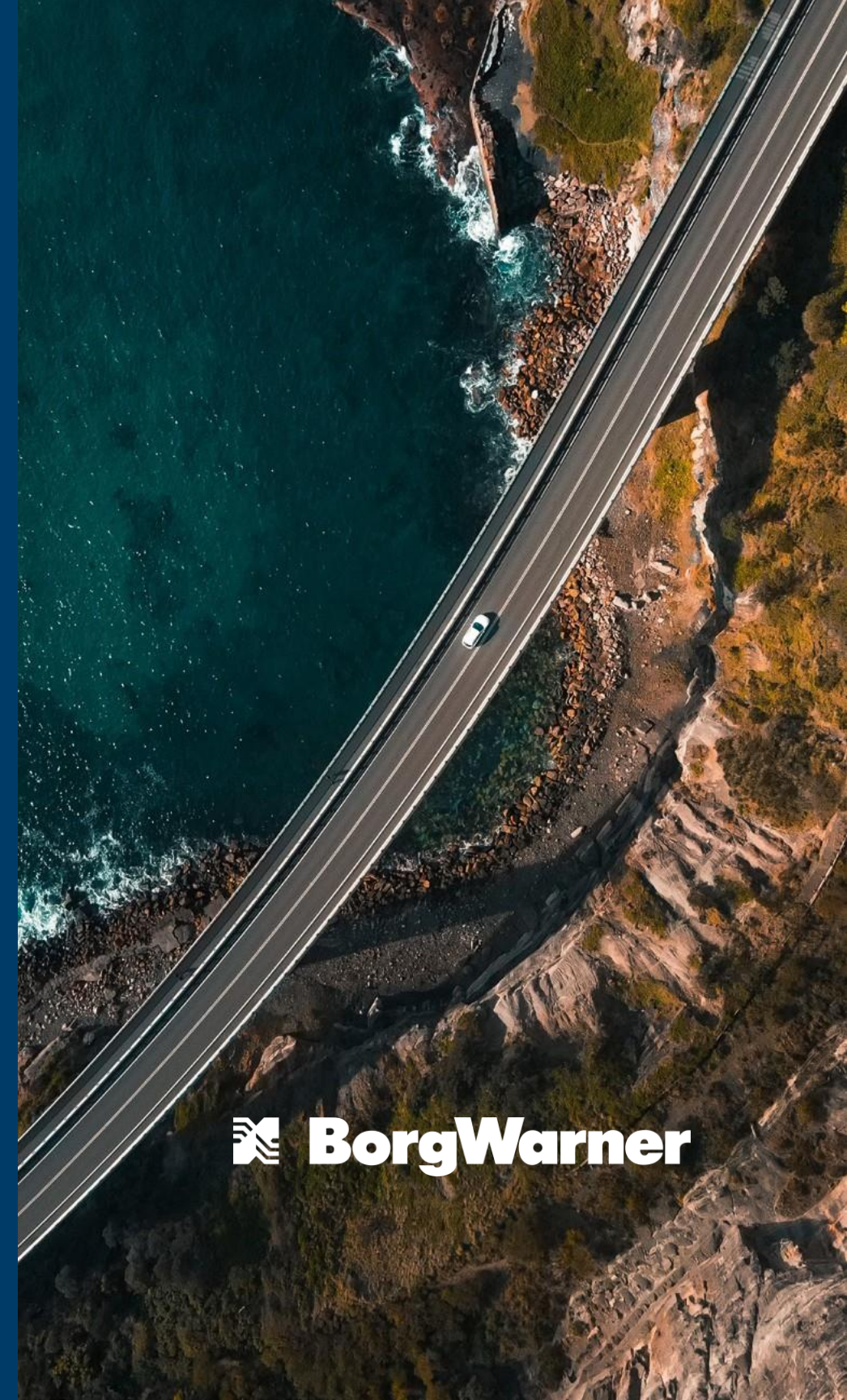


September 2022

BorgWarner to Acquire Charging Business of Hubei Surpass Sun Electric (SSE)



Forward-Looking Statements

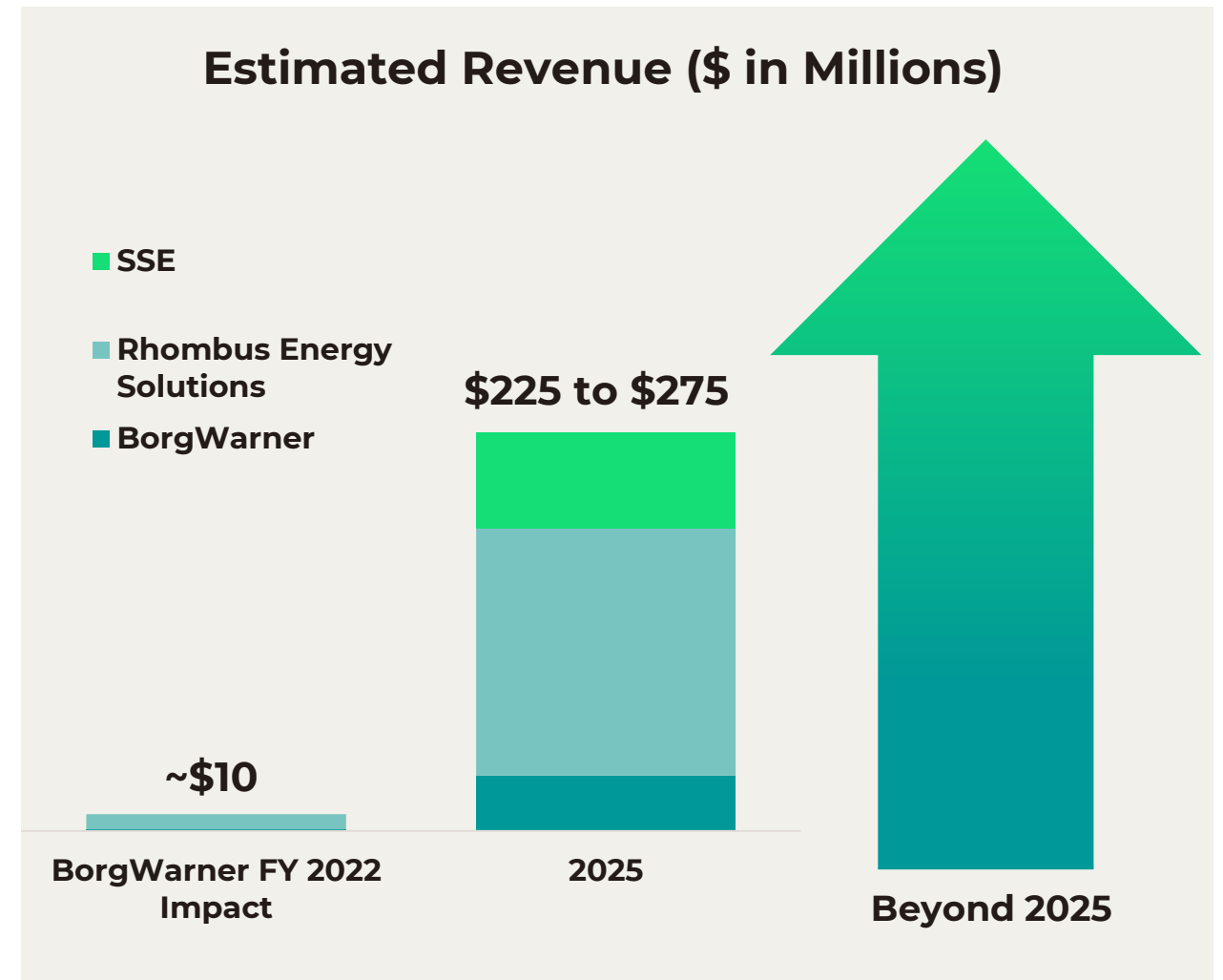
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Acquisition of SSE Continues Expansion of DC Fast Charging Opportunities

*BorgWarner to **accelerate charging capabilities**, leveraging the local knowledge and footprint of SSE, Rhombus Energy Solutions and BorgWarner's pre-existing business*

- Focuses on high-value DC fast-charging (DCFC) hardware, enabling software and services
- Adds China regional presence
- Complements existing BorgWarner European and North American charging footprint to accelerate organic growth
- Leverages BorgWarner's global strength and regional capabilities
 - Global strength across product quality, engineering, supply chain and manufacturing
 - Potential sales synergies with battery system customers
 - Regional sales capabilities and government interaction



SSE Overview

Company Snapshot

SSE offers electric vehicle charging solutions to the commercial vehicle, off-highway and passenger car segments, including the design and manufacture of DC fast chargers, AC chargers, as well as engineering, procurement and construction (EPC) services

Key Facts

HQ: Xiangyang, China

Founded: 1997

Customers: FAW-Toyota, Geely, BYD, LiuGong, Golden Dragon, Beijing Daxing & Shanghai Pudong Airports & others



HQ, R&D & Manufacturing

Key Products & Services



DC and AC chargers



Multi-vehicle fast-chargers



Charging site integration (chargers, solar and energy storage)

Milestones Achieved



70+

Countries with products or projects



250+


EPC Charging sites constructed



50,000+

Charging points delivered

Complimentary Product Functionality & Markets Served

Available 
 Under Development 

Product Portfolio

| Power Rating | | BorgWarner | Rhombus Energy Solutions | SSE |
|-----------------|---------------|------------|--------------------------|-----|
| DC Fast Charger | 500 kW | | ✓ | ✓ |
| | 150 to 350 kW | ✓ | ✓ | ✓ |
| | 100 to 150 kW | ✓ | ✓ | ✓ |
| | <100 kW | | ✓ | ✓ |

Market Segment Focus

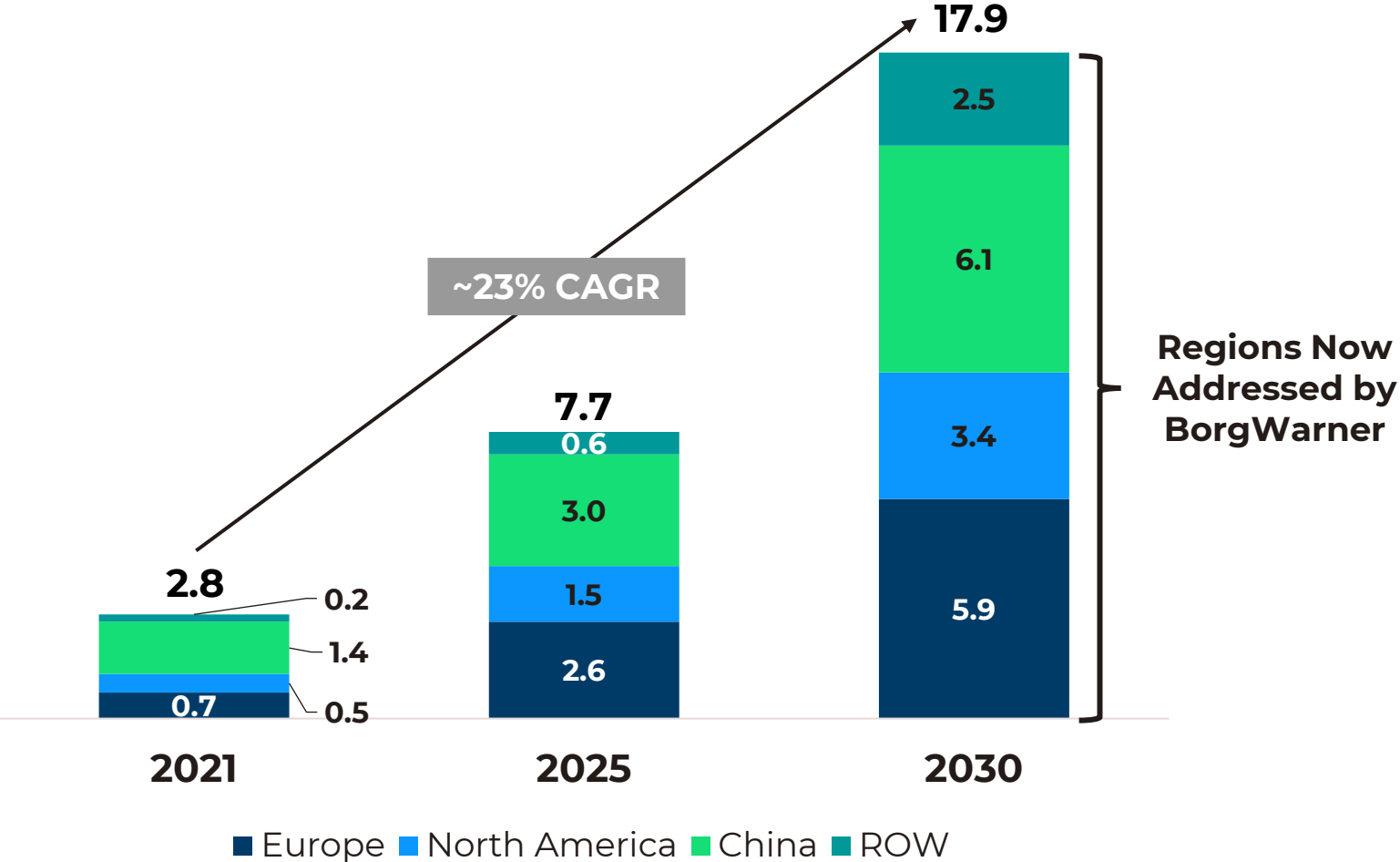
| Segment | BorgWarner EU focus | Rhombus Energy Solutions N.A. focus | SSE China focus |
|--------------------|------------------------|--|--------------------|
| Passenger Car | ● | | ● |
| Commercial Vehicle | | ● | ● |
| Off Highway | | | ● |

BorgWarner has expertise and design capabilities for a significant portion of bill of material, with opportunities for cost and quality improvement

Market and Rationale

Consumer demand, government incentives, and technology inflection points create a strong market for investment

Global DC Charger¹ Market (HW only) By Region
(in \$billions)



¹Includes all DC Chargers from ~50KW to over 350KW
Source: Roland Berger/BW (April 2022)

Path Forward: Strategic Rationale

- Addresses **high-growth market with high-value products**
- **Expands and leverages** current position
- Supports our **Charging Forward** strategy
- **Adjacent to EV propulsion** portfolio

Transaction Summary

- BorgWarner and SSE have entered into an Equity Transfer Agreement under which BorgWarner has agreed to acquire the Electric Vehicle Solution, Smart Grid and Smart Energy business of SSE
- Transaction has an enterprise value of up to ¥410 million
 - Approximately ¥267 million would be delivered at or soon after closing
 - Up to ¥143 million could be paid in the form of contingent payments over approximately 2 years following the closing
- Transaction funded primarily with existing cash balances
- The closing is expected in first quarter 2023, subject to satisfaction of customary closing conditions and SSE shareholder approval