

Linamar Announces Global Exclusive Manufacturing Agreement and Investment in Automation & Robotics Gearbox Leader IMSystems

August 11, 2021, Guelph, Ontario, Canada

Linamar Corporation (TSX:LNR) today announced that it has entered into an exclusive Global Manufacturing Agreement with Netherlands based Innovative Mechatronic Systems B.V. (IMSystems) to bring the Archimedes Drive transmission system to market, a promising technology that offers a major innovation in the Industrial Robotics & Automation sector. As part of the agreement, Linamar commits to be the manufacturing source for the system once the design is proven and production requires scale up. Concurrently with this agreement, Linamar also announced a minority equity investment in IMSystems, as part of a Series A consortium which raised €3 million Euros. Terms of the investment were not disclosed.

Today's announcement is another demonstration of Linamar's innovation outreach strategy, bringing significant value to an innovative early-stage company for mutual growth. The deal leverages Linamar's manufacturing expertise, infrastructure, design for manufacturing capabilities, and supply chain management expertise to allow for rapid commercialization of the Archimedes Drive transmission. Further, the transaction allows Linamar to participate as both a shareholder and manufacturer in the rapidly growing startup.

The Archimedes Drive system is comprised of an assembly module that uses frictional contact instead of gear teeth to transmit torque, resulting in a more efficient and precise gearbox. With a product that is more accurate, robust, efficient, and scalable than competing technologies, the IMSystems team aims to create a revolution for the robotics industry.

"I am very pleased to announce this manufacturing agreement and investment with IMSystems," said Linda Hasenfratz, Linamar's CEO. "This strategic partnership is another great step for us into the opportunistic industrial robotics market, given the growing global trend of industrial automation and the ongoing demand for better, more accurate robotic systems. IMSystems is truly a leader in this area, disrupting a technology that has not seen significant innovation or improvement in decades."

"We are very excited about the interest we have been able to attract from key stakeholders that will ensure IMSystems' long-term success," said IMSystems' CEO Jack Schorsch. "We have brought together a consortium of investors and now a manufacturing partner in Linamar that will significantly contribute to a successful commercialization."

IMSystems' existing shareholders included ABB Technology Ventures and InnovationQuarter (IQ), a regional economic development agency for the greater Rotterdam - The Hague area in the Netherlands. This latest Series A Investment brings Linamar and Finindus, a Belgium based early stage and growth investment company into the consortium.

Schorsch continues, "With the addition of Linamar & their ability to manufacture high-quality, high-performance parts & getting access to the world class metal experts at OCAS (Belgium Research Centre for the use of Steel) through Finindus, we have a competitive advantage that is hard to replicate."

The robotics transmission industry has long been dominated by just a few highly respected and well understood technologies supplied by just a handful of dedicated manufacturers. IMSystems believes that in order for the industry to grow, new fundamental drive technology must be introduced to advance the existing solutions that have not changed in nearly 50 years.

IMSystems has grown out of the Innovation Hub of Delft University of Technology and is based in Delft, The Netherlands. IMSystems was founded in 2016 and has previously raised pre-seed capital from UNIIQ, TU Delft and several angel investors, after which InnovationQuarter, Lucros and ABB Technology Ventures provided seed funding in 2018 and 2019. IMSystems develops, produces, and markets the patented Archimedes Drive, a new standard in high-performance gearbox technology.

Linamar Corporation (TSX:LNR) is an advanced manufacturing company where the intersection of leading-edge technology and deep manufacturing expertise is creating solutions that power vehicles, motion, work and lives for the future. The Company is made up of two operating segments – the Industrial segment and the Mobility segment, both global leaders in manufacturing solutions and world-class developers of highly engineered products. The Industrial segment is comprised of Skyjack and MacDon. Skyjack manufactures scissor, boom and telehandler lifts for the aerial work platform industry. MacDon manufactures combine draper headers and self-propelled windrowers for the agricultural harvesting industry. The Mobility segment is subdivided into three regional groups: North America, Europe and Asia Pacific. Within the Mobility segment, the regional groups are vertically integrated operations combining expertise in light metal casting, forging, machining and assembly for both the global electrified and traditionally powered vehicle markets. The Mobility segment products are focused on both components and systems for new energy powertrains, body and chassis, driveline, engine and transmission systems of these vehicles. McLaren Engineering provides design, development, and testing services for the Mobility segment. Linamar has 26,000 employees in 60 manufacturing locations, 12 R&D centres and 25 sales offices in 17 countries in North and South America, Europe and Asia which generated sales of \$7.4 billion in 2019. For more information about Linamar Corporation and its industry leading products and services, visit www.linamar.com or follow us on Twitter at @LinamarCorp.

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For further information regarding this release please contact Linda Hasenfratz at (519) 836-7550.

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Forward Looking Information, Risk and Uncertainties

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