

Media Information
4 May 2023

- Check against delivery -

Statement

Oliver Zipse

Chairman of the Board of Management of BMW AG

Conference Call Quarterly Statement to 31 March 2023

Munich, 4 May 2023, 10:00 a.m. CEST

Ladies and Gentlemen,

The BMW Group has a strong global footprint. It serves as a local partner in individual regions of the world, contributing positively to industrial economic value in all. We currently have production sites at 31 locations on five continents. We also have research and development centres in 17 countries – not to mention 41 sales and marketing and financial services locations across the globe. This is how we make sure specific trends, technological innovations and the different needs of customers in the regions are incorporated in our products and their development. To achieve this, we enter into targeted strategic collaborations with strong and innovative local tech players.

Our environment remains highly volatile and will likely continue to be shaped by unforeseeable circumstances. Many experts assume that the major economic areas are likely to drift further apart – both from a political and technological perspective, and also with regard to regulations. That is why it is so important for us to seize opportunities that will always present themselves at short notice in markets around the world. At the same time, our strategic thinking, our actions and our decision-making are always forward-looking, with a clear long-term focus.

Our goal is for the BMW Group to maintain its profitable growth and always be in a position to make appropriate investments in our own future. In keeping with this logic, we are charting our own course for the future, step by step, with our rolling strategic approach and long-range corporate planning. On the one hand, our strength lies in the consistency with which we pursue our strategy. On the other, it comes from the flexibility and speed with which we tackle sudden changes.

Once again, we have ambitious plans for the current financial year. After the first three months, we are on track to meet our goals for the full year. As Nicolas Peter explained:

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The financial results for the first quarter of 2022 and the first quarter of 2023 are not directly comparable – due to the one-time effect from the full consolidation of our BBA joint venture.

At the same time, our product line-up is younger, broader and more attractive than ever. Across all brands, all segments and all drive technologies, we have outstanding vehicles that were recently launched or will be released onto the market in the near future. We are exploiting potential everywhere – and experiencing a noticeable tailwind.

As you know: We expect Group deliveries to be slightly higher this year, compared to 2022, as we continue to build on our solid incoming orders. This applies equally – and that is a particular quality – to our all-electric models and to our conventionally-powered vehicles.

This proves once again that: Our long-term product strategy, including ramping up BEVs in line with demand, is delivering results. Through our balanced positioning in the world regions, we can compensate for regional market fluctuations, just as, for example, a certain market weakness in China can currently be offset by a stronger performance in the USA.

The same is true of our broad technology approach. This enables us to meet different demands in markets, while accounting for the varying speeds at which they are creating the necessary infrastructure for e-mobility. We remain true to our conviction that all types of drivetrain must make a positive contribution to reducing CO₂ emissions. This is particularly relevant in the short and medium term.

Our BEV deliveries grew strongly in Q1 across all four major regions – Europe, Asia, the Americas and the rest of the world. BEV sales for the BMW brand alone grew by 112 percent on average. All regions contributed to this. In April, the BMW brand continued this trend by doubling BEV sales yet again.

Our global balance in BEV growth fits perfectly with our local for local approach to our worldwide manufacturing activities, R&D and our BEV production. Together, all of these factors increase our resilience as a global company.

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Now, we are expanding this even more by adding an additional component: local manufacture of high-voltage batteries. This has already been established for current electric models at our facilities in Germany and China. In a next step, we are adding further capacity for the sixth generation of our battery technology – for example, in Woodruff, for our US plant in Spartanburg and in Debrecen, for our future plant in Hungary, as well as in San Luis Potosí, Mexico.

What will be the key success factors for us this year?

Our diverse range of products, with a clear focus on ramping up e-mobility.

Digitalisation of our products and of the company.

On point preparations for the NEUE KLASSE.

Let's take the first point:

Regional differences in demand for alternative drive technologies are becoming increasingly evident. I experienced this for myself just recently. In April, I visited the Japanese market and the Shanghai Auto Show. In Japan, hybrids and efficient combustion-engine vehicles are especially popular with customers. There is also a lot of interest in hydrogen as an alternative method of propulsion. It was therefore not surprising that the BMW iX5 Hydrogen* from our global pilot fleet was welcomed with open arms. Demand for pure battery-electric vehicles, on the other hand, is developing steadily, but slowly, in Japan and remains at a low level.

On the other hand, you have China, where BEV demand is growing rapidly. Today, China is already the biggest growth driver for e-mobility. For the first time, BMW presented only electrified models at Auto Shanghai. These included the i7 M70xDrive*, the XM Label Red* and the iX1* long-wheelbase version which we build "in China for China". It is no secret that China's BEV market is highly competitive – and equally among both established and new players. Several manufacturers are currently lowering prices – in some cases, substantially – to gain market share. At the BMW Group, we have a strong position in China. In the first quarter of 2023, we sold significantly more BEVs there than our established competitors and also more than many new manufacturers. By the end of this year, the BMW Group will already offer 11 BEV vehicles in China across all our brands. And

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with our BEVs we are exclusively targeting the upper premium and luxury segments.

Also, in China and in the current context, we benefit from our broad technological approach. The comparison of the car markets in Japan and China illustrates clearly the extent to which automotive manufacturers face varied market requirements during their transformation. We are targeting profitable growth with all drive technologies and in all segments and therefore leveraging earnings potential.

The upper premium and luxury segments are a good example of this. Growth in this segment will get a major boost this year from new BMW models: the 7 Series and the XM*, as well as the X7 model update – not to mention the Rolls-Royce model family. We are currently releasing X5 and X6 updates onto the markets, including the particularly successful long wheelbase version of the X5 in China.

And let's not forget the popular and in-demand models from BMW M. Over the coming months we will release the model updates for the X5 M* and X6 M*. Many fans are also looking forward to the BMW M3 Touring* that was just released onto the market. It was recently named "Dream Car of 2023" by Autocar Awards. And the M2 Coupe* is also ready to hit the road.

With our strong portfolio, we are targeting growth in the mid-double-digit percentage range in the upper premium and luxury segments this year. We are aiming even higher with our fully-electric vehicles – and planning for high double-digit growth. Over the full year, BEVs are expected to account for 15 percent of our global deliveries. This will be another big leap and the highest absolute increase we have targeted to date. Key models, in particular, will drive our sales, including at BMW, the BMW i4* sport coupé, the iX, the iX3* and the new i7* and new iX1*; and at MINI, the Cooper SE*.

And we will keep up the pace with additional new products: The new BMW 5 Series and new BMW X2 will be released onto the markets towards the end of the year, including the i5 and iX2 BEV variants. The BMW Group will then have at least one all-electric model in all its main model ranges on the roads. We recently conducted intensive testing of the BMW i5 under the most difficult conditions, including extremely low temperatures. It also

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impressed media representatives at our recent pre-launch test drive events, as the very positive coverage demonstrates. Bottom line: The BMW 5 Series is THE top business sedan, with all drivetrains — conventional and fully electric.

Our BEV roadmap is precisely defined: By 2024, at least one in five of the BMW Group's new vehicles should be a BEV; by 2025, it will be one in four; in 2026 one in three. That is another reason why we are in a better position with our targeted BEV ramp-up than our key competitors.

As a company, we remain innovative: In the field of battery technology, for example, we are in the top three for patent applications in Germany. There were only two battery specialists from Korea and China ahead of us last year.

Let's move on to the second topic.

Digitalisation is the most dynamic field in the mobility of tomorrow. That is why we are making BMW digital – because digital products and features can only be created in an organisation that views digitalisation holistically as an opportunity. The know-how we have in our team is crucial in this respect. That is why we have launched the biggest individual training programme in the history of our company for key areas of digitalisation. This digital boost will create the knowledge and tools we need to identify and implement digital potential in every area of responsibility.

Let me give you three examples to show how we are implementing this knowledge to create a seamless digital experience of mobility that benefits our customers:

1. In the new BMW 5 Series, customers will experience automated driving in a new dimension: It is equipped with the "Highway Assistant", which continuously performs distance control and steering tasks. For the first time, the vehicle changes lanes using eye activation. An absolute world first. Customers will not find such a comparable overall package anywhere else.
2. Our Digital Key Plus: This digital vehicle key is no longer just available for Apple devices. Customers can now also use their

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Android smartphone to unlock and start their BMW. This is made possible by ultra-wideband technology that guarantees maximum security – you don't even have to take your phone out of your pocket.

3. Our multimedia offering in the new BMW 7 Series: Earlier this year, we launched a pilot programme that makes selected live Bundesliga games available in certain models. We are now expanding this option. In the new 7 Series, the Theatre Screen transforms the rear compartment into an exclusive seat in the stadium.

This brings me to my third and final point:

Alongside our current product line-up, we are also gearing up for the next big breakthrough in innovation. 2023 and 2024 will be the decisive phase of our preparations for the NEUE KLASSE. It will bring added momentum to our sales of all-electric vehicles from 2025 onwards. We plan to release at least six models of this entirely new BMW model generation onto the market in the first 24 months after the start of production.

We are deliberately starting out in high-volume segments with a Sports Activity Vehicle and a sedan in the 3 Series segment. The NEUE KLASSE embodies all three pillars of future mobility. It is entirely geared towards digitalisation and sustainability, and also fully-electric. Our BMW i Vision Circular from 2021 and this year's BMW i Vision Dee show the direction of our thinking. In just a few months, at the IAA MOBILITY, we will be sharing how the topics of digital, circular and electric complement each other to form a totally new and coherent overall concept.

Ladies and Gentlemen,

As you can see, during the current financial year, we are once again taking a two-pronged approach: Internally, we are focusing on our operational excellence. Across all brands and all segments, we are offering our customers a new, modern, technologically diverse and innovative range of products. At the same time, we are systematically investing in our future and aligning the entire company for the launch of the NEUE KLASSE. The BMW Group remains focused on delivering its profitable growth and holding its successful course. For us, that means an EBIT margin in the

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Automotive Segment within our target range of eight to ten percent – even during the transformation towards e-mobility.

Thank you!

***Consumption/emissions data:**

BMW iX5 Hydrogen: consumption weighted (WLTP): 1,19 kg H₂/100 km, combined NEFZ: –, CO₂ emissions weighted, combined in g/km: - 0 g/km; electric range (WLTP) in km: 504 km (313 miles)

BMW XM: Fuel consumption weighted, combined in l/100 km: - (NEDC)/1.6-1.4 (WLTP); CO₂ emissions weighted, combined in g/km: - (NEDC)/36-32 (WLTP); power consumption weighted, combined in kWh/100 km: - (NEDC)/301-28.6 (WLTP); electric range (WLTP) in km: 82-90

BMW XM Label Red: Fuel consumption weighted, combined in l/100 km: - (NEFZ) / 2,0–1,5 (WLTP); CO₂ emissions weighted, combined in g/km: - (NEFZ) / 45–35 (WLTP); CO₂ emissions weighted, combined in g/km: (NEFZ) / 33,6–32,5 (WLTP); power consumption (WLTP) in km: 76–82. These are preliminary values that have not yet been confirmed.

BMW iX1 xDrive30: Power consumption in kWh/100 km: - (NEDC)/18.1-16.9 (WLTP); electric range (WLTP) in km: 417-439

BMW X5 M60i xDrive: Fuel consumption combined in l/100 km: - (NEDC)/12.5-11.5 (WLTP); CO₂ emissions combined in g/km: - (NEDC)/283-261 (WLTP)

BMW X6 M60i xDrive: Fuel consumption combined in l/100 km: - (NEDC)/12.3-11.4 (WLTP); CO₂ emissions combined in g/km: - (NEDC)/279-258 (WLTP)

BMW M3 Competition Touring mit M xDrive: Power consumption combined in kWh/100 km: - (NEFZ) / 10,4–10,1 (WLTP); CO₂ emissions combined in g/km: - (NEFZ) / 235–229 (WLTP)

BMW M2 Coupé: Power consumption combined in kWh/100 km: - (NEFZ) / 10,2–9,6 (WLTP); CO₂ emissions combined in g/km: - (NEFZ) / 231–218 (WLTP)

BMW i4 eDrive35: Power consumption in kWh/100 km: - (NEDC)/18.7-15.8 (WLTP); electric range (WLTP) in km: 406-483

BMW iX xDrive40: Power consumption in kWh/100 km: - (NEFZ) / 21,4–19,4 (WLTP); electric range (WLTP) in km: 403–435

BMW iX3: Power consumption combined in kWh/100 km: - (NEDC)/18.9-18.5 (WLTP); electric range (WLTP) in km: 453-461

BMW i7 xDrive60: Power consumption in kWh/100 km combined: 19.6-18.4 WLTP

MINI Cooper SE Countryman ALL4: Fuel consumption in l/100 km: 2.1-1.9 (NEDC), 2.1-1.7 (WLTP); power consumption in kWh/100 km combined: 14.8-14.1 (NEDC), 15.9-14.8 (WLTP); CO₂ emissions in g/km combined: 48-44 (NEDC), 47-39 (WLTP)