

Press release
13 February 2019

Blockchain: Developing standards for universal application in the mobility sector.

The BMW Group is hosting the Mobility Open Blockchain Initiative's first European colloquium.

Munich. From 14 – 15 February, members of the consortium co-founded by the BMW Group will be meeting with representatives of well-known technology companies from around the world, plus blockchain start-ups and specialists, at the BMW Group IT Centre in Munich. As well as serving as a platform for sharing knowledge and experience, the two-day event is primarily intended to promote and develop common standards for applying blockchain and distributed ledger technologies (DLT) in the mobility industry.

Blockchain: technology with a bright future.

This new technology holds great potential for the automotive and mobility industry. “The hype surrounding blockchain has died down, and it is even met with occasional scepticism now. We are convinced, however, that blockchains represent a real opportunity and will eventually break up the established, centralised market by making it possible to create more decentralised platforms and so give consumers more control over their data,” explained Andre Luckow, who heads the department responsible for blockchain and distributed ledger technologies at the BMW Group. “Plus, secure transactions can also be facilitated without intermediaries, paving the way for trialling new business models.” Last year, the company conducted a proof of concept that demonstrated how customers can use the VerifyCar app to keep track of their vehicle’s mileage, for example, verify it and share it with third parties – all driven by blockchain technology.

“Added to this, blockchains enable us to improve cross-organisational and cross-industry collaboration by increasing efficiency and transparency,” continued Luckow. Conceivable blockchain applications exist throughout the automotive value chain. Blockchains can be used in production and supply chain management to help improve traceability, security and operative efficiency. In complex supply chains, for instance, complete transparency can be achieved with the help of blockchain technology allowing the origin of individual parts and components being traced back via the various partners involved. This principle was successfully tested by the BMW Group in an additional proof of concept, followed by a pilot project which has been launched at Plant Spartanburg (USA) to conduct a detailed examination of a multi-tiered international supply chain. It is due to deliver its first concrete

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results before the end of this year and could potentially underpin more extensive implementation in the BMW Group's purchasing and supplier network. The long-term objective is to jointly develop an open, independent platform as part of the BMW Group's consortium work that would enable industry-wide application.

Uniform standards delivering global success.

This goal cannot be achieved, though, without creating and establishing the necessary standards. Quick to recognise this, the BMW Group was involved in the founding of MOBI in 2018 and is now reaffirming its commitment by hosting the consortium's first European colloquium. The event's central focus is the need to work together on universal standards and principles for implementing blockchain technologies. "In view of the rapid spread of mobility services and the constantly growing number of connected and, in future, autonomously driving cars, blockchains and distributed ledger technologies offer an ideal solution for processing, storing and sharing data securely, transparently and efficiently," pointed out Chris Ballinger, founder and CEO of MOBI. "Our vision is to use blockchain technology to help us shape a future of mobility that is greener, safer, and improves the quality of life in our cities. Clearly defined, universal standards are indispensable for achieving this. We are delighted to be driving this new technology forward in partnership with the BMW Group." Since the consortium's creation, over 100 companies, NGOs and non-profit organisations have joined its ranks and are actively involved in working groups, events, hackathons and weekly channel calls.

"It is essential to create digital ecosystems that share an infrastructure and use applications with agreed standards and control models," emphasised Andre Luckow. "Common, open standards and ecosystems are the only way to speed up the development and adoption of blockchain systems."

Together with automated driving, the systematic expansion of connectivity as we progress towards a digital, emission-free future is one of the key fields of action for the BMW Group as it seeks to push ahead the transformation of the mobility sector as part of its NUMBER ONE > NEXT strategy.

Further information on MOBI can be found at www.dlt.mobi.

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The BMW Group

With its four brands BMW, MINI, Rolls-Royce and BMW Motorrad, the BMW Group is the world's leading premium manufacturer of automobiles and motorcycles and also provides premium financial and mobility services. The BMW Group production network comprises 30 production and assembly facilities in 14 countries; the company has a global sales network in more than 140 countries.

In 2018, the BMW Group sold over 2,490,000 passenger vehicles and more than 165,000 motorcycles worldwide. The profit before tax in the financial year 2017 was € 10.655 billion on revenues amounting to € 98.678 billion. As of 31 December 2017, the BMW Group had a workforce of 129,932 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. The company has therefore established ecological and social sustainability throughout the value chain, comprehensive product responsibility and a clear commitment to conserving resources as an integral part of its strategy.

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