



## OLIVER ZIPSE

Focal points from the speech by the Chairman of the Board of Management of BMW AG at the Annual General Meeting on 13 May 2026. Check against delivery.

### Dear Shareholders,

BMW represents confidence. Not as a mood, but as a mindset. We all know that difficult situations often loom larger in the present than they appear in hindsight. The most important thing is that we set the right course during phases like this – and this is exactly what we are doing.

Rapidly changing markets, geopolitical tensions, tariffs, volatile demand, regulations and technological change all shape our environment. For precisely this reason, we aim to make robust decisions, based on data, facts and a nuanced analysis of global developments.

We take a long-term view. We invest in next-generation technologies. We are strengthening our global production network. We are systematically refining our brands and products. And we are leveraging challenges not only to become more resilient, but also to emerge stronger. In this way, we are not merely enhancing your company's resilience, but also its antifragility.

In my speech, I will outline why the BMW Group is strongly positioned, even in a challenging environment, how the NEUE KLASSE is now realising its potential, and why your company is well prepared for the future as a global player.

### Financial year 2025: BMW remains robust and profitable.

Let's start with a look at financial year 2025: Overall, we delivered results in a difficult environment. We achieved our targeted profitability range for the Automotive Segment and posted Group earnings before tax of more than 10 billion euros. We propose increasing the dividend by 10 cents to 4.40 euros per share of common stock.

We managed all of this despite unfavourable currency translation effects, a difficult market situation in China and substantial tariff headwinds. Tariffs alone impacted our EBIT margin in the Automotive Segment by about 1.5 percentage points. Without these effects, our Group earnings and our EBIT in the Automotive Segment would have been higher year-on-year.

At the same time, we managed our business in a highly disciplined manner. Our R&D spending and capital expenditure are declining, as planned. Investment has peaked. We are now entering the phase where these upfront investments deliver their impact.

All of this was only possible because our global team was on board with our efforts. For this, I would like to extend my sincere thanks. Where other companies are cancelling bonuses, we are once again paying our employees in Germany an attractive profit-sharing bonus in 2025. This is a testament to our strength – and our culture.

The robustness of our business model is also evident in our sales figures. We delivered more than 2.46 million vehicles to customers in 2025 – an increase over the previous year. All our brands contributed to this.

BMW remains number one in the global premium segment. BMW M GmbH increased its sales for the 14th consecutive year. MINI achieved significant growth with its new model family. Rolls-Royce remains at a high level and is expanding its workshop in Goodwood for Bespoke and Coachbuild. BMW Motorrad delivered more than 200,000 motorcycles to customers – despite the decline in the total market.

Regionally, too, your company has a broad and strong presence. In Europe, for the first time since the pre-Covid era, we once again delivered more than one million vehicles. We achieved significant growth in the US. Our plant in Spartanburg remains a key element of our global strength: It is our largest plant, securing BMW's position as the largest automotive exporter by value in the US.

We are also seeing growth in markets outside the main sales regions. This breadth gives us a strategic advantage.

**China: We are stabilising our business.**

China is the world's largest automotive market and, at the same time, one of our industry's most important technology hubs. However, the market has undergone significant change. Consumer sentiment has deteriorated. Competition is intense. Local manufacturers are bringing new products to market at tremendous speed. For that reason, our objective for 2025 was clear: to stabilise sales. We achieved that aim.

In the first quarter of 2026, the total market in China continued to decline, but BMW outperformed the market: Our measures are taking effect.

We are focusing on three areas in China: local relevance, speed and software. We create value locally – through our plants in Shenyang, our engine plant and our new battery centre joint venture with BMW Brilliance Automotive. We are making decisions faster, further consolidating development and purchasing, and utilising more local resources. Our new sales structure is also progressing more quickly than planned.

The digital driving experience is especially important in China. That is why we are working with strong local technology partners in the country, such as Momenta, DeepSeek and Alibaba Banma. Together, we are integrating innovations into our vehicles that align precisely with the expectations of Chinese customers.

Our objective is clear: We want to resume our growth in China. Our recipe for success is: In China. For China. With China.

Our recent product premieres at Auto China in Beijing are evidence of this commitment. With the long-wheelbase versions of the BMW i3 and BMW i3, we have unveiled vehicles that are more consistently tailored to the Chinese market than ever before. The feedback has been extremely positive – especially on the driving dynamics and digital experience.

**Free trade and regulation.**

As a global company, we depend on open markets. Tariffs and protectionism ultimately hurt everyone – companies, economies and, above all, customers.

This applies both to customs duties on fully-electric vehicles imported from China and to the tariff discussions between the EU and the US. The situation remains dynamic and highly complex. However, our position is clear: Exports, free trade and international cooperation remain the foundation of innovation, jobs and prosperity.

When it comes to European regulations, we also need more realism. In our view, the CO<sub>2</sub> regulation from 2035 onwards does not create true technology openness. It ignores the fact that markets, customer needs and infrastructure vary greatly around the world.

BMW shows that a different approach is possible. We are, and will remain, technology-neutral. We are growing with fully-electric vehicles and plug-in hybrids. At the same time, demand for efficient combustion engines remains stable. Our goal is impact, not ideology: We are reducing CO<sub>2</sub> – across the entire lifecycle of our vehicles.

In 2025, we once again significantly outperformed the EU CO<sub>2</sub> fleet target. We are also setting our own targets: By 2030, we aim to reduce our CO<sub>2</sub> emissions by at least 40 million tonnes compared to 2019 levels, with a further 20 million tonnes by 2035. Our long-term goal remains reaching net zero by 2050.

To achieve this, we are increasing the share of secondary material and renewable energy used. We are also reducing the carbon footprint of our supply chain. This is critical, because our plants require 36 million parts every day. Our supply chain is made up of 2,700 direct suppliers and 65,000 second-tier suppliers. Achieving progress here has a real impact.

### **Germany remains key location for BMW Group.**

Germany is our domestic market – here, research, development and industrial implementation are closely intertwined. This is a major strength. However, competitiveness is not a given. High energy and labour costs, excessive regulation and misguided industrial policy incentives jeopardise its strength as a location for industry. If innovation and export orientation are not rewarded but hindered, small and medium businesses and suppliers are the first to come under pressure – followed, ultimately, by the major industrial drivers of value creation.

BMW remains fully committed to Germany. In 2025, we once again built more than one million vehicles here. Around a quarter of total German automotive production comes from BMW.

Our German plants are operating at high capacity and play a pivotal role. A unique advantage of our production system is its flexibility. We are able to produce different models and types of drive train on a single line. This enables us to balance out fluctuations across regions, derivatives and drive technologies.

### **The NEUE KLASSE: Our future project is on the roads.**

A key focus this year is the continued ramp-up of our NEUE KLASSE. Last year, we showed you the first production models, still camouflaged. Today, the BMW iX3 is already on the roads. We have also already unveiled the new BMW i3.

The market launch of the iX3 is going extremely well. The first customers received their vehicles in late January. The iX3 has been in European showrooms for several weeks and will be launched in the US and Asia in the coming months.

Demand is significantly exceeding our expectations. We already have more than 50,000 pre-orders in Europe and our order books are full well into this year. It is especially encouraging that we are winning many new customers for BMW with the iX3.

The iX3 is produced at our new Plant Debrecen in Hungary. Due to the high demand, a second shift is being introduced earlier than planned.

The performance capabilities of the NEUE KLASSE are impressively demonstrated by its range. The iX3 has a range of 805 kilometres according to WLTP. However, our engineers have shown that even more is possible: driving the iX3 from Debrecen to Munich – 1007 kilometres – without charging. When they arrived, they still had two-percent charge in the high-voltage battery, underscoring the efficiency of our new technology.

The new BMW i3 will now bring the NEUE KLASSE right to the heart of the brand. No other vehicle represents BMW like the 3 Series. The eighth generation combines classic BMW DNA with an entirely new technological foundation. The new i3 offers a range of up to 900 kilometres according to WLTP. In just ten minutes, it charges enough energy to drive up to 400 kilometres. This is made possible by the sixth-generation e-drive with 800-volt technology. In the interior, BMW Panoramic iDrive creates a new digital experience.

Series production will get underway at the main plant in Munich in August. For this purpose, we have invested around 650 million euros in remodelling the plant in line with the principles of the BMW iFactory: lean, green and digital. Starting in 2027, Plant Munich will exclusively produce fully-electric vehicles.

The iX3, i3 and the new 7 Series are just the beginning. Between now and 2027, we will bring more than 40 new or updated models to market. Every future model will benefit from the technologies of the NEUE KLASSE – tailored to each vehicle, brand, segment and drive train. BMW M will also follow this path. In 2027, we will usher in a new era in the high-performance segment – with the first fully-electric M vehicle with racetrack capabilities.

### **Our NEUE KLASSE – digital and software-defined.**

The NEUE KLASSE is software-defined, which means many functions are defined by software, rather than by the installed hardware. This also ensures vehicles stay up to date throughout their entire lifecycle via updates: quite simply – over the air. In this way, updates and even new functionalities can be integrated quickly and easily. Specific regional circumstances can also be better accommodated.

As a result, our customers always have a vehicle that continues to evolve. We chose this path early. As a result, the BMW Group now has the largest over-the-air updatable vehicle fleet. With the NEUE KLASSE, we will continue to build on this strength.

### **The BMW Group – one of our industry's few true global players.**

We have a broad international footprint across production, research and development, sales and purchasing. We also have a unique brand portfolio, with BMW, MINI, Rolls-Royce, BMW Motorrad and, going forward, BMW ALPINA.

We are therefore able to serve the full breadth of the premium segment – from the urban MINI through BMW Motorrad to the luxury class with Rolls-Royce. BMW ALPINA will bring a particularly exclusive facet to our product range, positioned between the top models of the BMW brand and the luxury motor cars of Rolls-Royce.

Our technology-neutral approach will continue to be a core strength. Today, we already offer battery-electric vehicles in all relevant segments. By end of the year, we will have 20 BEVs across all brands. At the same time, plug-in hybrids and highly efficient combustion engines remain important. In this way, we are able to respond to diverse market conditions and the varying realities of our customers' lives.

The next generation of the BMW X5 perfectly embodies this approach. The new BMW X5 will be the first BMW with five drive train variants: highly efficient petrol and diesel engines, plug-in hybrid, fully-electric and – from 2028 – also powered by hydrogen. In this way, we are creating the necessary conditions to remain flexible in the future, leveraging market opportunities around the globe as they arise.

To achieve this end, we have expanded our production network worldwide across all key sales regions. In Europe, the US and China, we produce nearly as many vehicles as we sell there. This balance is a key differentiating factor.

Our local-for-local approach strengthens market access, supply chains and resilience. The five new sites for our next-generation high-voltage batteries – located in Europe, the Americas and China – provide a concrete example of this.

### **Into the future with a clear strategy and a strong team.**

To wrap up, I would like to focus on what defines BMW at its core: Our products, our brands and, above all, our employees are what make the BMW Group such a successful company – your successful company.

After almost seven years as Chairman of the Board of Management and a total of 35 years at BMW, I look back on this time with tremendous gratitude. Since I took over in August 2019, the company has weathered enormous challenges: Covid, supply chain crises, geopolitical tensions and technological upheavals. At the same time, we have invested more than ever before and, with the NEUE KLASSE, we have brought the BMW Group's most important future project to the roads.

Now, I am handing over as Chairman of the Board of Management to Milan Nedeljković. The change at the helm is conducted in typical BMW style: calm, consistent and with a clear focus on what lies ahead.

For you, esteemed shareholders, the central message is this: The BMW Group is robust, profitable and future-ready. It has strong brands, a broad product portfolio, a flexible production network, technological substance and a clear strategy. Anyone who invests in BMW is investing in a company that is not only capable of withstanding difficult times, but also of leveraging them to emerge stronger.

Yours,  
**Oliver Zipse**  
Chairman of the Board of Management