

Media Information
15 March 2023

- Check against delivery –

Statement**Dr Nicolas Peter****Member of the Board of Management of BMW AG, Finance****BMW Group Annual Conference 2023****15 March 2023, 08.30 – 9.30 a.m., BMW Welt**

Good Morning, Ladies and Gentlemen.

As you know, the BMW Group consistently delivers on its strategic priorities, excellence in execution and compelling returns for all stakeholders.

2022 was no exception.

Our Group EBT margin stood at 16.5%. Our Automotive operating earnings increased 7.8% year-on-year. The EBIT margin for the segment of 8.6% was at the upper end of our target range of 7-9%. Excluding the consolidation effects of the BBA full consolidation, the Auto EBIT margin stood at 11.2%. Free Cash Flow in the Automotive Segment reached 11 billion euros, well over our projection of at least 10 billion. We reached our overall sales target thanks to double-digit growth in Q4 as well as our BEV delivery target, with sales more than doubled from 2021.

We also met all our non-financial targets. This includes a further reduction of our CO₂ fleet emissions to 105 grams, representing an outperformance of 22.5 grams. We achieved all of this in the face of many challenges that caused a high level of volatility in our business environment.

Continued semiconductor shortages and supply chain bottlenecks impacted us throughout the year and led to production disruptions. This included bottlenecks in vehicle and parts logistics, partly due to pandemic-related lockdowns in China. The combination of these factors dampened vehicle sales in the first half year in particular, as we were simply unable to meet demand.

Under these difficult conditions, the BMW Group proved its resilience and earnings power yet again. In all areas of the company, our employees have worked tirelessly to help us navigate through these challenges. Thanks to our globally balanced footprint, we are able to react flexibly to developments in our markets. In a volatile

Corporate Communications

Media Information

Date 15 March 2023

Subject Statement Dr Nicolas Peter, Member of the Board of Management of BMW AG,
Finance, BMW Group Annual Conference 2023

Page 2

environment, we recorded strong sales figures in the second half year and concluded the full year with a robust business performance.

At the same time, we had an exceptional development through the increase of our stake in our Chinese Joint Venture, BBA, to 75%, and the full consolidation in the BMW Group's financial statements. We are capitalizing on the strengths of both companies, to increase agility and thus enhance the ability of BBA to exploit opportunities in a volatile and dynamic business environment.

Let's now take a look at the business development in detail.

Revenues at Group level amounted to 142.6 billion euros for the year. Cost of sales also increased significantly – due to the inclusion of BBA's cost of sales, and rising material and logistics costs. A higher share of electric vehicles, as well as increased risk provisions for our financial services business also factored into the increase.

Group earnings before tax reached 23.5 billion euros. The significant increase compared to 2021 reflects the revaluation effect of previously-held BBA shares amounting to 7.7 billion euros. Additional tailwinds came from strong pricing and ongoing positive developments in the pre-owned vehicle markets. As mentioned, the Group EBT margin came in at 16.5%.

Let's now take a closer look at the individual segments, starting with the Automotive Segment. With a strong second half-year, we achieved our annual sales target with a slight reduction of 4.8% compared to 2021. In total, we delivered nearly 2.4 million vehicles to customers worldwide. Due to the factors mentioned before that affected production, we adjusted our volume target after the first six months. In 2022 we sold nearly 216,000 all-electric BMW and MINI vehicles, more than doubling our total from the previous year.

The segment's operating earnings totalled almost 11 billion euros. At 8.6%, the EBIT margin is at the upper end of our target range of 7-9% for 2022 and within our long-term strategic range of 8-10%. Excluding the consolidation effects of the BBA full consolidation, the Auto EBIT margin stood at 11.2%. Despite the reduced sales volume, the year-on-year increase in segment earnings was mainly driven by

Corporate Communications

Media Information

Date 15 March 2023
Subject Statement Dr Nicolas Peter, Member of the Board of Management of BMW AG,
Finance, BMW Group Annual Conference 2023
Page 3

improved pricing.

Positive effects also came from the full consideration of BBA, while our aftersales business also saw significant growth. The continuing positive development in pre-owned car markets and positive currency effects also contributed to the increase. Throughout the year, rising costs for materials and logistics impacted the segment's EBIT, resulting in a headwind of more than 2.5 billion euros. This primarily reflects the limited availability of semiconductors and supply chain disruptions, as well as higher raw material and energy prices. Higher expenses for warranty provisions and inflation adjustments also dampened earnings. Consolidation effects from the initial consolidation of BBA totalled around 3.1 billion euros. These included depreciation and amortisation from the purchase price allocation and elimination of interim profits in connection with intra-Group deliveries.

The significant increase in the financial result to 8.3 billion euros mainly came from the fair market valuation of previously-held equity interests in BBA, which resulted in a one-time effect of around 7.7 billion euros.

Free cashflow in the Automotive Segment reached 11 billion euros and includes around 5 billion euros of net cash acquired from BBA at the date of initial consolidation. For 2023, our ambition is to achieve a free cashflow of around 7 billion euros.

Ladies and Gentlemen,

The BMW Group is known for its innovative strength. We remain focused on our transformation as we electrify and digitalize our business. Overall, we invested around 7.8 billion euros in 2022 in new vehicle projects, as well as in the digital backbone and digital features of our vehicles and battery technology. This resulted in an overall capex ratio of 5.5%. For 2023, we expect the capex ratio to be around 6%.

This higher level of capital investment ensures the future viability of our business.

Corporate Communications

Media Information

Date 15 March 2023
Subject Statement Dr Nicolas Peter, Member of the Board of Management of BMW AG,
Finance, BMW Group Annual Conference 2023
Page 4

We are preparing our global production network for further electrification with investments in China, Spartanburg and Mexico and the launch of our NEUE KLASSE with the upcoming plant in Hungary. Our approach of 'thinking globally and acting locally' gives us the flexibility to react to individual market developments.

Research and development expenditure remains at a high level, with a priority on the further electrification of our portfolio and expansion of digital features. In addition to expenses for new models, a major focus in 2022 was software architecture and preparations for the upcoming NEUE KLASSE. R&D costs according to IFRS totalled 6.6 billion euros, moderately higher than 2021. The R&D ratio, according to the German Commercial Code, stood at 5.0% for the full year. As expected, the ratio is lower than the previous year despite the ongoing high level of R&D expenditure, due to the increase of revenues from the full consolidation of BBA. Moving forward, we are adjusting our long-term target range for the R&D ratio to between 4 and 5% from 2023, reflecting the impact of BBA consolidation in our revenues.

Let's turn now to the Financial Services Segment. Pre-tax earnings amounted to 3.2 billion euros, a significant decrease on the previous year, which was influenced by an exceptionally positive risk situation. In 2022, geopolitical uncertainty and a weaker macroeconomic outlook led to higher provisions for credit risks mainly starting in the third quarter.

Nevertheless, the actual credit loss ratio currently remains at a historically low level. However, in the second half-year of 2022 we saw a slightly increasing trend. Positive effects on earnings continued from high revenues from the resale of our end-of-lease vehicles. However, the total volume of new business from financing and leasing contracts with retail customers for the year was down. The decrease primarily reflects rising interest rates, related price increases and a very competitive landscape in the financial services sector, coupled with the overall limited availability of new vehicles. On the other hand, average financing volume per vehicle increased due to higher vehicle prices and an improved product mix. The return on equity of 17.9% was within our adjusted target range of 17-20%.

Corporate Communications

Media Information

Date 15 March 2023

Subject Statement Dr Nicolas Peter, Member of the Board of Management of BMW AG,
Finance, BMW Group Annual Conference 2023

Page 5

In 2022, the Motorcycles Segment delivered its strongest sales performance in its history with over 200,000 units sold. The R 1250 GS and R 1250 GS Adventure boxer models were particularly popular with customers, with just under 60,000 units delivered. 2022 also saw the launch of the CE 04. With 5,000 units sold already, the e-scooter has demonstrated clearly the popularity of electric urban mobility. As it enters its centennial year, the brand continues to see growth in markets worldwide, with double-digit growth in the US and Latin America in 2022. The EBIT margin for the segment came in at 8.1%. Pre-tax earnings amounted to 269 million euros, significantly above the previous year.

Finally, let's look at earnings in the Other Entities Segment and intersegment eliminations. At around 1.1 billion euros, the combined result was higher than the previous year. Positive valuation effects from interest rate derivatives, driven by significantly higher interest rates, as well as lower inter-segment eliminations from the reduced leasing business contributed to the increase.

Ladies and Gentlemen,

Despite the difficult business environment, the BMW Group posted strong earnings for 2022. This allows us to invest in the future transformation of the company. We remain focused on ensuring that our shareholders participate in the company's success. To that end, the Board of Management and the Supervisory Board will propose a dividend of 8.50 euros per share of common stock and 8.52 euros per share of preferred stock to the Annual General Meeting. This represents a pay-out ratio of 30.6%, which is within our long-term strategic target range of 30-40%. Additionally, we successfully launched the first program of the share buyback, which was approved at the Annual General Meeting in May 2022. We expect to complete the first program by the middle of the year. This underscores our financial strength and robust liquidity from operations.

Corporate Communications

Media Information

Date 15 March 2023

Subject Statement Dr Nicolas Peter, Member of the Board of Management of BMW AG,
Finance, BMW Group Annual Conference 2023

Page 6

Ladies and Gentlemen,

Let's turn our attention now to 2023.

Our strong, consistent financial performance provides us the flexibility to invest in the future of our business. We are always steering the company towards profitability and leveraging efficiencies – in all segments and across all brands.

Overall, we expect demand in premium markets to remain stable in 2023. Currently, we see stability in the U.S., slight softening in Europe and expect to see some recovery in China from the second quarter, although it is too early to judge the full impact.

Despite some levelling-off of order intakes from the exceptional levels in European markets at the end of 2022, our order books remain well-filled due to our attractive product line-up, especially for our BEVs. The launch of the new X1 and all-new iX1* in Q4 provided fresh momentum for customer orders, particularly in Europe. This means we have maintained in 2023 the strong pricing levels achieved in 2022.

We also see positive momentum coming from the top end of our portfolio – where we anticipate growth in the mid-double-digit percentage range – and high margin products in 2023. We will have a full year of the new 7 series and i7*, the upgraded X7, as well as the XM*. With the X5 long-wheelbase localised in China, we also have additional X family capacity in Spartanburg. As you can see, we are leveraging our leading SUV competence and expanding our top segment.

And even if macroeconomic conditions lead to reduced customer demand, our high level of flexibility in production and sales allows us to maintain a profit-oriented balance between supply and demand while capitalizing on new products.

Our guidance for this year reflects the current status of our planning.

The supply situation remains challenging, as we expect the situation on raw materials markets to remain difficult in 2023. However, the availability of components and semiconductors should improve slightly. While the energy supply

Corporate Communications

Media Information

Date 15 March 2023

Subject Statement Dr Nicolas Peter, Member of the Board of Management of BMW AG,
Finance, BMW Group Annual Conference 2023

Page 7

should stabilize, disruptions and further significant cost burdens in supply chains are still expected. Logistics costs will therefore continue to weigh on earnings.

Regarding pre-owned car markets, we are anticipating the situation to begin to normalize in 2023, due to the increased availability of new cars.

Despite the current high inflation and interest rates and the challenges I've mentioned, we are confident about the financial year 2023. Targeted investments and close cooperation with a strong supplier network will help us achieve our goals for the year.

For the Group's pre-tax profit, we expect a significant year-on-year decrease. This is due to the basis effect from the revaluation of previously held BBA shares in 2022.

The BMW Group's headcount will increase slightly.

Due to the better availability of new vehicles and strong order book levels, we are forecasting a slight increase in deliveries in the Automotive Segment, driven by growth of our BEVs and high-end models.

Reflecting the increased focus on all-electric vehicles, the BMW Group will now only report on the share of all-electric vehicles in total deliveries – excluding PHEVs – starting in 2023. For the share of all-electric vehicles, we expect a significant increase compared to 2022.

We expect the EBIT margin in the Automotive Segment to be within our long-term strategic target range of 8-10%.

In the Motorcycles segment, deliveries are forecast to increase slightly, with an EBIT margin in our target range of 8-10%.

In the Financial Services segment, we should see a return on equity within the range of 14 to 17%.

Corporate Communications

Media Information

Date 15 March 2023

Subject Statement Dr Nicolas Peter, Member of the Board of Management of BMW AG,
Finance, BMW Group Annual Conference 2023

Page 8

Ladies and Gentlemen,

In such a complex and volatile environment, the BMW Group demonstrates resilience in delivering on strategic priorities, excellence in execution and competitive returns to all stakeholders. We walk the talk and reliably deliver on the commitments that we make. This has always been a strength of ours. We have proven it many times over the past several years in the face of external challenges and taken the lessons with us. In 2023, we will continue to leverage the flexibility of our business model to secure our profitability. Our strong financial position provides us the basis not only to manage the challenges ahead, but to drive the transformation of the BMW Group forwards. We are investing in our future towards electrification and digitalisation. We remain well positioned to continue to lead the industry and look positively to the road ahead.

With that, I'll hand back to Oliver, who will dive deeper into our strategic outlook. Thank you.

Consumption/emissions data:*BMW iX1 xDrive30:** Power consumption in kWh/100 km combined: 18.1-16.9 WLTP.**BMW i7 xDrive60:** Power consumption in kWh/100 km combined: 19.6-18.4 WLTP.**BMW XM:** fuel consumption in l/100 km combined: 1.6-1.5 WLTP; power consumption in kWh/100 km combined: 30.1-28.9 WLTP; CO2 emissions in g/km combined: 36-33 WLTP.