

## **Supplementary information on agenda item 9.6:**

**Annual Financial Statements for BMW M GmbH Gesellschaft  
für individuelle Automobile as of 31 December 2020**

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**Annual Financial Statements BMW M GmbH Gesellschaft für individuelle Automobile  
Business year 2020**

# Annual Financial Statements BMW M GmbH Gesellschaft für individuelle Automobile

Balance sheet as at 31 December

in T €	Appendix	2020	2019
<b>Assets</b>			
Intangible assets		<b>372</b>	374
Concessions and licences acquired for consideration		372	374
Property, plant and equipment		<b>26.013</b>	32.553
Rights equivalent to real property		519	525
Buildings on third-party land		6.696	7.452
Technical equipment and machinery		14.946	18.828
Other equipment, factory and office equipment		3.828	4.922
Payments on account and assets under construction		24	826
<b>Fixed assets</b>		<b>26.385</b>	<b>32.927</b>
Inventories		<b>1.445</b>	1.483
Raw materials and supplies		1.445	1.483
Receivables and other assets	1	<b>68.244</b>	76.717
Receivables from deliveries and services		79	273
Receivables from affiliated companies		61.666	71.852
Other assets		6.499	4.592
thereof from taxes		815	813
Cash on hand and bank balances		<b>221</b>	196
<b>Current assets</b>		<b>69.910</b>	<b>78.396</b>
<b>Prepaid expenses</b>		<b>553</b>	<b>601</b>
<b>Balance sheet total</b>		<b>96.848</b>	<b>111.924</b>
<b>Liabilities</b>			
Subscribed capital		<b>26</b>	26
Retained earnings		<b>391</b>	391
<b>Equity</b>	2	<b>417</b>	<b>417</b>
Other provisions		<b>32.969</b>	43.327
<b>Provisions</b>	3	<b>32.969</b>	<b>43.327</b>
Advance payments received on orders		<b>50.751</b>	41.963
Liabilities from deliveries and services		<b>12.601</b>	25.963
Amounts owed to affiliated companies		<b>76</b>	204
Other liabilities		<b>34</b>	50
thereof from taxes		0	5
<b>Liabilities</b>	4	<b>63.462</b>	<b>68.180</b>
<b>Balance sheet total</b>		<b>96.848</b>	<b>111.924</b>

## Annual Financial Statements BMW M GmbH Gesellschaft für individuelle Automobile

### Profit and loss account

in T€	Appendix	2020	2019
Revenues	5	<b>436.058</b>	491.272
Production costs of the services rendered to generate the sales revenue	6	<b>-283.275</b>	-366.327
<b>Gross profit from sales</b>		<b>152.783</b>	<b>124.945</b>
Distribution costs	7	<b>-35.842</b>	-23.723
General administrative expenses	8	<b>-22.690</b>	-21.323
Other operating income	9	<b>3.661</b>	13.905
Other operating expenses	10	<b>-314</b>	-605
Interest result	11	<b>-1.129</b>	-1.561
Taxes on income and earnings		<b>-21</b>	-20
<b>Result after taxes</b>		<b>96.448</b>	<b>91.618</b>
Other taxes	12	<b>-3</b>	-8
Profits transferred under a profit and loss transfer agreement		<b>-96.445</b>	-91.610
<b>Net profit for the year</b>		<b>0</b>	<b>0</b>

## **Annual Financial Statements BMW M GmbH Gesellschaft für individuelle Automobile**

### Appendix

#### Accounting and valuation principles

The annual financial statements of BMW M GmbH are prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch) and the German Limited Liability Companies Act (GmbH-Gesetz) and are stated in thousands of €. BMW M GmbH, with its registered office in Munich, is registered with the Munich Local Court under the commercial register number HRB 44621.

BMW M GmbH is a large corporation within the meaning of Section 267 of the German Commercial Code (HGB) as at the balance sheet date of 31 December 2020.

The profit and loss account has been prepared in accordance with the cost of sales method pursuant to § 275 para. 3 HGB.

The financial year shall be the calendar year.

In the interest of better clarity and transparency, the notes to be made in accordance with the statutory provisions for the items of the balance sheet and profit and loss account as well as the notes to be made either in the balance sheet or profit and loss account or in the notes to the financial statements are listed in the notes to the financial statements as far as possible.

For the purpose of an improved insight into the financial situation, the write-offs of the expired vouchers for driver training are shown within the sales revenues from the current business year onwards. The effects on the earnings situation are listed in the explanations on the sales revenues.

## **Annual Financial Statements BMW M GmbH Gesellschaft für individuelle Automobile**

Balance sheet as at 31 December

Fixed assets are valued at acquisition or production cost less scheduled depreciation. Tangible fixed assets are generally depreciated on a straight-line basis; in certain cases, the declining balance method is still applied. In the year of acquisition, depreciation is carried out pro rata temporis. Depreciable fixed assets with acquisition or production costs of up to € 250 are recognised directly as expenses in the year of acquisition. For acquisition or production costs of more than € 250 and up to € 1,000, the straight-line depreciation method with a depreciation period of five years is applied. Intangible assets are amortised on a straight-line basis over a useful life of three years. The heritable building right reported under rights equivalent to real property is depreciated on a straight-line basis over the contractual term of 99 years. Buildings on third-party land are depreciated over eight to 33 years, technical equipment and machinery generally over four to 10 years, and other equipment, factory and office equipment predominantly over five years. Assets under construction are recognised at nominal value.

Similar assets in the inventory of raw materials and supplies are valued at weighted average prices. Write-downs are made to the lower fair value on the balance sheet date. Inventory risks resulting from the storage period or reduced usability are taken into account through devaluations.

Receivables and other assets as well as payments on account and cash in hand and at banks are stated at nominal value. Appropriate allowances are made for receivables whose collectability is subject to identifiable risks; uncollectible receivables are written off. Short-term foreign currency receivables (residual term of one year or less) as well as cash and cash equivalents or other short-term assets in foreign currencies are translated at the mean spot exchange rate on the balance sheet date.

Payments made before the balance sheet date are recognised as prepaid expenses if they represent expenses for a certain period after this date.

Subscribed capital is accounted for at par value.

Provisions are measured in such a way that they take into account all identifiable risks. They are recognised at the settlement amount; long-term provisions are discounted at the average Bundesbank interest rate corresponding to their remaining term, taking into account forecast price adjustments.

Liabilities are recognised at the settlement amount on the balance sheet date. Liabilities in foreign currencies are valued at the mean spot exchange rate at the time of the transaction. Gains resulting from the valuation on the balance sheet date are recognised for liabilities with a remaining term of less than one year. Losses from exchange rate changes are taken into account by revaluation on the balance sheet date. Advance payments received are recognised at nominal value.

## Annual Financial Statements BMW M GmbH Gesellschaft für individuelle Automobile

### Appendix Assets analysis

The development of the fixed assets of BMW M GmbH (gross presentation) is as follows:

In T€	Acquisition and production costs				31.12.2020
	01.01.2020	Access	Disposals	Transfers	
<b>Intangible</b>					
<b>Assets</b>	<b>3.555</b>	<b>288</b>	<b>0</b>	<b>0</b>	<b>3.843</b>
Land parcel	631	0	0	0	631
<b>Right</b>					
Buildings on other people's	19.748	0	0	0	19.748
<b>Land</b>					
Technical facilities	63.610	1.579	292	+826	65.723
<b>and machines</b>					
Other equipment, operating and	17.541	538	66	0	18.013
<b>Business equipment</b>					
Prepayments made and	826	24	0	-826	24
<b>Assets under construction</b>					
Property, plant and	<b>102.356</b>	<b>2.141</b>	<b>358</b>	<b>0</b>	<b>104.139</b>
equipment					
<b>Fixed assets</b>	<b>105.911</b>	<b>2.429</b>	<b>358</b>	<b>0</b>	<b>107.982</b>

01.01.2020	Depreciation		31.12.2020	Book values		
	Current year	Disposals		31.12.2020	31.12.2019	
<b>3.181</b>	<b>290</b>	<b>0</b>	<b>3.471</b>	<b>372</b>	<b>374</b>	<b>Intangible Assets</b>
106	6	0	112	519	525	Land parcel Right
12.296	756	0	13.052	6.696	7.452	Buildings on other people's Land
44.782	6.287	292	50.777	14.946	18.828	Technical facilities and machines
12.619	1.629	63	14.185	3.828	4.922	Other equipment, operating and Business equipment
0	0	0	0	24	826	Prepayments made and Assets under construction
<b>69.803</b>	<b>8.678</b>	<b>355</b>	<b>78.126</b>	<b>26.013</b>	<b>32.553</b>	<b>Property, plant and equipment</b>
<b>72.984</b>	<b>8.968</b>	<b>355</b>	<b>81.597</b>	<b>26.385</b>	<b>32.927</b>	<b>Fixed assets</b>



## Annual Financial Statements BMW M GmbH Gesellschaft für individuelle Automobile

Appendix  
Notes to the balance sheet

### 1 – Receivables and other assets

As in the previous year, receivables and other assets have a remaining term of up to one year.

There is a net receivable from the shareholder in the amount of T€ (61.5042019: T€70.773):

in T €	2020	2019
<b>Receivables and other assets</b>		
Cash pooling	<b>157.598</b>	195.923
Commission income	<b>38.449</b>	33.039
Profit transfer agreement	<b>-96.445</b>	-91.610
Supply and service transactions	<b>-38.098</b>	-66.579
	<b>61.504</b>	<b>70.773</b>

### 2 – Equity

The company's share capital is DM 50,000, which corresponds to a balance sheet amount of T€ 26.

Retained earnings are other revenue reserves that exclusively contain discounting effects of provisions from the first-time application of the German Accounting Law Modernisation Act in the 2010 financial year.

### 3 – Provisions

The other provisions mainly comprise obligations from outstanding invoices for services rendered / goods delivered in the amount of T€ (29.6282019 T€ 40.314) as well as obligations from rental agreements in the amount of T€ (2.8602019: T€ 2.928).

### 4 – Liabilities

The liabilities have a remaining term of up to one year. The liabilities to affiliated companies result from trade in goods and services in the amount of T€ 76 (2019: T€204 ).

## Annual Financial Statements BMW M GmbH Gesellschaft für individuelle Automobile

### Appendix Profit and loss account

#### 5 – Revenues

in T €	2020	2019
Automobiles	<b>411.722</b>	470.968
Driver training	<b>16.682</b>	17.014
Parts and other	<b>7.654</b>	3.290
	<b>436.058</b>	<b>491.272</b>
<b>Revenues by region</b>		
Germany	<b>428.716</b>	483.033
Europe without Germany	<b>3.107</b>	4.141
Rest of the world	<b>4.235</b>	4.098
	<b>436.058</b>	<b>491.272</b>

Since the 2020 financial year, write-offs for expired vouchers in the amount of € 6,519,000 have been reported in revenue. In the previous year, vouchers amounting to K€ 7,728 were derecognised in other operating income.

#### 6 – Production costs of the services rendered to generate the sales revenue

in T €	2020	2019
Research and development costs	<b>253.861</b>	334.733
Proportional costs of production	<b>15.145</b>	14.372
Procurement	<b>7.086</b>	7.917
Administrative costs of production	<b>6.493</b>	7.893
Other manufacturing costs	<b>690</b>	1.412
	<b>283.275</b>	<b>366.327</b>

The item research and development costs mainly includes current development costs in the area of product development for new BMW M models and BMW Individual.

#### 7 – Distribution costs

Distribution costs include sales overheads and marketing costs.

#### 8 – General administrative expenses

This item includes the costs for commercial administration, IT services and other area costs.

## Annual Financial Statements BMW M GmbH Gesellschaft für individuelle Automobile

### Appendix Profit and loss account

#### 9 – Other operating income

Other operating income includes income unrelated to the accounting period, which is made up as follows:

in T €	2020	2019
Reversals of provisions	2.708	5.842
Income from reversals of specific and general bad debt allowances on receivables and other assets	29	84
Yields of previous years	628	7.730
<b>Total income unrelated to the accounting period</b>	<b>3.365</b>	<b>13.656</b>

Other operating income includes income from currency translation in the amount of €k (2332019: €k101). Write-offs of expired vouchers for driver training are included in the previous year in the income from previous years in the amount of € 7,728,000. From the 2020 financial year onwards, these will be reported under revenue in the amount of € 6,519 thousand.

#### 10 – Other operating expenses

Other operating expenses include, among other things, non-operating expenses from claims amounting to €k (02019: €k14) and expenses from currency translation amounting to €k (1402019: €k460).

#### 11 – Interest result

The interest result includes expenses and income from interest on cash pool receivables and liabilities as well as interest on provisions.

in T €	2020	2019
Other interest and similar income	159	719
thereof interest from affiliated companies	150	707
of which from discounting of other provisions	0	0
Interest and similar expenses	-1.288	-2.280
thereof interest in affiliated companies	-1.313	-2.406
of which from the compounding of other provisions	24	129
	<b>-1.129</b>	<b>-1.561</b>

#### 12 – Other taxes

Other taxes mainly relate to motor vehicle taxes.

## Annual Financial Statements BMW M GmbH Gesellschaft für individuelle Automobile

### Appendix Other information

#### 13 – Cost of materials

in T €	2020	2019
Cost of raw materials, consumables and supplies and of purchased goods	32.809	57.908
Expenses for purchased services	228.226	274.750
	<b>261.035</b>	<b>332.658</b>

The cost of purchased services includes personnel expenses of T€ 76,344 (2019: T€ 84.339) for employees who work for the company and are employed by BMW AG, Munich.

#### 14 – Other financial obligations

Other financial obligations total €k (64.158/2019: €k 44,571). These mainly consist of obligations from rental and leasing contracts.

The total value of the obligations breaks down by maturity as follows:

in T €	2020	2019
Due within one year	7.090	5.596
Due between one and five years	19.247	10.633
Due after more than five years	37.821	28.342
<b>Other financial obligations</b>	<b>64.158</b>	<b>44.571</b>

A total of €4,367 thousand (2019: €4,648 thousand) of this amount is attributable to affiliated companies.

In addition, there are open purchase order commitments for investment volumes in the amount of T€ (73/2019: T€92 ).

#### 15 – Employees

The company did not employ any staff in the financial year 2020. The employees are provided by BMW AG, Munich, through a group loan.

#### 16 – Transactions with related parties

Only arm's length transactions are concluded with related parties.

#### 17 – Group affiliation

BMW M GmbH is a wholly-owned subsidiary of Bayerische Motoren Werke Aktiengesellschaft, Munich, with which a profit and loss transfer agreement exists, and is included in its consolidated financial statements. The Consolidated Financial Statements of Bayerische Motoren Werke Aktiengesellschaft for the financial year are filed with 2020the operator of the electronic Federal Gazette and are available on the website of the Company Register. This simultaneously represents the Company's largest and smallest group of consolidated companies.

#### 18 – Management Report

The company makes use of the exemption option of § 264 para. 3 HGB with regard to the preparation of a management report in accordance with § 289 HGB and for disclosure in accordance with § 325 HGB.

## **Annual Financial Statements BMW M GmbH Gesellschaft für individuelle Automobile**

Appendix  
Other information

### **19 – Management**

The managing directors of the company are Markus Flasch, Dipl. Ingenieur, Division Manager BMW M, Gesellschaft für individuelle Automobile, Stefan Pielmeier, Dipl. Betriebswirt, Head of Finance Department BMW M, Gesellschaft für individuelle Automobile (until 31 October 2020) and Jan Lubig, Dipl. Betriebswirt, Head of Finance Department BMW M, Gesellschaft für individuelle Automobile (since 1 November 2020).

### **20 – Auditor's fee**

With regard to the disclosure of the total fee charged by the auditor for the financial year 2020, use is made of the simplification option pursuant to Section 285 sentence 1 no. 17 HGB, as the disclosure is included in the consolidated financial statements of BMW AG.

### **21 – Supplementary report**

The Corona pandemic will continue to have an impact on the BMW Group's business performance in 2021. The continuing volatile situation may have an impact on the earnings, financial position and net assets of BMW M GmbH.

The further course of the Corona pandemic and the consequences on the company's business performance continue to be monitored on an ongoing basis. Due to the latest developments on the necessary containment measures, BMW M GmbH has already had to cancel a large number of BMW and MINI Driving Experience training events. These sales losses cannot be made up for in the current year due to limited track capacities.

**Annual Financial Statements BMW M GmbH Gesellschaft für individuelle Automobile**

Appendix  
Other information

Munich, the 31.03.2021

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Markus Flasch

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Jan Lubig