

Media Information
7 May 2021

– Check against delivery –

Statement**Oliver Zipse****Chairman of the Board of Management of BMW AG****Conference Call Interim Report to 31 March 2021****Friday, 7 May 2021, 10:00 a.m. CEST**

Good morning, Ladies and Gentlemen.

The BMW Group is a global company.

We leveraged this strategic strength both during the financial year 2020 and in the first quarter of 2021.

When the market situation is difficult in individual regions of the world, the other markets carry us through.

Since the start of the pandemic, we have done everything possible to create a safe working environment for our employees. We also offer safe and contact-free delivery of vehicles to customers.

In more than 60 markets we have set up Mobile Sales Offices. Our new Customer, Brands and Sales System is taking advantage of the momentum and growing acceptance of digital services that has been building over the past year.

Our strong results underline the viability of our business model – even during one of the worst crises the global economy has faced. It is robust, in demand all over the world and full of innovations.

In many areas, we have picked up the pace once again.

I would like to give you a brief overview, focusing on three main points:

1. We are on course for growth – and we are growing profitably.
2. We are growing sustainably and have a clear roadmap into the future.
3. We are shaping the technology for tomorrow's mobility.

Let's start with the first point.

The BMW Group delivered excellent results in the first quarter of 2021.

- Markets worldwide are recovering.
- Our diverse product portfolio is reaching large groups of customers.
- And our ongoing efficiency measures are paying off.

This shows clearly: our strategy is having a real impact.

The Automotive Segment delivered an EBIT margin of 9.8 percent in the first quarter – back within our strategic medium-term target range for the first time in ten quarters. As in the past, this EBIT margin does not include the at-equity result from our BBA joint venture in China.

Another indicator of our operating strength is our free cash flow of 2.5 billion euros in the Automotive Segment – our best figure ever for a first quarter.

Our first-quarter deliveries also reached a new all-time high. Compared with the first quarter of 2019 – in other words, the comparable period before the crisis – Group sales increased by six percent.

Our total market share worldwide has climbed up to 3.3 percent – from 2.9 percent in the same period 2019.

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Our performance in the Chinese market stands out, in particular. Compared to the first quarter of 2019 – again, pre-crisis – our China sales increased by more than 36 percent.

We recently presented our model line-up for our largest market at Auto Shanghai 2021. With highly innovative, digitalised, electric and, above all, exceptionally high-quality products, like the BMW iX3, the BMW iX and the BMW i4, we intend to sustain our growth in China.

Our electrified models are also in high demand globally. In the first quarter, we were the biggest manufacturer of plug-in hybrids worldwide.

With more than 70,000 electrified vehicles sold in the first three months of 2021, we are on track to have a total of one million fully-electric vehicles and plug-in hybrids on the roads by the end of the year.

This also illustrates the success of our flexible architecture strategy.

The BMW iX3 is receiving consistently outstanding ratings from the automotive press: not only because of its many impressive characteristics – such as its quality, comfort, connectivity, operating ease and dynamic performance – but also its range.

Its efficient drive train puts it on a par with electric models with the highest ranges among all brands within its segment.

Just yesterday, I met with journalists testing pre-production models of the BMW i4. This car will put e-mobility right at the heart of the BMW brand.

I am extremely confident we will be able to build on our e-mobility successes with the BMW i4 and BMW iX.

Growth remains our industry's strongest currency.

Before the end of the decade, we want to reach the milestone of three million delivered vehicles annually. As far as the BMW Group is concerned, we are also growing profitably and sustainably – and we will make sure this continues.

That brings me to my second point:

We are growing sustainably.

Sustainability is the new language that connects the world.

The three major world markets, Europe, the US and China, as well as other industrial nations, have set themselves ambitious goals on the road to climate neutrality. They have recently confirmed – and even stepped up – these targets.

The next big, binding step will be the year 2030 – also for the BMW Group.

We have geared our company entirely towards sustainability. By 2030, we aim to reduce our actual carbon footprint per vehicle by at least a third from 2019 levels – in a verifiable and transparent manner, everywhere around the world.

During our Annual Conference, we published an integrated BMW Group Report for the first time, which documents our progress and, most importantly, gives equal weighting to our sustainable development and financial indicators.

A company does not become sustainable simply by flipping a switch or buying certificates. What counts is not alleged sustainability – but verifiable measures that deliver a real impact.

That is why we joined the Science Based Targets Initiative.

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We think about sustainability in a way that goes far beyond emissions.

Energy and resource consumption will be the next, much bigger issue.

Raw materials are becoming more expensive. Water and many mineral resources are scarce and valuable commodities.

We are seeing that especially right now. This is why it is so important to think in terms of a circular model and reduce our use of materials from the outset.

To achieve this, we are relying on partnerships and collaboration across our industry, with NGOs as well as political institutions.

This requires hard work, investment and an ongoing commitment.

We firmly believe: we will add value for society in this way, and also become a stronger company in the long term.

Let me give you a few examples from the last few months alone:

- We significantly overfulfilled our CO₂ fleet targets in Europe last year – and we are strategically on course to meet the goals for 2021 and beyond. Both further development of our conventional drive trains and our electromobility offensive will play a big part in this.
- With support from the strategic EU programs IPCEI – which stands for Important Projects of Common European Interest – we are involved in another project that is advancing battery technology. We are conducting research into a new generation of sustainable batteries optimised for use in a circular model – for vehicle use, then for stationary energy storage and, finally, for efficient dismantling and reuse of materials.
- Our suppliers rely on 100% green power to produce battery cells; at the same time, we are increasing our use of secondary material. To give you

a concrete example: In the BMW iX, we are reducing carbon emissions in the supply chain by 17%, compared to the same vehicle produced without these measures.

- We have signed multi-year supply contracts for sustainable lithium from South America with the American company Livent. Livent uses a special method that minimises the impact of lithium extraction on the surrounding ecosystem.
- With immediate effect, we will be sourcing half the aluminium needed by our light metal foundry in Landshut from Emirates Global Aluminium. The aluminium is produced using electricity from one of the world's largest solar parks.
- With an investment in Boston Metal, we are also promoting green innovations in steel production. Boston Metal is working on industrialisation of electrolysis processes in production of liquid iron. We aim to reduce our CO2 emissions from steel by about two million tonnes by 2030.
- Additionally, we have launched an initiative to protect the deep seas with the WWF, Google, Samsung SDI and the Volvo Group. We will not source minerals from deep-sea mining until there has been a full scientific investigation into the impact.

All these examples show that:

Sustainability cannot be taken for granted. It takes a lot of different measures to achieve a large-scale effect – as well as a conscious openness towards choosing the most effective technology in each case.

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Our ambition is clear:

The greenest electric car will be a BMW.

However, we also know that we always have to – and we will – combine sustainability with technology, innovation and inspiring products for our customers.

That is the BMW way. And we will continue full speed ahead.

That brings me to my third and final point:

We are shaping the technology for tomorrow's mobility.

- We are once again upping the pace of our electromobility offensive and plan to deliver more than 100,000 fully-electric vehicles to customers this year.
- By 2023, we will have at least one fully-electric model on the roads in all key segments – from the compact segment to the ultra-luxury class.
- By 2030, at least half our global sales will come from fully-electric vehicles.

We are electrifying all our brands to achieve this.

- MINI will release its final model with a combustion-engine variant in 2025.
- At Rolls-Royce, electric driving will soon define a new form of luxury.
- At BMW, we are ready for a strong market ramp-up for the i4, iX, 7 Series, X1, 5 Series and other models.

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We will also be introducing our new and self-developed BMW Operating System 8 with the BMW iX: a new generation of performance, user experience and intelligent driver assistance.

In combination with high-performance hardware, we are capable of processing more data live than ever before. The data transfer is 10 to 20 times faster than in previous systems.

We have also enhanced our award-winning and safe display and operating concept.

BMW Operating System 8 is designed for 5G connectivity, with complete functionality for applications like our powerful cloud-based navigation software BMW Maps.

Third-party services can be fully integrated into the operating system. This applies, for instance, to services from Apple, Google, Tencent and Spotify, which can transform the vehicle into the perfect digital companion.

We already introduced over-the-air updates for our vehicles with BMW Operating System 7. More than one million vehicles have already received upgrades.

This was a huge success that we will continue to build on. In many cases, our vehicles can be configured with functions on demand at a later date.

By the end of the year, we will have the largest connected fleet in the world, with around 2.5 million vehicles with Remote Software Upgrade capabilities.

And we are already planning the next big step.

At the Annual Conference, we unveiled the broad strokes of our vehicle strategy from the middle of the decade:
the Neue Klasse – electric, digital and circular.

It will be key to the future success of the BMW Group. We are putting all our know-how and considerable investment into this development.

The Neue Klasse will establish a new generation of technology modules – targeting maximum synergies and scalability for our entire vehicle portfolio.

We will be introducing a new digital architecture and a new generation of electrical system.

We will also be taking the next leap with our electric powertrain and leveraging the opportunities of the new architecture to redesign our batteries. At our Battery Cell Competence Centre, we are currently testing different cell chemistries, formats and modules.

We aim to realise an automotive-compatible solid-state battery in collaboration with the battery specialist Solid Power by the end of the decade. We will present an initial demonstrator vehicle with these batteries well before 2025.

Ladies and Gentlemen,

The BMW Group is on course for success.

We are growing and reaching more customers than ever.

We are focused on our goal of reaching three million units sold in a single financial year within this decade.

In recent years, we have been working hard to get back on a profitable track.
Today, we are seeing the benefits of this strategy.

We are setting the standard with our sustainable global business model.
We will eliminate mobility as a climate factor in the long term – by implementing impactful and transparent measures in the BMW style.

And we are paving the way for the next leaps in technology – that will inspire our customers even ten years from now.

Thank you for your attention.

Consumption/emissions data:

BMW iX3: Power consumption in kWh/100 km combined: 17.8-17.5 NEDC, 19.0-18.6 WLTP.

BMW iX: Power consumption in kWh/100 km: 22.5-19.5 WLTP. Data are preliminary and based on forecasts.

BMW i4: This is a pre-production model, no homologation figures are available yet.