

Media Information  
21 March 2024

- Check against delivery –

## **Statement**

**Oliver Zipse**

**Chairman of the Board of Management of BMW AG**

**Annual Conference for the Business Year 2023**

**Munich, 21 March 2024, 09.00 a.m.**

## **Statement Part I – Vision Neue Klasse X**

Ladies and Gentlemen,

In 1999 — 25 years ago — BMW presented the first X5, and with it established the sporty SAV segment. Since then, the X Family has been a pillar of the BMW brand, with around 12 million X vehicles sold worldwide. Today, the X family covers all customer wishes in this segment — from the premium compact class with the X1 to the luxury class with the X7 and XM.

Now, the BMW Vision Neue Klasse X looks ahead to the future of BMW and a totally new generation of BMW X models. This future doesn't start on some far-off date – it begins next year, when we turn vision into a reality that our customers can experience for themselves.

Last year, we presented the BMW Vision Neue Klasse at the IAA Mobility, an outlook of what a sporty sedan from the NEUE KLASSE could look like. Because we aren't just ramping-up e-mobility in niche models – but in our most successful, highest-volume segments.

From 2025 on, we expect demand for all-electric vehicles to increase significantly. That is precisely when we will be releasing the NEUE KLASSE onto the market. The NEUE KLASSE represents a start into a completely new model generation. It is redefining the BMW brand. With the NEUE KLASSE, we are taking BMW into the future: in design, technology and the philosophy of the brand.

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For the first time, we are showcasing the systematic implementation of the automotive industry's three major areas of future mobility combined. This means: electric, fully digital, and with a clear focus on sustainability. We have significantly improved each of these aspects.

Take the sixth generation of our battery cells, which we will use for the first time in the NEUE KLASSE: Quantum leaps in energy density will provide our customers 30 per cent more range and 30 per cent faster charging. The potential of digitalization can also be experienced in the NEUE KLASSE in totally new ways. This is made possible by four completely new electronic control units. Each one comes with computing power that is up to ten times faster than current systems.

Our completely redesigned iDrive redefines the interface between humans and machines. At the same time, we are also making impressive advances in the field of sustainability.

We are turning all the dials. In this way, we can significantly reduce our products' carbon footprint and move even closer to circular use of raw materials. We are sticking to this path – also because our customers expect it from us.

And the most important thing is: These developments do not just benefit the NEUE KLASSE, they benefit all future BMW models.

Ladies and Gentlemen,

All of this shows that: With the NEUE KLASSE, we aren't just opening the next chapter in the history of mobility – we are writing a whole new book: More Sheer Driving Pleasure. More digital experiences. More sustainability.

In other words: More BMW than ever before.

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## **Statement Part II - corporate messages**

Ladies and Gentlemen,

You certainly couldn't ask for more BMW or more future! With the NEUE KLASSE, we are rethinking individual mobility from the ground up. And what is more consistent than to apply this new approach to everything that defines the core of the BMW brand?

First of all, that refers to the BMW X philosophy embodied by the BMW Vision Neue Klasse X. But sportiness is also at the heart of every BMW. And it is this characteristic that the BMW Vision Neue Klasse completely reimagines in a sporty sedan.

Today, you can see both Vision Vehicles together on one stage for the first time. On the one hand, it shows how consistent the NEUE KLASSE is – in terms of design, technology and the relevant parameters for sustainability. On the other, it demonstrates how broad the NEUE KLASSE is. Here, you can see the two bookends of what we can imagine. But there is still plenty of room for other models and innovations in-between.

I can promise you today that: We will be taking both of these Vision Vehicles from the stage to the roads in a very similar form very soon. At least six different NEUE KLASSE models will be released in the first 24 months following the start of production. I call this an unprecedented and highly ambitious timeline. But if anyone can do it, then it's us at BMW.

The NEUE KLASSE will significantly accelerate our ramp-up of e-mobility once again. But BEVs – along with our models in the upper premium and luxury segment – are already our biggest growth drivers. Last year, we sold more than 375,000 all-electric vehicles.

This year, once again, our fully-electric vehicles should see significant double-digit growth.

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We will soon have sold more than one million BEVs worldwide. Including plug-in hybrids, we already passed the milestone of two million electrified vehicles. Plug-in hybrids are especially popular with our European customers. That is one of the reasons why it only took us just over two years to double our overall xEV deliveries from one to two million.

For the BMW Group overall, we are anticipating a slight increase in sales in 2024. The foundation for this is our wide range of drive technologies, all of which we are systematically further developing. In this way, we can ensure we always offer the right products and services at the right time.

This also substantially reduces our carbon footprint. At the end of 2023, we outperformed the CO<sub>2</sub> limit set for us by the European Union by more than 20 percent. This shows that our strategy not only reflects customer requirements, but also ensures effective CO<sub>2</sub> reduction. Climate protection cannot be achieved successfully if it does not take customer needs into account. It just doesn't work. That is why we believe a comprehensive review of CO<sub>2</sub> fleet legislation in the EU is essential. Regulatory frameworks that ignore customer needs and market realities cannot be successful.

Especially, if they are unable to create the necessary conditions for alternative technologies. Then, they only provide objectives but exclude possible solutions. By the end of this year, we will have more than 15 fully-electric models in our line-up – from MINI, BMW and Rolls-Royce as well as BMW Motorrad.

No matter if on two wheels or on four wheels – we always offer the best of everything. As promised, we offer at least one all-electric model for every brand as well as in every one of our core segments. This dynamism is reflected in our share of the global BEV market: At 4.1 percent, it is already significantly higher than our share of the total global market, which is at 3.3 percent.

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We still expect half our deliveries to be all-electric before 2030. However, growth in BEVs worldwide is not linear. That was always clear to us. Development is volatile and market-specific, due to several factors. We remain as flexible as possible – that has been our strategy for years and we have reflected that efficiently in our architectures. We continue to prudently steer our BEV ramp-up in line with differentiated demand in global regions. And we have been successful.

For us, it is important to always maintain a realistic view of the development of e-mobility. BEV growth does not benefit from a purely ideological approach, but from long-term planning and consistent implementation of goals. That is why we are creating the best-possible conditions for this in our production network and supply chain – on a global scale.

The first production vehicles of the NEUE KLASSE will start rolling off the line at our new Plant Debrecen in the second half of 2025. That is where the first SAV model on our new fully-electric architecture will be launched. The sporty sedan, on the other hand, will ramp up from 2026 at our Plant Munich, which we are currently gearing up for the start of production.

Every second BMW produced at Plant Munich is already fully electric today. From late 2027 onwards, our more than 100-year-old main plant will exclusively build electric vehicles. We will also be manufacturing the NEUE KLASSE at our plants in San Luis Potosí, Mexico, and Shenyang, China. This perfectly demonstrates: Whether at a greenfield site or a traditional location, whether in Europe, Asia or the Americas – we are mastering the complexity and leading all our production sites into the future.

As you know, to master e-mobility you need powerful batteries. We have made it our mission to understand every aspect of battery cells – from cell composition and cell format, all the way to industrial manufacturing.

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We are able to recreate the entire process at our Battery Cell Competence Centre in Munich and the Cell Manufacturing Competence Centre in Parsdorf in Bavaria.

We are also applying our local for local principle to cell production for our batteries. Facilities will be located in direct proximity to our vehicle plants. This has led us to build our own production facilities for Gen5, as we are now doing in Thailand, and for the sixth generation of BMW high-voltage batteries in Hungary, the US, Mexico and China. This ensures short transport distances and secures our supply against unforeseen events around the globe.

From 2026, Gen6 batteries for our plants in Bavaria will come from our new location in Irlbach-Straßkirchen. Establishing an industrial site like this is no longer a straightforward process – especially in Germany. We sought frank and open discussion with residents in the early stages and explained the sustainable design and advantages of our location in Lower Bavaria to them.

This is how we build trust. We are very pleased that residents voted strongly in support of our new site. We see this as confirmation of our efforts. The future of e-mobility also entails integrating vehicles into the power grid: With the NEUE KLASSE, we are introducing bi-directional charging, which we have already tested extensively. Our customers can feed electrical energy stored in the vehicle back into their own house, electrical devices like your e-bike or the public power grid: This lowers electricity costs and helps stabilise networks.

As you can see: With the NEUE KLASSE, we are taking mobility to a new level and, at the same time, becoming an entirely new company. All BMW models will benefit from the innovations of the NEUE KLASSE.

That means: In the near future, you will recognise the NEUE KLASSE in every BMW.

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Our BMW Motorrad brand is well on its way to emission-free mobility in urban spaces. I like to ride a motorbike myself, whenever I have the time. So, I am delighted that we are launching many new models this year. Three of them stand out particularly:

Here, you can see the new CE02.

It is the second fully-electric model after the CE04, standing next to it, which is the undisputed market leader in its segment. There is something special about the new CE02 that makes it particularly appealing to young people: In Germany and other countries, you only have to be 15 to ride it.

The M 1000 XR is already the second M motorcycle model. There are also a lot of fans eagerly awaiting the R 1300 GS Adventure. A comprehensive offering on two wheels: Whatever customers are looking for, they will find it at BMW Motorrad.

Just like BMW Motorrad, our MINI brand has a passionate fan community around the globe. With our NEW MINI Family we are taking the brand into a new dimension. Just as the NEUE KLASSE is doing for the BMW brand.

Now, MINI is gearing up for a world premiere: the Aceman.

This will be the third member of the NEW MINI Family and the first MINI we are offering exclusively as an all-electric vehicle. Even if it's still camouflaged — I can promise you: It is unmistakably a MINI — inside and out: signature design, go-kart feeling and digitally in tune with the times. And all this combined with a minimal ecological footprint. That describes not only the Aceman, but the entire NEW MINI family.

The Aceman fills the gap between the Cooper and the Countryman, which has grown significantly bigger. The all-new Countryman has been well received — whether with a combustion engine or all-

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electric. And the all-new Cooper, which will be available starting in May, is already sold out for the next four months.

Our NEW MINI family will be built at our Spotlight joint venture in China; in Oxford, UK, and, for the first time, in Germany, at Plant Leipzig. In the second half of the year, we will launch the all-new MINI Convertible which many fans are eagerly waiting for.

Together with the 5-door MINI Cooper, our NEW MINI family will then be complete. And now let's jump from one end of our portfolio to the other. From the MINI typical Go-Kart-Feeling to our ultra-luxury marque.

Spectre\* is the first battery-electric Rolls-Royce model to hit the showrooms. With its all-electric drive train we are bringing the driving experience at Rolls-Royce to a whole new level: that feels effortless just like a magic carpet ride.

We have never had so many pre-orders for a Rolls-Royce model. This shows that our exclusive customers acknowledge how perfectly Rolls-Royce and electrification fit together. Rolls-Royce is an unparalleled success story. Our luxury brand, with its unique product portfolio, has never been as strong and as differentiated as it is today. And let's not forget the significant contribution margin it earns for the company.

And, now, Ladies and Gentlemen, as promised:  
the new BMW 5 Series Touring!

BMW is where Touring meets e-drive: No one else in this segment has a vehicle like this on offer. The i5\* Touring will be available from May. It delivers an electric range of over 500 kilometres and is especially popular in Europe.

The 5 Series Sedan and the i5 will also be available exclusively in China with a longer wheelbase. Both will be built at BMW Brilliance Plant Dadong.



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Our high-performance brand BMW M also offers a technological spectrum: With the i4 M50\*, the i5 M60\* and the i7 M70\* we have three all-electric models on offer. And by the way, the all-electric i4 M50 is yet again our best-selling M model.

This year, fans can especially look forward to the new edition of the M5 – first, as a sedan, and later, also as a Touring. Both M variants come with an impressive partially electrified drive train. With the BMW M hybrid system, they are able to drive more than 70 kilometres on electric power alone.

Our plug-in hybrids remain an important element of our drivetrain portfolio. Why? Because they provide a boost to e-mobility that should not be underestimated. Many customers discover and come to appreciate the advantages of electric driving in this way.

The 5 Series and the 5 Series Touring are concrete examples of how BMW is implementing a variety of drivetrains to meet very diverse customer needs.

All of this is based on our flexible architecture, which enables us to cover the entire spectrum: from powerful BEVs to smart plug-in-hybrids to highly efficient combustion engines and high-performance M models.

The success of this approach has been reflected in our key figures for several years — in sales and profit margins. With our broad technological approach we are already thinking one step ahead: We have been testing the BMW iX5 Hydrogen\* in selected countries under everyday conditions since last year.

Our pilot fleet's world tour has raised awareness of the role hydrogen can play in the energy transition – not just for mobility, but industry-wide. Our vehicles performed well under various climate and traffic

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conditions, and the public response has been overwhelmingly positive.

This was no surprise to us, since hydrogen fuel cell drivetrains combine the best of both worlds: the advantages of an emission-free e-drive with the fast refuelling people are used to. That's why we see hydrogen as an additional alternative drive technology that could make a lot of sense in the mid to long term.

For us, our aspiration to be strong tomorrow means being already strong today.

This is especially true of the new edition of our best-selling X model, the BMW X3, which will be released later this year. The new X3 will be available with a choice of highly efficient combustion engines or as a plug-in hybrid.

At the same time, we are preparing for the next major leap: The NEUE KLASSE is built on a separate new architecture – already tailored today to the electric vehicles of tomorrow. This enables us to make the best possible use of economies of scale as demand for electric models grows.

Vehicle architectures are important, but they are not the decisive lever – that would be our technology clusters. They enable innovations and technological advances to be scaled efficiently across all architectures. Behind this is a modular principle that allows us to roll out technologies to different vehicle concepts and segments.

This ensures that the innovations of the NEUE KLASSE will benefit the entire BMW model line-up in the coming years.

We don't divide our products into "old" and "new", but always offer our customers the latest technology – regardless of the vehicle's powertrain.

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We are using the NEUE KLASSE as our innovation and technology booster for the entire portfolio and for all major future mobility topics that we implement in our vehicles, including design.

The NEUE KLASSE is our impulse, initiator and enabler to roll out new technologies over the next few years. As you can see: We will continue to serve all markets according to their needs, providing top products in all segments. The full range of four drive technologies, regardless of which architecture they are built on, is just one aspect here.

The BMW Group is a tech company. The ability to manage this complexity, to orchestrate, scale and further develop technologies is one of the BMW Group's greatest strengths and a unique selling point. With this in mind, we offer our customers the best, coherent overall package. That is our aspiration and our goal. It might even be the most important secret ingredient in our company's success.

We already showcase our innovative strength in automated driving with models like the BMW 5 Series and BMW 7 Series. The new BMW 5 Series is the first car in Germany approved for partially automated driving at up to 130 km/h on motorways. A completely new feature is the Active Lane Change Assistant with eye confirmation. The driver simply glances briefly in the exterior mirror and the car changes lanes.

Starting in March 2024, our customers will be able to experience Level 3 highly automated driving in the BMW 7 Series. This means you can let go of the wheel and temporarily turn your attention to something else.

Your 7 Series takes care of speed and distance control all by itself, as well as lane tracking.

The steps to automated driving is one of the three main stories on the online version of the "BMW Group Report 2023". I invite you to

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click through our online report. Our award-winning online Report will once again provide you with a compact overview of everything we are working on. You can experience what moves us and you try out our interactive KPI calculator. Just like the title says:  
Driving the NEXT ERA.

Our spectacular Vision Vehicles show the direction in which we are taking mobility, in line with the major topics of the future. The most important aspect for our customers is: What does it feel like on the road?

In the Board of Management, we already got to drive a pre-series model of the NEUE KLASSE. We all agree that: It is Sheer Driving Pleasure at a whole new level. This is something only we can do! It is typically BMW.

A lot of people talk about transformation. That is when one thing replaces another. But, in our industry, it is more a case of things happening at the same time: Parallel approaches that still unmistakably move us forwards. That is why the BMW Group is committed to continuous and simultaneous progress – through bold leaps in innovation and responsible action.

And that brings us full circle:

Strong today – and strong tomorrow.

Thank you!

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Rolls-Royce Spectre: WLTP Power consumption: 2.6-2.8 mi/kWh, 23.6-22.2 kWh/100km. Electric range 311-329 mi / 500-530 km. NEDC: -. CO<sub>2</sub> emissions 0 g/km

BMW i5 eDrive40 Touring: Electric consumption, combined WLTP in kWh/100 km: 19.3-16.5; Electric range, WLTP in km: 483-560

BMW i5 eDrive40 Sedan: Combined power consumption in kWh/100 km: - (NEDC) / 16.3 (WLTP); Electric range (WLTP) in km: 571

BMW i4 M50: Electricity consumption in kWh/100 km: - (NEDC) / 22.5-18.0 (WLTP); Electric range (WLTP) in km: 415-520

BMW i5 M60 xDrive: Combined power consumption in kWh/100 km: - (NEDC) / 20.5-18.2 (WLTP); Electric range (WLTP) in km: 457-516

BMW i7 M70 xDrive Sedan: Electricity consumption in kWh/100 km: - (NEDC) / 23.7-20.8 (WLTP); Electric range (WLTP) in km: 490-559