

BMW Group launches UK Innovation Lab 2018 for automotive entrepreneurs and intrapreneurs.

Farnborough, UK – 18 September 2017 – BMW Group UK has announced the launch of the BMW Innovation Lab 2018. The new programme builds upon the success of the inaugural Lab in 2016, which saw four out of five incubated startups succeed in building ongoing relationships with the company's UK commercial operations.

The BMW Innovation Lab 2018 will also see the company add a new intrapreneur programme to inspire, shape and realise innovative ideas from the 1,300-strong workforce operating across the BMW Group's three commercial divisions in the UK – BMW (UK) Ltd, BMW Group Financial Services (GB) Ltd, and business mobility solutions provider, Alphabet (GB) Ltd. The intrapreneur programme will help staff contribute ideas to help deliver new and improved services to customers.

The BMW Innovation Lab entrepreneur programme provides an opportunity for early-stage start-up companies to partner with BMW Group's UK commercial divisions. The programme is aimed at companies with disruptive business models or new technologies that could benefit BMW customers. Businesses can enter any of four categories:

- Seamless Customer Experience – how startup technology can add value to both the online and in-person retail process.
- Enhancing Business Processes – automating existing operations.
- Access versus Ownership – exploring new business models to give existing and new target customer groups greater access to mobility solutions.
- RegTech Wildcard – new solutions focused around the affordability,

compliance and regulatory environments.

Run in partnership with L Marks, a corporate innovation specialist and investment fund, the entrepreneur programme will see successful startups selected to join a structured 10-week course of activities. Participants will have access to mentorship from the BMW Group's UK leadership team, a collaborative working environment at the company's UK HQ, access to vehicles and other resources, a business education programme with links to a network of industry experts, and access to investors and fundraising support from L Marks.

Working with TIL Ventures, a specialist at building a culture of corporate innovation, the intrapreneur programme provides a series of workshops and residential courses, at which initial ideas are developed with the help of academics, business mentors and BMW's own leadership team. Eight successful teams will then be selected to embark on a 12-week structured mentoring programme to complete a comprehensive business plan describing how to turn their idea into commercial reality.

While each programme is specific to the challenges of either entrepreneurs or intrapreneurs, both groups will be able to share a common work environment at BMW Group's office campus in Farnborough and wherever beneficial, all participants will be encouraged to collaborate in problem solving and in sharing their experiences.

Mike Dennett, CEO at BMW Group Financial Services (GB) Ltd, said: "The BMW Innovation Lab was designed to ensure it would have a real and long-lasting effect on our business. By working with the start-ups, it opened our minds to how we can be more agile, how we can be faster to market and how we can think just that little bit differently. Last year's cohort is evidence of this. Four of the businesses have a continuing commercial engagement with BMW. That's good for BMW but it is also a great opportunity for any start-up to secure your first enterprise-scale relationship.

“For 2018 we wanted to improve the model further. Great ideas exist both outside and inside the organisation. The new intrapreneur stream added for 2018 captures the creativity inside BMW Group’s commercial subsidiaries in the UK and provides our employees with a programme to nurture it, helping us to better serve our customers today and tomorrow.”

Stuart Marks, Chairman of L Marks, said: “The BMW Innovation Lab in 2016 was a great example of the tremendous growth and scale a business such as BMW can give to start-up businesses, and of the exciting new solutions the start-ups can offer in turn. The successes from last year demonstrated the immense value for all parties. We are very excited to again be partnering in running the programme this year on a larger scale and involving the wider BMW business.”

Milan Samani, founding partner of TIL Ventures, said: “It is fantastic to be asked to join such a successful Lab. Building a new programme for intrapreneurs, using our proven TIL methodology, will activate, capture and deliver the innovative ideas which exist inside BMW. We are also really excited to explore the impact of running the two streams in parallel. Seeing intrapreneurs and entrepreneurs operating in close proximity should benefit all participants.”

Applications from external entrepreneurs, startups and early stage growth businesses to participate in the BMW Innovation Lab 2018 must be submitted through the website www.bmwinnovationlab.co.uk by 16 October 2017.

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NOTES TO EDITORS:

Comments from the participants of the BMW Innovation Lab 2016:

Tom Wood, founder of Cazana.com, said: "The BMW Innovation Lab 2016 was a great opportunity to access all areas of BMW Financial Services, understand more about their business and how our big data and systems could help them. It gave us insight into our customers' requirements and a chance to develop a product that encompasses these needs. Such insight is crucial in ensuring we can demonstrate value and tackle pain points faced by the industry. Since the lab, we've engaged commercially with BMW to provide our valuation insights and are working to build a long-term legacy from the programme."

Niall Barton, Co-founder of Wrisk, said: "We weren't sure of what to expect from a corporate incubator, but the BMW Innovation Lab proved to be an incredibly valuable experience for us. It offers a symbiotic relationship, centred around both parties providing the next generation of innovative, efficient, and digital-first customer experiences. The benefits are not just restricted to time spent in the Lab. Through the strong working relationship we have formed, we are now working with BMW to transform approaches to car insurance."

Christer Holloman, CEO of Divido, said: "One of the greatest difficulties of entering the market is getting through the door of a large, global business. The BMW Innovation Lab 2017 gave us a platform to get access to a major enterprise, as well as a chance to talk directly to key executives to find out what they needed from us. We were able to immerse ourselves in the automotive industry and learn how we can work with businesses of this scale."

Felix Leuschner, Founder and CEO of Drover, said: "Many incubators simply offer to open doors to stakeholders, or provide a space to develop a proof of concept to go and secure funding. The BMW Innovation Lab is different. It

offers real business outcomes. Working at the 2016 Innovation Lab saw us meet directly with stakeholders, and learn the concerns and needs of our customers. This means we can tailor our offering to the market. Long term, we are excited to continue to build on the legacy of the Lab and work with BMW on new applications.”

About BMW Group UK:

BMW (UK) Ltd.

UK sales, marketing and aftersales subsidiary of BMW AG Established in 1980, BMW Group UK is the sales, marketing and aftersales subsidiary of BMW AG. Headquartered in Farnborough, Hampshire, it is responsible for importing BMW and MINI vehicles and Motorrad motorcycles into the UK and supplying them for sale through its independent Retailer network.

BMW Financial Services (GB) Ltd.

Headquartered in Farnborough, Hampshire BMW Financial Services (GB) Ltd offers a range of options for financing both private and corporate purchases of BMW and MINI vehicles and Motorrad motorcycles, as well as a range of insurance products designed to cover car, home and travel. BMW Financial Services (GB) Ltd also includes ALPHERA Financial Services, which provides multi-make car finance through a network of official dealers and broker partners. In 2016 BMW Financial Services (GB) Ltd was awarded the 'Investors in People' - Gold Standard.

Alphabet (GB) Ltd.

Supporting brands such as Panasonic and McDonald's Restaurants, Alphabet manages a fleet of over 150,000 vehicles in the UK and almost 650,000 vehicles across 19 countries worldwide. Established in 1997, Alphabet is Europe's leading provider of Business Mobility services. Innovative mobility products, like the Corporate CarSharing solution AlphaCity, are changing the way UK businesses finance, manage and use

company cars. Another pioneering service, AlphaElectric, enables organisations and employees to switch on to the benefits of ultra-low and zero emission vehicles. Alphabet's portfolio of Mobility services comprises a comprehensive suite of vehicle funding solutions and fleet management including: corporate and employee car schemes, commercial vehicles, risk management, vehicle rental, accident management, fleet management and maintenance.

L Marks

L Marks is a corporate innovation specialist and technology investment fund. L Marks builds bridges between large corporates seeking to innovate more quickly with young companies with disruptive technologies, products and services. Founded by serial entrepreneur Stuart Marks, the company has worked with some of the UK's biggest brands to create start-up partnership programmes that encourage innovation.

TIL Ventures

TIL Ventures creates internal venture accelerators that allow global corporations to innovate into new and unimagined market spaces. Their flagship accelerator, The Intrapreneur Lab, is used by 22 global corporations including Barclays, Phillips and GSK. The Lab is run in collaboration with business schools across the world and has incubated 80 corporate ventures, seen investments of £6.5 million and delivered business outcomes in the tens of millions. Partners of the firm have written papers published in journals such as Harvard Business Review and speak at business schools across the world.

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The BMW Group

With its three brands BMW, MINI and Rolls-Royce, the BMW Group is the world's leading premium manufacturer of automobiles and motorcycles and also provides premium financial and mobility services. As a global company, the BMW Group operates 31 production and assembly facilities in 14 countries and has a global sales network in more than 140 countries.

In 2015, the BMW Group sold approximately 2.247 million cars and nearly 137,000 motorcycles worldwide. The profit before tax for the financial year 2015 was approximately € 9.22 billion on revenues amounting to € 92.18 billion. As of 31 December 2015, the BMW Group had a workforce of 122,244 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. The company has therefore established ecological and social sustainability throughout the value chain, comprehensive product responsibility and a clear commitment to conserving resources as an integral part of its strategy.

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