

Media Information
1 August 2024

- Check against delivery –

Statement**Oliver Zipse****Chairman of the Board of Management of BMW AG****Conference Call Half-Year Report to 30 June 2024****Munich, 1 August 2024, 08:30 a.m. CEST**

Ladies and Gentlemen,

In the past few days, several automotive manufacturers have released their half-year results: A glance at the numbers shows just how differentiated our industry is.

The basic principles are the same for everyone – which reveals even more clearly how different strategic approaches are performing in the current environment. All those who are broadly diversified are reaping the benefits.

Our own ambitions are underlined by the first six months: In the face of headwinds, we can capitalise on our competitive strength in the market.

In the first half of 2024, BMW Group deliveries were at the same high level as the previous year. Our core BMW brand is growing.

In terms of financial performance, we also deliver consistently high profitability.

For the past ten consecutive quarters, our EBIT margin in the Automotive Segment has been within our strategic target range of eight to ten percent, or higher.

At 10.9 percent, the Group EBT margin once again outperformed our strategic target of 10 percent.

Above all, our all-electric vehicles and models in the higher-priced upper segments of our BMW and BMW M brands remain in very high demand.

In our view, e-mobility will continue to be the core drive technology of the future and our primary growth driver.

We anticipated this development early – which is why we have one of the most

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comprehensive and attractive EV portfolios in the marketplace today. We already offer at least one BEV model in nearly every segment that is relevant for us.

This wide-ranging offering lays the foundation for our continued dynamic growth in BEVs – even in the current more challenging market environment.

In absolute terms, BMW comes in a strong third in electric vehicle sales among all OEMs worldwide.

Our impressive performance in ramping up electromobility becomes even clearer when we look at the rate of growth in the first half of the year.

With growth of 34 percent, the BMW brand is number one worldwide among all relevant major players.

Take the example of the BMW X1, a customer favourite, and our luxury sedan, the new BMW 7 Series: In the case of both vehicles, one in five customers is already opting for the all-electric iX1* or i7* variant.

In the first half of 2024, our fully-electric sport coupé, the BMW i4*, remained our line-up's best-selling electric vehicle – once again posting double-digit growth.

I have emphasised many times that following the hype without careful consideration is not a strategy. Emotionality and nervousness have never been good counsellors.

Our strategy is grounded in facts, experience and a continuous, realistic assessment of the current situation. It has proven robust – especially in turbulent times.

The approach to drive technologies rooted in this strategy makes us resilient and secures our market success.

With our globally aligned, highly flexible production network, we are capable of responding to fluctuations in demand better than others.

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Supply chain management is increasingly critical to success.

We have established processes to identify risks in our supplier network at an early stage. This enables us to take action before a risk becomes an issue. We have not had any major impact recently.

This also ensures that we can respond to regional differences in customer preferences as needed – whether for cars with internal combustion engines, plug-in hybrids or BEVs.

As a result, we have consistently outperformed EU CO₂ requirements for years.

One thing is clear: The most impactful contributions to climate protection are those we can make today: In other words, every tonne of CO₂ we can save today – not sometime in the future – counts.

This also entails demanding and promoting the use of low-CO₂ fuels like e-fuels, E 25 or HVO100 – as quickly and as widely as possible.

These fuels could immediately improve the carbon footprint of the existing fleet of more than 250 million vehicles in the European Union.

At the moment, however, we see a significant risk of eFuels being politically instrumentalised in the debate about the ban on combustion engines from 2035.

There are currently many indications that the EU Commission is striving for a bogus solution in which the ban on combustion engines is relaxed simply by ostensibly opening up to eFuels.

However, if it then does nothing to accelerate the ramp-up of low-CO₂ fuels and make their use practicable, this would be a deliberate ban on combustion engines through the back door.

We continue to believe that a categorical ban on combustion technology is wrong. And we are also publicly committed to our highly efficient engines and plug-in

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hybrid technology, such as that used in our new BMW X3.

As a hybrid version, the high-volume X3 enables locally emission-free premium mobility well beyond city traffic.

The new X3 will be released onto the market in the fourth quarter – initially in the US and Europe.

You all know how popular our X models are. Last year, the current X3 was the best-selling model across our entire BMW product range.

When the all-electric NEUE KLASSE ramps up at our specially-built plant in Debrecen in late 2025, it will initially launch with an X model. This will be followed soon afterwards by a sporty sedan from Plant Munich.

With the NEUE KLASSE, our aim is to once again expand our technology leadership. Preparations are in full swing and progressing according to plan – despite the challenging conditions.

Our technology clusters allow us to quickly deploy the technologies of the NEUE KLASSE across our entire vehicle portfolio – elevating it to a whole new level, regardless of the drive technology.

Mastering this degree of integration and executing it efficiently are highly complex tasks. This is precisely where future competitiveness will be decided in our industry.

It is why we continue to focus on optimising interaction between all technologies – creating a holistic mobility experience for all our customers. Our automated driving functions provide a good example of our technological edge.

A few weeks ago, we released a world first onto the market: We are the first automotive manufacturer to offer the combination of Level 2 and Level 3 driver assistance systems exclusively in Germany in the new 7 Series.

We have already obtained Level 2+ approval for numerous BMW models in the US,

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Canada and – making this another field where our technology clearly sets us apart. We will solidify this leading position with the NEUE KLASSE.

Ladies and Gentlemen,

The automotive industry is a major driver of the global economy – which increasingly makes it the focus of geopolitical interests.

The issues range from growing regulation to protectionist measures in the major economic areas of the US, China and the European Union.

We are seeing global competition for raw materials and access to strategically critical technologies, such as high-voltage batteries and semiconductors, as well as advancements in AI applications.

Each region and individual state is seeking to protect its own economic interests. This also includes localising the entire automotive value chain, including supply chains.

At the BMW Group, we remain committed to open markets and opposed to artificial barriers such as punitive tariffs.

The introduction of additional import duties, like those recently imposed by the EU, leads us down a dead-end street – and will ultimately not make European manufacturers any more competitive.

On the contrary, EU tariffs on BEVs from China instead penalise European manufacturers like the BMW Group – since they also produce vehicles in China for the European market.

Additional customs duties also limit the choice of electric cars for European customers and could therefore slow down decarbonisation in the transport sector.

Measures always lead to countermeasures. Let us not forget that implementation of the Green Deal in Europe also relies heavily on raw materials and technology from China, in particular.

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Ladies and Gentlemen,

The BMW Group cannot entirely escape current market and geopolitical developments. However, with our long-term, yet flexible strategy, we are in the driver's seat.

We adapt quickly and effectively as conditions evolve.

We see no reason for hasty action or fundamental course adjustments.

We will continue on our path in the future. That means, sometimes we do things differently – but always out of conviction, not merely on principle.

This is what makes us strong and successful in the long term.

The fact of the matter is: The automotive industry will remain a growth sector in the future – and we intend to make sure the BMW Group in particular benefits from it.

Thank you.

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***Consumption/emissions data:**

BMW iX1 eDrive20: energy consumption 15,4 kWh/100 km (WLTP); CO2 emissionen: 0 g/km (WLTP); CO2 class A; Elektrische Reichweite: 474 km (WLTP); range: 150 kW (204 PS)

BMW iX1 xDrive30: energy consumption 16,9 kWh/100 km (WLTP); CO2 emissionen: 0 g/km (WLTP); CO2 class A; Elektrische Reichweite: 439 km (WLTP); range: 230 kW (313 PS)

BMW i7 eDrive50: energy consumption 19,2 kWh/100 km (WLTP); CO2 emissionen: 0 g/km (WLTP); CO2 class A; Elektrische Reichweite: 610 km (WLTP); range: 335 kW (455 PS)

BMW i4 eDrive35: energy consumption 15,4 kWh/100 km (WLTP); CO2 emissionen: 0 g/km (WLTP); CO2 class A; Elektrische Reichweite: 493 km (WLTP); range: 210 kW (286 PS)

BMW i4 eDrive40 Gran Coupé: energy consumption 19,1 kWh/100 km (WLTP); CO2 emissionen: 0 g/km (WLTP); CO2 class A