

Media Information  
3 August 2023

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## **Statement**

**Oliver Zipse**

**Chairman of the Board of Management of BMW AG  
Conference Call Quarterly Statement to 30 June 2023  
Munich, 3 August 2023, 10:00 a.m. CEST**

Ladies and Gentlemen,

In just a few weeks, the IAA MOBILITY will take place – right on the BMW Group's doorstep, here in Munich. Our company and brands will be showcased as part of the "Open Space" on Max-Joseph-Platz in the heart of the city and on the trade fair grounds.

The IAA MOBILITY will turn the whole city into a mobility hub – creating a platform for constructive dialogue between all mobility providers and residents, stakeholders and guests from around the world. Few business segments offer such a wide range of opportunities for innovations that can benefit us in our everyday lives and, at the same time, speed up progress in society.

We firmly believe this – and have the facts to back it up: Our BMW Vision Vehicles are the embodiment of this approach. They focus specifically on individual future topics and demonstrate how we at BMW are tackling and implementing them.

Take, for example, the BMW i Vision Circular from 2021 – which was systematically designed for closed-loop material cycles. A circular economy is our vision for the long term – because this will make our company less dependent on valuable raw materials and even more resilient.

Another example is the BMW i Vision Dee from CES at the beginning of 2023. It demonstrates the potential of what happens when hardware and software merge. The car becomes a digital companion that learns and understands.

We believe there are three key action areas that will dominate the mobility of tomorrow: electric, digital, circular.

Each of these on its own is already a challenging and inherently complex task.

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Combining all three aspects into a coherent overall concept is the ultimate challenge. This capability will determine future competitiveness in our industry. With our next Vision Vehicle we will open up new dimensions in several areas – design, operating concepts, efficiency and sustainability.

On 2 September the BMW Vision Neue Klasse will celebrate its world premiere. The date was chosen to honour a historical milestone: It will be almost 60 years to the day that BMW staked the claim of the Neue Klasse. Back then, the decision to launch a ground-breaking new product range enabled BMW's success and kept it going over the following decades.

Now, once again, we are turning vision into reality: I can promise you that the Vision Neue Klasse is close to standard production and will be on the roads soon.

Production of the NEUE KLASSE will get underway in 2025 at our new plant in Debrecen, Hungary, followed by Plant Munich in 2026. To mark the 20th anniversary of BMW Brilliance, we also announced local production of the NEUE KLASSE at our plant in Shenyang, China from 2026.

The NEUE KLASSE is a mega-project that spans the entire company. It is about nothing less than the future of the BMW brand, the BMW Group and our portfolio. We are in intensive preparation for this and will continue to make significant investments in relevant future technologies over the next few years.

Internally, we are working together within new organisational structures such as our tech clusters – like the one for the electric drivetrain, for example. In this way, we are able to address – in parallel and in an integrated manner – the mission-critical issues of cost efficiency and sustainability.

It is clear to us that with innovation drivers like the NEUE KLASSE, we can grow as a company, both quantitatively and qualitatively. That is what counts.

At the BMW Group, everything has to get a little bit better every day. That is what we aspire to. In late July, the new BMW 5 Series began rolling off the assembly line at Plant Dingolfing. It will be released onto the markets towards the end of the

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year.

As with the BMW 7 Series, 4 Series, X3 and X1 models, customers once again get to choose between different drivetrain variants.

With the all-electric i5\*, the BMW Group will then – as promised – offer at least one BEV model in every core segment. The i5 will help ensure that 40 percent of all the vehicles we build at our biggest European plant will be fully electric from next year onwards. In addition to the 5 Series, the new BMW X2 is also in the starting blocks, including the BEV variant iX2. The 5 Series is receiving very positive feedback in the media and social media.

The eighth generation of our successful business sedan has been praised in particular for its tech highlights – including the Level 2 hands-off system. The 5 Series is the first car in Germany to be approved for partially automated driving at up to 130 km/h on motorways. This exemption means drivers can use the new BMW Highway Assist – which allows them to take their hands off the wheel while driving. Another feature has been added to our Highway Assistant – the Active Lane Change Assistant with so-called “eye confirmation”. This world first allows the driver to change lanes as suggested by the system – simply by looking in the exterior mirror.

For the BMW Group, safety will always be a core element that our technological innovations must all contribute to. We test our vehicles on the proving ground, not on our customers – and only release perfectly tested, highly advanced vehicles onto the market.

Last week, we opened a new testing site in the Czech Republic. It is by far our largest test track and where we are testing highly automated driving. Our Future Mobility Development Centre in Sokolov provides the ideal infrastructure and reproduces the road conditions of countries from all over the world. The site covers 600 hectares and consists of six tracks.

We are also focusing on production trials for fully automated parking. Together with our partner Valeo, we are developing solutions for automated valet parking.

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Compelling products that create value for customers as well as surprising innovations are the foundation of our business success. There is a positive correlation here: Strong products generate strong demand – across all drive technologies and all market regions.

As you know, we at the BMW Group are taking an open technology approach to the transformation of our industry. We are concerned with both climate effectiveness and sustainable business success. For us, there are no old or new technologies, only future-proof ones. For effective climate protection, all types of drive must contribute to the reduction of CO<sub>2</sub> emissions.

This technology-open approach is a strength of the BMW Group. After all, the world regions and individual markets will continue to develop differently and at different speeds in the coming years and decades.

This applies to technologies and regulation, to the expansion of infrastructure for e-mobility and to the wishes of customers. Because different political framework conditions lead to different customer behaviour.

In the USA, for example, the internal combustion engine remains relevant parallel to the ramp-up of e-mobility, which we see above all in states like California. In China, the government is promoting e-mobility, but there is no question of banning the combustion engine. In Japan, hybrid drive is in demand and there is a high level of interest in hydrogen.

Thanks to our flexibility, we can react quickly to changing requirements in the markets at any time and in any situation. We can provide customers with adequate offers without sacrificing market volume.

We continue to pursue this approach consistently and with conviction. Because the holistic view of customer needs, environmental requirements and political guidelines is a unique selling point of BMW. I see this as further proof that our strategy is working and bearing fruit.

This was also true in the first half of 2023. Despite a somewhat subdued global

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economy, the BMW Group delivered more than 1.2 million vehicles to customers – an increase of 4.7 percent compared to the previous year. BMW remains number one in the global premium segment, with over 20 percent of the market.

All regions – from the Americas and Europe to China and Asia - are currently supporting our growth. The ramp-up of our all-electric models remains a clear priority. As you know, BEVs should account for 15 percent of our global sales for the full year.

Our BMW iX\* came first in the BEV ranking in the J.D. Power APEAL study – which rates customer satisfaction among new vehicle owners in the US. One thing is clear: E-mobility needs suitable framework conditions. As a founding partner of IONITY, we have been promoting the development of a comprehensive charging infrastructure in Europe since 2017.

Now, we are transferring our commitment to the USA. Together with six other car manufacturers, the BMW Group is establishing a new joint venture for a fast-charging network in North America. Our goal is to build at least 30,000 charging points in cities and on highways.

The first stations will be opened as early as summer 2024. The network will be open to users of all brands and will support both CCS connections and NACS technology.

What is clear: our products with all drive technologies are in demand and our plants around the world are operating at high capacity. Our order book remains high. The world of the future is not a zero-sum game. Rather, new technologies create new opportunities.

But only companies that pursue a broad, innovation-based strategy across all technologies will be successful and continue to gain additional market share.

All our brands are making their contribution: Rolls-Royce is launching the all-electric Spectre later this year. BMW Motorrad, in its anniversary year, is now pushing ahead with electrification following the CE 04, with the eParkourer CE 02.

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MINI is reinventing itself from the ground up with the new MINI family. The new Cooper Electric, with its spectacular interior and infotainment system, will be unveiled before the end of the year. We will also be building all-electric MINI vehicles in China going forward.

In March, we introduced a new customer-centric direct sales structure for the MINI brand in China. In Europe, we will be launching our new sales model for direct customer access with MINI in 2024. The BMW brand will follow in Europe in 2026.

Ladies and Gentlemen,

All of this shows how we are setting the BMW Group on a profitable course for the future – through quantitative and qualitative growth with both our products and technologies.

We are aiming for appropriate market penetration and intend to systematically exploit opportunities.

Thank you!

**\*Consumption/emissions data:**

**BMW i5 eDrive40:** Power consumption in kWh/100 km: - (NEDC)/18.9-15.9 (WLTP); electric range (WLTP) in km: 497-582.

**BMW iX xDrive40 Edition Sport:** Electricity consumption in kWh/100 km: - (NEDC) / 19.9 (WLTP); Electric range (WLTP) in km: 426.

**Fxcs MINI Cooper SE Countryman ALL4:** Fuel consumption in l/100 km: 2.1-1.9 (NEDC), 2.1-1.7 (WLTP); power consumption in kWh/100 km combined: 14.8-14.1 (NEDC), 15.9-14.8 (WLTP); CO2 emissions in g/km combined: 48-44 (NEDC), 47-39 (WLTP)