



BorgWarner Suzhou Celebrates Phase II Ground Breaking, Enhancing R&D and Production Capabilities

- *New R&D Center will serve global markets and lead regional electronics and electrification technology development*
- *Features local Viper module (Si IGBT and SiC MOSFET) fabrication and testing capability, enabling an annual production capacity of over 1.8 million inverters*
- *Facility will strengthen footprint in China*

Suzhou, China, November 24, 2021 – BorgWarner recently broke ground on the highly anticipated second phase of its facility in the Suzhou Industrial Park and celebrated the milestone with a groundbreaking ceremony. The expansion will total 22,474 square meters and feature a four-story Research and Development (R&D) Center that will accommodate approximately 450 people as well as a two-story production workshop. All new buildings will meet the LEED Gold Standards for energy savings, emissions reduction and environmental protection, satisfying carbon peaking and neutrality goals.

“As part of our Charging Forward initiative, BorgWarner is committed to accelerating our electrification strategy and achieving carbon neutrality by 2035, with plans to grow electric vehicle product revenues to approximately 45% by 2030,” said Tom Tan, Vice President of BorgWarner Inc. and President of BorgWarner China. “Phase II of our Suzhou facility is an important milestone in BorgWarner's China strategy. It will enhance our R&D capabilities, give us deeper market insights, and increase the manufacturing of power electronics and electronic control modules for new energy vehicles to accelerate growth in China.”

The Suzhou production site will reach an annual production capacity of 1.8 million inverters in conjunction with the development of local Viper module (Si IGBT and SiC MOSFET) fabrication, making Suzhou BorgWarner's second largest global Viper production site. The site's level of automation will achieve over 90%, while equipments are 100% connected with the network. The planning and scheduling, production operations, equipment management, warehousing and energy management will be digitized, creating a fully transparent and smart space. Start of production at the new buildings is expected in mid-2023.

The R&D Center of BorgWarner's Suzhou facility will focus on the full range of electronics design and development, including power electronics, inverters and DC/DC converters, with the aim of leading power electronics technology in the Chinese market. In the coming years, BorgWarner Suzhou will expand the R&D team, establishing full design capabilities, and equip the center with additional test and prototype equipment to enable the team to serve its customers more quickly and efficiently.

"Upon completion of the second phase of the Suzhou facility, we will be able to provide our customers with premium quality NEV motor controllers, while enhancing our local capabilities in prototyping and testing of electronic control products," said Dr. Shawn Li, Vice President and General Manager Asia, BorgWarner PowerDrive systems. "Our Suzhou facility will have the capacity to produce 13 million Viper products and over 1.8 million inverter products per year, accelerating our rapid growth in the Chinese market."

The groundbreaking ceremony brought together local government representatives, customers including Volvo, Great Wall Motor, Changan, BYD, Li Auto, XPeng Motors, ZEEKR and Cummins, suppliers, and media who commemorated the grand occasion with BorgWarner's management and employees to celebrate the launch of Phase II of BorgWarner's Suzhou Facility.

About BorgWarner

BorgWarner Inc. (NYSE: BWA) is a global product leader in delivering innovative and sustainable mobility solutions for the vehicle market. Building on its original equipment expertise, BorgWarner also brings market-leading product and service solutions to the global aftermarket. With manufacturing and technical facilities in 96 locations in 22 countries, the company employs approximately 50,000 people worldwide. For more information, please visit borgwarner.com.



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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 pandemic including additional production disruptions; the failure to realize the expected benefits of the acquisition of Delphi Technologies PLC that we completed on October 1, 2020; the failure to realize the expected benefits of the acquisition of AKASOL or a delay in the ability to realize those benefits; the failure to successfully execute on a timely basis our taking private strategy with respect to AKASOL; the difficulty in forecasting demand for electric vehicles and our electric vehicles revenue growth to 2030; the ability to identify targets and consummate acquisitions on acceptable terms; failure to realize the expected benefits of acquisitions; the ability to identify appropriate combustion portfolio businesses for disposition and consummate planned dispositions on acceptable terms; the failure to promptly and effectively integrate acquired businesses; the potential for unknown or inestimable liabilities relating to 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; availability of credit; our dependence on key management; 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; future changes in laws and regulations, including, by way of example, tariffs, in the countries in which we operate; impacts from any potential future acquisition or divestiture transactions; and the other risks, including, by way of example, pandemics and quarantines, noted in reports that we file with the Securities and Exchange Commission, including Item 1A, "Risk Factors" in our most recently-filed Annual Report on 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 presentation to reflect any change in our expectations or any change in events, conditions, circumstances, or assumptions underlying the statements.

PR contact:

Sugar Zhu

Phone: +86-21-60833187

Email: mediacontact.asia@borgwarner.com