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Statement
Oliver Zipse
Chairman of the Board of Management of BMW AG
105th Annual General Meeting of BMW AG on 14th May 2025
Livestream from the Olympic Hall in Munich

Robust. Dependable. With a clear focus on the future. The BMW way – for the success of your company.

Dear Shareholders!

Our lives are increasingly digital – and, in global business, virtual formats offer many advantages. But, let's not forget – people are not digital. We all still value meeting face to face. We want to look each other in the eye. That is why it is great to see so many of you here today, in the Olympiahalle. And to everyone joining us remotely: A very warm welcome to you as well!

This is your company's 105th Annual General Meeting!

The heart of BMW beats all over the world. BMW is a global team, united by a strong sense of community. 159,000 people: highly motivated. High-performing. Innovative. Together, we are the BMW Group.
Of course, one could also say: BMW, that's just a DAX-listed company. A reliable employer; at its core, it remains an abstract construct.

But everyone at the company knows that BMW is so much more than that! That is why we stand together. Time and again, we have proven that we seize opportunities, act swiftly and adapt with remarkable flexibility. We learn from the unexpected – which is what truly matters. We then emerge stronger than before – just as we did after the global financial crisis and the Covid pandemic.

We make decisions with a long-term perspective.

This mindset goes back to entrepreneur Herbert Quandt, whose family continues his legacy – much like we do here at BMW.

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You, our shareholders, remain by our side in this. You give us entrepreneurial freedom – and that is a privilege we value, especially in turbulent times.

Today, our environment is more dynamic than ever.
We face highly complex challenges, shaped by conflicting priorities and paradoxes. Above all, we are confronted with new geopolitical realities that directly affect our business.

At the same time, our industry is undergoing significant change. The shift towards e-mobility is just one facet of a broader, all-encompassing process – a technology race that culminates in elimination of some players.

When things are uncertain, many stay stuck in "neutral", waiting. Not your company! We are now shifting into "sport mode" –hands on the wheel, eyes on the road. Standing here on stage is the BMW Vision Neue Klasse you are already familiar with. Later on, I'll even show you the first two production models of the NEUE KLASSE. Our vision is becoming reality, as we reach the next milestones for BMW and the entire company.

By anticipating trends in the marketplace early, we consistently manage to make major technological leaps at exactly the right time. We invest proactively in electrification, digitalisation, our production network, our products and the NEUE KLASSE. By 2024, we will have reached the peak of our investment and R&D activities, with expenditure in each area exceeding nine billion euros. This is a peak, not a plateau.

We have invested a considerable amount of money.
In the years ahead, the full impact of these upfront investments will become clear – just as I promised. We are realising our plans for the future with your best interests in mind. You, our shareholders, should benefit from the continuing success of your company, alongside our employees.

That is why we remain firmly committed to our shareholder return strategy: We are proposing a dividend payout of 36.7 percent of our unappropriated profit – which would amount to a total of 2.6 billion euros. If you approve our proposed dividend, this will be our highest-ever payout ratio.

Your company is in a strong position, focused on the future:

We are digitalising our vehicles and leveraging tech clusters and architectures with massive scaling potential. We are utilising artificial intelligence throughout our value chain. Very soon, nearly every process at the company will be supported by AI, making us even faster and more precise – and not just in production and logistics. At your company, efficient cost structures are the standard – you can always count on that.

The automotive industry has been through many upheavals –in response to the rise of industrialisation, technological progress, new processes and evolving markets, as well as changing regulations and societal expectations.

The BMW way is shaped by confidence – because we provide meaningful answers. I would like to show you today how we do that through:

1. **Our strategy:** which is market-driven and technology-open.
2. **Our goals:** We met our adjusted targets for 2024 and are targeting growth this year.
3. **Our global footprint:** a differentiating factor 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.

Let me begin with my first point: our strategy.

Technology openness means following the markets – because markets evolve, but not all at the same pace. We took a clear stand on this, even in the face of strong headwinds. Now, the wind has shifted in our direction:

- “BMW late winner of the drivetrain transition”.
- “How BMW went from laggard to magician”.
- “Germany's true electric-car champion”.

These headlines were taken from trade journal “Auto, Motor und Sport”; weekly magazine “Wirtschaftswoche”; and newspaper “Die Welt”.

Our models and diverse drivetrain portfolio are also winning awards, including the “Goldene Lenkrad” (Golden Steering Wheel). I accepted three trophies in Berlin – a very special moment.

Our brands and products are being extremely well received. The German Car of the Year award, presented to the 5 Series and i5*, is the first-ever win for a technology-open model series.

While other manufacturers are reversing course or adjusting their strategy, we are on exactly the right track. Even policymakers are starting to come around: The new German federal government supports a broad approach to technology, while the European Commission seeks to make Europe more competitive. The "Green Industrial Deal" finally considers climate protection and the economy "in tandem". That is a good thing.

From e-drives and plug-in hybrids to highly efficient conventional drive technologies: No one masters this level of variety better than your company. As previously announced, we will be adding a production model with a hydrogen drivetrain in 2028. All of this benefits our customers, while, at the same time, making a measurable contribution to climate protection. And, yes, we have the facts and figures to back this up:
In 2024, the BMW Group significantly outperformed its European CO2 fleet target by more than 30 grammes. That is a huge leap forward, which cannot just be taken for granted. Based on internal calculations, our numbers came in at under 100 grams for the first time – at 99.5 grammes per kilometre. The official data will be published by the European Commission at year-end. We are also gearing up to meet the much stricter targets for this year, as you would expect from us.

We take ambitious political goals seriously – but we don't believe in technically one-sided regulations that limit supply. The same principle applies to the circular economy. Here, too, only a comprehensive approach can enable and stimulate investment. Because, as a standalone technology, e-mobility leads down a dead-end street – that much is now clear. The differences are simply too great, even just within Europe.

Belgium, for example, offers incentives: Electric and hybrid models quickly became the most popular new cars, reaching a market share of over 60 percent in 2024. Contrast that with Italy, where electric cars made up only about four percent of total sales last year.

Is that the fault of the products? Certainly not. Is it because of the customers? Definitely not. The all-important question is rather:
How do we effectively cut CO2? Certainly not by thinking in black and white. Supporting one solution does not necessarily mean opposing another. Our approach proves this time and again – and remains effective. We all need to be much more opportunity-driven, guided by entry – not exit – strategies.

Political goals must reflect market realities – and also be viable for businesses. Global investment is already looking ahead to 2030, and especially 2035. That is why the upcoming review of EU targets will be so decisive. It is our chance to improve the system. Europe needs a top-performing automotive and supplier industry. We are fighting for this and pushing back against negative developments.

For our customers, we will remain broadly diversified – and, for you, our shareholders, we are securing the success of your company. We don't want to miss out on any market potential. We will continue to stand firm – but always open to dialogue with decision-makers around the world. We explain the complex mechanisms of our industry, asking: What will the proposed legislation mean in practice? The Board of Management and I are personally engaged in this work.

At your company, we mostly let our actions speak for themselves: Just as I promised you last year – we already have more than 15 all-electric models on the market. Our BMW iX* has been recently updated, so that it now boasts an electric range of up to 701 kilometres in the WLTP cycle. In 2024, battery-electric vehicles – BEVs, for short – were once again key growth drivers for us. By year-end, more than 17 percent of our total sales were fully electric. This is significantly higher than at many other manufacturers. You'll also be pleased to hear that this positive trend accelerated into 2025. In the first quarter, our global BEV sales increased over 30 percent. Europe led the way, with growth of more than 60 percent. The US market was also up by over 20 percent.
If you include both BEVs and plug-in hybrids, more than one in four of our vehicles is now electrified, while nearly one in five is already fully-electric. We are making good progress. We are delivering – and maintaining our credibility.

My second topic for today is our goals.

As always, they are ambitious. Even in difficult conditions, not every market contracts. There are always regions where growth is possible – and your company exploited this potential to the full in 2024: In three of our four main sales regions, we increased deliveries and often gained market share.

Joy is at the heart of our BMW brand, sparking positive emotions all around.ach of our company's four brands – BMW, MINI, Rolls-Royce and BMW Motorrad – has its own unique character and strengths. BMW remains number one in the premium segment. BMW M also reported dynamic growth, achieving record sales for the 13th consecutive year. Nearly one in ten BMWs sold last year was a profitable M model. The new MINI family is now complete: With five models, three of which are fully electric. The MINI brand not only has a positive impact on our carbon footprint, it also has a strong fan base. In the luxury segment, Rolls-Royce continues to set the benchmark. With the Black Badge Spectre*, a second fully electric Rolls-Royce is now available. The Phantom is the brand's most iconic vehicle. And it is celebrating its 100th birthday this year. All good reasons to expand the Goodwood factory. At over 300 million pounds, this will be our biggest investment in the plant since it opened in 2003. BMW Motorrad impressed once again. Our two-wheeler brand remains the undisputed global number one in the premium motorcycle segment – again reaching a new all-time high, with 210,000 motorcycles and scooters sold. The GS accounts for nearly a third of those sales. It will be joined later this year by the new 1300 Series model family. I like to ride a motorbike myself, so I can assure you that our line-up is our strongest ever.

We accomplished all this in 2024 – despite the fact that many things unfolded differently than expected, as the year progressed. The delivery stops and recalls associated with an Integrated Brake System IBS component from one of our suppliers had a financial impact – but we responded quickly, keeping our communications transparent.
At the same time, the Chinese market remained weak and demand for electric vehicles declined in several markets. In light of this, in September 2024, we adjusted our guidance. From that point on, we pushed even harder to keep your company on track. That is another thing that sets us apart. We met our updated targets, with more than 2.45 million vehicles delivered to customers and a Group EBT margin of 7.7 percent.

You already know that we sold fewer vehicles in China, where competition is intense and prices are increasingly under pressure. It should come as no surprise that domestic manufacturers are expanding their market share. However, BMW remains number one in its segment. China is still our largest single market for electric vehicles, with over 100,000 BEVs delivered to customers there in 2024. Let us not forget that we have enjoyed above-average success in the Chinese market for many years.

What is also important: Your company has earned an excellent reputation in China, built on years of market presence and sustained investment. Since 2010, we have invested around 116 billion renminbi in our production base in Shenyang alone. We also have a strong R&D network in China, second only to Germany. I've visited China several times over the past few months, including attending the "China Development Forum", where BMW was the exclusive mobility partner, providing 30 fully-electric BMW i7s* and i5s* for the event. All of us on the Board of Management are regularly on the ground to talk directly with our "BMW Team China". Our China strategy is based on the principle "in China for China". The same applies to the NEUE KLASSE. The first models produced for the NEUE KLASSE in China will come off the Shenyang assembly line from 2026. Our design team in Shanghai led development of all China-specific models of the NEUE KLASSE. As a result, our local BMW iX3* will be tailored to the needs of Chinese customers – in other words, "from China for China".

Our market-specific approach has proved effective over many years. The technology race in our industry will be decided in China – where else? – where AI is widely adopted. That is why we are establishing AI partnerships with leading Chinese tech companies, to integrate these innovations directly into our vehicles in China. For example, we are collaborating with Alibaba to develop the next stage in voice interaction between humans and vehicles. DeepSeek will also be a part of this.
We will begin integrating DeepSeek's AI capabilities into our newest models in China by the end of this year. These examples show that, even when it comes to digital applications, we operate "in China, for China" – and at "China speed". As our largest single market, getting back on track for growth in China is clearly a priority. That is why we are currently consolidating our retail network.

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

In a word: growth. Our sales are forecast to increase slightly. What makes us so confident? Our products. Between now and 2027, BMW will bring more than 40 new or updated vehicles to market across all drive train variants. This year, one of our most successful models will celebrate its 50th anniversary: the BMW 3 Series. The latest version of our extremely popular BMW X3 is fresh on the market. We manufacture the X3 worldwide – in Spartanburg, South Carolina, in the USA; Shenyang, China; and Rosslyn, South Africa. This is a clear example of how we are responding flexibly in an increasingly protectionist environment.

We are also realigning our sales and marketing to meet the demands of the future. In some markets, an agency model enables customers to move seamlessly between online and offline channels. MINI has already transitioned 15 markets in Europe. The process for our core BMW brand will be significantly more comprehensive, learning from our experience with MINI. We are using this year and next to prepare for the launch of the BMW brand. I'm sure many of you are wondering: What about our retailers? They remain close by our side, of course. The entire transition is taking place in collaboration with them. Anything else would not be the BMW way. Retailers and our BMW branches remain important to our sales success – and, above all, to our customers' brand experience.

In uncertain times, making reliable forecasts is not easy. In our guidance for financial year 2025, we responded quickly to current developments, already factoring in the known tariff impacts, as of 12 March 2025. These effects account for approximately one percentage point on the EBIT margin in the Automotive Segment, which we now expect to be within the range of five to seven percent.
Global conditions remain dynamic and uncertain. That's why many OEMs – not only in our industry – are not issuing forecasts at this time. Not us. After the first quarter, we confirmed our guidance.

Our assumptions are based on fundamental premises. We expect developments in the tariff debate by the summer. We are confident that a good compromise can be reached in the negotiations with the US this year. We are closely monitoring developments and actively preparing for a range

of scenarios. In the long term, we remain committed to achieving an Automotive EBIT margin with our target range of eight to ten percent.
A key lever for this is lowering operating costs, which we expect to decline in nominal terms over the course of the year.

For my third point, I'd like to talk about our global footprint.

The global economy is deeply interconnected, with tightly interwoven supply chains. Can this be undone? We don't believe so. What we do know is that protectionism leads down a dead-end street. Take modern semiconductors, for instance – which use 60 elements from the periodic table. No single country has all of these. In the end, everyone loses: Products become more expensive and less innovative. And who ends up "footing the bill"? The customer, of course.

Punitive tariffs, rising regional isolation, technological decoupling:
How can we continue to succeed and stay out of geopolitics in such an environment? These are also your top issues as shareholders, which you have shared with us. Today, global reach and appeal are no longer enough. Only companies that are firmly established locally in the regions will remain "in the game". This is becoming a condition for economic success.

Your company has built this presence in major regions of the world over decades – with production, R&D, sales and marketing and suppliers. We generate added value locally. As a result, we are one of the few truly global players in our industry today – and that gives us a real competitive advantage. Your company has already evolved to the next level, balancing sales and production within our network of global value creation. In other words: 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: about a million cars in Europe, just under 400,000 in the US and around 700,000 in China. No one will be able to replicate this anytime soon.

Another important asset is our "local-for-local" approach, which we are systematically expanding as local supply chains and collaborations become more important. Take our assembly plants for high-voltage batteries: Five new facilities are currently under construction – all of them close to our

production in Europe, the Americas and China. Here, we will manufacture the next generation of high-voltage batteries for our electric vehicles.
One of these new facilities is being built right around the corner from here, in Irlbach-Straßkirchen. Trade journal “Auto Motor and Sport” reported on this under the headline: "BMW builds faster than BYD”. You can’t put it more succinctly! In other words, “China speed” – also in Lower Bavaria.

Despite our balanced distribution of sales and production, we will continue to be a major exporter – especially from our domestic market of Germany and our “second home”, the US.

Our roots lie in Munich and Bavaria – and origins come with a responsibility. 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 sold outside the European Union. We are making an important contribution – in Germany and for Germany as a manufacturing location. As I said: Origins come with a responsibility.

We are carrying this principle forward with the next generation. Right now, on the plant grounds in Munich, we are building a Talent Campus. That name is a promise: a new hub for skills development, serving all 40,000 employees at the Munich location. Talents with various perspectives make us stronger and more innovative. That is, and always will be, our culture at BMW.

This year, we are celebrating “50 years of BMW North America”. I was in Spartanburg in January to receive an award from Republican Governor Henry McMaster, honouring BMW's 30-year commitment to South Carolina. Its political representatives recognise and appreciate that, without BMW, the region and the state would have taken a very different path.
The numbers speak for themselves: We provide 43,000 jobs in South Carolina – both directly and indirectly. Every second vehicle built at our Spartanburg plant is exported, generating an export value of over ten billion US dollars in 2024 alone. Once again, this made your company the largest automotive exporter in the United States by value. Over the past ten years, our total export value has exceeded 100 billion US dollars. Now, we are investing over 1.7 billion US dollars to bring Spartanburg up to speed for e-mobility. The first e-model from Spartanburg will already roll off the assembly line next year.

All these figures underline BMW's economic impact in the United States. We are the only ones with such a extensive production in the US. Our value creation is comprehensive. These are strong arguments that will play a key role in the ongoing tariff negotiations.

Looking at the global picture: With tariffs, it's currently everyone against everyone else. We advocate for eliminating tariffs altogether: for our industry, based on fair negotiations. That is why we had submitted a widely respected proposal some time ago, calling for a uniform tariff rate of 2.5 percent between Europe and the US. All of this clearly underlines that your company is in a very strong negotiating position – not only in the US, but across all regions. This sets BMW apart from other OEMs. We are in continuous dialogue with decision-makers everywhere: in Brussels, Berlin, Washington, D.C. and Beijing.

In the European Union, we are taking a firm stance. This includes the EU's additional tariffs on BEV imports from China. Since October 2024, this has also impacted our electric BMW and MINI models produced in China. We are defending our position and have filed a lawsuit against the European Union, seeking a judicial review of this anti-subsidy measure.

Your company benefits from an integrated global economy. That much is certain. Our position remains unchanged: We stand for open markets and free trade. Growth thrives on openness – not isolation! Period.

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

The 1960s were a long time ago. That was when the original Neue Klasse first entered the market, generating strong momentum for BMW's long-term growth. Today, 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 new design language will also be implemented across the entire product range.

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. Our customers get the latest technology in their vehicles – regardless of which drive train they choose. Now, bear with me, it's about to get a little bit technical: In the NEUE KLASSE, Sheer Driving Pleasure is also about software, such as our BMW Panoramic iDrive. This includes a completely new display system that projects content across the full width of the windscreen. Four high-performance computers control the most important in-car functionalities. These “super brains” deliver up to 20 times more in-vehicle computing power. We have also simplified the new electrical system, with 600 metres less wiring, reduced weight and higher energy efficiency. That's how we do it in the NEUE KLASSE.

One of the four high-performance computers is our “Heart of Joy”. All drivetrain and driving dynamics functions are integrated into this electronic control unit. International journalists tested it on the track with our factory driver, Jens Klingmann – in our BMW Vision Driving Experience or VDX for short. This is how is went:

Movie

You can't fake that kind of emotion. That is Sheer Driving Pleasure in its purest form – taken to a whole new dimension in our BMW Vision Driving Experience. The VDX is the most powerful prototype we have ever built. Its key data are quite remarkable: 18,000 Newton meter of torque, a downforce of up to 1.2 tonnes and lateral forces of up to 3 G. That is, three times the acceleration due to gravity. These are the kinds of figures typically only seen in top-tier racing cars. We are testing the physical limits of driving. Why are we doing this? The answer is simple: A system that is capable of managing forces like these can – without question – handle everyday driving with ease.

At the Auto Shanghai in April, we took things a step further, building our own test track to showcase the VDX, complete with a massive ramp.

Movie

It was spectacular! Our VDX was a hit – and the social media reach was tremendous. Many of the technologies featured in the VDX will also be used in the NEUE KLASSE.
We are entering the home straight – and we intend to prove that to you, right here, today. For those of you here in the Olympiahalle, please remain in your seats when the vehicles make their entrance in a moment.

Driving scene

Ladies and Gentlemen, the first two production models of the NEUE KLASSE!

As you can see, they are still camouflaged – to maintain the suspense just a little bit longer. You are all "practised" BMW shareholders, so I'm sure you'll recognise the proportions right away: This model is a sporty sedan in the current BMW 3 Series segment. The other is a typical member of the X family, our BMW iX3* – which will be the first representative of the NEUE KLASSE. You could even say it is getting its own plant, since we are producing the iX3 at our new plant in Hungary. We will be opening the Debrecen location this autumn. The sporty sedan for the NEUE KLASSE won't just simply roll off the production line either. Just a short distance from the Olympiahalle is our more than 100-year-old Munich main plant. We are completely refurbishing it for modern industrial production in the heart of the city.

The second model will ramp up there in 2026. After that, the NEUE KLASSE will be rolled out worldwide across our production network. I would like to invite you all to the IAA MOBILITY here in Munich in September for the world premiere of the BMW iX3 – without camouflage, of course, exactly as it will be available to our customers.

Dear Shareholders!

At BMW, the proverbial glass is never half-empty – it is always at least half-full. We focus on opportunities and pursue them systematically – even in an uncertain environment. BMW will turn 110 next year.

The NEUE KLASSE is just one example of how we continue to take bold, forward-looking action. The BMW way is shaped by confidence.

That's what our "Team BMW Group" stands for at all our locations worldwide. We never rest on our laurels. Together, we will ensure that your investment remains worthwhile.

All of us at the company truly appreciate your continued support.

Thank you!

CO2 EMISSIONS & CONSUMPTION.

BMW i5 eDrive40 Limousine: Energy consumption combined: 16,3 kWh/100 km (WLTP); CO_2-Emissions combined: 0 g/km (WLTP); CO_2-Class: A.
BMW iX xDrive60: Energy consumption combined: 21,9 kWh/100 km (WLTP); CO_2-Emissions combined: 0 g/km (WLTP); CO_2-Class: A
Rolls Royce Black Badge Spectre: Energy consumption combined: 2.6 – 2.8 mi/kWh / 23.6 – 22.2 kWh/100km. CO_2-Emissions O g/km.; CO_2-Class: A
BMW i7 eDrive50: Energy consumption combined: 20,3 kWh/100 km (WLTP); CO_2-Emissions: 0 g/km (WLTP); CO_2-Klasse: A.
BMW iX3: Energy consumption combined: 18,0 kWh/100 km (WLTP); CO_2-Emissions combined: 0 g/km (WLTP); CO_2-Class: A