



Forward. For all.

Magna Acquisition of Veoneer Active Safety

December 20, 2022

A horizontal band with a dark blue background. It features a grid of glowing blue lines on the left side and several bright, diagonal streaks of light blue and white on the right side, creating a sense of motion and technology.

Louis Tonelli

Vice President, Investor Relations

Forward Looking Statements



Certain statements in this document 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 market positioning in complete ADAS system	<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 obtain 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 • Semiconductor chip supply risks • Intense competition
Financial impact of transaction, including Sales diversification, sales growth, content per vehicle opportunities, 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	<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 cyclicality;
- regional production volume declines, including as a result of deteriorating vehicle affordability;
- intense competition;
- potential restrictions on free trade;
- trade disputes/tariffs;

Customer and Supplier Related Risks

- concentration of sales with six customers;
- emergence of potentially disruptive EV OEMs, including risks related to limited revenues/operating history of new OEM entrants;
- OEM consolidation and cooperation;
- reliance on outsourcing;
- 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;

Manufacturing/Operational Risks

- risks arising from Russia's invasion of Ukraine and compliance with the sanctions regime imposed in response;
- impact of the semiconductor chip shortage on OEM production volumes and the efficiency of our operations;
- supply disruptions, including with respect to semiconductor chips;
- regional energy shortages and price increases;
- skilled labour attraction/retention;
- product and new facility launch risks;
- operational underperformance;
- restructuring costs;
- impairment charges;
- labour disruptions;
- risks related to COVID-19;
- climate change risks;

IT Security/Cybersecurity Risk

- IT/Cybersecurity breach;
- Product Cybersecurity breach;

Pricing Risks

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

Acquisition Risks

- inherent merger and acquisition risks;
- acquisition integration risk;

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

- risks related to conducting business through joint ventures;
- our ability to consistently develop and commercialize innovative products or processes;
- intellectual property risks;
- 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 or made as a result of COVID-19.

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.

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Swamy Kotagiri

Chief Executive Officer

Accelerating Growth in ADAS

Positions Magna as a global leader



Combining **complementary businesses** broadens product portfolio, customer base and geographic presence

Adds significant **engineering resources and software expertise**

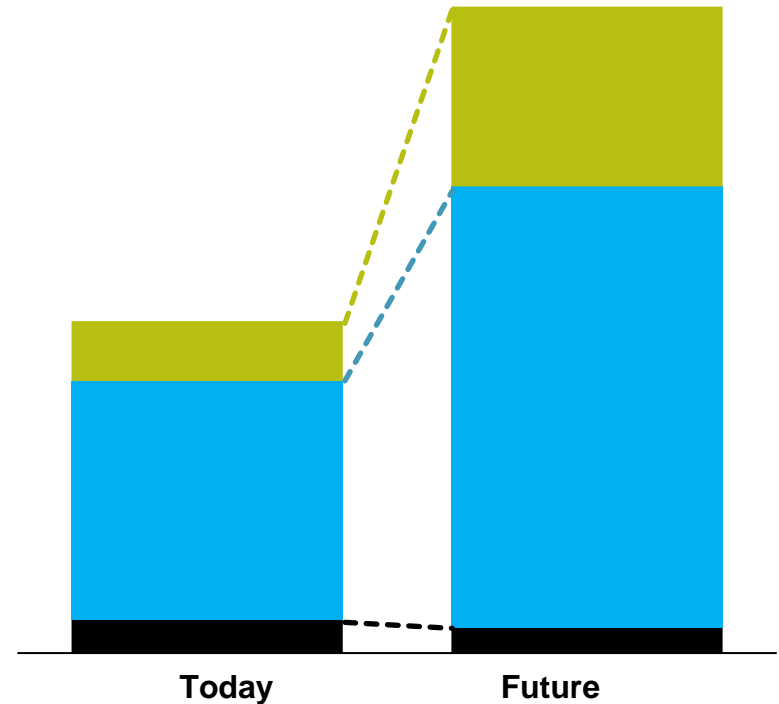
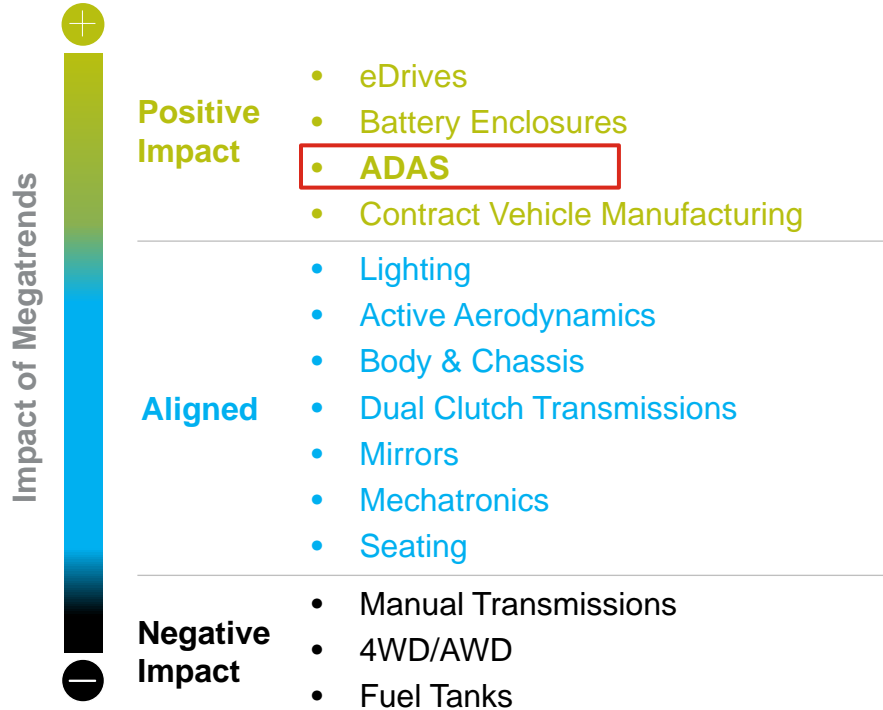
Enhances Magna's **full ADAS systems capabilities**, and increases content per vehicle opportunities



Transaction Aligned With Magna's Portfolio Strategy

Accelerate Deployment of Capital Towards High-Growth Areas

Magna Sales over time



Veoneer Active Safety Profile



Key Facts

A leading supplier of automotive safety technology

\$1.1bn

2022F Net Sales



3,700 employees
~2,200 engineers



15 engineering centres
in 8 countries across
3 continents



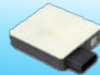
4 manufacturing sites

> 550

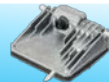
active patents

Business Overview

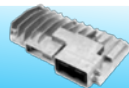
Radar Systems



Camera Systems



Domain Controllers (ECUs)

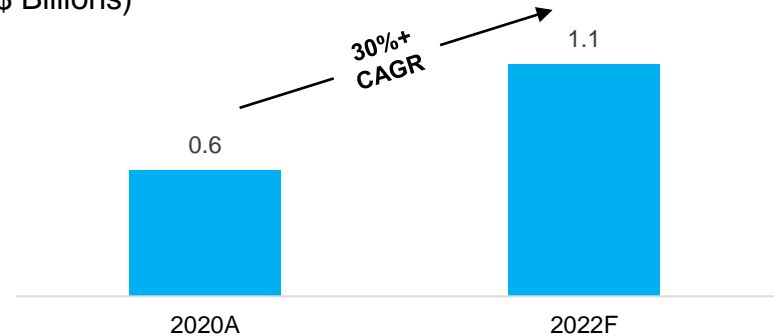


Driver Monitoring

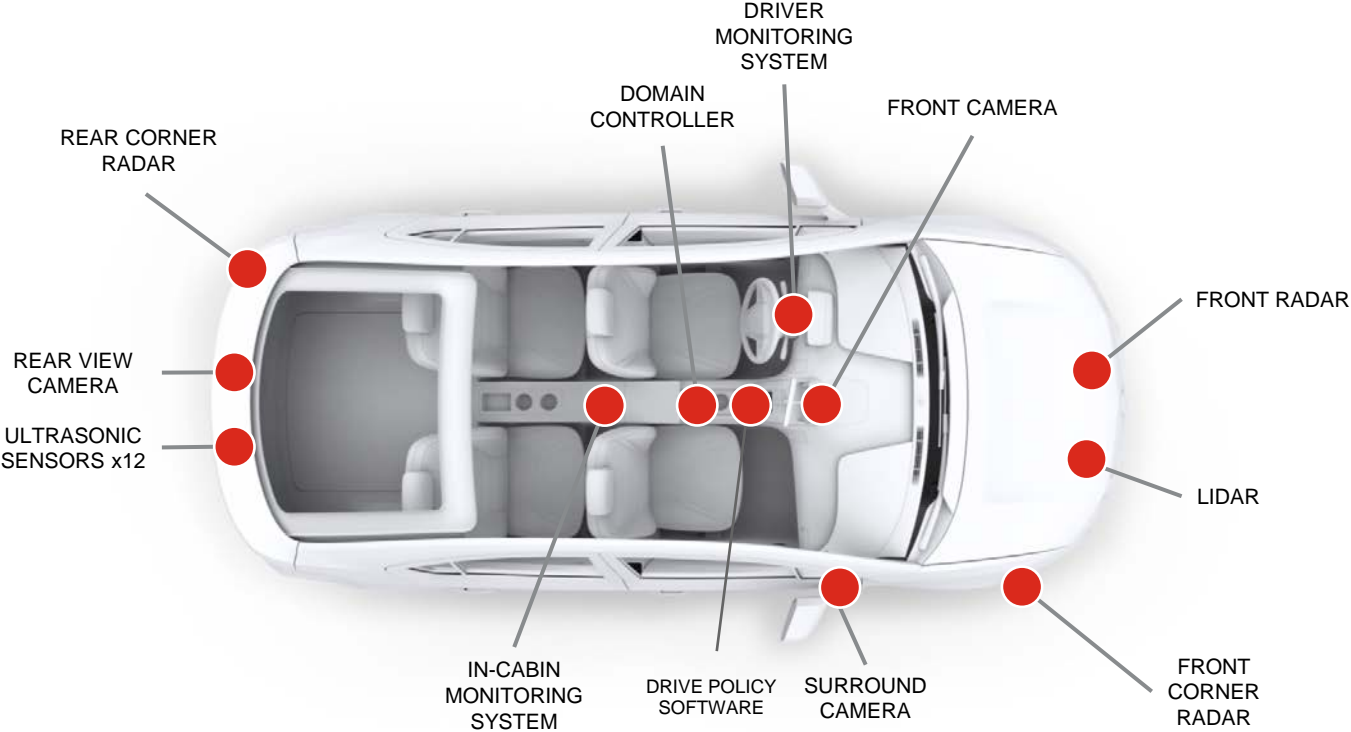


Sales Growth

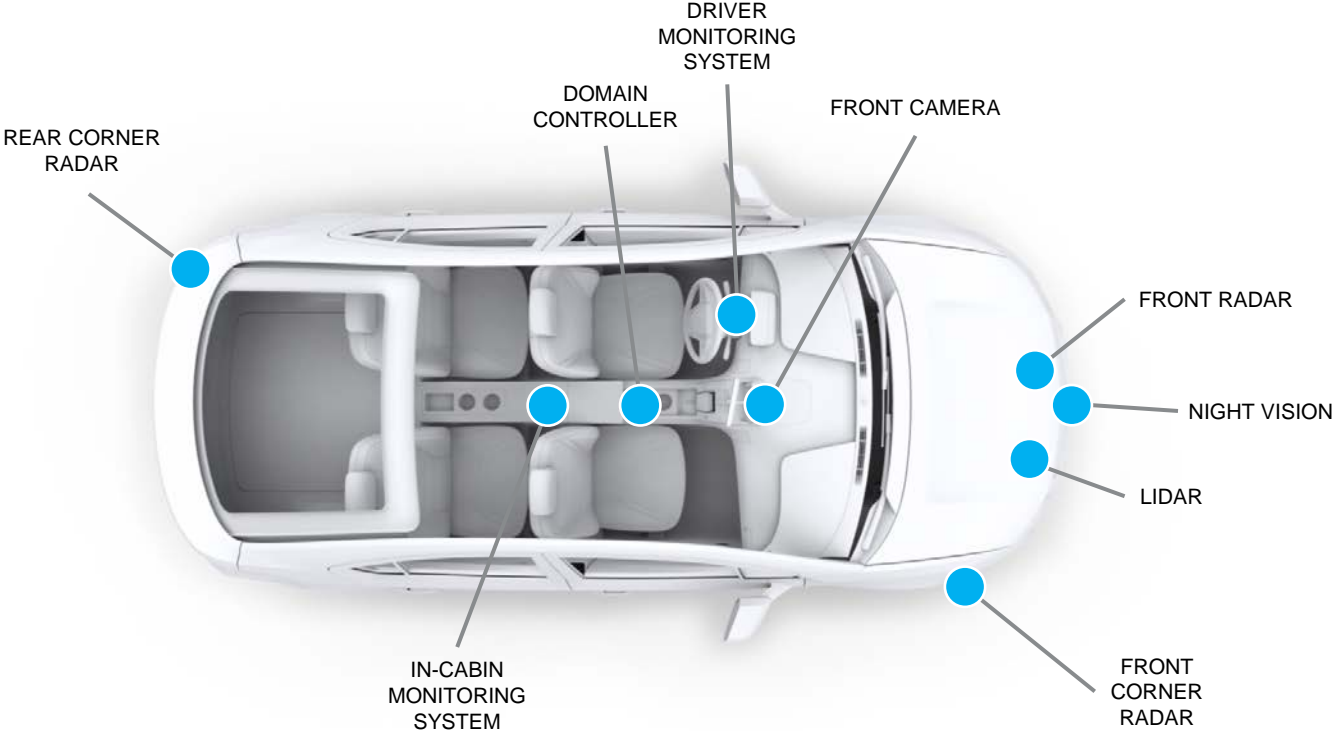
(\$ Billions)



Complementary ADAS Capabilities

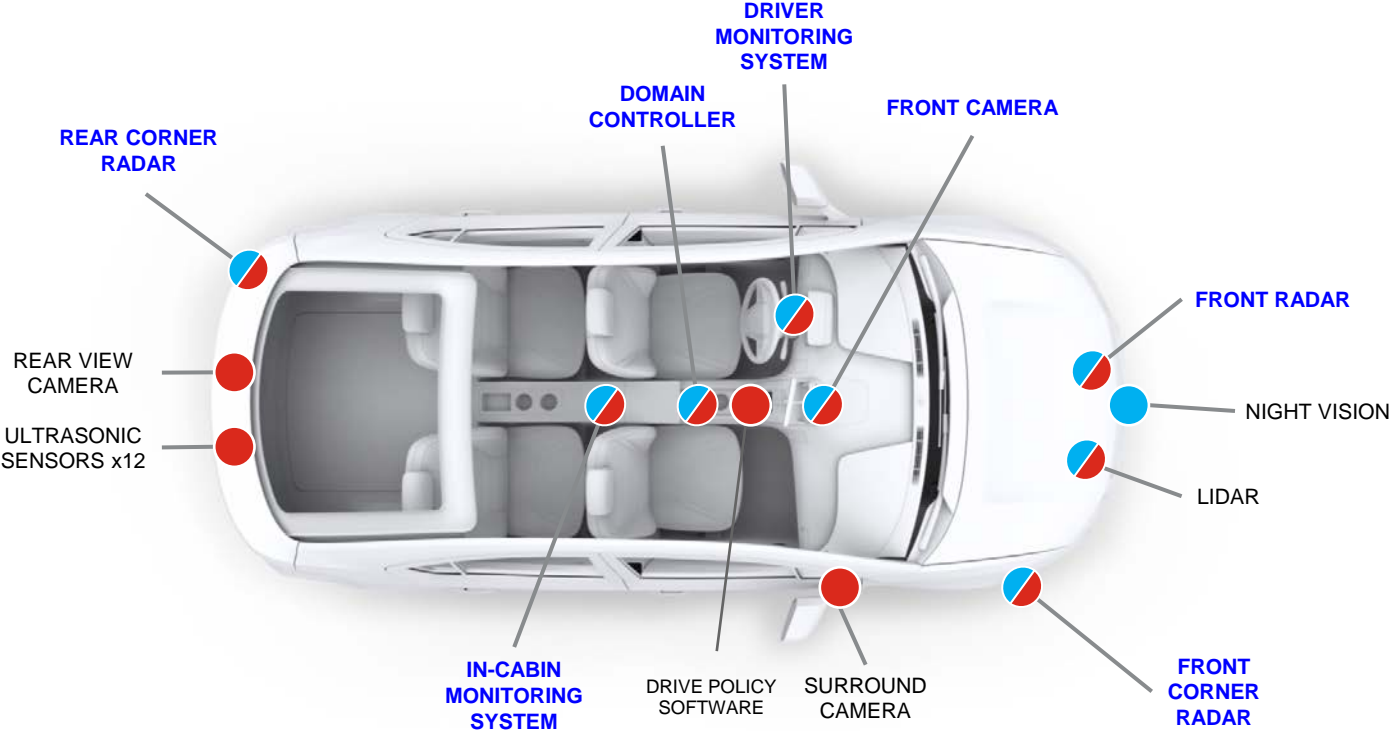


Complementary ADAS Capabilities



 **Veoneer Active Safety**

Complementary ADAS Capabilities



 Magna

 Veoneer Active Safety

 Enhanced Experience and Scale

Added Electronics Engineering Expertise



Veoneer Active Safety adds

~2,200

engineers

including **~1,800** system,
software and sensor
development engineers

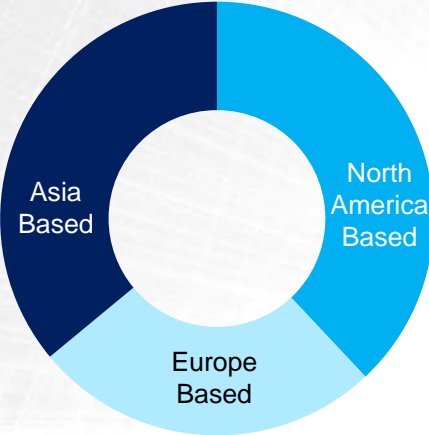


Sales Diversification of Combined Business

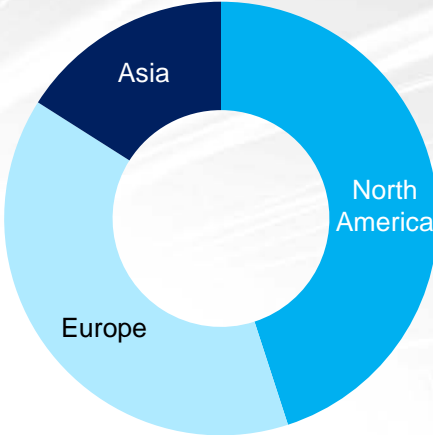


2022F Pro Forma ADAS Combined

By Customer

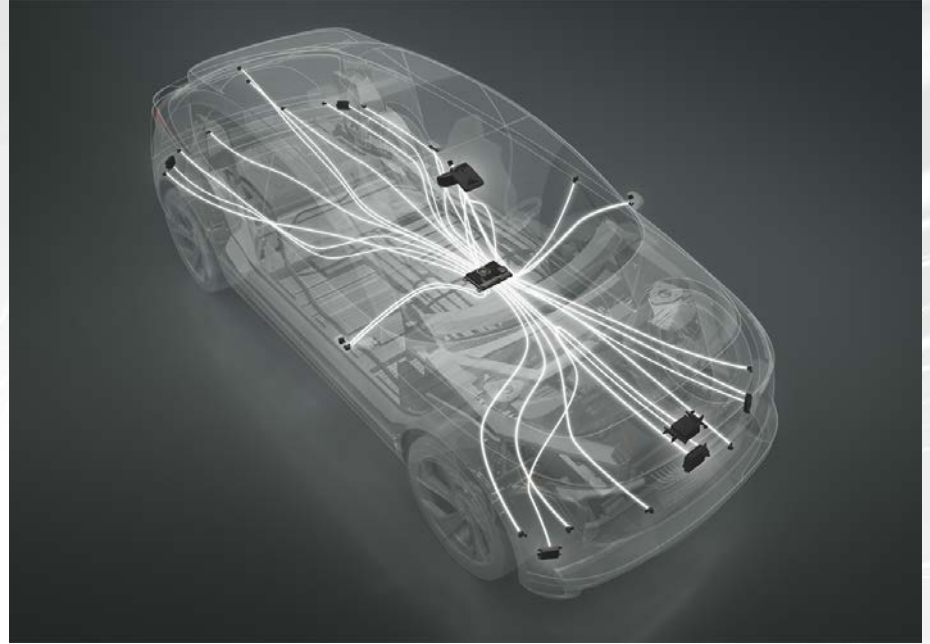


By Production Region



Enhanced Complete ADAS Systems Capabilities

- Content per vehicle opportunities
- Explore additional possibilities
- Strengthens Magna's position in the industry

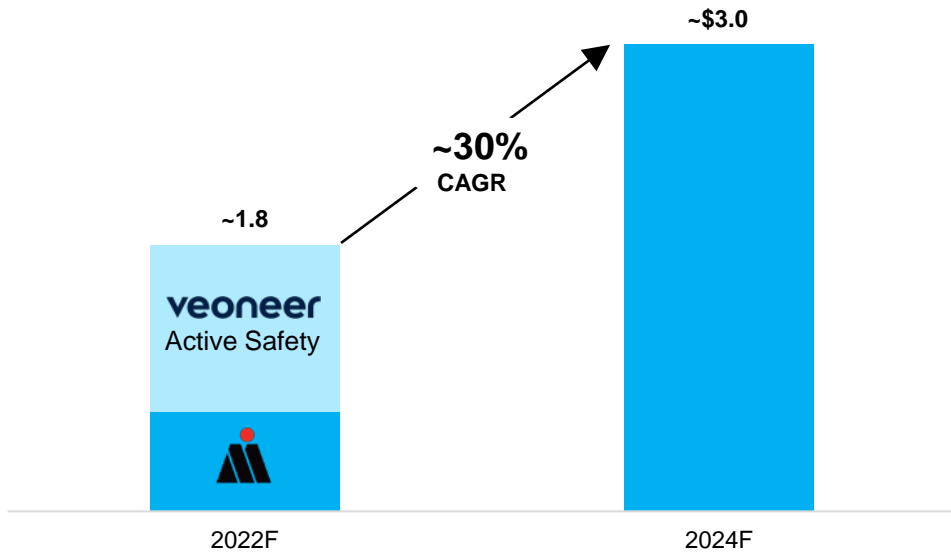


Expect Strong Growth in Combined ADAS Business



Pro Forma Combined ADAS Sales

(\$Billions)



\$50B ADAS Market by 2030

A horizontal band with a dark blue background. On the left, there is a faint grid pattern. On the right, there are several bright blue, glowing lines that curve and sweep across the space, creating a sense of motion and technology.

Pat McCann

Chief Financial Officer

Transaction Summary and Key Financial Attributes



TRANSACTION VALUE

\$1.525¹

Billion

**~ Neutral to Adjusted EPS in 2024,
accretive thereafter (ex PPA²)**

Enhances Magna's growth profile and increases megatrend presence

Purchase price supported by value proposition of rapid growth + synergies

Transaction funded with cash on hand + modest additional debt

No significant change in leverage profile or financial flexibility

1. Excluding Veoneer Active Safety's cash, net debt and other debt-like items

2. PPA - purchase price amortization.

Expected Synergies



Anticipate
annual run-rate
synergies of
\$70+ million
by 2025

Key Areas

- Procurement
- SG&A
- Development activities

Integration Team Highly Focused on Realizing Synergies

Next Steps



Integration Team Coordination



Employee Engagement



Regulatory Filings

Closing Expected Near Mid-Year 2023

Accelerating Growth in ADAS

Positions Magna as a global leader



Combining **complementary businesses** broadens product portfolio, customer base and geographic presence

Adds significant **engineering resources and software expertise**

Enhances Magna's **full ADAS systems capabilities**, and increases content per vehicle opportunities



Long-term value creation for Magna shareholders



Forward. For all.

APPENDIX

Complementary ADAS Capabilities



CAPABILITY	TECHNOLOGY	EXPERIENCE	SCALE	COMBINED	
Front Camera	● ●	● ●	● ●		
Surround View	●	●	●	↑	A leading position
Other Camera	●	●			
Front Radar	● ●	●	●	↑	
Corner Radar	● ●	●	●		A leading position
Domain Controller	● ●	●	●	↑	Poised for a leading position as market develops
Driver/Occupant Monitoring	● ●	●	●	↑	A leading position
Ultrasonics	●				
LiDAR	● ●	●			
Software Features & Functions	● ●	● ●	● ●		
Engineering Infrastructure	● ●	● ●	●	↑	A leading position

● MAGNA ● Veoneer Active Safety ↑ IMPROVED POSITION