STRATEGY UPDATE

FINANCIAL PERFORMANCE REVIEW AND OUTLOOK 2022

BMW GROUP IN CHINA
OUR THREE PHASES OF TRANSFORMATION.

2013
Pioneering e-mobility.

TODAY
Electrification across our entire portfolio.

FROM 2025
NEUE KLASSE: High BEV volume and the next level of digitalization.
STRONG XEV VOLUME GROWTH YTD 06/2022 POINTS THE WAY TO OUR GOAL: 10 MILLION BEVS ON THE ROAD WITHIN THE NEXT TEN YEARS.

GLOBAL SALES YTD 06/2022: **184,468** xEV UNITS, **20%** xEV INCREASE OVER PREVIOUS YEAR. **16%** ELECTRIFIED.

**PHASE I**
- BMW iX
- BMW iX3
- BMW i4
- BMW i3 **

**PHASE II**
- **2 MILLION BEVs** delivered to customers by the end of **2025**
- **2023 BEVs** available for **90%** of today's MARKET SEGMENTS
- Until 2025
  - Ø +50% BEV SALES p.a.

**PHASE III**
- **2025 – 2030**
  - Ø +20% BEV SALES p.a.
  - **2030 BEVs** will account for at least **50%** of GLOBAL SALES
  - **2030**
    - BEVs available for **100%** of todays MARKET SEGMENTS

*Schematic Illustration of future launch dates. | ** All electric BMW 3 Series Sedan long wheelbase, tailor made exclusively for China.
UNCOMPROMISINGLY ELECTRIC, DIGITAL AND CIRCULAR.

**ELECTRIC.**
Uncompromisingly designed and optimized for electric drivetrains – BEV-only. Aim to match range and contribution margin of state-of-the-art combustion engines with comparable performance.

**CIRCULAR.**
Proportion of secondary materials will be sharply increased. Focus on significantly reducing resource consumption.

**DIGITAL.**
Completely novel user experience. Even more individually configurable and bookable features.
BATTERY SYSTEM DEVELOPMENT IS DEFINED BY TECHNICAL ADVANCES AS WELL AS REGULATORY MEASURES. BOTH ELEMENTS WERE CONSIDERED WHEN OPTING FOR A CYLINDRICAL CELL FOR OUR 6\textsuperscript{th} GENERATION.

Advantages

- Integration
- Energy
- Safety
- Sustainability

-30% Charging Time (10%-80% SOC)
-60% CO\textsubscript{2}

+30% Range

-50% Cost (on pack level)
BMW OPERATING SYSTEM 8 IS THE MOST POWERFUL AND EXTENSIVE TECHNOLOGY STACK EVER CREATED BY BMW.

Always up to date: **Remote Software Upgrade**
Over-the-air retrofitting: **ConnectedDrive Upgrades**

**BMW Digital Key Plus** with ultra-wideband radio technology

More apps, greater diversity: optimized third-party integration
Regionalization: **market specific offer**

Fast, reliable data transmission using **5G mobile technology**
BMW GROUP AUTOMOTIVE. BALANCED SALES FOOTPRINT.

DELIVERIES YTD 06/2022.

<table>
<thead>
<tr>
<th>Region</th>
<th>Units</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMERICAS</td>
<td>203,806</td>
<td>-9.1%</td>
</tr>
<tr>
<td>EUROPE</td>
<td>433,640</td>
<td>-14.0%</td>
</tr>
<tr>
<td>MAINLAND CHINA</td>
<td>378,727</td>
<td>-18.9%</td>
</tr>
<tr>
<td>REST OF WORLD*</td>
<td>143,921</td>
<td>+0.3%</td>
</tr>
</tbody>
</table>

* Sales figures including Rolls-Royce.
IN SPITE OF THE EVER-CHANGING BUSINESS ENVIRONMENT THE BMW GROUP IS WELL ON TRACK TO MEET FULL YEAR GUIDANCE AND DELIVER ON ITS AMBITIOUS 2022 BEV SALES TARGET.

BMW Group remains resilient in challenging macro environment

Maintaining leading position in global premium segment

Sales decrease due to supply bottlenecks and supply chain disruptions

Ongoing positive pricing development and favorable product mix

Strong H1 Auto EBIT margin of 8.5% (12.6% excl. BBA consolidation effects)

Free Cash Flow target of >€10bn for FY 2022

Share buyback progressing according to plan

BEV sales growth by 110% in H1 – well on track to reach the FY sales target
AGENDA.

STRATEGY UPDATE

FINANCIAL PERFORMANCE REVIEW AND OUTLOOK 2022

BMW GROUP IN CHINA
CHINA IS AT THE FOREFRONT OF KEY INDUSTRY TRENDS AND IS THEREFORE OF UTMOST STRATEGIC IMPORTANCE FOR THE BMW GROUP.

“The BMW Group is a global company – but we can say that our strategically most important market outside Germany is China, and this goes way beyond sheer sales volumes. As we are moving firmly towards electrification, digitalization and sustainability, China is the pacesetter in many of these fields. What moves China today will move the world tomorrow.”

Oliver Zipse, Chairman BMW AG

- The BMW Group has set up 4 innovation bases in China with more than 1,700 employees, which is our largest R&D and digital footprint outside Germany.

- China is a leader in the field of digitalisation – which includes automated driving and customer-relevant digitalisation topics. → My BMW App, jointly developed by Ling Yue and BMW China R&D team, is leading the market and a key enabler to increase customer engagement & conversion.

- BMW iFACTORY is our masterplan for future manufacturing focusing on Lean, Green & Digital. Plant Lydia is the latest example of this strategy.

- Sustainability: BMW Group in China has established a closed loop for reuse of the raw materials from high-voltage batteries.

- The BMW Group uses industry & cross-industry cooperation & partnerships in China to prepare itself for future technologies, digitalization and business opportunities.
EVOLUTION OF OUR DEBT STRUCTURE AND CAPITAL MARKET/FX ACTIVITIES IN CHINA. INCREASING VOLUME COUPLED WITH BROADER DIVERSIFICATION.

**Funding Mix**
BMW Automotive Finance (China)
- **75 bn RMB**
  - IC Loans 9%
  - ABS 8%
  - Financial Bonds 3%
- **82 bn RMB**
  - IC Loans 13%
  - ABS 23%
  - Financial Bonds 7%
- **87 bn RMB**
  - IC Loans 28%
  - ABS 27%
  - Financial Bonds 10%
  - Panda Bonds 15%

**Capital Market Activity**
- **2016**
  - **First Financial Bond**
  - Total issuance volume 2016 – 2018: 8 bn RMB.
  - Issuing Entity: BMW Automotive Finance (China)
  - No BMW AG guarantee
- **2019**
  - **First Panda Bond**
  - Total issuance volume 2019 – 2022 ytd: 20 bn RMB.
  - Issuing Entity: BMW Finance N.V.
  - Guaranteed by BMW AG
- **2021**
  - **First Public Panda Bond**
  - First international corporate issuer
  - High investor interest, reaching also investors outside of mainland CN
- **2022**
  - Introducing BMW China Capital B.V. as new, RMB-denominated issuing entity for further Panda Bond issuances
  - Guaranteed by BMW AG

CNY exposure: approx. 10,000 mnEUR
CNY exposure: >20,000 mnEUR
CONSUMER CONFIDENCE DROPPED SIGNIFICANTLY SINCE Q2 / 2022 MAINLY DUE TO COVID IMPACT, YET HOPES FOR A STRONG RECOVERY IN Q4 STILL REMAIN.

Omicron causing severe impact in China especially the tier-1 cities

New Cases

Consumer Confidence Index

Sources: NHC (National Health Commission), NBS (National Bureau of Statistics)
LATEST CHINA AUTO DATA SHOW MARKET RESILIENCE AND STRONG GROWTH FROM Q2 ONWARDS, SUPPORTED BY LARGE-SCALE STIMULUS PACKAGE.

PV Market/ Premium Segment Growth Rate

Q1 2021 Q2 Q3 Q4 Jan 2022 Feb Mar Apr May Jun Jul Aug

YoY PV Market YoY Premium Segment

89.6% 67.5% 12.7% -0.9% -15.4% -18.1% -12.7% -12.6% -4.5% -4.8% -7.2% -15.4% -10.6% -17.4% -52.6% -29.1%

Growth turned to positive since Jun!

Ytd Aug PV: -0.6%
Premium: -9.3%

16.0% 6.0% 22.2% 21.2% 19.1% 27.2%
CHINA’S STRONG NEV SALES MOMENTUM IS CONTINUING, FULL YEAR NEV SHARE EXPECTED TO INCREASE TO 25% OF TOTAL CAR MARKET.

RETAIL VOLUME IN CHINA_Aug YTD
(Million Unit)

2021 | 2022
---|---
ICE | 11.96 | 10.14
BEV | 1.30 | 2.55

Automotive industry in transformation mode.

Expected to hit 2025 target already in 2022!

24%+
NEV Penetration

Sources: Official Sales
DESPITE IMPACT FROM COVID & SUPPLY / COMPONENT SHORTAGES, BMW CHINA KEEPS NO.1 POSITION IN PREMIUM SEGMENT INCL. STRONG BEV SALES GROWTH.

Mainland China 2022 YTD Aug Retail Sales

> 518,000 units

BEV Volume Growth Rate: +77% YTD Aug
IMPLEMENTATION OF OUR “BMW AT HOME IN CHINA” STRATEGY IS IN FULL SWING, DEMONSTRATING CONTINUOUS AND LONG-TERM COMMITMENT.

“AT HOME IN CHINA”

<table>
<thead>
<tr>
<th>#1 TRUST</th>
<th>#2 BREAK THROUGH</th>
<th>#3 DESIREABILITY</th>
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<tbody>
<tr>
<td>Electrification</td>
<td>Powerful innovations.</td>
<td>Thrilling products.</td>
</tr>
<tr>
<td></td>
<td>Leader in Sustainability.</td>
<td>Unique brand experiences.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Digitalization</td>
<td>Sustainability</td>
</tr>
</tbody>
</table>

- 19 -
ELECTRIFICATION - STRONG, FAST GROWING BMW BEV PORTFOLIO.

Current BEV portfolio in China: BMW iX, BMW iX3, BMW i3, BMW i4, BMW i7.
CHARGING – BUILDING UP BROAD ECO-SYSTEM FOR OUR CUSTOMERS.
CIRCULARITY – CIRCULAR ECONOMY STARTING WITH HVB RECYCLING.

Private Charging
Public Charging
Branded Charging
Digital Service

Holistic HVB Lifecycle Management built on a closed-loop battery recycling solution.

New Partnership With HUAYOU
DIGITAL FIRST – BMW APP FOR CUSTOMERS & FANS WITH STRONG GROWTH OF USER BASE AND ALSO VERY HIGH APP STORE RATING.

- 6.4 MILLION Total User
- 3.6 MILLION Total User
- 4.9 ***** iOS Store Rating

App Launch

Sep 2020
Dec 2021
Sep 2022
Until 04/09/2022

190 K Total User
Since launch in May 2021
Until 04/09/2022
BMW THE FIRST CARMAKER IN CHINA TO INITIATE A SPECIAL DEALERSHIP “GREEN TRANSFORMATION CERTIFICATION” CALLED “GREEN STAR”.

<table>
<thead>
<tr>
<th>BMW NETWORK TRANSFORMATION GREEN STAR INITIATIVE</th>
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<tbody>
<tr>
<td><strong>Two Levels:</strong></td>
</tr>
<tr>
<td><strong>NT GREEN STAR</strong></td>
</tr>
<tr>
<td>- By end of 2022, <strong>50</strong> dealers</td>
</tr>
<tr>
<td>- By end of 2025, all <strong>600+</strong> dealers</td>
</tr>
<tr>
<td><strong>NT GREEN STAR Lighthouse</strong></td>
</tr>
</tbody>
</table>

| **Green Star (Lighthouse) Criteria:**            |
| **Green Environment**                            |
| © Waste HVB Storage                              |
| - Energy and water saving                        |
| - Customer Comfort                               |
| - Green furniture                                |
| - ...                                           |
| **Green Power**                                  |
| © Renewable electricity adoption                 |
| - ...                                           |
| **Green Operation**                              |
| © EHS (Environment Health Safety) Management     |
| - Paperless operation                            |
| - ...                                           |
| **Green Engagement**                             |
| - Sustainable themed activities                  |
| - Green communication                            |
| - ...                                           |
OUR CONTINUOUS INVESTMENTS IN CHINA ARE DEMONSTRATING BMW'S STRONG COMMITMENT AND LONG-TERM CONFIDENCE.

Investment in Shenyang
BBA (since 2010)

Investment in Zhang Jiagang
Spotlight Automotive Ltd.

PLANT DADONG EXTENSION

iFACTORY – PLANT LYDIA OPENING
CROSS-COUNTRY COLLABORATION AND TECHNOLOGY OPENNESS ARE THE KEY TO INDUSTRY TRANSFORMATION AND GLOBAL DECARBONIZATION.

We need more cooperation, not less.

Technology openness drives progress for CO₂ reduction.

China is a hyper-scaler for future technologies.
THANK YOU!
BMW BRILLIANCE AUTOMOTIVE LTD.
DR. FRANZ DECKER – PRESIDENT AND CEO BBA

OCTOBER 11th 2022.
CORPORATE GOVERNANCE - BMW GROUP STRENGTHENS PARTNERSHIP AND INCREASES ITS EQUITY SHARE.

**BMW BRILLIANCE AUTOMOTIVE LTD**  
Joint Venture Contract Extension until 2040

<table>
<thead>
<tr>
<th>BMW Group</th>
<th>China Brilliance Auto.</th>
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</thead>
<tbody>
<tr>
<td>BMW N.V. Holding, Netherlands</td>
<td>China Brilliance Automotive, Hong Kong</td>
</tr>
<tr>
<td>75%</td>
<td>25%</td>
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<table>
<thead>
<tr>
<th>AFC</th>
<th>HIL</th>
<th>LINGYUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>42% (BBA)</td>
<td>42% (BBA)</td>
<td>100% (BBA)</td>
</tr>
</tbody>
</table>

- **BBA REMAINS AN INDEPENDENT LEGAL COMPANY WITH 2 SHAREHOLDERS**
- **BBA WILL LEVERAGE ADVANTAGES & SYNERGIES**
- **BBA IS WELL PREPARED FOR FUTURE GROWTH WITH THE NEW EQUITY CHANGE**
BMW GROUP FOOTPRINT IN CHINA.

- Home in Shenyang - BMW Group's largest production base globally
- Home in China – BMW Group's largest R&D network outside Germany
OUR BBA LOCAL PRODUCT PORTFOLIO.
BBA BUSINESS PERFORMANCE 2021.
NO. 1 PREMIUM AUTOMOBILE MANUFACTURER IN CHINA.

<table>
<thead>
<tr>
<th>KEY PERFORMANCE FIGURES 2021</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>700 k units</td>
</tr>
<tr>
<td>Associates</td>
<td>22,829</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FINANCIAL FIGURES 2021</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Profit before Tax</td>
<td>36.2 bn CNY</td>
</tr>
<tr>
<td>Revenue</td>
<td>214 bn CNY</td>
</tr>
</tbody>
</table>

Fix cost per unit (Production)

-38%
SITUATION STAYS UNCERTAIN, CHALLENGING AND HIGHLY VOLATILE IN 2022.
PROJECTS SUCCESSFULLY DELIVERED IN 2022.

PLANT DADONG EXTENSION

R&D PHASE II

PLANT TIEXI EXTENSION - LYDIA

X5

i3
DRIVING THE TRANSFORMATION.

THE FUTURE IS ELECTRIC, DIGITAL & CIRCULAR
NO PREMIUM WITHOUT SUSTAINABILITY.

<table>
<thead>
<tr>
<th>Production</th>
<th>HVB Closed-Loop Recycling</th>
</tr>
</thead>
<tbody>
<tr>
<td>- 85% CO₂ emissions per vehicle produced 2021 vs 2016</td>
<td>- 70% CO₂ carbon emissions</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Circular</th>
<th>“Green Steel”</th>
</tr>
</thead>
<tbody>
<tr>
<td>71,000t scrap steel recycled</td>
<td>Expect to reduce CO₂</td>
</tr>
<tr>
<td></td>
<td>230,000t per year from 2026</td>
</tr>
</tbody>
</table>

“A SUSTAINABLE FUTURE IS ONLY POSSIBLE IF WE PULL TOGETHER IN THE SAME DIRECTION”
WHAT MAKES BBA SO SUCCESSFUL.

LEAN COST STRUCTURE
FIX AND VARIABLE COSTS

FLEXIBILITY
UTILIZATION OF MARKET CHANCES

QUALITY
KEY ENABLER TO INSPIRE OUR CUSTOMERS

SUSTAINABILITY
PROVEN ACHIEVEMENTS AND CLEAR PATH TOWARDS GREEN TRANSFORMATION
BMW GROUP FINANCIAL SERVICES SEGMENT HIGHLIGHTS 2021.

Profit before Tax
3,753 mn. EURO

Total Volume of new business
63,414 mn. EURO

50.5% of new car
Financed or Leased

Contribution & Opportunities:
Off-lease vehicle as used car

Volatility & Uncertainties
BMW GROUP FINANCIAL SERVICES SET-UP IN MAINLAND CHINA.

BMW AUTOMOTIVE FINANCE (CHINA) CO., LTD.
(BMW AFC), JV by BMW Group (58%) and BBA (42%), incorporated in 2010

- RETAIL LOAN  - WHOLESALE LOAN

HERALD INTERNATIONAL FINANCIAL LEASING CO., LTD.
(HERALD), JV by BMW Group (58%) and BBA (42%), acquired in 2016

- LEASING  - SERVICE
ONE BMW GROUP CHINA ECOSYSTEM.
FROM SF LOAN TO SERVICES WITH FULLY INTEGRATED OFFERS.

PURE LOAN FINANCE

INTEGRATED OFFER

Leasing Products
Active Leads Management
Associated Services Product

Digital Customer Journey
Internal Digitalization & Automation
Insurance and Services

Loan
Balloon
RTI: Gap Insurance

Mobility
Wholesale Financing
Key4Key
50 / 50
Online / Offline

Motor Insurance
BUSINESS LINES IN MAINLAND CHINA AT A GLANCE.
SERVICED PORTFOLIO 2021.

BMW AFC RETAIL FINANCE: 95 BN. CNY

BMW AFC COMMERCIAL FINANCE: 16 BN. CNY

HERALD LEASING: 17 BN. CNY

(as of 12/2021, BMW Group Accounting Policy)
DIGITALIZATION ADDRESSES THE OVERALL COMPANY. CONSISTENT INVESTMENT TO IMPROVE OUR EFFICIENCY, ACCURACY AND SERVICE LEVEL TOWARDS CUSTOMERS.

Business Automation

Optimize and automate process for business:
- 100 RPA in use
- A.I. Technologies e.g. Chatbot & Voicebot
- Optical Character Recognition

Future-proof business system & infrastructure

Intelligent Customer Service

Modular Digital Services:
- eFinance (usage 93%)
- Credit Pre-check (with customer consent)
- 24/7 Online Self Service

Multi-channel access with Unique Customer ID
System integration & upgrade for better service
COMPLIANT & RELIABLE BUSINESS OPERATIONS.

Customer Protection
- Commit Responsibility
- Strengthen Governance
- Enhance Process & Secure Operation

Data Strategy
- Comprehensive framework based on DCMM
- Data Protection
- Data-Driven Business

Prudent Risk Management
- Anti-fraud and prevention measures
- Enriched Risk Data & Initiatives

DCMM: Data Management Capability Maturity Assessment Model
WE HAVE A CLEAR FOCUS & STRATEGY. OUR SUCCESSFUL BUSINESS DEVELOPMENT OFFERS FURTHER BUSINESS OPPORTUNITIES FOR OUR PARTNERS.

We are integrated part of BMW ECOSYSTEM.

We own PREMIUM CUSTOMER PROFILE & QUALITY.

We are proactively EMBRACING NEW TECHNOLOGIES.

We are driven by CLEAR GOVERNANCE.

We use E.S.G. model.

E.S.G. : Environmental, Social, Governance
THANK YOU.