

LINAMAR CORPORATION
Consolidated Interim Statements of Financial Position

As at March 31, 2020 with comparatives as at December 31, 2019 (Unaudited)
(in thousands of Canadian dollars)

| | March 31 2020 \$ | December 31 2019 \$ |
|--|------------------------|---------------------------|
| ASSETS | | |
| Cash and cash equivalents | 413,185 | 338,226 |
| Accounts and other receivables | 1,042,604 | 988,245 |
| Inventories | 1,093,219 | 991,759 |
| Income taxes recoverable | 42,601 | 47,216 |
| Current portion of long-term receivables (Note 6) | 120,296 | 118,095 |
| Current portion of derivative financial instruments (Note 6) | 54,373 | 6,415 |
| Other current assets | 36,723 | 40,879 |
| Current Assets | 2,803,001 | 2,530,835 |
| Long-term receivables (Note 6) | 421,561 | 403,811 |
| Derivative financial instruments (Note 6) | 45,633 | 84,758 |
| Property, plant and equipment | 2,792,919 | 2,758,764 |
| Investments | 7,055 | 6,642 |
| Deferred tax assets | 72,779 | 61,840 |
| Intangible assets | 887,082 | 873,616 |
| Goodwill | 889,296 | 858,541 |
| Assets | 7,919,326 | 7,578,807 |
| LIABILITIES | | |
| Short-term borrowings | 14,291 | 5,561 |
| Accounts payable and accrued liabilities | 1,388,904 | 1,271,856 |
| Provisions | 37,772 | 40,358 |
| Income taxes payable | 35,534 | 23,188 |
| Current portion of long-term debt (Notes 6, 7) | 639,167 | 26,186 |
| Current portion of derivative financial instruments (Note 6) | 45,436 | - |
| Current Liabilities | 2,161,104 | 1,367,149 |
| Long-term debt (Notes 6, 7) | 1,299,034 | 1,865,942 |
| Derivative financial instruments (Note 6) | 10,715 | 20,153 |
| Deferred tax liabilities | 273,156 | 295,808 |
| Liabilities | 3,744,009 | 3,549,052 |
| EQUITY | | |
| Capital stock | 131,787 | 132,356 |
| Retained earnings | 3,896,441 | 3,830,666 |
| Contributed surplus | 28,188 | 27,578 |
| Accumulated other comprehensive earnings (loss) | 118,901 | 39,155 |
| Equity | 4,175,317 | 4,029,755 |
| Liabilities and Equity | 7,919,326 | 7,578,807 |

The accompanying notes are an integral part of these consolidated interim financial statements.

On behalf of the Board of Directors:

(Signed) "Frank Hasenfratz"

Frank Hasenfratz
Director

(Signed) "Linda Hasenfratz"

Linda Hasenfratz
Director

LINAMAR CORPORATION

Consolidated Interim Statements of Earnings

For the three months ended March 31, 2020 and March 31, 2019 (Unaudited)
(in thousands of Canadian dollars, except per share figures)

| | Three Months Ended | |
|---|--------------------|-----------|
| | 2020 | March 31 |
| | \$ | 2019 |
| | \$ | \$ |
| Sales | 1,549,765 | 1,974,494 |
| Cost of sales | 1,349,292 | 1,670,638 |
| Gross Margin | 200,473 | 303,856 |
| Selling, general and administrative | 97,441 | 110,217 |
| Other income and (expenses) (Note 9) | 14,908 | (5,909) |
| Operating Earnings (Loss) | 117,940 | 187,730 |
| Share of net earnings (loss) of investments accounted for using the equity method | (6,426) | (2,662) |
| Finance income and (expenses) (Note 10) | (7,440) | (12,263) |
| Net Earnings (Loss) before Income Taxes | 104,074 | 172,805 |
| Provision for (recovery of) income taxes | 25,588 | 40,478 |
| Net Earnings (Loss) for the Period | 78,486 | 132,327 |
| Net Earnings (Loss) Per Share: | | |
| Basic | 1.21 | 2.02 |
| Diluted | 1.20 | 2.00 |

The accompanying notes are an integral part of these consolidated interim financial statements.

LINAMAR CORPORATION**Consolidated Interim Statements of Comprehensive Earnings**

For the three months ended March 31, 2020 and March 31, 2019 (Unaudited)
(in thousands of Canadian dollars)

| | Three Months Ended | |
|---|--------------------|----------|
| | 2020 | March 31 |
| | 2019 | |
| | \$ | \$ |
| Net Earnings (Loss) for the Period | 78,486 | 132,327 |
| Items that may be reclassified subsequently to net income | | |
| Unrealized gains (losses) on translating financial statements of foreign operations | 166,334 | (94,356) |
| Change in unrealized gains (losses) on net investment hedges | (58,198) | 37,530 |
| Change in unrealized gains (losses) on cash flow hedges | 21,686 | (28,552) |
| Change in cost of hedging | 8,880 | 7,303 |
| Reclassification to earnings of gains (losses) on cash flow hedges | (87,819) | 23,171 |
| Tax impact of above | 28,863 | (9,863) |
| Other Comprehensive Earnings (Loss) | 79,746 | (64,767) |
| Comprehensive Earnings (Loss) for the Period | 158,232 | 67,560 |

The accompanying notes are an integral part of these consolidated interim financial statements.

LINAMAR CORPORATION

Consolidated Interim Statements of Changes in Equity

For the three months ended March 31, 2020 and March 31, 2019 (Unaudited)

(in thousands of Canadian dollars)

| | Capital stock \$ | Retained earnings \$ | Contributed surplus \$ | Cumulative translation adjustment \$ | Hedging reserves \$ | Total Equity \$ |
|--|------------------------|----------------------------|------------------------------|---|---------------------------|--------------------|
| Balance at January 1, 2020 | 132,356 | 3,830,666 | 27,578 | 36,469 | 2,686 | 4,029,755 |
| Net Earnings (Loss) | - | 78,486 | - | - | - | 78,486 |
| Other comprehensive earnings (loss) | - | - | - | 121,916 | (42,170) | 79,746 |
| Comprehensive Earnings (Loss) | - | 78,486 | - | 121,916 | (42,170) | 158,232 |
| Share-based compensation | - | - | 610 | - | - | 610 |
| Common shares repurchased and cancelled (Note 8) | (569) | (12,711) | - | - | - | (13,280) |
| Balance at March 31, 2020 | 131,787 | 3,896,441 | 28,188 | 158,385 | (39,484) | 4,175,317 |

| | Capital stock \$ | Retained earnings \$ | Contributed surplus \$ | Cumulative translation adjustment \$ | Hedging reserves \$ | Total Equity \$ |
|---|------------------------|----------------------------|------------------------------|---|---------------------------|--------------------|
| Balance at January 1, 2019 | 122,393 | 3,459,841 | 28,449 | 197,221 | (4,772) | 3,803,132 |
| Net Earnings (Loss) | - | 132,327 | - | - | - | 132,327 |
| Other comprehensive earnings (loss) | - | - | - | (65,066) | 299 | (64,767) |
| Comprehensive Earnings (Loss) | - | 132,327 | - | (65,066) | 299 | 67,560 |
| Share-based compensation | - | - | 630 | - | - | 630 |
| Common shares repurchased and cancelled | (66) | (1,603) | - | - | - | (1,669) |
| Balance at March 31, 2019 | 122,327 | 3,590,565 | 29,079 | 132,155 | (4,473) | 3,869,653 |

The accompanying notes are an integral part of these consolidated interim financial statements.

LINAMAR CORPORATION**Consolidated Interim Statements of Cash Flows**

For the three months ended March 31, 2020 and March 31, 2019 (Unaudited)
(in thousands of Canadian dollars)

| | Three Months Ended | |
|---|--------------------|------------------|
| | 2020 | 2019 |
| | \$ | \$ |
| Cash generated from (used in) | | |
| Operating Activities | | |
| Net Earnings (Loss) for the Period | 78,486 | 132,327 |
| Adjustments for: | | |
| Amortization of property, plant and equipment | 99,576 | 85,723 |
| Amortization of other intangible assets | 10,618 | 10,407 |
| Deferred income taxes | (7,291) | (1,770) |
| Share-based compensation | 610 | 630 |
| Finance (income) and expenses | 7,440 | 12,263 |
| Other | (6,259) | 8,365 |
| | 183,180 | 247,945 |
| Changes in operating assets and liabilities: | | |
| (Increase) decrease in accounts and other receivables | (29,551) | (212,949) |
| (Increase) decrease in inventories | (82,675) | (19,174) |
| (Increase) decrease in other current assets | 4,738 | 1,721 |
| (Increase) decrease in long-term receivables | 12,684 | (1,886) |
| Increase (decrease) in income taxes | 16,681 | (21,899) |
| Increase (decrease) in accounts payable and accrued liabilities | 130,772 | 134,783 |
| Increase (decrease) in provisions | (3,225) | 1,719 |
| | 49,424 | (117,685) |
| Cash generated from (used in) operating activities | 232,604 | 130,260 |
| Financing Activities | | |
| Proceeds from (repayments of) short-term borrowings | 7,830 | (197) |
| Proceeds from (repayments of) long-term debt | (53,424) | 18,246 |
| Repurchase of shares (Note 8) | (13,280) | (1,669) |
| Finance income received (expenses paid) | (8,346) | (13,617) |
| Cash generated from (used in) financing activities | (67,220) | 2,763 |
| Investing Activities | | |
| Payments for purchase of property, plant and equipment | (90,695) | (120,399) |
| Proceeds on disposal of property, plant and equipment | 5,169 | 12,001 |
| Payments for purchase of intangible assets | (5,782) | (3,150) |
| Other | (5,289) | (5,767) |
| Cash generated from (used in) investing activities | (96,597) | (117,315) |
| | 68,787 | 15,708 |
| Effect of translation adjustment on cash | 6,172 | (2,226) |
| Increase (decrease) in cash and cash equivalents | 74,959 | 13,482 |
| Cash and cash equivalents - Beginning of Period | 338,226 | 471,975 |
| Cash and cash equivalents - End of Period | 413,185 | 485,457 |
| Comprised of: | | |
| Cash in bank | 366,854 | 347,405 |
| Short-term deposits | 69,010 | 144,933 |
| Unpresented cheques | (22,679) | (6,881) |
| | 413,185 | 485,457 |

The accompanying notes are an integral part of these consolidated interim financial statements.

LINAMAR CORPORATION

Notes to Consolidated Interim Financial Statements

For the three months ended March 31, 2020 and March 31, 2019 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

1 General Information

Linamar Corporation and its subsidiaries, including jointly controlled entities, (together, the "Company") is a diversified global manufacturing company of highly engineered products. The Company is incorporated in Ontario, Canada with common shares listed on the Toronto Stock Exchange ("TSX"). The Company is domiciled in Canada and its registered office is 287 Speedvale Avenue West, Guelph, Ontario, Canada.

The consolidated interim financial statements of the Company for the period ended March 31, 2020 were authorized for issue in accordance with a resolution of the Company's Board of Directors on May 13, 2020.

2 Basis of Presentation and Significant Accounting Policies

The Company has prepared its consolidated interim financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and with interpretations of the International Financial Reporting Issues Committee.

These interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. Accordingly, certain information and footnotes as required in the annual financial statements have been omitted or condensed and as such these interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2019. These interim financial statements and the notes thereto have not been reviewed by the Company's external auditors pursuant to a review engagement applying review standards set out in the Canadian Chartered Professional Accountants handbook.

These interim financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value.

The Company has prepared these unaudited consolidated interim financial statements using the same accounting policies and methods as those used in the Company's audited consolidated annual financial statements for the year ended December 31, 2019. These policies have been consistently applied to all periods presented, unless otherwise stated.

3 Changes in Accounting Policies

New Standards and Interpretations Not Yet Adopted

All pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. At the date of authorization of these interim financial statements, there were no new standards, amendments and interpretations to existing standards that were relevant to the Company.

4 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgements about the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions or conditions.

The following discussion sets forth an update to Impairment of Non-Financial Assets which is considered one of the Company's critical estimates in determining the value of assets and liabilities and most critical judgements in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year.

Impairment of Non-Financial Assets

The Company believes that the estimate of impairment for goodwill and non-financial assets is a "critical accounting estimate" because management is required to assess at the end of each reporting period whether there is any indication that an asset may be impaired and to make significant forward-looking assumptions. In assessing whether there is an indication that an asset may be impaired, there are a number of external and internal sources of information which require a high degree of judgement. The recoverable amounts of cash generating units have been determined based on the higher of fair value less costs of disposal or value in use calculations, which require the use of estimates. Uncertain changes in the discount rate used, and forward-looking assumptions regarding improvement plans, costing assumptions, timing of program launches, and production volumes may affect the fair value of estimates used. No known trends, commitments, events or other uncertainties are currently believed to materially affect the assumptions used with the exception of the length and extent of the COVID-19 pandemic and its impact on the overall global economy which is not known.

Please refer to the "Critical Accounting Estimates and Judgements" section of the Company's December 31, 2019 consolidated annual financial statements for additional information.

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Notes to Consolidated Interim Financial Statements

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(in thousands of Canadian dollars, except where otherwise noted)

5 Seasonality

Historically, earnings in the second quarter for the Industrial segment are positively impacted by the high selling season for both the access equipment and agricultural businesses. For the Transportation segment, vehicle production is typically at its lowest level during the third and fourth quarters due to lower original equipment manufacturers' production schedules resulting from shutdowns related to summer and winter maintenance and model changeovers. The Company takes advantage of summer and winter shutdowns for maintenance activities that would otherwise disrupt normal production schedules.

6 Composition of Financial Instruments

The comparison of fair values to carrying amounts of financial assets and financial liabilities along with their fair value hierarchy for financial assets and financial liabilities carried at fair value on a recurring basis is as follows:

| | Subsequent Measurement | March 31, 2020 | | December 31, 2019 | |
|---|---------------------------|--|------------------|--|------------------|
| | | Carrying Value Asset (Liability) \$ | Fair Value \$ | Carrying Value Asset (Liability) \$ | Fair Value \$ |
| Long-term receivables | Amortized cost (Level 2) | 541,857 | 564,530 | 521,906 | 529,685 |
| Derivative financial instruments | | | | | |
| USD interest payment forward contracts | Fair value (Level 2) | 3,483 | 3,483 | 3,230 | 3,230 |
| USD debt principal forward contracts | Fair value (Level 2) | 44,475 | 44,475 | 29,838 | 29,838 |
| USD cross currency interest rate swaps | Fair value (Level 2) | 51,091 | 51,091 | (20,153) | (20,153) |
| EUR cross currency interest rate swaps | Fair value (Level 2) | 957 | 957 | 52,218 | 52,218 |
| USD sales forwards – CAD functional entities | Fair value (Level 2) | (19,087) | (19,087) | 5,887 | 5,887 |
| USD sales forwards – MXN functional entities | Fair value (Level 2) | (35,575) | (35,575) | - | - |
| USD sales forwards – CNY functional entities | Fair value (Level 2) | (1,489) | (1,489) | - | - |
| Investment designated at fair value through other comprehensive income | Fair value (Level 3) | 7,055 | 7,055 | 6,642 | 6,642 |
| Long-term debt, excluding lease liabilities | Amortized cost (Level 2) | (1,867,800) | (1,874,940) | (1,819,589) | (1,807,840) |

Beginning in the fourth quarter of 2019, the Company entered into a series of forward exchange contracts to hedge a portion of the ultimate cash flows arising from highly probable forecasted United States dollar ("USD") sales. The Company's program hedges a portion of USD sales contracts entered into by entities with various functional currencies. All the contracts are designated as cash flow hedges and are accounted for in the same manner. At period end there were contracts in place which hedge a portion of USD sales for a period of approximately eighteen months and the USD notional hedge values and average forward rates back to the respective functional currencies are as follows:

| | March 31, 2020 | | December 31, 2019 | |
|--|--------------------------------------|-------------------------|--------------------------------------|-------------------------|
| | Notional Hedge Value USD \$ | Average Forward Rate | Notional Hedge Value USD \$ | Average Forward Rate |
| USD sales forwards – CAD functional entities | 254,925 | 1.3369 | 206,675 | 1.3271 |
| USD sales forwards – MXN functional entities | 144,575 | 20.5604 | - | - |
| USD sales forwards – CNY functional entities | 44,650 | 6.9902 | - | - |

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For the three months ended March 31, 2020 and March 31, 2019 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

7 Long-Term Debt

| | March 31 2020 \$ | December 31 2019 \$ |
|------------------------|------------------------|---------------------------|
| Senior unsecured notes | 183,396 | 168,778 |
| Bank borrowings | 1,606,285 | 1,570,791 |
| Lease liabilities | 70,401 | 72,539 |
| Government borrowings | 78,119 | 80,020 |
| | 1,938,201 | 1,892,128 |
| Less: current portion | 639,167 | 26,186 |
| | 1,299,034 | 1,865,942 |

As of March 31, 2020, \$739,250 was available under the various credit facilities. Of the current portion, USD \$434,737 is not due for payment until January 2021.

8 Capital Stock

In March 2020, the Company announced that the Toronto Stock Exchange ("TSX") had accepted a notice filed by the Company of its intention to renew its normal course issuer bid ("NCIB" or "Bid"). Under the NCIB, Linamar has the ability to purchase for cancellation up to a maximum of 4,396,427 common shares from March 20, 2020 until March 19, 2021, representing approximately 10% of the public float of 43,964,265 that were issued and outstanding as of March 6, 2020.

Subsequent to March 31, 2020, 393,501 options were exercised at an exercise price of \$19.32 per share.

9 Other Income and (Expenses)

| | Three Months Ended March 31 | |
|------------------------------|--------------------------------|---------|
| | 2020 | 2019 |
| | \$ | \$ |
| Foreign exchange gain (loss) | 14,438 | (5,942) |
| Other income (expense) | 470 | 33 |
| | 14,908 | (5,909) |

10 Finance Income and (Expenses)

| | Three Months Ended March 31 | |
|--|--------------------------------|----------|
| | 2020 | 2019 |
| | \$ | \$ |
| Finance costs | (11,740) | (18,423) |
| Foreign exchange gain (loss) on debt and derivatives | (360) | 800 |
| Interest earned | 7,656 | 7,272 |
| Other | (2,996) | (1,912) |
| | (7,440) | (12,263) |

11 Commitments

As at March 31, 2020, outstanding commitments for capital expenditures under purchase orders and contracts amounted to \$118,267 (March 31, 2019 - \$207,466). Of this amount \$116,458 (March 31, 2019 - \$181,816) relates to the purchase of manufacturing equipment and \$1,809 (March 31, 2019 - \$25,650) relates to general contracting and construction costs in respect of plant construction. The majority of these commitments are due within the next twelve months.

12 Segmented Information

Management has determined the operating segments based on the reports reviewed by the Senior Executive Group that are used to make strategic decisions.

Transportation: The Transportation segment derives revenues primarily from the collaborative design, development and manufacture of precision metallic components, modules and systems for global vehicle markets.

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(in thousands of Canadian dollars, except where otherwise noted)

Industrial: The Industrial segment is a world leader in the design and production of innovative mobile industrial equipment, notably its class-leading aerial work platforms, telehandlers and agricultural equipment.

The segments are differentiated by the products that each produces and reflects how the Senior Executive Group manages the business. Corporate headquarters and other small operating entities are allocated to the Transportation and Industrial operating segments accordingly.

The Company accounts for inter-segment sales and transfers as arm's length transactions at current market rates. The Company ensures that the measurement and policies are consistently followed among the Company's reportable segments for sales, operating earnings, earnings and assets.

The Company derives revenue from the transfer of goods and services at a point in time and over time in the following operating segments. These segments best depict how economic factors affect the nature, amount, timing and uncertainty of revenue and cash flows.

| | Three Months Ended March 31, 2020 | | | |
|----------------|-----------------------------------|---------------------|---------------------------|---------------------------|
| | Sales to external customers | Inter-segment sales | Operating earnings (loss) | Total identifiable assets |
| | \$ | \$ | \$ | \$ |
| Transportation | 1,250,811 | 8,055 | 75,014 | 4,949,109 |
| Industrial | 298,954 | 3,241 | 42,926 | 2,970,217 |
| Total | 1,549,765 | 11,296 | 117,940 | 7,919,326 |

| | Three Months Ended March 31, 2019 | | | |
|----------------|-----------------------------------|---------------------|---------------------------|---------------------------|
| | Sales to external customers | Inter-segment sales | Operating earnings (loss) | Total identifiable assets |
| | \$ | \$ | \$ | \$ |
| Transportation | 1,509,443 | 10,928 | 114,602 | 5,416,067 |
| Industrial | 465,051 | 2,497 | 73,128 | 2,943,502 |
| Total | 1,974,494 | 13,425 | 187,730 | 8,359,569 |

Net earnings (loss) before income taxes reconciles to earnings before interest, taxes and amortization ("EBITDA") as follows:

| | Three Months Ended | |
|---|--------------------|----------------|
| | 2020 | March 31, 2019 |
| | \$ | \$ |
| Net earnings (loss) before income taxes | 104,074 | 172,805 |
| Amortization of property, plant and equipment | 99,576 | 85,723 |
| Amortization of other intangible assets | 10,618 | 10,407 |
| Finance costs | 11,740 | 18,423 |
| Other interest | 1,971 | 302 |
| EBITDA | 227,979 | 287,660 |
| Transportation | 168,480 | 199,158 |
| Industrial | 59,499 | 88,502 |
| | 227,979 | 287,660 |

13 Subsequent Events

During the first quarter of 2020, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, spread across the globe impacting worldwide economic activity. The extent to which the financial results and condition of the Company in future periods may be affected depends on future developments and cannot be reliably determined at the date of these interim financial statements. The Company is constantly evaluating the situation and monitoring any impacts or potential impacts to its business.