



Magna Acquisition of Veoneer

Positioning Magna's ADAS Business as a Leader

July 23, 2021



Forward Looking Statements



Certain statements in this presentation constitute "forward-looking information" or "forward-looking statements" (collectively, "forward-looking statements"). Any such forward-looking statements are intended to provide information about management's current expectations and plans and may not be appropriate for other purposes. Forward-looking statements may include financial and other projections, as well as statements regarding our future plans, strategic objectives or economic performance, or the assumptions underlying any of the foregoing, and other statements that are not recitations of historical fact. We use words such as "may", "would", "could", "should", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "aim", "forecast", "outlook", "project", "estimate", "target" and similar expressions suggesting future outcomes or events to identify forward-looking statements. The following table identifies the material forward-looking statements contained in this document, together with the material potential risks that we currently believe could cause actual results to differ materially from such forward-looking statements. Readers should also consider all of the risk factors which follow below the table:

Material Forward-Looking Statement	Material Potential Risks Related to Applicable Forward-Looking Statement
Strategic benefits of the transaction, including positioning in complete ADAS system, as well as cameras, radar, domain controllers, perception software and restraint control systems	<ul style="list-style-type: none">• Inherent merger and acquisitions risks, including: unexpected costs, liabilities or delays; inability or failure to achieve intended benefits from the transaction; and/or loss of customers, suppliers, employees or other forms of business disruption; failure to satisfy the conditions to completion of the transaction, including approval of the merger by Veoneer's stockholders, and receipt of required governmental / regulatory approvals on the terms or at the timing expected• Acquisition integration risks, including the failure to realize anticipated synergies• Technology and innovation risks, including competitiveness of acquired technologies• Program launch risks• Intense competition
Financial impact of transaction, including Sales diversification, sales growth, content per vehicle opportunities, EPS impact, and expected synergies	<ul style="list-style-type: none">• Same risks as above• Shifts in consumer take rates• Potential loss of material purchase order
Leverage ratio Credit ratings impact	<ul style="list-style-type: none">• Inherent merger and acquisitions risks, including: unexpected costs, liabilities or delays; inability or failure to achieve intended benefits from the transaction;• Credit ratings changes
Engineering & software resources and expertise	<ul style="list-style-type: none">• Acquisition integration risks• Attraction/retention of skilled labour, including failure to retain critical employees of either the acquired business or our own existing business• Labour disruption risk at acquired unionized facilities

Forward Looking Statements (cont.)



Forward-looking statements are based on information currently available to us and are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. While we believe we have a reasonable basis for making any such forward-looking statements, they are not a guarantee of future performance or outcomes. In addition to the factors in the table above, whether actual results and developments conform to our expectations and predictions is subject to a number of risks, assumptions and uncertainties, many of which are beyond our control, and the effects of which can be difficult to predict, including, without limitation:

Risks Related to the Automotive Industry

- economic cyclicalities;
- regional production volume declines, including as a result of the COVID-19 pandemic;
- intense competition;
- potential restrictions on free trade;
- trade disputes/tariffs;

Customer and Supplier Related Risks

- concentration of sales with six customers;
- OEM consolidation and cooperation;
- shifts in market shares among vehicles or vehicle segments;
- shifts in consumer "take rates" for products we sell;
- quarterly sales fluctuations;
- potential loss of any material purchase orders;
- a deterioration in the financial condition of our supply base, including as a result of the COVID-19 pandemic;

Manufacturing Operational Risks

- product and new facility launch risks;
- operational underperformance;
- restructuring costs;
- impairment charges;
- labour disruptions;
- COVID-19 shutdowns;
- supply disruptions, including with respect to semiconductor chips;
- higher costs to mitigate supply disruptions;
- climate change risks;
- attraction/retention of skilled labour;

IT Security/Cybersecurity Risk

- IT/Cybersecurity breach;
- Product Cybersecurity breach;

Pricing Risks

- pricing risks between time of quote and start of production;
- price concessions;
- commodity cost volatility;
- declines in scrap steel/aluminum prices;

Warranty / Recall Risks

- costs related to repair or replacement of defective products, including due to a recall;
- warranty or recall costs that exceed warranty provision or insurance coverage limits;
- product liability claims;

Other Business Risks

- our ability to consistently develop and commercialize innovative products or processes;
- our changing business risk profile as a result of increased investment in electrification and autonomous driving, including: higher R&D and engineering costs, and challenges in quoting for profitable returns on products for which we may not have significant quoting experience;
- risks of conducting business in foreign markets;
- fluctuations in relative currency values;
- tax risks;
- reduced financial flexibility as a result of an economic shock;
- changes in credit ratings assigned to us;

Legal, Regulatory and Other Risks

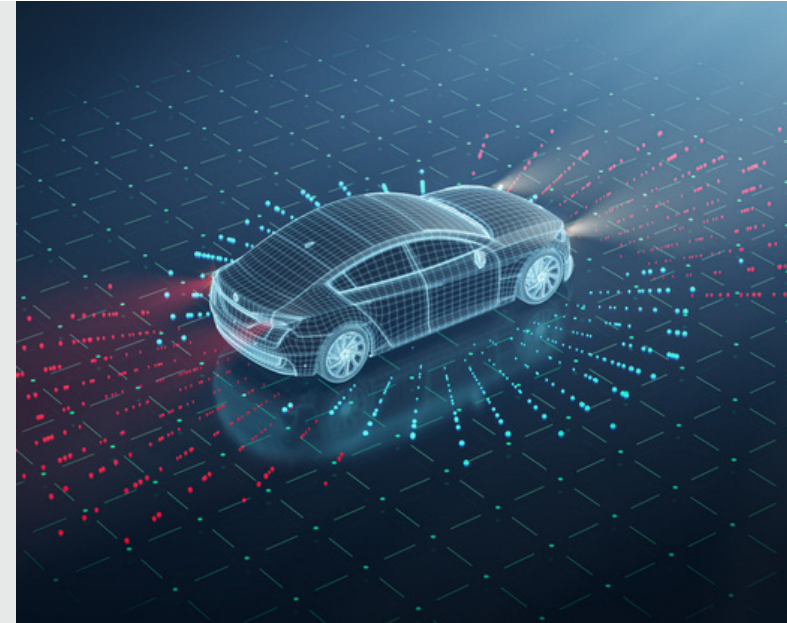
- antitrust risk;
- legal claims and/or regulatory actions against us; and
- changes in laws and regulations, including those related to vehicle emissions.

In evaluating forward-looking statements or forward-looking information, we caution readers not to place undue reliance on any forward-looking statement. Additionally, readers should specifically consider the various factors which could cause actual events or results to differ materially from those indicated by such forward-looking statements, including the risks, assumptions and uncertainties above which are:

- discussed under the "Industry Trends and Risks" heading of our Management's Discussion and Analysis; and
 - set out in our Annual Information Form filed with securities commissions in Canada, our annual report on Form 40-F filed with the United States Securities and Exchange Commission, and subsequent filings.
- Readers should also consider discussion of our risk mitigation activities with respect to certain risk factors, which can be also found in our Annual Information Form.

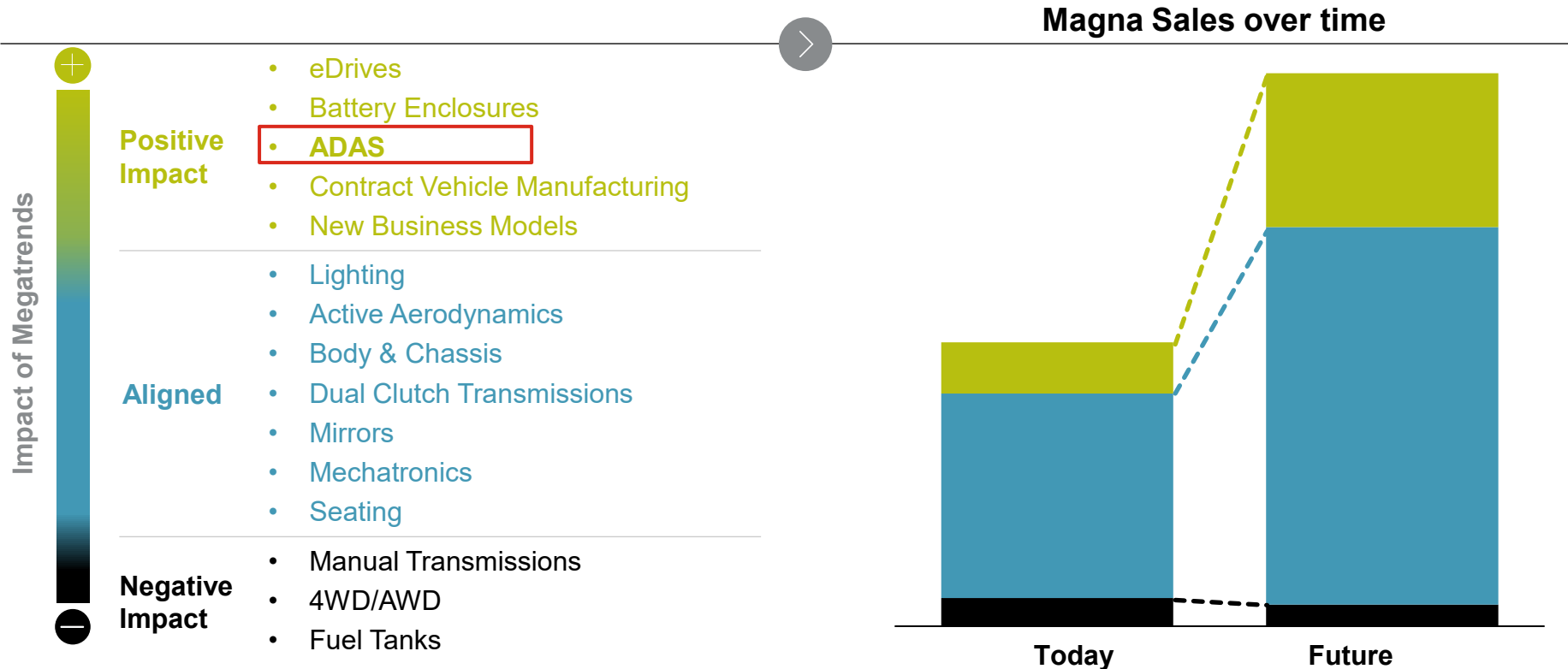
A Compelling Transaction For Magna

- Positions us as a **global leader** in fast-growing ADAS market
 - Combining **complementary businesses** strengthens and broadens product portfolio, customer base and geographic presence
 - Adds significant **engineering and software** expertise, including **sensor perception and drive policy** software
 - Enhances Magna's **full ADAS systems capabilities**, and accelerates content per vehicle opportunities
- Leading global position in **restraint controls**



Transaction Aligned With Magna's Portfolio Strategy

Accelerate Deployment of Capital Towards High Growth Areas



Transaction Benefits Key Stakeholders

- Magna's strong financial position provides added confidence to customers in executing growth plans and investing for the future
- Combined leadership position in ADAS, together with Magna's overall scale offers exciting opportunities for Veoneer's employees and supplier partners
- Increased software and overall ADAS competence further strengthens Magna's vehicle systems capabilities and positioning in future mobility – benefits employees from both companies
- Long-term value creation for Magna shareholders



Veoneer Profile



Key Facts

A leading supplier of automotive safety technology



Headquarters:
Stockholm,
Sweden

2018

Founded in a
Spin-Off from
Autoliv



7,500 employees
>3,800 engineers



Engineering sites in
11 countries across
3 continents



25 technical
centers and 5
manufacturing sites

\$1.3bn

2020 Net Sales¹

Business Overview

Products / Capabilities

Market Growth

Active
Safety

- Camera Systems
- Radar Systems
- Domain Controllers
- Driver Monitoring



Arriver

- Complete Software
Stack



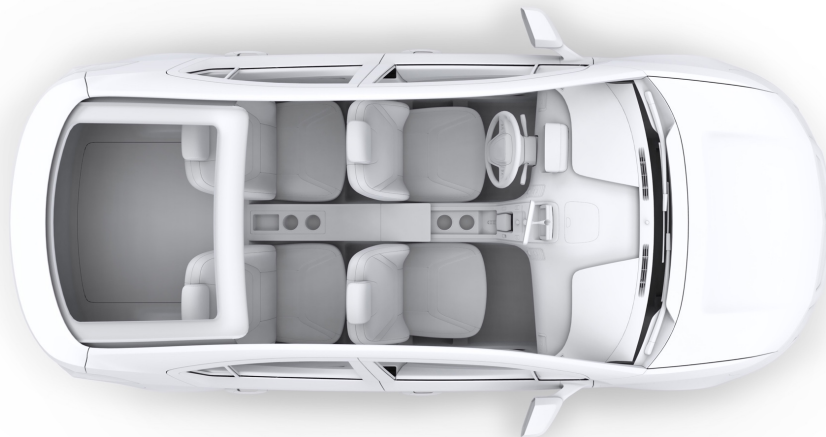
Passive
Safety

- Restraint Control
Systems

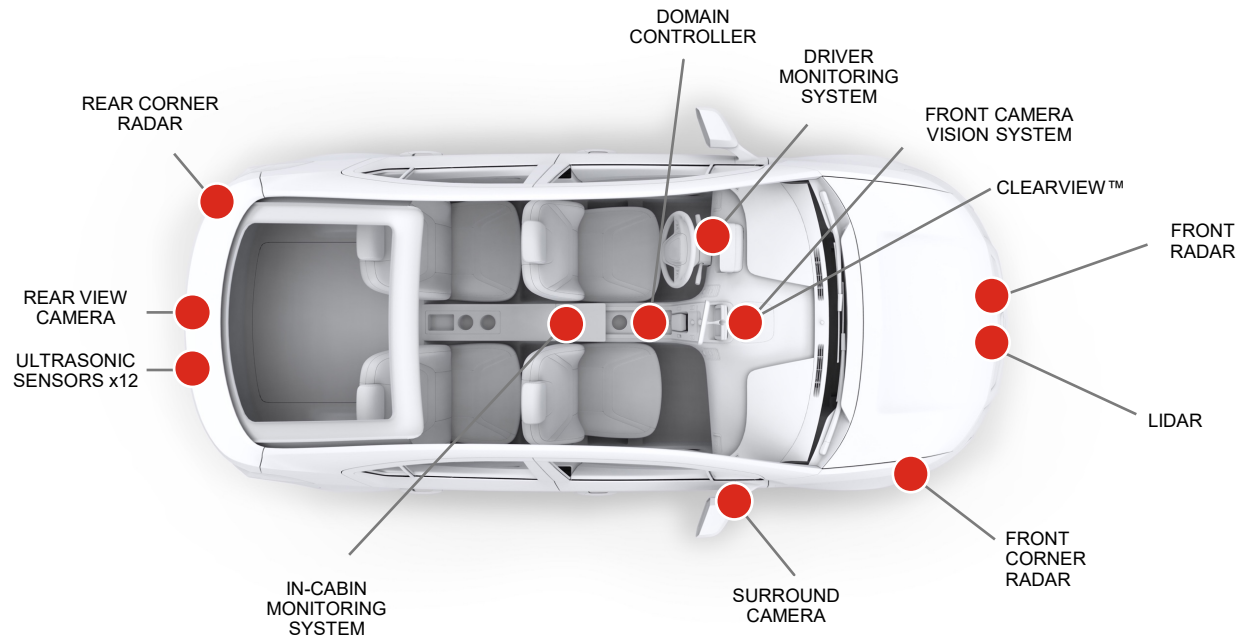


1. Excludes Brake Systems business sold in 2020

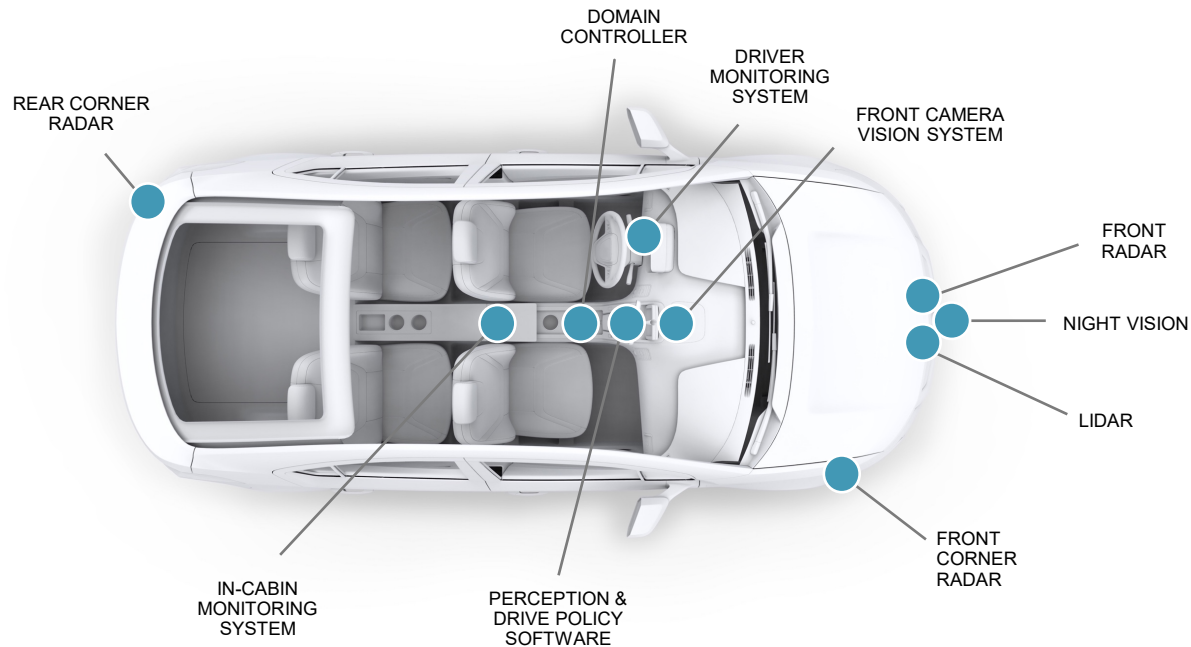
Complementary ADAS Capabilities



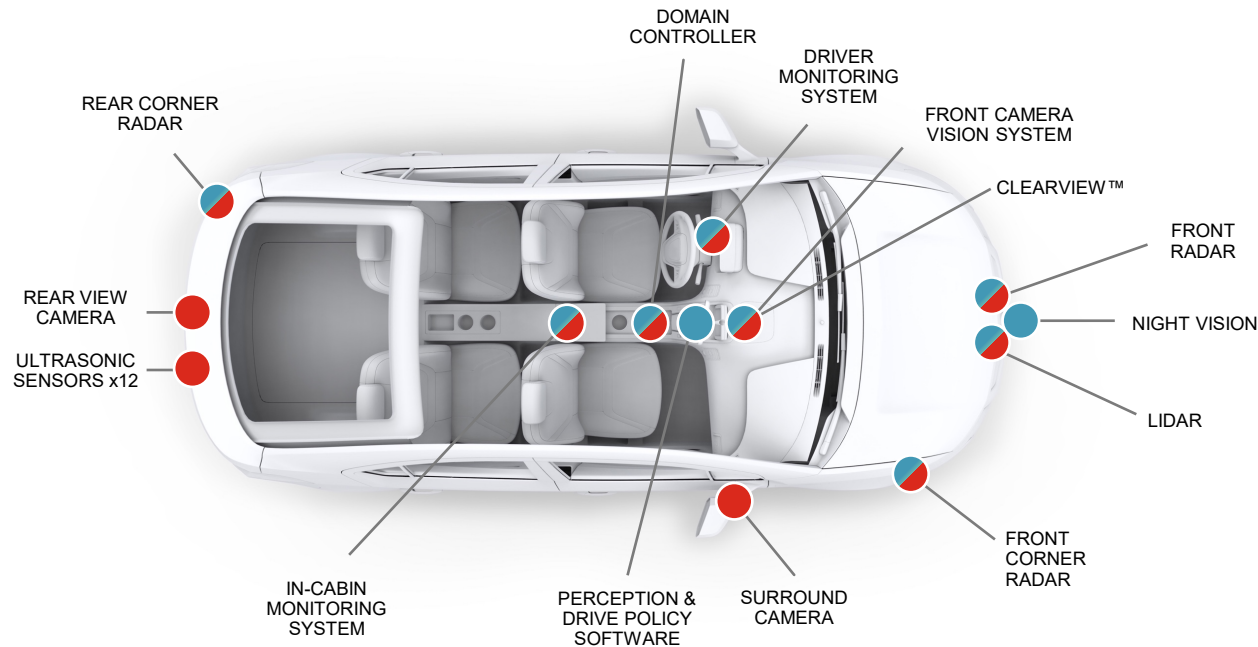
Complementary ADAS Capabilities



Complementary ADAS Capabilities



Complementary ADAS Capabilities



Comprehensive portfolio with market leading positions

Added Electronics Engineering Expertise



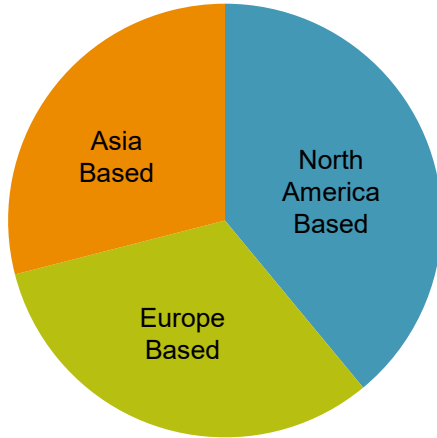
Veoneer adds
>3,800
engineers
including **>1,700**
software engineers

Sales Diversification of Combined Business

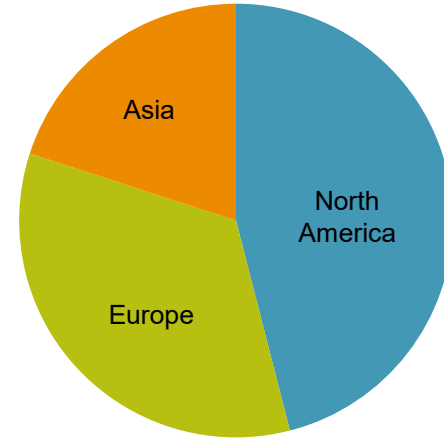


2020 Pro Forma Combined

By Customer



By Production Region

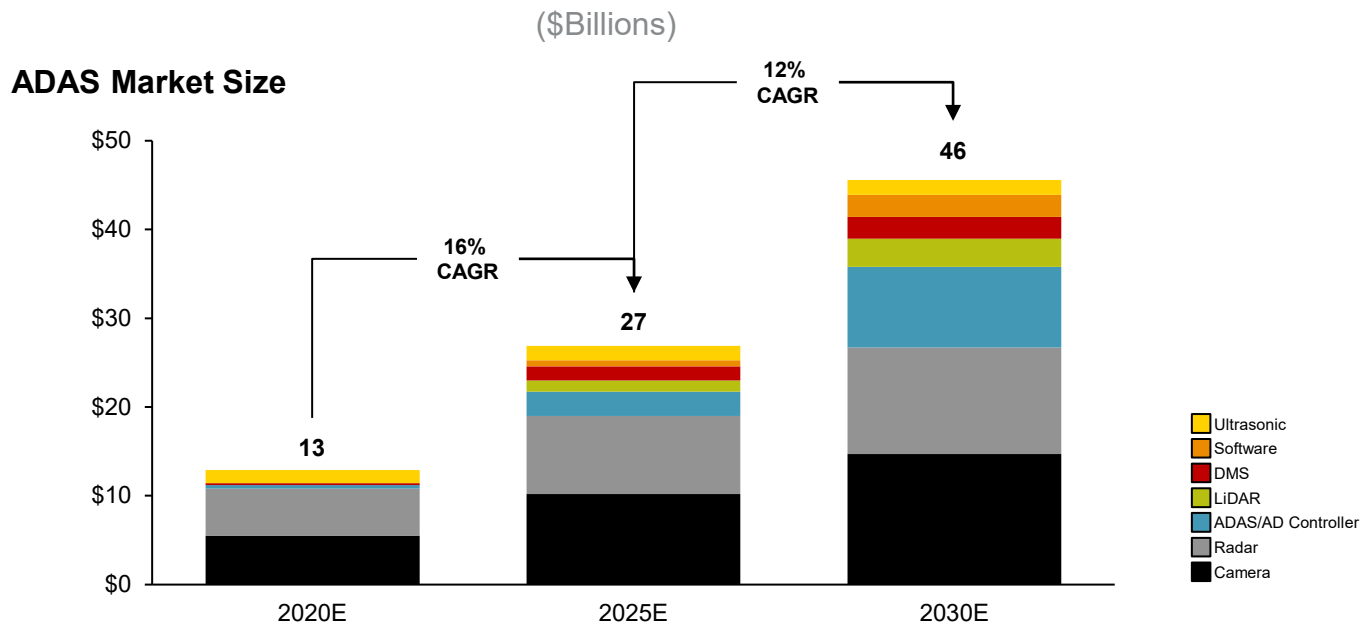


Enhanced Complete ADAS Systems Capabilities

- Accelerates content per vehicle opportunities
- Allows us to explore additional possibilities
- Strengthens Magna's position in the industry



Rapidly Growing ADAS Market...



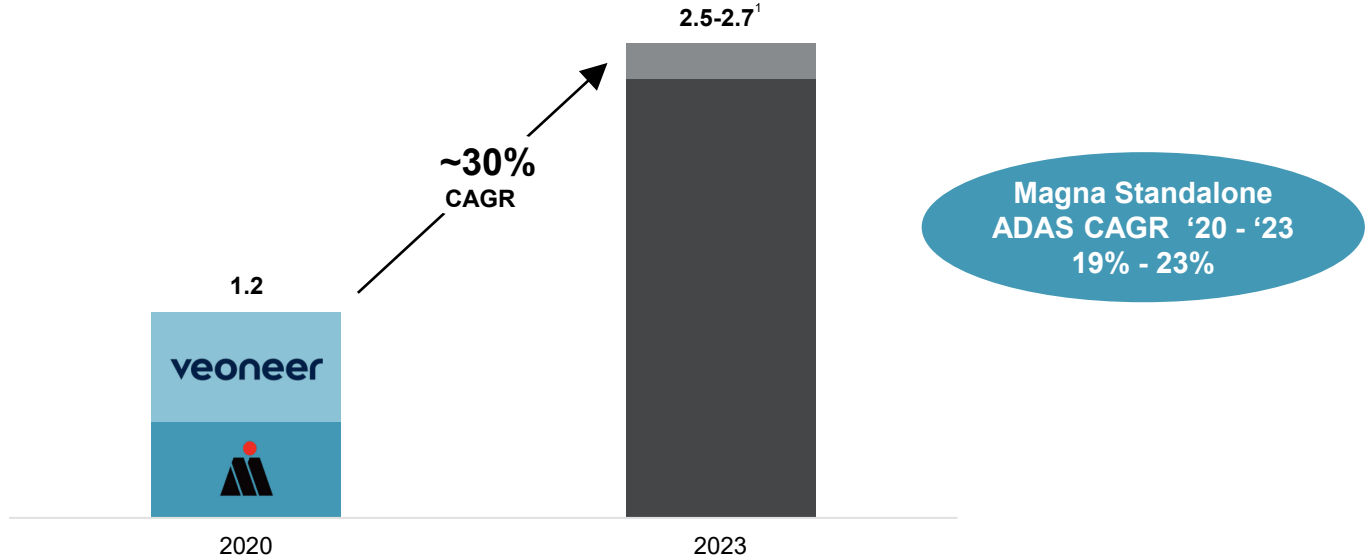
\$13 billion ADAS market expected to grow at 14% CAGR to \$46 billion by 2030

...Combined ADAS Business Expected to Grow ~2x Faster than Market to 2023



Pro Forma Combined ADAS Sales

(\$Billions)



1. Based on outlook disclosures made by Magna and Veoneer earlier in 2021

Transaction Summary



TOTAL CONSIDERATION

\$31.25

per share

IN CASH

43% premium to 30-day VWAP

TRANSACTION VALUE

EQUITY VALUE

\$3.8

Billion

ENTERPRISE VALUE¹

\$3.3

Billion

CLOSING

**Expected near the end of 2021,
subject to:**

- Veoneer stockholder approval
- Certain regulatory approvals
- Other customary closing conditions

Holders representing ~40% of Veoneer's outstanding shares
intend to vote in favour of transaction

1. Inclusive of Veoneer's cash, net of debt and other debt-like items as of March 31, 2021

Key Financial Attributes



50+ bps

improvement per year to 2023

Enhances Magna's
sales growth profile

Transaction expected to
be accretive to earnings
per share in 2024

(excluding purchase price amortization)

Investing for long-term value creation

~\$100 million

by 2024

Annual run-rate cost synergies

Transaction Funding

cash on hand

+

some additional debt

Adj. leverage expected to be
slightly above target range

1.0x to 1.5x

at close and within target
range by 2022 year-end

Expect to maintain strong investment-grade credit ratings

Expected Synergies



Anticipate
annual run-rate
synergies of
~\$100 million
by 2024

Key Areas

- SG&A
- Procurement
- Development activities
- Manufacturing
- Tax (cash savings)

Integration team highly focused on realizing synergies

Next Steps



Integration Team
Coordination



Employee
Engagement



Special Meeting of
Veoneer Stockholders



Regulatory Filings



A Compelling Transaction for Magna










































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Long-term value creation for Magna shareholders

APPENDIX

Complementary ADAS Capabilities



CAPABILITY	TECHNOLOGY	EXPERIENCE	SCALE	COMBINED	
Front Camera	 	 	 		A leading position
Surround View					
Other Camera					
Front Radar	 				A leading position
Corner Radar	 				
Domain Controller	 				Poised for a leading position as market develops
Driver/Occupant Monitoring	 				A leading position
Ultrasonics					
LiDAR	 				
Software Features & Functions	 	 			Among leaders in function, development and software expertise
Engineering Infrastructure	