

June 2023

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BorgWarner to Acquire
Eldor Corporation's Electric
Hybrid Systems (EHS)
Business Segment

Forward Looking Statements

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You should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. 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; our ability to effect the intended tax-free spin-off of our Fuel Systems and Aftermarket segments into a separate, publicly traded company on a timely basis or at all; the potential that uncertainty during the pendency of the spin-off transaction could affect our financial performance; 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 presentation to reflect any change in our expectations or any change in events, conditions, circumstances, or assumptions underlying the statements.

Business Overview

Overview

Eldor Corporation's EHS business segment offers integrated high-voltage boxes, DC/DC converters and on-board chargers (OBCs)

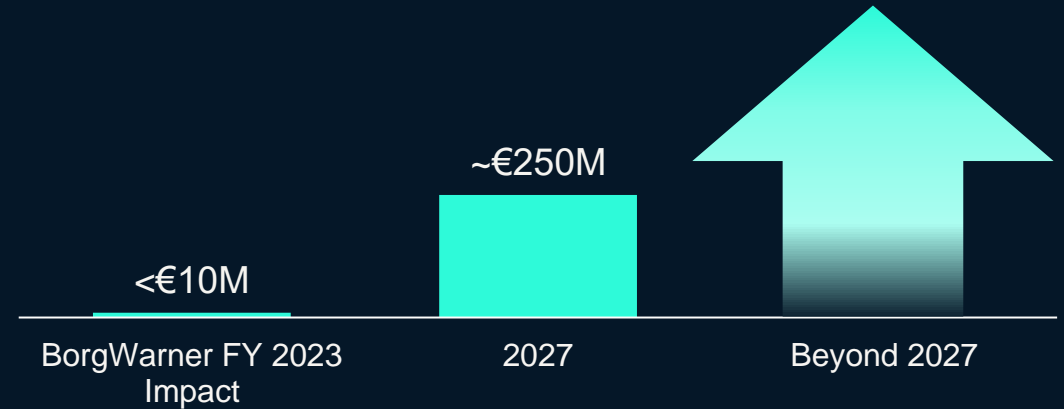
Key Facts

HQ: Orsenigo (Como, Italy)

Founded: 1972

EHS Footprint: Italy: Cagliari, Orsenigo (all R&D); Turkey: Izmir (Manufacturing)

Estimated Revenue (€ in Millions)

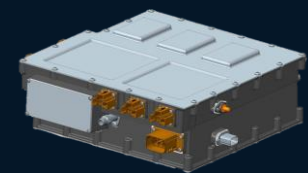


Product Highlights

DC/DC Converter



OBC and HV-Box



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Footprint and Headcount Overview

>300 employees, including >100 engineers



Italy R&D, Admin. Facilities

~165 Employees

~€125M R&D Last 5 Years

~€15M Fixed Assets

Orsenigo



Cagliari



Turkey Manufacturing Facility

~148 Employees

~25,000 m²

~€30M Fixed Assets

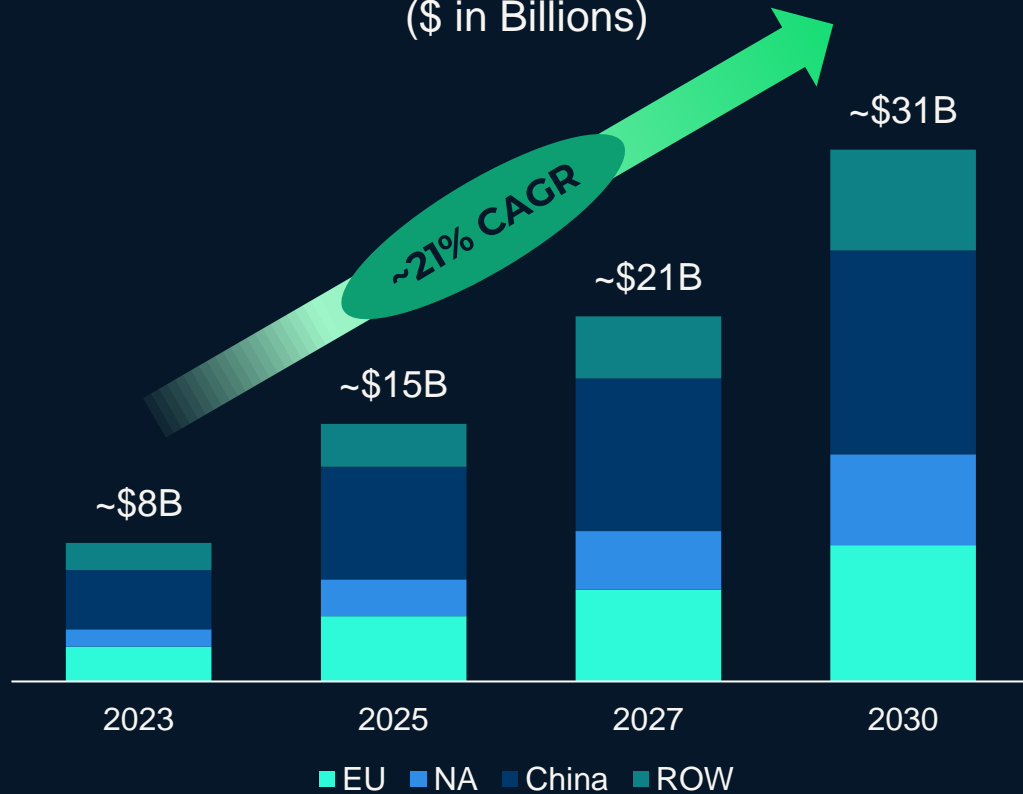


Izmir



Market and Rationale

High-Voltage Box and On-Board Chargers (OBCs) True Addressable Market¹ (\$ in Billions)



Strategic Rationale

- ▶ **Complimentary** product portfolio with DC/DC converters and integrated high-voltage boxes
- ▶ **OBC** is largely outsourced by OEMs, and market is trending towards HV boxes
- ▶ Both **organic and inorganic** pathways are required to accelerate OBC programs
- ▶ **Augments existing resources** with additional scale, capacity and capabilities
- ▶ Experienced engineering team with **deep grid knowledge**
- ▶ **Enhanced design architecture** with modular development approach

Transaction Summary

- ▶ BorgWarner and Eldor Corporation have entered into a Share Purchase Agreement under which BorgWarner has agreed to acquire the Electric Hybrid Systems (EHS) business segment of Eldor
- ▶ Approximately €75 million would be delivered at or soon after closing with potential additional amount subject to an earnout
- ▶ Transaction expected to be funded primarily with existing cash balances
- ▶ Closing expected in third quarter 2023, subject to satisfaction of closing conditions

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