

## **BorgWarner Secures BEV electric Cross Differential Contracts with Three Global OEMs**

- *eXD (electric cross differential) improves vehicle traction, handling and stability*
- *Technology is applicable to all architectures, including front and rear drive units*
- *Highlights BorgWarner's proven capabilities to offer intelligent vehicle propulsion systems to customers on a global basis*

Auburn Hills, Michigan, July 31, 2024 – BorgWarner has secured contracts to supply its electric cross differential (eXD) to three major OEMs, including GAC Motor, a Global East Asian OEM, and a Global OEM based in Europe. The companies will incorporate BorgWarner's eXD technology on both rear- and front-wheel-drive battery electric vehicle (BEV) applications ranging from sports cars to premium sedans to hatchbacks. Production for GAC Motor is currently underway, and production for the other OEMs will begin in 2026.

BorgWarner's eXD is part of its electric torque management system (eTMS) portfolio, which offers a range of products that intelligently control wheel torque to increase stability, provide superior dynamic performance, and improve traction during launch and acceleration. High torque from the motor in electric vehicles (EVs) leads to limitations and challenges in vehicle performance since the application of torque to individual wheels remains unsupervised. Adding an eXD to the drive system is critical because it enables intelligent modulation of the side-to-side torque, resulting in improved traction, cornering and lane change performance, all with improved efficiency. The eXD system can effectively increase driving safety in an energy-efficient way in difficult driving conditions.

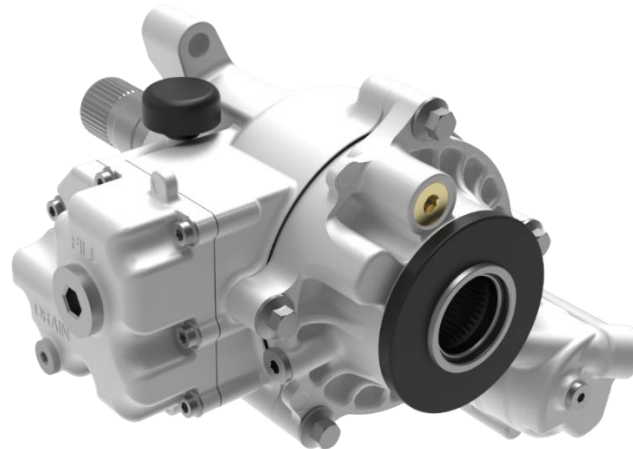
"BorgWarner's eTMS portfolio leverages an array of BorgWarner's longstanding and proven competencies within the industry, spanning software, controls, systems integration and beyond," said Isabelle McKenzie, President and General Manager, BorgWarner Drivetrain and Morse Systems. "The recent business awards for our eXD technology underscore the versatility and sophistication of the system and highlight our ability to meet the industry's need for solutions that increase safety and optimize energy consumption."

BorgWarner's eXD technology is applicable to all architectures, including front and rear drive units for electric, hybrid and ICE vehicles, and offers a wide range of selectable modes depending on vehicle performance needs. As a completely scalable and customizable technology, customers have the freedom to program different performance characteristics and behaviors for their respective platforms. Based on strong BorgWarner legacy know-how and a platform development approach, the eXD employs carry-over elements for both software and hardware.

The eXD enables efficient and intelligent communication with the vehicle, operating on-demand and featuring an on-board integrated controller that supports requirements ranging from cyber security to functional safety and beyond. Additionally, by adaptively controlling wheel slip, the eXD decreases brake system utilization and thus the emission of non-exhaust particulate matter to the environment.

### **About BorgWarner**

For more than 130 years, BorgWarner has been a transformative global product leader bringing successful mobility innovation to market. With a focus on sustainability, we're helping to build a cleaner, healthier, safer future for all.



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dynamic performance, and improve traction during launch and acceleration.

**Forward-Looking Statements:** This press 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 expressions are intended to identify such forward-looking statements. Further, all statements, other than statements of historical fact, contained in this press release regarding matters 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. 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 in 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 press 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, 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 original equipment manufacturer (“OEM”) customers; the challenges associated with rapidly changing technologies, particularly as they relate to electric vehicles, and our ability to innovate in response; the difficulty in forecasting demand for electric vehicles and our electric vehicles revenue growth; potential disruptions in the global economy caused by wars or other geopolitical conflicts; 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 our 2023 tax-free spin-off of our former Fuel Systems and Aftermarket segments into a separate publicly traded company 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, which is highly cyclical and subject to disruptions; our reliance on major OEM customers; impacts of any future strikes involving any of our OEM customers and any actions such OEM customers take in response; 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 SEC, 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 press 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](mailto:mediacontact@borgwarner.com)