



OLIVER ZIPSE

Focal points of the speech of the Chief Executive Officer of BMW AG at the Annual General Meeting on 14 May 2025.
Check against delivery.

Dear shareholders,

Robust, dependable and future-focused –

that describes the BMW Group. Our business model remains centred on individual mobility, putting joy at the heart of our BMW brand and creating Sheer Driving Pleasure all around. We want our customers all over the world to constantly experience mobility in new ways that fully align with their personal preferences. Each of our company's four brands – BMW. MINI. Rolls-Royce. BMW Motorrad – embodies unique characteristics and strengths.

The automotive industry has been through multiple waves of fundamental change and consolidation, driven by industrialisation, advances in technology, and evolving markets. Of course, the regulatory framework and societal mindset have also played a key role. Next year will mark BMW's 110th year in the market. That is quite an achievement. It also gives us a solid foundation – built on years of experience in agile markets, a spirit of innovation and a deep understanding of our capabilities. We provide meaningful answers to the various challenges of our times, viewing unexpected events as opportunities and learning from them. This is important, because it makes us stronger than before – just as we emerged more resilient from the global economic and financial crisis, and most recently, the Covid pandemic.

Our current environment is highly dynamic and complex, shaped by conflicting tensions and paradoxes. Several of these demands are now converging – particularly new geopolitical realities – with a direct impact on our global business success. Our industry is undergoing significant change, with the shift towards electromobility just one facet of a broader, comprehensive process – a technology race that culminates in elimination of some players. Nevertheless, we remain confident, keeping both hands firmly on the wheel and our sights set on the road ahead. This ensures that your company remains robust and focused on the future at all times. We are digitalising our vehicles and leveraging tech clusters and architectures with

massive scaling potential. Artificial intelligence is being deployed throughout our value chain. Soon, nearly every process at the company will be supported by AI – making us even faster and more precise. At BMW, efficient cost structures are the standard. Our rock-solid financial foundation provides us with the leeway we need.

Once again, our strategy is proving its foresight: Our unwavering commitment to technology openness continues to prevail. For decades, our "local-for-local" principle has ensured your company's presence and recognition in key markets around the world. Today, in a climate of growing protectionism, we are reaping the benefits of this approach. While others remain stuck in "neutral", waiting, your company is shifting into dynamic "sport mode".

The NEUE KLASSE will celebrate its world premiere at the IAA MOBILITY in September 2025. By anticipating market trends early, we are consistently able to make major technological leaps at the right time – unlocking new potential across the whole company.

We are paving the way for breakthrough innovations with a long-term perspective, making targeted investments in our future. Last year, our investment levels reached new heights, with research and development spending of more than nine billion euros and capital expenditure of over nine billion euros. In the coming years, the full impact of these upfront investments will become clear – in electrification, digitalisation, our production network, our product portfolio and, of course, the NEUE KLASSE – just as we planned.

Dear Shareholders,

You take a long-term view – and so do we. You participate in your company's success on an ongoing basis – just as our employees do. We remain firmly committed to our shareholder return strategy.

At this year's Annual General Meeting, the Board of Management and Supervisory Board will propose a dividend of 4.30 euros per share of common stock and 4.32 euros per share of preferred stock – amounting to a total of 2.7 billion euros. This represents our highest ever payout ratio of 36.7 percent – within our strategic target range of 30 to 40 percent and well above the 2023 ratio.

We are realising our plans for the future with your best interests in mind – while bringing innovations to the roads for our customers. I will talk more about all of this at the Annual General Meeting.

We look forward to engaging with you and answering your questions. We also have a special surprise in store for you: I'll be giving you an exclusive glimpse of the first two NEUE KLASSE models. They will still be camouflaged, but you'll get to experience them, live and in action, at the Munich Olympiahalle.

I'll be exploring the following aspects in more detail:

1. **Our strategy:** market-driven and technology-open.
2. **Our goals:** Having met our adjusted targets for 2024, we are aiming for growth this year.
3. **Our global footprint:** a key differentiator and competitive advantage in a fragmented world.
4. **Our future-focused project for tech leadership:**
BMW is the NEUE KLASSE – and the NEUE KLASSE is BMW.

First up: Our strategy – market-driven and technology-open.

Technology openness means following the markets – because they evolve, and the pace of change varies. We've repeated this like a mantra and stood firm through the headwinds. Now, the headlines proclaim:

"BMW – late winner of the drivetrain transition" (trade journal "auto motor sport"). "How BMW went from laggard to magician" (weekly magazine "Wirtschaftswoche"). "Germany's true electric-car champion" (newspaper "Die WELT"). Politics is also following suit: In its coalition agreement, the incoming German federal government has committed to technology openness, while the European Commission aims to make Europe more competitive with the "Green Industrial Deal". Climate protection and the economy are being considered "in tandem". We fully support this direction.

Electric drivetrains, plug-in hybrids, highly efficient conventional drivetrains: No one has mastered technological diversity better than your company. From 2028, we will also be offering a production model with a hydrogen drivetrain. All of this directly benefits our customers, while also advancing climate protection.

In 2024, the BMW Group once again significantly outperformed its CO2 fleet target by more than 30 grams. Based on our internal calculations, the numbers came in at 99.5 grams per kilometre. The official data will be published by the European Commission at year-end.

You can rely on us to do everything we can to meet the much stricter targets for 2025 as well. We are continuously working towards this – both structurally and in terms of capacity. Ambitious political objectives are important – but it is becoming clear that e-mobility alone will not achieve our goals. The differences are simply too great, even within Europe.

So, how do we effectively cut CO2 from mobility? Certainly not by thinking in terms of black and white. Supporting one solution does not necessarily mean opposing another. Our broad

technological approach shows how this can work: We need to take a more opportunity-driven approach, guided by entry – not exit – strategies.

Political targets make sense when they reflect market realities and are viable for businesses. That is why the upcoming review of the EU targets for 2030 and 2035 will be decisive. We must seize this opportunity to improve the system! Europe needs a strong automotive and supplier industry.

That is why our global policy work focuses on engaging with decision-makers – sharing insights and explaining potential impacts of legislative proposals. The Board of Management and I are personally committed to this.

We like to let our actions speak for themselves. Today, we already offer over 15 fully-electric models – a line-up few manufacturers can match. We recently updated the BMW iX, so that it now boasts an electric range of more than 700 kilometres in the WLTP cycle. In 2024, battery-electric vehicles (BEVs) were once again key growth drivers. By the end of the year, more than 17 percent of our total sales were fully electric – significantly higher than at many of our competitors.

This positive trend accelerated in the first quarter of 2025: Our BEV sales increased by more than 30 percent worldwide; in Europe, deliveries rose by over 60 percent and, in the US, by more than 20 percent. If you count both electric cars and plug-in hybrids, more than one in four of our vehicles is now electrified – and nearly one in five cars sold by your company is already fully-electric. In the coming months, we will also reach two major milestones: over three million electrified vehicles sold and more than 1.5 million all-electric vehicles delivered, in total, since the launch of the BMW i3 in 2013. We maintain our credibility – and can be relied on to deliver.

Let's move on to my second topic: Our ambitious goals.

What did we accomplish in 2024? What are our plans going forward?

Even in difficult conditions, not all markets contract. There are always regions that experience growth – and your company deliberately harnesses this potential: In three of the four major

global regions, we increased our sales and gained market share last year. This includes countries like the US, Spain, Italy, Poland, France, the UK, Indonesia and South Korea.

Our core BMW brand remains the global number one in its segment. At our highly dynamic BMW M brand, sales rose for the 13th consecutive year. Nearly one in ten BMWs sold in 2024 was a profitable M model. Our MINI brand also aims to hit the ground running with the five models of the New MINI Family. Three of these are fully electric.

In the ultra-luxury segment, Rolls-Royce continues to set the benchmark. Every third Rolls-Royce sold is already all-electric. Our BMW Motorrad brand remains the global number one in the premium motorcycle segment – reaching a new all-time high, with 210,000 motorcycles and scooters sold in 2024.

We accomplished all this in 2024. However, as the year progressed, many things unfolded differently than expected. Consider the financial impact of delivery stops and recalls, caused by an Integrated Brake System (IBS) component from one of our suppliers. We responded to this situation quickly. The overall market weakness in China, combined with subdued demand for electric vehicles in certain markets, also impacted our business. In light of this, we adjusted our forecast in September 2024.

From that point on, we stepped up our efforts to keep your company on track. We met our updated targets, with more than 2.45 million vehicles delivered to customers and an EBIT margin of 6.3 percent in the Automotive Segment.

We sold fewer vehicles in China, where the market is currently facing intense competitive pressure and an aggressive price war. It should come as no surprise that domestic suppliers are gaining market share. Nevertheless, BMW defended its position as segment leader. Let's not forget: Your company has enjoyed above-average success in the Chinese market for many years. We have built an excellent reputation in China, rooted in our long-standing commitment to the region:

Since 2010, we have invested around 116 billion renminbi in our production base in Shenyang. In fact, Germany is the only country where our R&D network is larger than in China. I've visited China several times in recent months, including participating in the "China Development Forum". Members of the Board of Management are also regularly on the ground to meet with "BMW Team China". "In China for China" forms the core of our China strategy.

The same applies to the NEUE KLASSE: The first models for the NEUE KLASSE produced in China will come off the Shenyang assembly line starting in 2026. Our design team in Shanghai led development of all China-specific models of the NEUE KLASSE. The first model, our BMW iX3 – from China for China – is tailored to the needs of Chinese customers.

The technology race in our industry is being decided, above all, in China. There, the use of AI is advancing very rapidly. For this reason, we are strengthening our AI partnerships with leading Chinese tech companies, enabling us to integrate these technologies into our vehicles in China. We are working with Alibaba, for example, to develop the next stage of voice interaction between humans and vehicles. From late this year, we will also incorporate DeepSeek's AI capabilities into our latest models in China. This is how we operate also with our digital features – in China for China, at China speed. All of this shows that we are working tirelessly to get our largest single market back on track for growth – even if the market situation remains challenging.

What matters most to you, as shareholders, is: What are our plans for 2025?

In a word: growth. Although we expect global conditions to remain highly dynamic, we are targeting a slight increase in sales. What makes us so confident? Our strong product line-up. Between now and 2027, we will bring more than 40 new or updated models to market – across all our automotive brands and all drivetrain variants. This year, one of BMW's most successful models will celebrate its 50th anniversary: our high-volume BMW 3 Series. The BMW X3 remains extremely popular. We began releasing the new model onto the markets in February. It is produced worldwide, at our plants in Spartanburg, South Carolina in the US, Shenyang in China and Rosslyn in South Africa.

We are also realigning our sales system for the future. In Europe, an agency model enables customers to move seamlessly between online and offline channels throughout the purchasing process. MINI has already transitioned in 15 European markets. The rollout for our core BMW brand in Europe will be significantly more extensive, requiring the highest quality standards. We are building on our experience with MINI and making intensive preparations for the BMW rollout this year and next. Here, too, the transition is taking place in conjunction with our retail partners. Our capital expenditure will be lower this year, as previously announced. Free cashflow should increase to more than five billion euros. In our guidance, we responded quickly to current developments, already factoring in the known tariff impact, as of 12 March 2025. These effects represent approximately one percentage point on the EBIT margin in the Automotive Segment. As a result, we now expect an EBIT margin in the range of five to seven percent.

We remain committed to our long-term target range of eight to ten percent. You can count on that. One key lever for this is lower operating costs. We expect to see a nominal decline in this area over the course of the year. Incidentally, no OEM in the European automotive industry has a better long-term rating than your company.

My third point is about our global footprint – a differentiating factor and competitive advantage in a fragmented world.

The global economy is deeply interconnected, with tightly interwoven supply chains. Can this be undone? We don't believe so. One thing is certain: Protectionist measures – such as tariffs, rising regional isolation or technological decoupling – ultimately create only losers. Products become more expensive and less innovative. And who ends up "footing the bill"? The customer, of course.

Your company depends on global markets, but it is equally true that, over the past decades, we have made a measurable contribution to progress and prosperity in the regions where we operate. By embracing regional diversification early on, we have become both more resilient and more flexible.

As a result, your company is one of the few truly global players in our industry today. Our footprint spans the entire globe, allowing us to respond quickly and effectively to external influences. In a fragmented world, global reach and appeal alone are not enough. Only those who are firmly established as a local partner in the regions will remain "in the game". Your company has already evolved to the next level, by achieving a balanced global distribution of value creation. This means our sales and production are balanced across regions. In Europe, the US and China, we sold roughly the same number of vehicles, in absolute terms, in 2024, as we produced in each of these regions. That is a key differentiating factor.

We are expanding our "local for local" approach in smart, strategic ways – because local supply chains and collaborations are becoming key success factors. Our high-voltage battery assembly plants are a good example of this. Five new facilities are currently under construction – all of them close to our production sites in Europe, the Americas and China. In these locations, we are building the next generation of high-voltage batteries for our electric vehicles, relying on local supplier networks.

At the same time, we will continue to be a major exporter. This is especially true from our home market of Germany as well as our 'second home' in the US. Our roots lie in Munich and Bavaria – and origins come with a commitment. In 2024, we produced over one million vehicles at our German plants. That's about a quarter of the country's total car production. More than half of these vehicles were exported outside the European Union. We continue to make an important contribution, creating added value for Germany as a manufacturing location. Our new Talent Campus in Munich provides further evidence of this.

Every second vehicle we build in Spartanburg is exported from the United States, generating an export value of over ten billion US dollars last year. Once again, this made your company the largest automotive exporter in the United States by value. Since 2014, we have exported more than 2.7 million BMW vehicles from our plant in South Carolina, with a total export value of 104 billion US dollars. This year, we are celebrating "50 years of BMW North America". In January, in recognition of our 30-year commitment to the state, Governor Henry McMaster presented us with the "Honorary Sandlapper Award".

One thing is certain: Your company benefits from an integrated global economy. That is why our position remains clear and consistent: We stand for open markets and global free trade. Economic growth thrives on openness – not isolation!

**My fourth and final point is our future-focused project for tech leadership:
BMW is the NEUE KLASSE – and the NEUE KLASSE is BMW.**

In the 1960s, we generated strong momentum for long-term growth with the original Neue Klasse. Now, once again, we are setting the course for your company's success in the decade ahead, guided by the principle: BMW is the NEUE KLASSE – and the NEUE KLASSE is BMW. We do not draw a line between "old" and "new" technology worlds.

Every future BMW model will benefit from our technology clusters. The completely new design language will also be implemented across the entire product range. You could say the NEUE KLASSE is a huge technology kit that enables everything else. We are targeting economic advantages through high levels of commonality and economies of scale. Everything is focused on delivering benefits to our customers and ensuring they have the latest technology in their vehicles – whatever the drivetrain.

Our rollout is meticulously planned, starting in late 2025 with the BMW iX3. The first representative of the NEUE KLASSE in the extremely popular, high-volume X segment will be produced at our new plant in Debrecen, Hungary. This will be closely followed in 2026 by the second model – a sporty sedan in the current BMW 3 Series segment, produced at our main plant in Munich. After that, the NEUE KLASSE will be rolled out across our global production network.

The NEUE KLASSE demonstrates our understanding of the "Software-Defined Vehicle" as we elevate our digital offering to a whole new level. This includes the BMW Panoramic iDrive, combined with a completely redesigned display system that extends across the full windshield. We also developed a new electronics architecture for this purpose, in which our high-performance computers control key functionalities, such as driving dynamics, automated driving and infotainment.

These "super-brains" deliver up to 20 times more in-vehicle computing power than current systems – future-proofing models for software and function updates, as well new AI features. We have also aligned the electrical system with future requirements and simplified it significantly. Let me share a few numbers with you: 600 metres less wiring, a 30-percent reduction in weight and a 20-percent increase in energy efficiency.

We wouldn't be BMW if we weren't also revolutionising driving dynamics at the same time. The "BMW Vision Driving Experience" shows how this can be achieved. Our VDX is a spectacular prototype. At the Auto Shanghai in April, we even built our own test track to showcase it, complete with a massive ramp. The VDX impressed everyone who saw it, generating enormous reach on social media. Its quite remarkable key data speaks for itself: 18,000 Newton meter of torque, 1.2 tonnes of downforce, lateral forces of up to 3 G. These are the kinds of figures typically only seen in top-tier racing cars. We are testing the physical limits of driving.

Of course, you could ask: What do you need that for? Because a system that can manage forces like these can also handle everyday operations with ease. Many of the technologies in the VDX are already integrated into our NEUE KLASSE, including our "Heart of Joy" – one of four high-performance computers. All drivetrain and driving dynamics functions are integrated into this electronic control unit – ushering in the next dimension of Sheer Driving Pleasure.

Dear Shareholders!

At BMW, the proverbial glass is never half-empty – it is always at least half-full! We remain focused on opportunities and pursue them systematically. That is why your company is in the best position to continue exploiting growth potential.

The NEUE KLASSE is just one example of how we take bold action in a volatile environment and maintain our strategic course. Even and especially in an uncertain environment.

In 2020 – in the midst of the coronavirus pandemic – our Board of Management committed to this comprehensive investment project in our company's history. This year – just five years later – the NEUE KLASSE will become a reality. This is the BMW way.

It is shaped by a fundamental confidence. Our focus is always on the successful development of your company: We will ensure that your investment remains worthwhile in the future. Our associates value your commitment and your loyalty to the BMW Group as shareholders.

I would like to thank our "Team BMW Group" at all our locations worldwide for their outstanding achievements in 2024. I extend my thanks to the Board of Management, our suppliers and partners, and, of course, our loyal customers worldwide.

As you can see, dear shareholders, there are many compelling reasons for you to continue to stand by us and support us on our unique BMW journey. See you on the 14th of May!

Yours

Oliver Zipse

Chairman of the Board of Management