

BorgWarner Announces Investment in San Luis Potosi to Expand Production Capabilities of eMobility Technologies

- *Investment allows the creation of a new manufacturing facility for power electronic components and electric motors*
- *Expansion expected to increase BorgWarner's workforce in San Luis Potosí by 125% with 380 new direct hire jobs over five years*
- *Groundbreaking ceremony was held in the 64,000 square meters land where the plant will be located*
- *Providing incremental production capacity to support OEM customers in their respective eMobility transformations*

Auburn Hills, Michigan, July 6, 2023 - BorgWarner, a global leader in innovative and sustainable mobility solutions for the vehicle market, announced an investment in San Luis Potosi that includes a new manufacturing plant focusing on power electronics components and electric motors.

BorgWarner chose San Luis Potosí as a strategic location to support responsible actions as a key player in the supply chain for the industry in Mexico and around the world. BorgWarner has been operating for more than eight years in the state.

It will be the first BorgWarner plant in San Luis Potosí that will integrate a clean room, becoming an electromobility manufacturing hub. It will also house a product validation testing laboratory, with a focus on inverters, opening the door for the development of new technologies in house.

San Luis Potosí Economic Development Secretary Juan Carlos Valladares, and Mayor of Villa De Reyes, Daniel Lagunas attended the groundbreaking ceremony that was held today. Also, Stefan Demmerle, President of BorgWarner Powerdrive Systems and Ulises Pérez, Plant Manager

of San Luis Potosí facility addressed a few words to the attendees where they stressed the importance of this new project and what it represents for BorgWarner's future.

“We are very proud of this project, which is firmly committed to enabling a sustainable future. Our *Charging Forward 2027* Strategy demands agility and innovation, which is why we have the responsibility to push the transition towards electrification not only in manufacturing but also in product development.” said Dr. Stefan Demmerle, President and General Manager of BorgWarner PowerDrive Systems.

The new plant will be installed in San Luis Potosí, WTC 2 Industrial Park and is expected to be open by Q2 2024.

Currently, BorgWarner has a manufacturing plant in San Luis Potosí, located in Tres Naciones industrial park, which is 100% dedicated to the assembly of integrated electric drive units (iDM) for light electric vehicles for global OEM customers as well as components for eMotors. Current production is destined for both national and international markets.

About BorgWarner

For more than 130 years, BorgWarner has been a transformative global product leader bringing successful mobility innovation to market. Today, we're accelerating the world's transition to eMobility — to help build a cleaner, healthier, safer future for all.

Forward Looking Statements: This release may contain forward-looking statements as contemplated by the 1995 Private Securities Litigation Reform Act that are based on management's current outlook, expectations, estimates and projections. Words such as “anticipates,” “believes,” “continues,” “could,” “designed,” “effect,” “estimates,” “evaluates,” “expects,” “forecasts,” “goal,” “guidance,” “initiative,” “intends,” “may,” “outlook,” “plans,” “potential,” “predicts,” “project,” “pursue,” “seek,” “should,” “target,” “when,” “will,” “would,” and variations of such words and similar are intended to identify such forward-looking statements. Further, all statements, other than statements of historical fact, contained or incorporated by reference in this release that we expect or anticipate will or may occur in the future regarding our financial position, business strategy and measures to implement that strategy, including changes to operations, competitive strengths, goals, expansion and growth of our business and operations, plans, references to future success and other such matters, are forward-looking statements. Accounting estimates, such as those described under the heading “Critical Accounting Policies and Estimates” in Item 7 of our most recently filed Annual Report on Form 10-K (“Form 10-K”), are inherently forward-looking. All forward-looking statements 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 under the circumstances. Forward-looking statements are not guarantees of performance, and the Company's actual results may differ materially from those expressed, projected or implied in or by the forward-looking statements.

You should not place undue reliance on these forward-looking statements, which speak only as of the date of this release. Forward-looking statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results to differ materially from those expressed, projected or implied in or by the forward-looking statements. These risks and uncertainties, among others, include: supply disruptions impacting us or our customers, such as the current shortage of semiconductor chips that has impacted original equipment manufacturer (“OEM”) customers and their suppliers, including us; commodity availability and pricing, and an inability to achieve expected levels of recoverability in commercial negotiations with customers concerning these costs; competitive challenges from existing and new competitors including OEM customers; the challenges associated with rapidly changing technologies, particularly as relates to electric vehicles, and our ability to innovate in response; uncertainties regarding the extent and duration of impacts of matters associated with the COVID 19/coronavirus pandemic, including additional production disruptions; the difficulty in forecasting demand for electric vehicles and our electric vehicles revenue growth; potential disruptions in the global economy caused by Russia’s invasion of Ukraine; the ability to identify targets and consummate acquisitions on acceptable terms; failure to realize the expected benefits of acquisitions on a timely basis; the possibility that the spin-off transaction will not achieve its intended benefits; the failure to promptly and effectively integrate acquired businesses; the potential for unknown or inestimable liabilities relating to the acquired businesses; our dependence on automotive and truck production, both of which are highly cyclical and subject to disruptions; our reliance on major OEM customers; fluctuations in interest rates and foreign currency exchange rates; our dependence on information systems; the uncertainty of the global economic environment; the outcome of existing or any future legal proceedings, including litigation with respect to various claims, or governmental investigations, including related litigation; future changes in laws and regulations, including, by way of example, taxes and tariffs, in the countries in which we operate; impacts from any potential future acquisition or disposition transactions; and the other risks noted in reports that we file with the Securities and Exchange Commission, including Item 1A, “Risk Factors” in our most recently filed Form 10-K and/or Quarterly Report on Form 10-Q. We do not undertake any obligation to update or announce publicly any updates to or revisions to any of the forward-looking statements in this release to reflect any change in our expectations or any change in events, conditions, circumstances, or assumptions underlying the statements.

PR contact:

Michelle Collins

Phone: +1 248-754-0449

Email: mediacontact@borgwarner.com