochpe-Maxion Austria GmbH	Working capital	2.750%	EUR	10,070mil

11. Investments

a) Breakdown

	Parent		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Interests in subsidiaries	3,838,740	3,467,013	-	-
Interests in associates	82,207	78,647	82,207	78,647
Interests in joint ventures	20,155	16,463	20,155	16,463
Subtotal investments	3,941,102	3,562,123	102,362	95,110
Other investments	168	168	173	173
Total investments	3,941,270	3,562,291	102,535	95,283

Iochepe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Three-month period ended March 31, 2021

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

11. Investments (Continued)

b) Changes

	Balance at 12/31/2020	Capital increase (decrease)	FX differences on foreign investments	Equity income (loss)	Balance at 3/31/2021
Iochepe Maxion Austria GmbH (i)	3,370,120	61,000	309,585	(8,886)	3,731,819
Maxion (Nantong) Wheels, Co. Ltd.	93,153	-	8,836	1,725	103,714
Remon Resende Montadora Ltda.	1,156	-	-	144	1,300
DongFeng Maxion Wheels Limited (ii)	47,118	-	4,415	(1,182)	50,351
Maxion Montich S.A. (ii)	16,463	-	1,906	1,786	20,155
Amsted-Maxion Fundação e Equipamentos Ferroviários S.A. (ii)	31,529	-	-	327	31,856
Maxion Wheels (Thailand) Co. Ltd.	2,584	-	113	(790)	1,907
Total	3,562,123	61,000	324,855	(6,876)	3,941,102

(i) In January and March 2021, capital was increased by R\$18,454 (€2,900 thousand) and R\$ 42,546 (€6,350 thousand) respectively.

(ii) Jointly-controlled subsidiaries and associates considered in the individual and consolidated financial statements under the equity method.

Iochepe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
 Three-month period ended March 31, 2021
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11. Investments (Continued)

c) Information on subsidiaries, joint ventures and associates

	3/31/2021								
	Number of shares or units of interest (in lot of 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	10,471,545	6,426,829	2,298,656	3,731,819	312,897	2,380,556	(8,886)
Maxion (Nantong) Wheels, Co. Ltd. (i)	-	100	141,163	37,449	493,502	103,714	-	31,256	1,725
Remon Resende Montadora Ltda. (ii)	90	100	1,585	285	90	1,300	-	737	144
Maxion Wheels (Thailand) Co. Ltd.	-	8.15	252,428	229,058	208,754	23,370	-	74,170	(9,682)
Maxion Montich S.A.	2,813	50	192,802	152,416	4,769	40,310	76	93,446	3,572
Amsted-Maxion Fundação e Equipamentos Ferroviários S.A.	28,274,461	19.50	474,261	310,900	153,683	83,314	80,047	98,133	1,677
DongFeng Maxion Wheels Limited (i)	-	50	134,145	33,443	102,613	50,351	50,351	1,205	(2,365)

(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 February 28, 2021.

lochpe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
 Three-month period ended March 31, 2021
 (In thousands of Brazilian reais - R\$, unless otherwise stated)

11. Investments (Continued)

c) Information on subsidiaries, joint ventures and associates (Continued)

	12/31/2020								
	Number of shares or units of interest (in lots of thousands)	Equity interest (%)	Assets	Liabilities	Capital	Equity attributable to controlling interests	Noncontrolling interests	Net revenue	Profit (loss) for the period
lochpe Maxion Austria GmbH (i)	-	100	9,582,858	5,869,679	2,131,933	3,370,120	343,059	6,941,272	(403,310)
Maxion (Nantong) Wheels, Co. Ltd. (i)	-	100	115,685	22,532	450,940	93,153	-	50,609	(9,407)
Remon Resende Montadora Ltda. (ii)	90	100	1,571	415	90	1,156	-	2,057	149
Maxion Wheels (Thailand) Co. Ltd.	-	8.15	234,727	203,065	198,797	31,662	-	220,406	(46,524)
Maxion Montich S.A.	2,813	50	185,428	152,435	4,764	32,926	67	221,567	3,681
Amsted-Maxion Fundação e Equipamentos Ferroviários S.A.	28,274,461	19.50	448,427	286,743	153,683	82,459	79,225	362,799	(669)
DongFeng Maxion Wheels Limited (i)	-	50	123,336	29,100	93,763	47,118	47,118	623	(106)

In 2020, Turkey implemented a temporary partial prohibition on payment of dividends to shareholders until December 31, 2020. In view of this decision, R\$91,243 was paid only on January 5, 2021.

In March 2021, the amounts of R\$46,720 and R\$27,678 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.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Three-month period ended March 31, 2021

(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 (i)	Machinery spare parts	Tooling	Other	Total
Balances at December 31, 2019	166,953	533,791	26,452	110,881	24,336	23,026	42,697	928,136
Additions	-	253	-	58,986	1,356	-	16,316	76,911
Write offs, net	-	(5,105)	-	-	(2,632)	(10)	(3,140)	(10,887)
Depreciation	(8,367)	(37,365)	-	-	(1,705)	(1,095)	(8,236)	(56,768)
Transfers	25,212	412	-	(22,676)	5	(14,082)	10,169	(960)
Balances at December 31, 2020	183,798	491,986	26,452	147,191	21,360	7,839	57,806	936,432
Additions	-	11	-	14,314	-	3	887	15,215
Write offs, net	-	(795)	-	-	-	(3)	(427)	(1,225)
Depreciation	(2,842)	(8,753)	-	-	(411)	(191)	(2,057)	(14,254)
Transfers	37,662	(3,435)	-	(35,147)	168	247	505	-
Balance at March 31, 2021	218,618	479,014	26,452	126,358	21,117	7,895	56,714	936,168
At December 31, 2020								
Cost	307,996	1,040,401	26,452	147,191	27,711	20,457	187,951	1,758,159
Accumulated depreciation	(124,198)	(548,415)	-	-	(6,351)	(12,618)	(130,145)	(821,727)
Carrying amount, net	183,798	491,986	26,452	147,191	21,360	7,839	57,806	936,432
At March 31, 2021								
Cost	362,077	1,016,427	26,452	126,358	27,879	21,150	190,670	1,771,013
Accumulated depreciation	(143,459)	(537,413)	-	-	(6,762)	(13,255)	(133,956)	(834,845)
Carrying amount, net	218,618	479,014	26,452	126,358	21,117	7,895	56,714	936,168

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
 Three-month period ended March 31, 2021
 (In thousands of Brazilian reais - R\$, unless otherwise stated)

12. Property, plant and equipment (Continued)

b) Consolidated

	Buildings and improvements	Machinery and equipment	Land	Construction in progress (ii)	Machinery spare parts	Tooling	Other	Total
Balances at December 31, 2019	697,875	1,998,993	302,397	347,932	76,735	80,751	86,064	3,590,747
Additions (iii)	2,521	11,228	-	286,506	16,770	10,673	27,978	355,676
Write offs, net	(502)	(48,607)	(309)	(1,123)	(2,870)	(8)	(7,479)	(60,898)
Impairment (v)	-	(24,868)	-	-	-	-	-	(24,868)
Depreciation	(45,436)	(357,732)	-	-	(26,957)	(36,495)	(25,637)	(492,257)
Transfers	74,631	290,080	382	(387,080)	7,951	3,281	9,905	(850)
Foreign exchange differences	177,680	483,479	84,813	65,728	16,509	22,610	19,395	870,214
Balances at December 31, 2020	906,769	2,352,573	387,283	311,963	88,138	80,812	110,226	4,237,764
Additions (iii)	2	336	-	44,280	3,023	2,286	7,681	57,608
Write offs, net	(50)	(2,338)	(44)	(3)	(1,413)	(3)	(616)	(4,467)
Depreciation	(13,014)	(92,082)	-	-	(8,289)	(8,549)	(6,357)	(128,291)
Transfers (iv)	44,121	11,456	-	(61,371)	2,179	3,886	(513)	(242)
Foreign exchange differences	49,270	129,567	21,528	14,750	4,046	4,824	2,896	226,881
Balance at March 31, 2021	987,098	2,399,512	408,767	309,619	87,684	83,256	113,317	4,389,253
At December 31, 2020								
Cost	1,480,118	5,848,115	387,283	311,963	211,541	326,266	409,416	8,974,702
Accumulated depreciation	(573,349)	(3,495,542)	-	-	(123,403)	(245,454)	(299,190)	(4,736,938)
Carrying amount, net	906,769	2,352,573	387,283	311,963	88,138	80,812	110,226	4,237,764
At March 31, 2021								
Cost	1,622,244	6,151,082	408,767	309,619	226,407	354,239	429,523	9,501,881
Accumulated depreciation	(635,146)	(3,751,570)	-	-	(138,723)	(270,983)	(316,206)	(5,112,628)
Carrying amount, net	987,098	2,399,512	408,767	309,619	87,684	83,256	113,317	4,389,253

- (i) At March 31, 2021, this comprises: (1) buildings, amounting to R\$4,884 (R\$2,206 at December 31, 2020); (2) machinery and equipment, amounting to R\$110,644 (R\$134,503 at December 31, 2020); and (3) other assets, amounting to R\$10,830 (R\$10,482 at December 31, 2020), relating to the Cruzeiro unit.
- (ii) At March 31, 2021, this comprises: (1) buildings, amounting to R\$5,416 (R\$6,422 at December 31, 2020); (2) machinery and equipment, amounting to R\$284,954 (R\$285,973 at December 31, 2020); and (3) other assets, amounting to R\$19,249 (R\$19,568 at December 31, 2020), relating to the Cruzeiro, Mexico, Turkey and India units.
- (iii) Out of the total additions for the period, most of the investments was made by the Mexico, India, Cruzeiro, Turkey, and Czech Republic, in the amounts of R\$15,980, R\$9,612, R\$6,883, R\$6,542 and R\$3,020, respectively.
- (iv) In 2021, these comprise transfers made between accounts "Property, plant and equipment" and "Intangible assets", amounting to R\$242.
- (v) In 2020, the assets impairment test of subsidiaries Maxion Wheels Akron LLC and Maxion Wheels do Brasil resulted in the need to recognize losses amounting to R\$21,826 and R\$3,042, respectively.

Iochepe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

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13. Intangible assets - consolidated

Assets with finite useful lives	Relationship with customer	Software	Land use rights	Trademark	Other	Total
Balances at December 31, 2019	96,434	51,529	5,896	98,773	2,856	255,488
Additions	-	18,601	-	-	-	18,601
Write offs, net	-	(60)	-	-	-	(60)
Amortization	(10,209)	(5,254)	(201)	(7,856)	(601)	(24,121)
Transfers	-	1,229	-	174	(553)	850
Foreign exchange differences	27,817	1,624	2,182	28,526	717	60,866
Balances at December 31, 2020	114,042	67,669	7,877	119,617	2,419	311,624
Additions	-	1,763	-	-	-	1,763
Amortization	(2,709)	(1,188)	(57)	(2,235)	(71)	(6,260)
Transfers (i)	-	242	-	-	-	242
Foreign exchange differences	10,874	375	742	11,356	118	23,465
Balance at March 31, 2021	122,207	68,861	8,562	128,738	2,466	330,834
At December 31, 2020:						
Cost	205,790	105,950	10,669	130,603	69,951	522,963
Accumulated amortization	(91,748)	(38,281)	(2,792)	(10,986)	(67,532)	(211,339)
Carrying amount, net	114,042	67,669	7,877	119,617	2,419	311,624
At March 31, 2021:						
Cost	225,613	110,225	11,676	142,868	74,089	564,471
Accumulated amortization	(103,406)	(41,364)	(3,114)	(14,130)	(71,623)	(233,637)
Carrying amount, net	122,207	68,861	8,562	128,738	2,466	330,834

Goodwill on acquisition of subsidiaries

Assets with indefinite useful lives	Meritor				Total
	Iochepe Holdings, LLC	Ingenieria y Maquinaria de Guadalupe, S.A. de C.V.	Comércio e Indústria de Sistemas Automotivos Ltda.	Iochepe Sistemas Automotivos de México S.A. de C.V.	
Balances at December 31, 2019	1,044,568	417,397	20,292	2,390	1,484,647
Foreign exchange differences	302,172	120,746	-	691	423,609
Balances at December 31, 2020	1,346,740	538,143	20,292	3,081	1,908,256
Foreign exchange differences	129,732	51,841	-	297	181,870
Balance at March 31, 2021	1,476,472	589,984	20,292	3,378	2,090,126

(i) Transfers between "Property, plant and equipment" and "Intangible assets" (Note 12. b) item (iv)).

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Three-month period ended March 31, 2021

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

14. Right of use - consolidated

Assets with finite useful 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	7,685	13,612	5,924	2,096	6,636	-	35,953
Write offs, net	-	(15,611)	-	-	-	-	(15,611)
Depreciation	(7,290)	(9,794)	(4,363)	(11,569)	(7,098)	(444)	(40,558)
Transfers	5,569	1,305	-	-	-	(6,874)	-
Foreign exchange differences	125	2,904	355	7,102	3,053	-	13,539
Balances at December 31, 2020	6,997	17,756	10,369	20,910	11,288	-	67,320
Additions	670	11	675	677	1,201	-	3,234
Depreciation	(2,003)	(1,716)	(1,761)	(2,694)	(2,137)	-	(10,311)
Transfers	-	-	-	(1,055)	1,055	-	-
Foreign exchange differences	146	1,117	451	1,185	559	-	3,458
Balance at March 31, 2021	5,810	17,168	9,734	19,023	11,966	-	63,701

As at March 31, 2021, total lease expenses classified as short-term leases and leases of low-value assets amount to R\$1,440 (R\$1,235 as at March 31, 2020).

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
 Three-month period ended March 31, 2021
 (In thousands of Brazilian reais - R\$, unless otherwise stated)

15. Borrowings, financing and debentures

a) Parent

	Index	Annual interest rate (%)	Last maturity date	Amortized transaction cost	Unamortized transaction cost (ii)	3/31/2021	12/31/2020
<u>Local currency</u>							
Bank Credit Bill (CCB)	CDI	2.67	July 2021	-	-	632,422	387,137
FINEP	TJLP	2.00	June 2022	-	-	3,551	4,291
Export credit note (NCE)	CDI	2.34	May 2021	-	-	392,707	409,688
Promissory Note	-	-	-	-	-	-	99,954
Forfeit transactions	-	6.02	December 2021	-	-	311,200	184,141
Total borrowings and financing						1,339,880	1,085,211
8th issuance - simple debentures (ii)	CDI	1.40	March 2023	5,398	(9,079)	441,136	443,310
9th issuance - simple debentures – 1st series (ii)	CDI	0.75	February 2024	2,905	(8,751)	331,271	332,634
9th issuance - simple debentures – 2nd series (ii)	CDI	0.95	February 2026	878	(2,973)	108,656	109,216
10th issuance - simple debentures	CDI	0.75	September 2024	1,444	(7,460)	343,034	344,518
Total debentures (ii)				10,625	(28,263)	1,224,097	1,229,678
Total borrowings, financing and debentures						2,563,977	2,314,889
Current liabilities						1,566,530	1,094,992
Unamortized costs						(11,054)	(11,251)
Total						1,555,476	1,083,741
Noncurrent liabilities						1,025,710	1,251,421
Unamortized costs						(17,209)	(20,273)
Total						1,008,501	1,231,148

Iochepe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Three-month period ended March 31, 2021

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

15. Borrowings, financing and debentures (Continued)

b) Consolidated

	Index	Annual interest rate (%)	Last maturity date	Amortized transaction cost	Unamortized transaction cost (ii)	3/31/2021	12/31/2020
Local currency							
Bank Credit Bill (CCB)	CDI	2.67	July 2021	-	-	632,422	387,137
FINEP	TJLP	2.00	June 2022	-	-	3,551	4,291
Export credit note (NCE)	CDI	2.33	June 2021	-	-	397,715	414,992
Promissory Note	-	-	-	-	-	-	99,954
Forfeit transactions	-	6.02	December 2021	-	-	311,200	184,141
Subtotal in local currency						1,344,888	1,090,515
Foreign currency							
Long-term loan - US\$ (i)	6m Libor	2.20	November 2024	7,040	(7,823)	264,689	235,751
Long-term loan - Rupee	MCLR	0.15	January 2026	229	-	152,410	139,965
Syndicate - Euro	3m Euribor	2.75	February 2024	8,885	(31,354)	1,310,422	1,246,613
Working capital - US dollar	-	3.62	January 2022	-	-	235,053	214,485
Working capital - US dollar	6m Libor	6.60	May 2021	-	-	35,855	31,853
Working capital - Euro	-	4.65	July 2021	-	-	380,963	359,031
Working capital - Euro	-	2.36	January 2027	359	(619)	429,054	410,599
Working capital - Rupee	-	5.53	January 2022	-	-	47,118	-
Working capital - Rupee	MCLR	0.15	October 2021	-	-	57,424	72,325
Working capital - Baht	-	2.78	May 2021	-	-	84,229	89,574
Subtotal in foreign currency				16,513	(39,796)	2,997,217	2,800,196
Total borrowings and financing						4,342,105	3,890,711
8th issuance - simple debentures (ii)							
	CDI	1.40	March 2023	5,398	(9,079)	441,136	443,310
9th issuance - simple debentures – 1st series (ii)							
	CDI	0.75	February 2024	2,905	(8,751)	331,271	332,634
9th issuance - simple debentures – 2nd series (ii)							
	CDI	0.95	February 2026	878	(2,973)	108,656	109,216
10th issuance - simple debentures							
	CDI	0.75	September 2024	1,444	(7,460)	343,034	344,518
Total debentures (ii)				10,625	(28,263)	1,224,097	1,229,678
Total borrowings, financing and debentures				27,138	(68,059)	5,566,202	5,120,389
Current liabilities						3,329,287	1,933,096
Unamortized costs						(26,131)	(25,532)
Total						3,303,156	1,907,564
Noncurrent liabilities						2,304,974	3,259,589
Unamortized costs						(41,928)	(46,764)
Total						2,263,046	3,212,825

(i) At March 31, 2021, the financing taken out by subsidiary Ingeniería y Maquinaria de Guadalupe, S.A. de C.V. is guaranteed by direct parent Iochepe Sistemas Automotivos de México, S.A. de C.V. with a current balance of R\$264,689, guaranteed by the subsidiary's shares. The financing raised by subsidiary Kalyani Maxion Wheels Private Limited, with a current balance of R\$47,118 is guaranteed by this subsidiary's receivables.

(ii) Waivers granted (prior waiver and forgiveness) for any non-compliance by the Company with financial indices represent changes in cash flows from borrowing agreements with banks and are analyzed within the scope of CPC 48 – Financial Instruments. When the change is not accounted for as an extinction, applicable to Company borrowings, the costs with waivers obtained adjust the carrying amount 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)
 Three-month period ended March 31, 2021
 (In thousands of Brazilian reais - R\$, unless otherwise stated)

15. Borrowings, financing and debentures (Continued)

b) Consolidated (Continued)

On December 29, 2020, the Company signed a contract for a Bank Credit Bill (CCB) with the Development Bank of Minas Gerais (BDMG) in the amount of R\$75,000. This new line of credit matures in 7 years and has a 2-year grace period. This line of credit was fully withdrawn by the date of publication of this quarterly financial information as described in Note 32.

On February 10, 2021, the Company issued a Bank Credit Bill (CCB) subject to security interest amounting to R\$245,000, with Agência Especial de Financiamento Industrial S.A. (FINAME, Fund for Machinery and Equipment Financing). This new line of credit matures in 7 years and has a 2-year grace period. This line of credit was fully withdrawn by the date of publication of this quarterly financial information as described in Note 32.

On February 10, 2021, the Company entered into a financing agreement by means of a loan facility amounting to R\$620,000 with Agência Especial de Financiamento Industrial S.A. (FINAME). This new line of credit matures in 7 years and has a 2-year grace period, but had not been withdrawn by the date of publication of these financial statements.

In the first quarter of 2021, the Company raised R\$250,000 in a Bank Credit Bill at an average rate of CDI + 2.56% per annum (p.a.) maturing between June 28, 2021 and July 1, 2021.

As at March 31, 2021, the amounts recorded in noncurrent liabilities mature as follows:

	<u>Parent</u>	<u>Consolidated</u>
2023	710	116,750
2024	559,712	1,131,320
2025	338,821	885,350
2026	54,629	73,207
2027	54,629	55,662
2028 and thereafter	-	757
Total	<u>1,008,501</u>	<u>2,263,046</u>

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\$1,058,546 (R\$1,009,893 as at December 31, 2020).

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
 Three-month period ended March 31, 2021
 (In thousands of Brazilian reais - R\$, unless otherwise stated)

15. Borrowings, financing and debentures (Continued)

b) Consolidated (Continued)

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.

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. Detailed information is as follows:

Debentures	Category	Principal amount upon issuance	Issuance date	Final maturity	Finance charges	Amount as at 3/31/2021
8th issuance	Simple	450,000	3/26/2018	3/26/2023	100% CDI + 1.40% p.a.	441,136
9th issuance – 1st series	Simple	338,800	2/11/2019	2/14/2024	100% CDI + 0.75% p.a.	331,271
9th issuance – 2nd series	Simple	111,200	2/11/2019	2/11/2026	100% CDI + 0.95% p.a.	108,656
10th issuance	Simple	350,000	9/16/2019	9/16/2024	100% CDI + 0.75% p.a.	343,034

Covenants

On June 26, 2020, pursuant to the terms of articles 157 and 542 of Law No. 6404/76, and CVM Ruling No. 358/02, continuing its Material News Release disclosed on June 9, 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 issuances, in compliance with certain resolutions, pursuant to article 127 of Law No. 10406/02 (Civil Code), as indicated in the minutes of the respective Annual Debenture Holders' Meetings available on the Company's website (<http://www.iochpe.com.br>).

Iochepe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
 Three-month period ended March 31, 2021
 (In thousands of Brazilian reais - R\$, unless otherwise stated)

15. Borrowings, financing and debentures (Continued)

b) Consolidated (Continued)

Covenants (Continued)

Accordingly, (a) the Company, (b) Company subsidiaries that obtained 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 Company debentures, whose aggregate principal amount is R\$1,250,000; (ii) the creditors of a syndicated loan in Europe, whose principal amounts to EUR\$200 million; and (iii) a financial institution creditor of the loan agreement whose principal amounts to USD\$48.7 million, 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 adjusted 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, under certain resolutions such as (i) 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, i.e. short-term loans and financing), equivalent to 0.5 at June 30, 2020 and December 31, 2020; and (iii) obligation to not encumber the Company's assets. As at December 30, 2020, the Company was in full compliance with all the clauses.

16. Trade payables

	Parent		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
In Brazil	255,791	183,049	271,295	194,509
Abroad	8,650	5,175	1,457,952	1,268,978
Related parties (Note 10.b)	1,969	107	-	107
Total	266,410	188,331	1,729,247	1,463,594

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
 Three-month period ended March 31, 2021
 (In thousands of Brazilian reais - R\$, unless otherwise stated)

17. Provision for labor, tax and civil risks

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

Based on information from its legal counsel, management analyzed ongoing proceedings and has recognized provisions in an amount considered sufficient to cover probable losses on ongoing proceedings, which are presented below together with variations in the year/period:

	Parent				Consolidated			
	Labor	Tax	Civil	Total	Labor	Tax	Civil	Total
Balance at 12/31/2019	11,804	31,716	4,531	48,051	28,628	50,594	4,531	83,753
Additions	2,752	15,172	25	17,949	11,427	17,419	25	28,871
Payments	(4,237)	-	(35)	(4,272)	(9,387)	(20,002)	(35)	(29,424)
Reversals	(1,355)	(2,813)	(23)	(4,191)	(12,030)	(5,482)	(23)	(17,535)
Adjustments	848	4,033	256	5,137	1,746	5,128	256	7,130
Foreign exchange differences	-	-	-	-	833	5,795	-	6,628
Balance at 12/31/2020	9,812	48,108	4,754	62,674	21,217	53,452	4,754	79,423
Additions	45	727	5	777	2,363	2,869	8,157	13,389
Payments	(359)	-	-	(359)	(905)	-	-	(905)
Reversals	(715)	-	(1)	(716)	(2,488)	(109)	(2)	(2,599)
Adjustments	185	158	121	464	368	200	121	689
Foreign exchange differences	-	-	-	-	249	58	422	729
Balance at 3/31/2021	8,968	48,993	4,879	62,840	20,804	56,470	13,452	90,726

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.

As at March 31, 2021, the labor claims which likelihood of loss is assessed as possible losses in the consolidated financial statements totaled R\$159,512 (R\$157,137 as at December 31, 2020). 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 single lawsuit involves significant loss amounts.

Ioche-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Three-month period ended March 31, 2021

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

17. Provisions for labor, tax and civil risks (Continued)

Additionally, the Company is a party to a class action brought by the trade union representing the workers of the Company's two plants located in the city of Limeira, São Paulo state (SP), requesting the Company to (i) pay risk and health exposure premiums, to be reflected in labor, tax, social security and Unemployment Compensation Fund (FGTS) charges, for employees exercising certain activities over the past five years; (ii) include the abovementioned premiums on the payroll for employees that would perform these activities in the future; and (iii) pay attorneys' fees on the amount of 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.

As at March 31, 2021, on a consolidated basis, these tax and civil proceedings which likelihood of loss are assessed as possible loss totaled R\$448,200 (R\$442,789 as at December 2020) and 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 (VAT) 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 Brazilian 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 is R\$186,970.
- (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 the subsidiaries Maxion Luxembourg Holdings S.à.r.l. (as the successor in the merger of 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 within the jurisdiction of the tax auditor and within the jurisdiction of the Board of Tax Appeals, and an appeal was filed before the Spanish courts. The case is pending a lower court decision. The total amount under dispute is R\$56,601.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
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17. Provisions for labor, tax and civil risks (Continued)

- (c) Administrative tax proceeding No. 16045.720014/2015-51 filed against the Company, requesting the payment of IRPJ (income tax) 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 rendered by 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 assessed as a possible loss is R\$22,696.
- (d) Administrative proceedings No. 16045.720012/2015-62 and No. 16045.720013/2015-15, requesting respectively: (i) the payment of IRPJ (income tax) amounts under allegations of incorrect deduction of income tax paid abroad for calendar year 2011; and (ii) the payment of CSLL (social contribution) 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 income tax and social contribution losses 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 rendered by the court of first instance. The case is pending decision by 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 is R\$15,460.
- (e) Administrative proceedings No. 16048.720140/2017-48 and No. 16048,720,402/2017-74, requesting respectively: (i) the payment of IRPJ (income tax) amounts under allegations of incorrect deduction of income tax paid abroad for calendar year 2012; and (ii) the payment of CSLL (social contribution) 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. Proceedings related to proceedings No. 10860.901849/2015-11 and No. 10860.901848/2015-76 (item d above). The amount under dispute assessed as a possible loss is R\$63,933.
- (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, and a decision by the court of first instance is pending. The total amount under dispute is R\$20,822.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
Three-month period ended March 31, 2021
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17. Provisions for labor, tax and civil risks (Continued)

- (g) Administrative proceedings No. 13881.720061/2015-55, 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 20% automatic fine. The statement of discontentment was dismissed, and an appeal was filed by the Company with the administrative Board of Tax Appeals. The total amount under dispute assessed as a possible loss is R\$24,508.

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. As at March 31, 2021, these amounts total R\$46,907 (R\$46,144 as at December 31, 2020).

18. Equity

a) Capital

As at March 31, 2021, 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 without 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 by the Shareholders' General Meeting, the Company may grant stock options to its officers, employees or individuals who provide services to the Company, pursuant to paragraph 3, article 168 of Law No. 6404/76.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
Three-month period ended March 31, 2021
(In thousands of Brazilian reais - R\$, unless otherwise stated)

18. Equity (Continued)

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.

As at December 31, 2020, loss for the year was absorbed by the statutory reserve.

c) Allocation of profit

Loss for the year, computed in accordance with the terms of article 191 of Law No. 6404/76, will be fully absorbed by income reserves by means of decrease in investment and working capital statutory reserve.

Profit allocation is subject to the following guidelines: (i) 5% to the legal reserve, which shall not 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 by the Annual Shareholders' 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. As at March 31, 2021, 14,643 options were canceled (15,522 options at December 31, 2020).

e) Treasury shares

As at March 31, 2021, the Company had 1,349,827 common shares held in connection with the stock option plans in the amount of R\$28,894 (1,349,827 common shares in the amount of R\$28,894 as at December 31, 2020), as a commitment under the stock option plan and long-term incentive program.

The market value of the common shares held in treasury totals R\$16,238, reflecting the price of R\$12.03 per share as at March 31, 2021.

lochpe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Three-month period ended March 31, 2021

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

18. Equity (Continued)

f) Equity adjustments

These are recorded as a result of revaluation of PPE items (deemed cost) based on appraisal reports prepared by independent valuation experts upon first-time adoption of CPCs and IFRSs. Corresponding income and social contribution taxes are classified in noncurrent liabilities and are realized upon depreciation or write-off of the revalued assets matched against accumulated losses, net of taxes. Exchange differences on foreign investments are allocated to Other comprehensive income (loss), whose functional currency is other than the Company's functional currency.

g) Legal reserve

This is a requirement for all Brazilian companies and represents appropriation of 5% of annual net income computed based on Brazilian legislation, capped at 20% of capital.

h) Capital reserve

As at March 31, 2021, this reserve is recorded as the effects of restatement of the statement of financial position by virtue of the investment made in Argentina, derived from the hyperinflationary economy and goodwill deriving from acquisition of noncontrolling interests.

19. Stock option plan

The rules of the Stock Option Plan ("Plan") granted to the Company's officers were disclosed in the financial statements for the year ended December 31, 2020 (Note 22).

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

	3/31/2021		12/31/2020	
	Average exercise price per option - R\$	Outstanding options	Average exercise price per option - R\$	Outstanding options
Balance at beginning of year	25.78	21,636	26.70	38,342
Exercised	-	-	13.13	(1,184)
Canceled	26.57	(14,643)	24.47	(15,522)
Balance at end of year/period	26.10	6,993	25.78	21,636

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
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 (In thousands of Brazilian reais - R\$, unless otherwise stated)

19. Stock option plan (Continued)

Of the 6,993 stock options outstanding at March 31, 2021 (21,636 at December 31, 2020), 6,993 stock options (21,636 at December 31, 2020) are exercisable.

As at March 31, 2021, the market price of the Company's shares was R\$12.03 (R\$15.50 as at December 31, 2020).

The options were measured at fair value at grant date. As at March 31, 2021, the weighted average of fair value of the options is R\$1.41 (R\$2.42 at December 31, 2020).

The options were priced based on the "Black & Scholes" model and the significant data included in the model for pricing fair value of the options granted was as follows:

- Volatility of 44.50% estimated based on standard deviation of the option's daily closing price considering maturity prices.
- Expected lifetime of the option is one year.
- Annual risk-free interest rate is 4.29%.

20. Long-term incentive plan

The rules of the Long-Term Incentive Plan ("Program") granted to the Company's officers were disclosed in the financial statements for the year ended December 31, 2020 (Note 23).

The settlement dates for each program are as follows:

Program	Tranche	Maturity	Outstanding RSUs and PSs
RSU - 2017	33.3%	5/20/2021	47,675
PS - 2017	100%	5/20/2021	107,376
RSU - 2018	33.3%	3/20/2022	40,717
PS - 2018	100%	3/20/2022	91,704
RSU - 2019	33.3%	3/20/2022	51,532
RSU - 2019	33.3%	3/20/2023	51,532
PS - 2019	100%	3/20/2023	116,065
RSU - 2020	33.4%	3/20/2022	63,869
RSU - 2020	33.3%	3/20/2023	63,678
RSU - 2020	33.3%	3/20/2024	63,678
PS - 2020	100%	3/20/2024	143,418

As at March 31, 2021, the total provision recorded as "Other payables" is R\$2,147 in the parent interim financial information (R\$2,776 at December 31, 2020) and R\$4,768 in the interim consolidated financial information (R\$6,361 at December 31, 2020). Treasury shares held for purposes of making payments under the 2017, 2017, 2018, 2019 and 2020 Programs are described in Note 18.e.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Three-month period ended March 31, 2021

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

21. Finance income (costs)

	Parent		Consolidated	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Finance income:				
Short-term investment yield	2,341	1,997	3,084	2,762
Pension plan interest income	-	-	34	36
Discounts obtained and interest receivable	-	3	-	4
Financial gain on legal proceedings	469	346	862	386
Other	150	183	660	233
Total	2,960	2,529	4,640	3,421
Finance costs:				
Interest payable and finance charges	(21,140)	(16,783)	(49,683)	(36,709)
Pension plan interest	-	-	(2,484)	(3,157)
Monetary adjustment of provision for risks	(464)	(547)	(689)	(904)
Tax on Financial Transactions (IOF)	(2,874)	(4,208)	(2,916)	(4,271)
Amortized cost of debenture issuance	(3,261)	(786)	(3,261)	(786)
Bank charges	(666)	(128)	(7,209)	(2,450)
Other	(504)	(224)	(1,563)	(1,122)
Total	(28,909)	(22,676)	(67,805)	(49,399)

22. Foreign exchange gains (losses), net

	Parent		Consolidated	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Trade receivables	289	6,911	501	(1,654)
Borrowings and financing	4,573	735	4,731	1,671
Trade payables	512	105	(45)	7,305
Short-term investments	-	-	-	(141)
Derivative financial instruments	-	-	2,424	1,906
Other	191	(1,854)	(3,488)	(12,689)
Total	5,565	5,897	4,123	(3,602)

23. Net sales and services revenue

	Parent		Consolidated	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Gross sales and service revenue	962,445	615,917	3,309,426	2,361,276
Deductions:				
Sales taxes	(162,308)	(117,667)	(172,963)	(131,475)
Rebates, returns and cancellations	(3,858)	(2,050)	(3,367)	(5,241)
Net sales and services revenue	796,279	496,200	3,133,096	2,224,560

Iochepe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Three-month period ended March 31, 2021

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

24. Costs and expenses by nature

	Parent		Consolidated	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Raw material	(358,351)	(228,096)	(1,576,803)	(1,138,665)
Salaries and benefits	(193,263)	(165,757)	(614,183)	(489,839)
Supplies/maintenance	(48,290)	(27,407)	(224,244)	(164,793)
Electric power	(14,324)	(13,164)	(116,747)	(91,198)
Depreciation and amortization	(16,385)	(15,958)	(144,857)	(119,472)
Outsourced services	(19,326)	(17,198)	(68,346)	(53,339)
Freight	(16,840)	(6,658)	(83,922)	(49,669)
Management fees	(4,938)	(3,580)	(4,938)	(3,580)
Transportation/communication	(3,037)	(4,190)	(7,159)	(12,079)
Other costs and expenses	(5,150)	(7,758)	(64,055)	(47,826)
Total	(679,904)	(489,766)	(2,905,254)	(2,170,460)
Classified as:				
Cost of goods sold and services rendered	(638,250)	(459,434)	(2,723,380)	(2,040,204)
Selling expenses	(6,621)	(3,316)	(22,412)	(13,258)
General and administrative expenses	(30,095)	(23,436)	(154,524)	(113,418)
Management fees (Note 10)	(4,938)	(3,580)	(4,938)	(3,580)
Total	(679,904)	(489,766)	(2,905,254)	(2,170,460)

25. Other operating income (expenses)

	Parent		Consolidated	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Gain on devaluation of put option (i)	-	-	-	25,756
Restructuring expenses	(2,155)	-	(6,348)	-
Gain (loss) on sale of assets (ii)	33	(10)	2,517	113
Auxiliary systems	(2,040)	(668)	(2,040)	(668)
Other operating income (expenses)	(3,315)	3,459	179	563
Total	(7,477)	2,781	(5,692)	25,764

- (i) 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 upon exercise of the option by the beneficiaries, who are the non-controlling shareholders of the subsidiary. The acquisition price of these shares is defined according to the formula described in the put option contract. According to the formula, as of March 31, 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 as at March 31, 2020.
- (ii) In March 2021, transactions involving the sale of the properties of subsidiary Maxion Wheels do Brasil were completed.

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Notes to individual and consolidated interim financial information (Continued)
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26. 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, 2020, and 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, 2020, and 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.

Concerning receivables from customers, the Company believes 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

Liquidity and interest rate risks are described in Note 29 to the financial statements for the year ended December 31, 2020, and should be read together with these notes.

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 hedge transactions aimed at mitigating these risks.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
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 (In thousands of Brazilian reais - R\$, unless otherwise stated)

26. Risk management and financial instruments (Continued)

b) Financial risk management (Continued)

Foreign currency risk (Continued)

As at March 31, 2021, the Company had foreign currency-indexed assets in excess of liabilities by R\$7,070. 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 accounts payable in foreign currency.

	Parent		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Assets:				
Trade receivables (i)	15,482	8,990	1,389,757	1,117,029
Foreign related parties	55,697	43,584	98	89
Total assets	71,179	52,574	1,389,855	1,117,118
Liabilities:				
Borrowings and financing (ii)			2,997,217	2,800,196
Trade payables (iii)	8,650	5,175	1,457,952	1,268,978
Foreign related parties	1,961	107	-	107
Total liabilities	10,611	5,282	4,455,169	4,069,281
Net exposure	60,568	47,292	(3,065,314)	(2,952,163)
(-) Foreign subsidiaries using local functional currency	-	-	3,072,384	2,956,182
Total exposure for sensitivity analysis purposes	60,568	47,292	7,070	4,019

- (i) In the consolidated financial statements as at March 31, 2021, 76.2% (79.4% at December 31, 2020) refers to trade receivables in foreign subsidiaries denominated in U.S. dollars, euros and yuans.
- (ii) In the consolidated financial statements as at March 31, 2021, 53.8% (54.7% as at December 31, 2020) refers to borrowings obtained in local currency by foreign subsidiaries, denominated in U.S. dollars, euros, rupees and bahts (Note 15).
- (iii) In the consolidated financial statements as at March 31, 2021, 84.3% (86.7% as at December 31, 2020) refers to trade accounts payable 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.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
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(In thousands of Brazilian reais - R\$, unless otherwise stated)

26. Risk management and financial instruments (Continued)

b) Financial risk management (Continued)

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 analyses of the sensitivity of financial instruments to these variables were considered by the Company's Management and 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).

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. The Company also required two additional scenarios with a 25% and a 50% decrease in the risk variables considered as at March 31, 2021.

The probable scenario considered by the Company is the actual Brazilian real versus U.S. dollar exchange rate, and TJLP, CDI and LIBOR indices as at March 31, 2021. 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.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
 Three-month period ended March 31, 2021
 (In thousands of Brazilian reais - R\$, unless otherwise stated)

26. Risk management and financial instruments (Continued)

b) Financial risk management (Continued)

Sensitivity analysis of fluctuations in foreign currency rates

For the sensitivity analysis of foreign currency exposure as at March 31, 2021, 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, the Company's Management believes that there is no foreign currency risk that could affect the subsidiaries' cash flows.

Considering these foreign currency exposures as at March 31, 2021, 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	1,768	3,535

The possible scenario considers a 25% appreciation of the Brazilian real against the U.S. dollar based on the exchange rate as at March 31, 2021, i.e., R\$5.6973/US\$1.00 (R\$4.2730/US\$1.00), and the remote scenario considers a 50% appreciation (R\$2.8487/US\$1.00).

Management did not use the probable scenario in the sensitivity analysis because it believes that it substantially reflects the currency rate fluctuations recognized in the financial information for the period ended March 31, 2021.

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 March 31, 2021	4.39%	5.49%	6.59%
TJLP-indexed financing - R\$3,551			
Estimated finance costs	156	195	234
Effect – loss		(39)	(78)

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Notes to individual and consolidated interim financial information (Continued)
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26. Risk management and financial instruments (Continued)

b) Financial risk management (Continued)

Sensitivity analysis of interest rate changes - Company's exposure to interest rate increase – Consolidated (Continued)

Borrowings and financing - CDI	Scenarios		
	Probable	Possible	Remote
CDI at March 31, 2021	2.65%	3.31%	3.98%
CDI-indexed loans - R\$1,028,500			
Estimated finance costs	27,255	34,043	40,934
Effect - loss		(6,788)	(13,679)

Borrowings and financing - 6-month LIBOR	Scenarios		
	Probable	Possible	Remote
LIBOR at March 31, 2021	0.21%	0.26%	0.31%
6-month LIBOR-indexed borrowing - R\$312,269			
Estimated finance costs	641	812	968
Effect - loss		(171)	(327)

Debentures - CDI	Scenarios		
	Probable	Possible	Remote
CDI at March 31, 2021	2.65%	3.31%	3.97%
Debentures indexed to 100% of CDI - R\$1,250,000			
Estimated finance costs	33,125	41,375	49,625
Effect - loss		(8,250)	(16,500)

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 at March 31, 2021	2.50%	1.87%	1.25%
Short-term investments - 94.4% of CDI - R\$595,657			
Estimated finance income	14,891	11,139	7,446
Effect - loss		(3,753)	(7,446)

The operations contracted in December 2020 have settlement terms from one to six months as from contract date for subsidiary Maxion Jantas Jant Sanayi ve Ticaret A.S. and settlement terms from three to six months as from contract date for subsidiary Maxion Inci Jant Sanayi A.S. that take into considering the forecasts of future purchases of steel and aluminum, in order to hedge against price risk. As at March 31, 2021, the outstanding transactions totaled six contracts maturing between April 30, 2021 and June 30, 2021.

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Notes to individual and consolidated interim financial information (Continued)
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26. Risk management and financial instruments (Continued)

b) Financial risk management (Continued)

Hedged item	Risk	Counterparty	Notional amount (in thousands)		Market value gain
			€	R\$	
Outstanding balance	Foreign exchange differences	Türkiye İş Bankası A.Ş.	9,041	63,271	2,785

27. Capital management

Company 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	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Total borrowings, financing and debentures (i)	2,563,977	2,314,889	5,566,202	5,120,389
Cash and cash equivalents	(655,791)	(669,805)	(1,508,930)	(1,605,439)
Net debt	1,908,186	1,645,084	4,057,272	3,514,950
Total equity	3,838,539	3,462,285	4,149,529	3,802,761
Net debt-to-equity ratio	50%	48%	98%	92%

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28. Earnings (loss) per share

	<u>3/31/2021</u>	<u>3/31/2020</u>
Denominator:		
Weighted average number of shares	153,719,601	153,337,768
Weighted average number of treasury shares	(1,349,827)	(1,355,089)
Weighted average number of shares outstanding	152,369,774	151,982,679
Numerator - basic earnings:		
Profit for the period - R\$	51,502,385	9,150,471
Basic earnings per share for the period - R\$	0.33801	0.06021
Denominator - diluted earnings:		
Weighted average number of shares outstanding	152,369,774	151,982,679
Number of shares for the stock option plan	6,993	18,764
Weighted average number of shares	152,376,767	152,001,443
Numerator - diluted earnings:		
Profit for the period	51,502,385	9,150,471
Diluted earnings per share for the period - R\$	0.33799	0.06020

29. Segment information

Accounting pronouncement CPC 22/IFRS 08 - 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.

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Notes to individual and consolidated interim financial information (Continued)
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29. Segment information (Continued)

Net revenue is as follows:

	3/31/2021		3/31/2020	
	Net revenue	Interest held	Net revenue	Interest held
Aluminum Wheels (Light Vehicles)	113,754	3.6%	83,411	3.7%
Steel Wheels (Light Vehicles)	94,939	3.0%	92,179	4.1%
Steel Wheels (Commercial Vehicles)	242,798	7.7%	126,965	5.7%
Struct. components (Light Vehicles)	64,792	2.1%	39,538	1.8%
Struct. components (Commercial Vehicles)	268,303	8.6%	172,630	7.8%
Total for South America - Brazil	784,586	25.0%	514,723	23.1%
Aluminum Wheels (Light Vehicles)	129,984	4.1%	101,483	4.6%
Steel Wheels (Light Vehicles)	369,419	11.8%	254,897	11.5%
Steel Wheels (Commercial Vehicles)	91,488	2.9%	78,321	3.5%
Struct. components (Commercial Vehicles)	278,553	8.9%	233,161	10.5%
Total for North America	869,444	27.8%	667,862	30.0%
Aluminum Wheels (Light Vehicles)	533,487	17.0%	434,455	19.5%
Steel Wheels (Light Vehicles)	288,002	9.2%	229,434	10.3%
Steel Wheels (Commercial Vehicles)	300,299	9.6%	187,764	8.4%
Total for Europe	1,121,788	35.8%	851,653	38.3%
Aluminum Wheels (Light Vehicles)	206,261	6.6%	132,802	6.0%
Steel Wheels (Light Vehicles)	50,823	1.6%	21,294	1.0%
Steel Wheels (Commercial Vehicles)	100,194	3.2%	36,226	1.6%
Total for Asia and others	357,278	11.4%	190,322	8.6%
Total	3,133,096	100.0%	2,224,560	100.0%

30. Insurance

The Company and its subsidiaries have insurance coverage for some inventory items, property, plant and equipment items, civil liability, and other assets. As at March 31, 2021, the insurance policies and coverage are as follows:

Insured assets	Coverage	Insured amount
Inventories and property, plant and equipment	Fire, lightning, explosion, windstorm, machinery breakdown and other risks	1,546,725
Guarantee	Judicial, traditional and customs guarantees	36,487
Land cargo	Highway risk and cargo carrier liability and transportation risk in import and export transactions	157,795
General Civil Liability (RCG), Errors & Omissions (E&O)	Third-party claims, crimes	1,186,942

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Notes to individual and consolidated interim financial information (Continued)
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31. Additional information to the statements of cash flows

Non-cash transactions

	Parent		Consolidated	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Purchases of property, plant and equipment items payable recorded as "Trade payables"	3,246	4,176	4,810	4,704
Amounts raised from forfeit transactions	127,059	-	127,059	-

32. Events after the reporting period

On April 16, 2021, May 4, 2021, and May 10, 2021, the Company withdrew R\$116,500, R\$113,000, and R\$15,500, respectively, from its line of credit under bank credit bills (CCB), subject to security interest amounting to R\$245,000, with Agência Especial de Financiamento Industrial S.A. (FINAME, Fund for Machinery and Equipment Financing).

On April 30, 2021, the Company fully withdrew its line of credit under the Bank Credit Bills (CCB) with the Development Bank of Minas Gerais (BDMG) in the amount of R\$75,000.

On April 16, 2021, the holders of the debentures of the eighth, ninth and tenth issues of simple unsecured nonconvertible debentures of the Company approved the granting of prior waiver and forgiveness for the possible non-compliance by the Company with the financial ratio (resulting net debt over adjusted EBITDA) as defined in the indentures for the related measurement periods ended June 30, 2021 and December 31, 2021 provided for in the indentures of the respective issuances, in compliance with certain resolute conditions, including: (i) payment of an additional advantage (premium); (ii) Company's compliance with the following financial ratios (resulting from net debt over adjusted EBITDA): (a) $\leq 5.25x$ at June 30, 2021 and (b) $\leq 4.75x$ at December 31, 2021; (iii) Company's compliance with a liquidity ratio (resulting from cash and cash equivalents over short-term debt) equivalent to 0.5 time at June 30, 2021 and December 31, 2021; (iv) Company's obligation to neither distribute nor pay dividends until December 31, 2021; and (v) obligation to not encumber the Company's assets (subject to certain exceptions).

lochpe-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)

Three-month period ended March 31, 2021

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

32. Subsequent events (Continued)

Waivers granted (prior waiver and forgiveness) for any non-compliance by the Company with financial indices represent changes in cash flows from borrowing agreements with banks and are analyzed within the scope of CPC 48 – Financial Instruments. When the change is not accounted for as an extinction, applicable to Company borrowings, the costs with waivers obtained adjust the carrying amount of the liability and are amortized using the effective interest rate method.

On April 27, 2021, the Company priced a Sustainability-Linked Notes Offering in the international capital markets (“Sustainability-Linked Notes Units”), issued by its subsidiaries lochpe-Maxion Austria GmbH, in the amount of USD340,000,000, and Maxion Wheels de Mexico, S. de RL de C.V., in the amount of USD60,000,000, maturing on May 7, 2028, subject to interest at a rate of 5.000% per year.

The Sustainability-Linked Notes Units will be unconditionally and irrevocably guaranteed by the Company.

The Sustainability-Linked Notes Units were settled on May 7, 2021. The net proceeds from the Sustainability-Linked Notes Units will be fully used to extend the Company’s debt profile with the repayment of certain debts of the Company and its subsidiaries.

On May 7, 2021, the Company’s subsidiary lochpe-Maxion Austria GmbH entered into swap transactions for a total USD340,000,000, equivalent to EUR 279,835,391.

In April 2021, the Company’s subsidiary Ingeniería y Maquinaria de Guadalupe, S.A. de C.V. was informed of its final successful outcome in a lawsuit filed against the Instituto Mexicano del Seguro Social (IMSS), aiming to reclassify the additional risk applicable to its operation, which will result in the receipt of some USD6,000,000, equivalent to the amount overpaid in previous years, less success fees payable to the legal advisors. The amount related to monetary adjustment has not been estimated by the IMSS yet.

33. 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 three month period ended March 31, 2021 and with the related independent auditor’s 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 disclosed and corresponds to the information used to manage the Company’s operations.

Iochope-Maxion S.A. and Subsidiaries

Notes to individual and consolidated interim financial information (Continued)
Three-month period ended March 31, 2021
(In thousands of Brazilian reais - R\$, unless otherwise stated)

34. Authorization to issue and disclose the interim financial information

This interim financial information was approved by the Company's Executive Committee and authorized for disclosure and issue at the Board Meeting held on May 14, 2021.

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

Carolina Rodrigues Lopes Fagá
Accountant
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