

Supplementary information on agenda item 9.5:

Annual Financial Statements for BMW INTEC Beteiligungs
GmbH as of 31 December 2018

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ANNUAL ACCOUNTS OF BMW INTEC BETEILIGUNGS GMBH

Business year 2018

BMW INTEC Beteiligungs GmbH

Balance sheet as at 31 December

in €	Appendix	2018	2017
Assets			
Financial assets	1		
Shares in affiliated companies		7.833.422.785	6.677.388.660
Participations		28.229.413	81.735.032
Fixed assets		7.861.652.198	6.759.123.692
Receivables and other assets			
Receivables from affiliated companies	2	2.543.653.022	2.553.747.999
Receivables from companies in which participations are held	3	1.007.219	465.617
Other assets		-	150
Current assets		2.544.660.241	2.554.213.766
Balance sheet total		10.406.312.439	9.313.337.458
Liabilities			
Subscribed capital	4	27.000	27.000
Capital reserve		3.558.400.713	3.558.400.713
Equity		3.558.427.713	3.558.427.713
Other provisions	5	32.025	30.500
Provisions		32.025	30.500
Amounts owed to affiliated companies	6	6.847.852.701	5.754.879.245
Liabilities		6.847.852.701	5.754.879.245
Balance sheet total		10.406.312.439	9.313.337.458

BMW INTEC Beteiligungs GmbH

Profit and loss account

in €	Appendix	2018	2017
Other operating income	7	418.949	9.140.127
Other operating expenses	8	-741.793	-330.177
Income from investments	9	2.026.860.872	728.527.240
Financial result	10	16.274.332	-14.779.596
Result after taxes		2.042.812.360	722.557.594
Profit transferred under a profit and loss transfer agreement		-2.042.812.360	-722.557.594
Net profit for the year		0	0

BMW INTEC Beteiligungs GmbH

Appendix

Fundamentals of the annual financial statements

The annual financial statements of BMW INTEC Beteiligungs GmbH are prepared in accordance with German commercial law accounting regulations and the provisions of the German Limited Liability Companies Act (GmbHG). The simplification regulations for small corporations are partially applied.

BMW INTEC Beteiligungs GmbH, with its registered office in Munich, is registered with the Munich Register Court under the commercial register number HRB 78223.

In order to improve the clarity of presentation, individual items are summarised in the income statement and shown separately in the notes.

BMW INTEC Beteiligungs GmbH

Appendix

Accounting and valuation principles

Shares in affiliated companies and participations are recognised at the lower of cost or fair value. Reversals of impairment losses are recognised up to the acquisition cost if the reasons for impairment no longer apply.

Receivables and other assets are recognised at the lower of nominal value or current value.

Provisions are measured in such a way that they take into account all identifiable risks. Provisions are recognised at the necessary settlement amount; long-term provisions are discounted at the average market interest rate corresponding to their remaining term, which is determined and published by the Deutsche Bundesbank. Provisions with a remaining term of one year or less are not discounted.

Liabilities are recognised at the settlement amount on the balance sheet date.

Foreign currency receivables and liabilities are recorded at the mean spot exchange rate at the time of the transaction. Gains resulting from the reporting date valuation are only recognised for receivables and liabilities with a remaining term of one year or less. Losses from exchange rate changes are taken into account by revaluation on the balance sheet date.

BMW INTEC Beteiligungs GmbH

Appendix

Notes to the balance sheet

1 – Financial assets

In the financial year, a contribution to the capital reserve of BMW Beteiligungs GmbH & Co. KG, Munich, was made in the form of an assignment of withdrawal receivables plus interest in the amount of € 820,866.664. Furthermore, the shares in DriveNow GmbH & Co. KG, Munich, and DriveNow GmbH, Munich, increased by €209,000,000 due to the complete acquisition of the remaining shares and by €3,500,000 due to payments into the capital reserve of DriveNow GmbH & Co. KG, Munich. Other additions relate to called-up and paid-up shares in an investment fund amounting to €53,196,889 and an additional payment into the capital reserve of BMW High Power Charging GmbH, Munich, amounting to €30,650,000.

2 – Receivables from affiliated companies

Receivables from affiliated companies have a remaining term of less than one year. They are mainly attributable to the shareholder BMW AG, Munich, in the amount of € 1,514,503,490 (2017: 1,515,195,229) and BMW Beteiligungs GmbH & Co. KG, Munich, with € 602,547,820 (2017: 810.706.036 €).

3 – Receivables from companies in which participations are held

707,219 of the receivables from companies in which participations are held relate to Digital Energy Solutions GmbH & Co. KG, Munich, and € 300,000 to The Retail Performance Company GmbH, Munich. In the previous year, the receivables related exclusively to The Retail Performance Company GmbH, Munich. The receivables have a due date of € 700,000 (2017) are due in more than one year, the remaining receivables are due within one year.

4 – Subscribed capital

The share capital of the company amounts to € 27,000.

5 – Other provisions

This item relates to the provision for year-end closing costs in the amount of 32.025 € (2017: 30.500 €) and has a remaining term of up to one year.

6 – Amounts owed to affiliated companies

The liabilities to affiliated companies in the amount of 6.847.852.701 € (2017: 5.754.879.245 €) have a remaining term of less than one year. They are attributable in the amount of €6.847.802.846 (2017: 5.753.939,231) to the shareholder BMW AG, Munich.

BMW INTEC Beteiligungs GmbH

Appendix

Notes to the profit and loss account

7 – Other operating income

Other operating income mainly relates to exchange rate gains from currency translation in the amount of € 364,232 (2017: 575.655 €). The previous year also included book profits from the merger of MITEC Mikroelektronik Mikrotechnik Informatik GmbH, Munich, amounting to € 8,553,729, as well as income from the release of other provisions amounting to € 1,709.

8 – Other operating expenses

Other operating expenses mainly include exchange rate losses from currency translation in the amount of € 623,496 (2017: 256,875) are included.

9 – Income from investments

in €	2018	2017
Income from participations	1.600.310.195	500.521.775
thereof from affiliated companies	1.600.010.195	500.221.775
Income from profit transfer agreements	426.600.532	228.945.478
Expenses from loss transfers	-49.855	-940.013
Income from investments	2.026.860.872	728.527.240

10 – Financial result

in €	2018	2017
Other interest and similar income	28.561.686	20.313.771
thereof from affiliated companies	28.552.424	20.297.378
of which from negative interest rate development in liability transactions	15.843.115	14.943.205
Depreciation on financial assets and on securities held as current assets	-	-22.067.853
Interest and similar expenses	-12.287.354	-13.025.514
thereof to affiliated companies	-12.287.354	-13.025.514
of which from negative interest rate development in lending business	-12.259.722	-13.025.514
Financial result	16.274.332	-14.779.596

BMW INTEC Beteiligungs GmbH

Appendix
Other information

11 – Other financial obligations

There are other financial obligations due to remaining uncalled mandatory deposits amounting to € 375,918,811 (2017429,116,699) to an investment fund.

12 – Management

Dr Anton Heiss (since 1 May 2018),
Head of Corporate Strategy, BMW AG, Munich

Dr Markus Schramm (until 30 April 2018),
Head of Corporate Planning and Product Strategy, BMW AG, Munich

Mr Jonathan Townend
Head of Group Reporting, BMW AG, Munich

13 – Group affiliation

BMW INTEC Beteiligungs GmbH, Munich, is a wholly owned subsidiary of Bayerische Motoren Werke Aktiengesellschaft, Munich. A profit and loss transfer agreement exists with the parent company.

The Consolidated Financial Statements and the Group Management Report of Bayerische Motoren Werke Aktiengesellschaft, Munich, for the financial year 2018 are filed with the operator of the electronic Federal Gazette and are available on the website of the Company Register.

The Consolidated Financial Statements and the Group Management Report of Bayerische Motoren Werke Aktiengesellschaft, Munich, simultaneously have an exempting effect pursuant to § 291 (2) of the German Commercial Code with respect to sub-consolidated financial statements of BMW INTEC Beteiligungs GmbH, Munich.

Munich, 27. June 2019

[SIGNATURE]
Dr Anton Heiss

[SIGNATURE]
Jonathan Townend