

REPORT OF THE BOARD OF MANAGEMENT TO THE SHAREHOLDERS' MEETINGS ON THE PROPOSED CONVERSION OF PREFERRED SHARES INTO ORDINARY SHARES.

Non-binding convenience translation.

Under agenda item 8, the Board of Management and Supervisory Board propose to the AGM that all non-voting preferred shares of BMW AG be converted into ordinary shares and that the Articles of Incorporation be amended accordingly by eliminating the preference in dividends.

Under agenda item 9, the Board of Management and Supervisory Board propose to the AGM that the ordinary shareholders approve the resolution under agenda item 8 by way of a special resolution.

The conversion of preferred shares into ordinary shares also requires the approval of the preferred shareholders. This is to be obtained immediately after the AGM on 13 May 2026 at a Separate Meeting of Preferred Shareholders by way of a special resolution.

The resolutions proposed by the Board of Management and Supervisory Board to the AGM 2026 and the Separate Meeting of Preferred Shareholders 2026 are based on the following considerations:

1. Current share capital structure of BMW AG.

The share capital of BMW AG amounts to € 615,810,431 and is currently divided into 561,134,926 bearer ordinary shares (91.1%) and 54,675,505 bearer preferred shares (8.9%) with a par value of € 1 each. The two classes of shares differ in that preferred shares – subject to mandatory legal requirements – do not carry voting rights at the AGM. In return, they are granted the privileges specified in the Articles of Incorporation with regard to the distribution of profits. Pursuant to Section 25 (3) (b), preferred shares are entitled to advance dividends in the amount of € 0.02 per € 1 nominal value. Pursuant to Section 25 (3), the net profit shall be appropriated in the following order: a) Subsequent payment of any arrears on dividends upon non-voting preferred shares in the sequence of their accrual; b) payment of advance dividends in the amount of € 0,02 per € 1 par value upon non-voting preferred shares; and c) uniform payment of any other dividends, upon ordinary and preferred shares, unless the General Meeting of Shareholders resolves on a different appropriation.

2. Future share capital structure of BMW AG.

The conversion of the preferred shares into ordinary shares will not change the amount of the share capital. Even after the conversion, it will remain at € 615,810,431. In future, it will consist exclusively

of 615,810,431 bearer ordinary shares with a par value of €1 each. After the corresponding amendment to the Articles of Incorporation has been entered in the commercial register, the converted shares will confer voting rights in accordance with Section 141 (4) AktG. After the conversion, each share will have the same voting rights at the AGM.

The preference in dividends will therefore apply for the last time when distributing the net profit for the 2025 financial year. From the 2026 financial year onwards, the net profit earmarked for distribution will be distributed evenly among all ordinary shares.

3. Planned conversion process.

The conversion of the preferred shares is to be effected by eliminating the existing preference in dividends of the preferred shares and amending the Articles of Incorporation accordingly (modification of existing membership rights). Upon elimination of the preference in dividends, the former preferred shares will grant voting rights by law (Section 141 (4) AktG). The rights of the preferred shares will be fully aligned with those of the ordinary shares; the "preferred" class of shares will thus be eliminated. The shareholders' proportion in the share capital will remain unchanged. There will be no exchange of shares or capital measures. Preferred shareholders are not required to make any additional payment.

The conversion of non-voting preferred shares into voting ordinary shares requires a resolution by the AGM to amend the Articles of Incorporation, which can be passed by a simple majority of the votes cast and, in accordance with Section 179 (2) sentence 2 AktG in conjunction with Section 21 (1) sentence 3 of the Articles of Incorporation, by a simple majority of the share capital represented at the time the resolution is passed. As a precautionary measure, it is also proposed that the ordinary shareholders approve the resolution of the AGM by way of a special resolution in accordance with Section 179 (3) AktG. This special resolution also requires a simple majority of the votes cast and, pursuant to Section 179 (3) sentence 3, (2) sentence 2 AktG in conjunction with Section 21 (1) sentence 3 of the Articles of Incorporation, a simple majority of the share capital represented at the time the resolution is passed. The special resolution of the ordinary shareholders is to be passed at the AGM under agenda item 9.

The resolution to convert the preferred shares into ordinary shares also requires the approval of the preferred shareholders by special resolution. This special resolution is to be decided upon at a

Annexe to items 8 and 9 of the AGM agenda and to item 1 of the agenda of the Separate Meeting of Preferred Shareholders: Report of the Board of Management.

Separate Meeting of Preferred Shareholders, which will take place on 13 May 2026, immediately following the AGM. Pursuant to Section 141 (3) sentence 2 AktG, the special resolution of the preferred shareholders requires a majority of at least three-quarters of the votes cast.

If the proposed resolutions are passed with the necessary majorities, the amendment to the Articles of Incorporation will be registered in the commercial register. No further action by the shareholders is required. The amendment to the Articles of Incorporation becomes effective upon entry in the commercial register, and the membership rights of the shares held by the previous preferred shareholders shall be aligned with those of the ordinary shares. The previous class of preferred shares is abolished upon entry of the amendment to the Articles of Incorporation in the commercial register.

4. Consequences for the stock exchange listing; settlement.

The ordinary and preferred shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange, including the sub-segment with additional post-admission requirements (Prime Standard), and on the regulated market of the Munich Stock Exchange.

The conversion will result in the expiry of the previous stock exchange listings for the preferred shares. The former preferred shares converted into ordinary shares are to be admitted to trading – as are the existing ordinary shares – on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment with additional post-admission requirements (Prime Standard) and to the regulated market of the Munich Stock Exchange.

After the amendment to the Articles of Incorporation has been entered in the commercial register and the global certificates deposited with Clearstream Europe AG, Frankfurt am Main, have been exchanged, the custodian banks will convert their customers' holdings of preferred shares into ordinary shares. Shareholders do not need to take any action in this regard. The Company has no influence on the exact date of entry in the commercial register and thus on the effective date of the share conversion. To ensure a smooth process, the Company plans to carry out the conversion in close coordination with the Frankfurt Stock Exchange, the Munich Stock Exchange, and the relevant commercial register. A temporary suspension of trading in the Company's shares on the stock exchange is to be avoided if possible. The Company will announce the planned date of the share conversion in the Federal Gazette and by public notice.

We ask our shareholders to contact their custodian bank in good time to find out about any fees or expenses.

5. Advantages and reasons for the conversion.

a) Weighting in relevant stock indices.

The share class with the highest free float market capitalization is decisive for the weighting of BMW AG shares in relevant indices (e.g., DAX and EURO STOXX 50). At BMW AG, these are the ordinary

shares. The relevant market capitalization is calculated by multiplying the number of shares in free float by the current share price. The conversion of preferred shares into ordinary shares would increase the number of ordinary shares in free float by approximately 19%. The increase is facilitated by a higher free float in the preferred share capital. The resulting higher weighting of the ordinary share in important indices strengthens its inclusion in these indices. Finally, the higher weighting is also accompanied by buying impulses for passive index funds.

b) Simplification of the capital structure.

In accordance with the internationally recognized corporate governance principle "one share, one vote," the capital structure of BMW AG is to be simplified. In future, each share will grant the same rights, including voting rights. This will increase the attractiveness of the ordinary share, particularly for international and institutional investors.

c) Administrative burden and costs.

The focus on one class of shares reduces the Company's administrative burden and simplifies reporting. The conversion of preferred shares into ordinary shares also leads to minor cost savings for the Company.

6. Disadvantages of the conversion.

As a result of the conversion, the previous preferred shareholders lose the preference in dividends described in section 1. In return, they receive voting rights at future AGMs.

The conversion will increase the total number of voting rights at BMW AG. This will reduce the proportionate voting weight of each ordinary share. The voting rights of existing ordinary shareholders will be diluted to the extent of the conversion; however, their capital participation will remain unchanged. Ordinary shareholders will benefit from the elimination of the preferential profit rights of preferred shareholders. In future, all shares will participate equally and uniformly in net profits.

The Company will incur one-time costs in connection with the conversion. These relate primarily to the planning and implementation of the Separate Meeting of Preferred Shareholders, standard market commissions to the custodian banks for the ISIN conversion, remuneration for the accompanying bank and the listing fees for the new ordinary shares.

7. Final assessment.

In proposing a 1:1 conversion, the Board of Management took into account the historically low price difference between the two classes of shares up to the ad hoc announcement of 16 December 2025, and assessed the chosen timing as balanced in light of all the advantages and disadvantages.

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Overall, the Board of Management believes that the conversion is reasonable and appropriate for the Company and its shareholders. In its opinion, the advantages of a conversion clearly outweigh the disadvantages outlined above. No other means of achieving the advantages outlined above are apparent. The Supervisory Board concurs with this assessment.

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