Good Morning, Ladies and Gentlemen.

Despite the challenging conditions, the BMW Group once again achieved its goals in all segments. Our positive business performance is reflected in our strong financial results for the past year. An EBIT margin of 10.3% for our automotive business puts us at the upper end of our adjusted target range, as expected. The Free Cashflow in the Automotive Segment amounted to 6.4 billion euros, as forecast. We also met all our non-financial targets, in particular the further reduction of our CO₂ fleet emissions.

The rating agencies Moody's and S&P have also recognised the BMW Group's positive business development and revised their outlook upwards over the course of the year. We have now published our financial statements in our Integrated BMW Group Report for the second time. In addition to financial key figures, we have also expanded our reporting to include non-financial indicators fully in line with SASB standards. Information on the EU Taxonomy was also included for the first time.

Let's take a look at the business development in detail. After a difficult 2020, due to the pandemic, 2021 was no less demanding. Despite problems with semiconductor supplies, we came through the year relatively well and took advantage of opportunities to further improve price realisation worldwide. At this point I would like to thank the many colleagues in all areas of the company who continue to show extraordinary commitment. In particular, our thoughts are with the many employees of our suppliers in Ukraine.

After a strong first half-year, semiconductor supply issues intensified, as expected, in the second half of the year. Fixed costs, which increased as planned towards the end of the year, also had an impact.

Revenues for the full year climbed to around 111 billion euros – against the
backdrop of positive pricing for new and pre-owned vehicles and the higher volume of sales. The significantly higher financial result primarily reflects the positive earnings contribution of our Chinese joint venture, BBA, which increased by more than 40%. Valuation effects, including interest rate hedging instruments, also had a positive impact.

Group earnings before tax increased significantly to around 16 billion euros. The previous year had been weak, due to the pandemic. At 14%, the Group EBT margin was well above our long-term minimum target of 10%. Strong pricing for new and pre-owned vehicles, in particular, was a key driver for earnings. We also delivered more vehicles to customers than in the previous year. And, finally, there were the positive one-time effects, we have already communicated. This included the partial reversal of the provision for the EU antitrust proceedings and the modernisation of the pension scheme for employees in Germany.

Ladies and Gentlemen, Our strategic approach remains focused on emission-free mobility. The new all-electric BMW iX and the sporty BMW i4 are once again demonstrating our technology leadership. Our order books are very well-filled. The BMW i7 will once again set new standards in all major areas of innovation – especially electrification, digitalisation – including for example rear-seat entertainment – and highly-automated driving. We will present the i7 to you in April. Our sixth-generation electric drivetrains developed in-house will bring further major steps in efficiency and range.

We invested a total of around 5 billion euros in this and other future projects in 2021, as well as in our global production network and new models. The capex ratio of 4.5% was below our target figure of 5%, as planned. With the full consolidation of BBA, where extensive plant expansions are currently underway, we expect a slightly higher ratio of around 5% for 2022. I will address the details of the impact of full consolidation later.

Research and development expenditure remains at a high level, with a priority on emission-free mobility. In addition to expenses for new models, a major focus in 2021 was on preparations for the Neue Klasse, which is scheduled to ramp up in the middle of the decade. R&D costs according to IFRS increased to 6.3 billion
euros. The R&D ratio of 6.2%, according to the German Commercial Code, was in line with our expectations. In 2022, the ratio will be back within our long-term target range of 5 to 5.5%, also due to the full consolidation of BBA. Today, well over half of our total investments are in the future fields of e-mobility, digitalisation and highly automated driving.

Ladies and Gentlemen, This year, in recognition of this positive business development, our employees in Germany will also enjoy the highest-ever profit-sharing bonus for the financial year 2021. Last autumn, we also expanded the preferred stock programme for employees, which has been in place since 1989. This has enjoyed a very positive response.

We also want our shareholders to participate in the company's success. The Board of Management and the Supervisory Board will propose a dividend of 5.80 euros per share of common stock and 5.82 euros per share of preferred stock to the Annual General Meeting. This represents a pay-out ratio of 30.7%, which is within our long-term strategic target range of 30-40%.

Already today, the BMW Group has a healthy balance sheet and the potential to generate sustainably high free cash flow. The full consolidation of BBA in the BMW Group Financial Statements from February onwards will further increase this potential. The Board of Management and Supervisory Board will therefore propose to the Annual General Meeting, that the Board of Management be authorised to repurchase and retire reacquired shares. This would create the option of returning available capital to shareholders via share repurchases, in addition to the annual dividend.

Ladies and Gentlemen, Let's take a closer look now at business development in 2021 in the individual segments.

In the Automotive Segment, we delivered a total of more than 2.5 million vehicles to customers last year, including over 100,000 all-electric cars. The segment's operating earnings totalled almost 10 billion euros. At 10.3%, the EBIT margin is at the upper end of our adjusted target range, as forecast. The year-on-year comparison mainly reflected the positive effects of improved pricing and higher
volumes. Our aftersales business also saw significant growth. The exceptionally strong residual value development was another factor that contributed to the increase. Ongoing efficiency measures from our Performance Programme also took effect in 2021. The partial reversal of the provision for the EU antitrust proceedings, as well as the valuation effect of modernising the pension scheme for employees in Germany, also had a positive effect.

Higher research and development spending, in particular for the further ramp-up of e-mobility due to very strong demand, as well as for digitalisation, dampened EBIT much more than the previous year, as we had projected. The net balance of raw material prices and currency effects resulted in a headwind in the mid-three-digit million-euro range, as forecast.

The positive operating result was also the main driver for strong cash development in the financial year 2021. Despite higher capital expenditure, free cash flow in the Automotive Segment totalled 6.4 billion euros and therefore met our expectations and our guidance. In contrast to the previous year, this did not include an inflow from BBA's dividend payments. For 2022, we expect a free cash flow of at least 12 billion euros, which includes an expected one-time cash-inflow of about 5 billion euros from the BBA full consolidation. This consists of a positive effect from recognising BBA's liquid assets in the balance sheet for the first time. This effect is partially offset by payment of the acquisition price of around 3.7 billion euros.

This strong free cash flow in the financial year 2021 is also reflected positively in the BMW Group's liquidity position.

In preparation for payment of the purchase price for increasing our shareholding in BBA, the company had increased its liquidity to 20.3 billion euros at the end of last year.

Let's turn now to the Financial Services Segment, which posted pre-tax earnings at a high level of 3.75 billion euros in 2021, mostly due to the favourable risk situation. The number of new contracts with retail customers climbed 6% year-on-year to almost two million. At the same time, the average financing volume per vehicle also increased. Residual values and credit risks improved significantly from
the previous year, which had been impacted by the pandemic. The return on equity of 22.6% was at the high end of our adjusted target range of 20 to 23%. We review our risk provisioning on an ongoing basis, taking into account all relevant current developments: From today's perspective, we have continued to make appropriate provisions for our business risks.

The Motorcycles Segment also delivered a very strong performance in 2021, with five new models and three model updates. With total sales of more than 194,000 units worldwide, we reported strong growth in all regions, especially our strategic growth markets, the US and China. At 8.3%, the EBIT margin was within our target range of 8-10%. Pre-tax earnings more than doubled year-on-year to almost 230 million euros.

Let's move on to the Other Entities Segment and intersegment eliminations. As expected, the net balance for pre-tax earnings of 274 million euros was significantly lower than the previous year. Positive valuation effects from interest rate hedging instruments, driven by higher interest rates, were more than offset by higher intersegment eliminations caused by the increased leasing business volume.

Ladies and Gentlemen, Let's turn our attention now to the current year. As you know, we have increased our stake in our Chinese joint venture, BBA, to 75% and extended the joint venture contract to 2040, as planned.

With the completion of this transaction in February of this year, BBA will be fully consolidated in the BMW Group's Financial Statements. BBA's earnings contribution was previously reported in the financial result as part of the at-equity consolidation. With full consolidation, BBA will be fully reflected in all positions of the income statement, balance sheet and cash flow statement.

This also includes revaluing the existing 50% stake to the current market value. This will result in an estimated positive one-off effect of between 7 to 8 billion euros in the financial result. Full consolidation will increase both revenues and the absolute EBIT result in the Automotive Segment. This will, however, be partially offset by an annual depreciation expense from the purchase price allocation over the coming years. A technical effect from the initial consolidation in connection with
intra-Group deliveries will also dampen earnings in 2022. For this reason, we do not anticipate any significant impact on the EBIT margin in the Automotive Segment in the current year.

Ladies and Gentlemen, we are securing our future competitiveness by investing in future technologies today. At the same time, we always maintain a clear focus on our financial performance. We remain committed to our long-term target range of 8-10% for the EBIT margin in the Automotive Segment. Profitability and efficiency remain our focus, in all segments and across all brands.

Let's now turn to our Outlook for 2022 in detail. Our guidance for this year reflects the current status of our planning and includes the impact of the BBA full consolidation. The war in Ukraine is having a substantial effect on the country's automotive suppliers, with supply restrictions resulting in production interruptions at several BMW Group plants. This is already taken into account in our outlook, to the extent that the impact is currently predictable.

Regarding the ongoing semiconductor supply shortages, we do not expect the situation to ease before the second half of 2022. An initial impact of rising raw material and energy prices is included in the outlook for the current year.

Further significant price increases in connection with the war in Ukraine and the related sanctions are not part of the forecast. Possible longer-term effects of the conflict in Ukraine cannot be estimated at the present time and are therefore also not reflected in our outlook.

We continue to monitor closely current developments regarding the coronavirus pandemic, particularly in China. Any further possible negative impact on our business is not currently included in our outlook.

Ladies and Gentlemen, The BMW Group has proven its financial strength and flexibility time and again. In extremely volatile times, we manage our business with prudence and clear focus. Our young, attractive product portfolio is well received by customers, particularly the MINI E*, the BMW iX and the BMW i4. Despite the current supply bottlenecks due to the current geopolitical situation, we are
confident that the positive business development will continue in 2022.

For the Group's pre-tax profit, we expect a significant increase compared to the previous year. The main driver is the BBA full consolidation from 11 February. Due to the inclusion of the approximately 26,500 employees from China in the workforce for the first time, the BMW Group's headcount will increase significantly in 2022.

Thanks to high customer demand and new models, we had originally planned a slight growth in deliveries in the Automotive Segment. As a result of the negative effects of the war in Ukraine, in particular the production interruptions due to supply constraints at local suppliers, we now expect deliveries to remain at the level of the previous year.

Deliveries of electrified vehicles are forecast to increase significantly this year. The number of all-electric vehicles is expected to more than double. Based on the original planning, including BBA full consolidation, we had expected the EBIT margin in the Automotive Segment to be in the upper half of our strategic target range of 8 to 10%. As previously mentioned, the BBA full consolidation has no significant impact on the margin in 2022. As a result of the war in Ukraine however, we now expect a margin of between 7 and 9%.

In the Motorcycles segment, we expect a slight increase in deliveries. The EBIT margin is forecast to be in the target range of 8-10%.

In the Financial Services segment, we should see a return on equity within the range of 14 to 17% in 2022. The reporting year 2021 was characterised by an exceptionally positive risk situation.

Ladies and Gentlemen, The BMW Group is committed to consistently strong performance, even in volatile times – and we have been able to accomplish this yet again. Operationally, we are well positioned for the challenges ahead. Over the past two years, the coronavirus pandemic and semiconductor shortages have challenged our flexibility and commitment to deliver top performance more than ever before.
Corporate Communications

Media Information

Date 16 March 2022

Subject Statement Dr Nicolas Peter, Member of the Board of Management of BMW AG, Finance, Annual Conference 2022

Page 8

Despite the high volatility, we have continued to drive forward our transformation. We remain committed to the BMW way. Now, I'll hand over to Oliver, who will talk about what this means for us in more detail. Thank you.

*:* Consumption/Emissions data:
MINI Cooper SE: Power consumption in kWh/100 km combined: 16.8-14.8 NEDC, 18-15.5 WLTP.