

Report by the Supervisory Board

Dear Shareholders,

2021 was a successful year for our company. Following three years of double-digit growth in fiscal 2017, 2018 and 2019, our Group experienced a sharp dip on this positive trajectory in 2020 due to the global impact of the COVID-19 pandemic. We recorded strong growth again in 2021, however, with some regions already clearly surpassing the pre-pandemic baseline. At the same time, we were able to achieve a marked rise in profitability – even compared with the years before the outbreak of the pandemic. We would like to thank our employees in particular for helping us to achieve these results. Their dedication and ability to embrace responsibility was a huge support to company management.

Cooperation between the Supervisory Board and Executive Board

In the period under review, the Supervisory Board performed the tasks assigned to it by law and the Articles of Incorporation and verified that the Executive Board applied sound, compliant and effective governance practices. Furthermore, the Supervisory Board regularly advised the Executive Board on the management of the company and supervised management activities on an ongoing basis. The Supervisory Board maintained continuous dialog with the Executive Board regarding business development and corporate strategy and was involved in all major decisions regarding the company.

In the run-up to and during its meetings, the Supervisory Board was brought up to date on business developments; changes in assets, earnings and financials; fundamental issues regarding company planning, company strategy, internal control and risk management, and compliance; and other key measures by means of written and verbal

reports from the Executive Board. The reports to the Supervisory Board were discussed in depth during Supervisory Board meetings amongst Supervisory Board members and with the Executive Board.

Members of the Executive Board regularly took part in Supervisory Board meetings. When necessary, the Supervisory Board and its committees also convened without the Executive Board, particularly regarding Supervisory Board matters and HR issues relating to the Executive Board.



Hans Neunteufel

Chairman of the Supervisory Board

There was full attendance at all meetings of the Supervisory Board and its committees. The attendance rates are broken down per meeting in the following table:

	Supervisory Board plenary meeting attendance	As a %	Presiding Committee attendance	As a %	Audit Committee attendance	As a %
Hans Neunteufel (Chairman)	7/7	100	5/5	100		
Ralph Wacker (Deputy Chairman)	7/7	100	5/5	100	4/4	100
Kurt Helletzgruber (*)	3/3	100			2/2	100
Christian Kekelj	7/7	100				
Prof. Dr. Matthias Schüppen	7/7	100	5/5	100	4/4	100
Elvis Schwarzmaier	7/7	100			4/4	100

(*) Membership suspended between December 1, 2020 and May 31, 2021 due to sequestration to the Executive Board.

Furthermore, the Executive Board provided the Supervisory Board with regular, comprehensive and timely information between meetings about current business trends as well as special or urgent projects. This information was made available in writing and also in person. In particular, the Supervisory Board was informed about instances where actual developments deviated from previously reported targets and where business activities deviated from the Group's plans, with the Supervisory Board placing a particular emphasis on this in view of the pandemic ramifications.

Together with the Executive Board, the Supervisory Board discussed and examined in detail proposals that required Supervisory Board ratification and approved individual business transactions where this was required by law, the Articles of Incorporation or the rules of procedure for the Executive Board. The Supervisory Board voted on resolutions of this kind during scheduled meetings and in writing.

In addition, the Executive Board presented the Supervisory Board with monthly reports on key financial indicators. Furthermore, the Chairman of the Supervisory Board maintained regular contact with the Executive Board, and with its Chairman in particular, ensuring a continuous flow of information on the current business and financial situation of the Group and its affiliates and on major business events.

The Supervisory Board and its committees also addressed the implementation of a number of legislative requirements in the year under review, such as the time limit placed on auditor engagements, resulting in the engagement being put out to tender, and the development of a remuneration system for the Executive Board members.

Members of the Supervisory Board also undertook the training and further development measures required to discharge their duties on their own initiative and were supported by the company in their efforts here. One member of the Supervisory Board successfully completed a course to obtain the "Certified Member of the Supervisory Board" certificate at the School of Governance, Risk & Compliance of Steinbeis University Berlin.

Main topics of Supervisory Board meetings in fiscal 2021

Seven plenary meetings of the Supervisory Board were held in fiscal 2021. Two of these sessions were conducted by telephone. The Presiding Committee met five times and the Audit Committee met on four occasions. In two cases, the Supervisory Board adopted resolutions outside of meetings, for example by means of circular resolution. All members of the Supervisory Board also participated in the resolutions passed outside of meetings.

The Supervisory Board engaged regularly with the day-to-day business of the Wacker Neuson Group and with planning activities at executive level, with attention focusing also in particular on global economic developments, especially in light of the COVID-19 pandemic and its impact on the business performance and organizational structures of the company and of the Group. Particular emphasis was placed on the analysis and discussion of Wacker Neuson's financial situation as well as the development of revenue, costs and earnings. Any questions from the Supervisory Board that arose in connection with the regular written and verbal reports were answered in full by the Executive Board during the relevant meetings. Executive Board matters were also on the agenda on a regular basis.

In addition to these regular reports, the Supervisory Board concentrated its advice and supervisory activities on the following areas in particular during its meetings and resolution discussions:

In a circular resolution of February 24, 2021, a resolution was passed on Executive Board matters in connection with the secondment of Mr. Helletzgruber to the Executive Board.

HR matters were discussed in a (telephone) meeting of March 3, 2021 that was continued on March 5 and 8, 2021.

At the Supervisory Board meeting to approve the financial statements on March 18, 2021, following appropriate preparations by the Audit Committee, the Supervisory Board focused on examining the Annual Financial Statements, the Consolidated Financial Statements, the Combined Management Report of Wacker Neuson SE and of the Wacker Neuson Group, the non-financial Group report, as well as related party disclosures for fiscal 2020, including the Report by the Supervisory Board and the corporate governance report. By way of preparation, the Audit Committee had discussed these documents in detail with the Executive Board during its session immediately before the Supervisory Board meeting, raising questions with the auditing company representative present at the meeting, and discussing these issues at length. This took place in addition to the Supervisory Board's regular examinations as part of its own preparation for the meeting to approve the financial statements. On the basis of this, the Annual Financial Statements, the Consolidated Financial Statements and the Combined Management Report were approved. The appropriation of net profit suggested by the Executive Board was also approved in this meeting together with the recommendation to the Supervisory Board on the appointment of the auditor, the AGM agenda, the Report by the Supervisory Board and the non-financial Group report. The Executive Board shared the above-mentioned documents with the Supervisory Board in advance of the meeting. Also during this meeting, the Supervisory Board approved the 2021 share buy-back program and its key elements as previously approved by the Executive Board.

This meeting also dealt with the remuneration system for the Executive Board members for submission to the AGM in accordance with the law governing implementation of the second shareholders' rights directive (ARUG II). The new remuneration system for the Executive Board was geared in particular towards the long-term, sustainable development of the Wacker Neuson Group. In addition, the Supervisory Board approved the remuneration system for the Supervisory Board, which also had to be approved by the AGM in 2021.

The business of this meeting also covered the virtual AGM, the updating of the rules of procedure for the Supervisory Board, the evaluation of the findings of the Supervisory Board efficiency check carried out in the form of a self-assessment survey as well as miscellaneous Executive Board matters.

In an extraordinary (telephone) meeting of March 23, 2021, the Supervisory Board discussed Executive Board matters and approved the appointment of Dr. Karl Tragl as an additional member of the Executive Board and as CEO, effective as of June 1, 2021. The allocation of roles and responsibilities was adjusted accordingly in this context and further HR matters were discussed.

In a circular resolution of April 21, 2021, Mr. Christoph Burkhard was appointed as an additional member of the Executive Board (CFO), effective as of June 1, 2021.

On May 6, 2021, the Supervisory Board discussed the forthcoming quarterly report at length. The current status of the business in North America was also discussed. Other items on the agenda included a briefing on current strategic projects as well as Executive Board matters.

At the meeting of August 5, 2021, the agenda items strategy, market and sales, technology and operations, and the forecast with opportunities and risks were discussed. The Executive Board also presented the half-year report and briefed the meeting on the status of various strategic and M&A projects.

At the annual strategy meeting with the Executive Board on October 12 and 13, 2021, the Supervisory Board discussed the evolution of company strategy through 2025. The main items on the agenda were the company's regional-, product- and location-related strategies, but cost management, potential OEM-/cooperations and future M&A transactions were also discussed.

During its meeting on December 9, 2021, the Supervisory Board focused on examining the Executive Board's business plan proposal for fiscal 2022, as well as on medium-term and financial planning. Supervisory Board members not only assessed the plans, but also discussed the associated opportunities and risks in detail with the Executive Board, also against the backdrop of the difficult-to-predict global economic climate. Resolutions were also passed on the target percentage for the representation of women on the Executive Board and the Supervisory Board, the submission of the declaration of compliance with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG) and on miscellaneous Executive Board matters. Other items on the agenda included potential M&A transactions and the topic of sustainability (zero emissions).

In addition to this, the Supervisory Board examined each of the Executive Board's monthly reports on an ongoing basis.

Work performed by the Supervisory Board committees in fiscal 2021

The two Supervisory Board committees (the Presiding and Audit Committees) also continued their work during the period under review, effectively supporting the entire Supervisory Board in its duties by preparing Board resolutions and other matters for consideration at its plenary meetings. The meetings of the Audit Committee were also regularly attended by all of the other Supervisory Board members in a guest capacity. The members and chairpersons of both committees are listed in the declaration on corporate governance. The chairpersons of the committees reported on the work performed by the committees during the Supervisory Board's plenary meetings. The chairperson of the Audit Committee also maintained regular communication with the auditors in the periods between meetings.

At its meeting on March 17, 2021, the Audit Committee discussed the Annual Financial Statements, the Consolidated Financial Statements and the Combined Management Report for Wacker Neuson SE and the Group at December 31, 2020 with the Executive Board and the auditor. The report on related party disclosures and the non-financial Group report were also discussed at this meeting. The Audit Committee examined in particular the key audit matters described in the Auditor's Report, including the audit procedures performed, and addressed the auditor's audit reports on the Annual and Consolidated Financial Statements and the Combined Management Report in the presence of the auditor. It also established that there were no circumstances that could give rise to concerns about the impartiality of the auditor. In addition, the Audit Committee obtained the required declaration of independence from the auditor, checked that the auditor's is suitably qualified and negotiated the auditor's fees following the vote by the AGM. The provision of certain non-audit services by the auditor was also discussed. This meeting of the Audit Committee further discussed the impact of the German Act to Strengthen Financial Market

Integrity (FISG), which among other things provides for a fixed ten-year term of engagement for auditors (external rotation) with no possibility of extension. This results in a requirement for the company to re-tender its audit for the coming year (2022). The Audit Committee therefore decided to recommend Ernst & Young to the Supervisory Board plenary meeting as the auditor of the Annual and Consolidated Financial Statements and as the reviewer of the half-year report for the last time for fiscal 2021. The Supervisory Board, in turn, followed this recommendation and proposed the same auditor at the AGM. Finally, the Audit Committee addressed the appropriateness and effectiveness of the risk management system and internal control system as well as the effectiveness, structure, findings and audit plan of the internal auditing system.

At its meeting of May 6, 2021, the Audit Committee adopted a resolution on the non-public tender for the audit to be performed for fiscal 2022 and in this context discussed the project team and the timeline among other details. The committee also addressed the forthcoming publication of the quarterly report.

In the meeting of August 5, 2021, the committee discussed the half-year report and the engagement to review the 2021 non-financial Group report. In addition, the meeting passed a resolution on the non-public call for tender for the audit to be performed for fiscal 2022 and approved the tender documentation. The current risk report and the internal audit report were also discussed. Finally, the committee was briefed on compliance activities in 2020.

The items on the agenda of the telephone meeting of November 8, 2021 included the forthcoming quarterly report, the status of the tender for the 2022 audit and the mandatory EMIR audit in line with Section 32 of the German Securities Trading Act (WpHG).

In five meetings held on February 4, 5 and 12, March 2 and April 21, 2021, the Presiding Committee focused on various Executive Board matters and prepared corresponding resolutions for the Supervisory Board. One of the key areas of focus here was the selection of candidates to join the Executive Board. By way of preparation, the Presiding Committee discussed the details of the new remuneration system for the Executive Board.

Changes in the composition of executive bodies

Dr. Karl Tragl was appointed Chief Executive Officer (CEO) with effect from June 1, 2021 with responsibility for the areas of strategy/M&A, investor relations & corporate communication, sustainability, HR, legal and compliance, real estate and – from January 1, 2022 – for business process management.

Also with effect from June 1, 2021, Mr. Christoph Burkhard was appointed as an additional member of the Executive Board. As Chief Financial Officer (CFO), he is responsible for finance (incl. taxation and treasury), controlling & risk management, auditing, IT (incl. data privacy), sales financing and – from January 1, 2022 – for integrated business planning.

As a result of these changes, Mr. Kurt Helletzgruber, who had been seconded from the Supervisory Board to the Executive Board from December 1, 2020 to June 30, 2021 in line with Section 105 (2) AktG, stepped down from his positions as CEO and CFO with effect from May 31, 2021 and returned to the Supervisory Board. Mr. Helletzgruber had previously (from December 1, 2020) assumed the position of CFO before also taking on the role of CEO on an interim basis from January 1, 2021. His areas of responsibility were investor relations & sustainability, HR & corporate communication, legal &

compliance, real estate, finance (incl. taxation and treasury), controlling & risk management, auditing, IT (incl. data privacy) and sales financing. The Supervisory Board would like to warmly thank Mr. Helletzgruber for his successful and exceptionally committed work on the Executive Board.

Mr. Felix Bietenbeck took on the position of Chief Operations Officer (COO) on October 1, 2020 and also assumed the role of Chief Technical Officer (CTO) on January 1, 2021. He is now responsible for production, quality, supply chain management, procurement, research & development and the Americas region.

Risk assessment and compliance

The Supervisory Board has established to its conviction that the company's internal control system and risk management system meet the requirements of Section 91 (2) AktG, that insurable risks are sufficiently insured and that operational, financial and contractual risks are subject to suitable controls through approval procedures and organizational processes. A detailed risk reporting system is in place throughout the Group and is regularly maintained and further developed. The internal control and risk management systems were also examined by the duly appointed auditing company, which confirmed that the Executive Board had met the requirements outlined under Section 91 (2) AktG and established a suitable early warning system capable of monitoring and identifying developments that could pose a threat to the company's continued existence as a going concern. The Executive Board informed the Supervisory Board of the current risk situation during Supervisory Board meetings and in individual conversations. All areas deemed to be risks from the perspective of the Supervisory Board and the Executive Board were duly discussed during these sessions. In addition, the Supervisory Board and/or the Audit Committee addressed compliance issues.

Corporate governance

Both the Supervisory Board and the Executive Board are aware that sound corporate governance is essential to protect shareholder interests and secure the company's long-term success. The Supervisory Board continuously monitored the further development of the German Corporate Governance Code and kept up to date with the capital market and corporate legislative framework. The Executive Board and the Supervisory Board issued a declaration of compliance with the German Corporate Governance Code pursuant to Section 161 AktG for the period under review at the meeting of December 9, 2021. The entire declaration is always available on the company's website and is also included in the declaration on corporate governance pursuant to Section 289 f of the German Commercial Code (HGB) in combination with Section 315 d HGB, which can be found online and in the Annual Report.

There were no conflicts of interest on the part of Executive Board or Supervisory Board members requiring disclosure to the Supervisory Board in accordance with Section E. Standard 19 of the German Corporate Governance Code. Prof. Dr. Matthias Schüppen, who assumed the Chair of the Audit Committee for the duration of Mr. Kurt Helletzgruber's secondment, continued in this role until the Annual Financial Statements for 2021 had been approved. Mr. Helletzgruber did not participate in resolutions of the Supervisory Board or of the Audit Committee involving matters or financial reports that fell within the period of his secondment to the Executive Board.

Annual and Consolidated Financial Statements for 2021

At the AGM on May 26, 2021, the company Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft ("Ernst & Young") of Stuttgart, Germany, was again appointed official auditor for the company and Group for fiscal 2021. Before the Supervisory Board made its proposal to the AGM, based in turn on the recommendation by the Audit Committee, the auditing company submitted written confirmation to the Chairman of the Audit Committee that there are no circumstances that could compromise its independence as an auditor or give rise to doubts about its independence. Ernst & Young also specified the scope of services other than the audit of annual financial statements performed on behalf of the company over the previous fiscal year. The Chairman of the Audit Committee engaged the auditing company in writing with the task of auditing the financial accounting procedures.

The Annual Financial Statements for the company for the year ending December 31, 2021 prepared by the Executive Board in accordance with HGB, and the Consolidated Financial Statements for the company for the year ending December 31, 2021 prepared by the Executive Board in line with the International Financial Reporting Standards (IFRS) as adopted by the EU, and in supplementary compliance with the disclosures required under Section 315e HGB, were audited by Ernst & Young along with the books. The audit did not give rise to any reservations, so an unqualified audit opinion was issued for both the Annual Financial Statements and the Consolidated Financial Statements. The auditor further determined that the Executive Board has set up a suitable information and monitoring system which is designed and used in such a way as to support the early identification of developments that could pose a threat to the company's continued existence as a going concern.

Each member of the Supervisory Board received the audit documents for appraisal in good time. Together with the Audit Committee, the entire Supervisory Board undertook a thorough examination of the Annual Financial Statements as well as the Consolidated Financial Statements, the Combined Management Report for the company and the Group and the related party disclosures in conjunction with the audit reports. The documents were discussed in detail at the Audit Committee and Supervisory Board plenary meetings on March 23 and 24, 2022 with the Executive Board and with the auditor. The auditor attended the Audit Committee consultations, reported on the main results of their audit and provided supplementary information and answers to Supervisory Board members. In line with the new requirements set out in the FISG, the Executive Board did not participate in the relevant discussions on the Annual Financial Statements between the Audit Committee and the auditor. After its own close examination of the documents, the Supervisory Board raised no objections and endorses the results of the audit report. The Supervisory Board also approves the Combined (Group) Management Report and, in particular, the forecast regarding the company's further development.

The final examination by the Supervisory Board did not lead to any reservations. On March 24, 2022, the Supervisory Board therefore endorsed the Annual Financial Statements, the Consolidated Financial Statements and the Combined Management Report for the company and the Group as prepared by the Executive Board for the year ending December 31, 2021. The 2021 Annual Financial Statements have thus been duly approved. The Supervisory Board further examined the Executive Board's suggested appropriation of profit for fiscal 2021, in particular with regard to the dividend payment policy, impact on Group liquidity and shareholder interests and did not raise any objections. In line with the Audit Committee's recommendation, it gave its consent to the Executive Board's proposal.

The Supervisory Board also examined the non-financial Group report for 2021 in line with Section 315 b HGB. Ernst & Young had been previously tasked with auditing the non-financial Group report to obtain limited assurance in line with the International Standard on Assurance Engagements (ISAE) 3000, and correspondingly prepared and submitted its report to the Supervisory Board. The Supervisory Board received the result of the limited assurance engagement undertaken by Ernst & Young and, following its own in-depth examination, concluded that the Group's non-financial report fulfills the appropriate requirements and there are no grounds for objection.

The auditor is also engaged to separately audit the remuneration report to be submitted to the AGM for the first time. Alongside the formal audit required under Section 162 (1) and (2) AktG, the content of the remuneration report will also be audited. The Supervisory Board engaged the auditor to perform this audit by means of a circular resolution of February 4, 2022. The remuneration report can be found in the invitation to the 2022 AGM and will also be available on the company's website under Investor Relations/Corporate Governance.

Examination of the Executive Board report on related party disclosures

The Executive Board prepared a report on related party disclosures for fiscal 2021. The Executive Board states in particular that – to the best of its knowledge and based on the information known to it at the time the transactions were entered into – appropriate compensation was received by Wacker Neuson SE in respect of all transactions outlined in the related party disclosures report. As the official auditor, Ernst & Young examined the related party disclosures report and issued the following auditor's opinion:

“Based on our professional examination and evaluation, we hereby confirm that:

1. the factual statements contained in the report are correct, and
2. the performance provided by the company in respect of the transactions listed in the report was not unreasonably high.”

The Audit Committee and the entire Supervisory Board received the Executive Board's report on related party disclosures in a timely manner. The contents of the report and the assessment thereof by the auditor were read and understood by these bodies, and both documents and their results were examined and discussed with the Executive Board and the auditor. The Supervisory Board endorses the auditor's assessment of the related party disclosures report. Based on the final results of the discussions and its own examination of the related party disclosures report, the Supervisory Board regards the Executive Board's conclusions to be true and accurate and has therefore no objection to the closing statement by the Executive Board.

The management and all employees of the Wacker Neuson Group showed great personal dedication over the past fiscal year and made a valuable contribution to the Group's positive development. The Supervisory Board would like to expressly thank all employees and members of the Executive Board for their commitment and performance in these challenging times.

Munich, March 24, 2022

On behalf of the Supervisory Board

Hans Neunteufel
Chairman of the Supervisory Board