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ANNUAL  
GENERAL MEETING  
2022  
DEUTZ AG



# Notice of the Annual General Meeting of DEUTZ AG, Cologne

ISIN: DE 000 630500 6 | WKN: 630 500

Notice is hereby given that our Company's Annual General Meeting

**at 10:00 hours (CEST) on Thursday, April 28, 2022,**

will, because of the coronavirus pandemic, be held in the form of a **virtual Annual General Meeting**  
i.e. without the physical presence of shareholders or their authorized representatives.

**Information in accordance with section 125 (1) of the German Stock Corporation Act (AktG) in conjunction with section 125 (5) AktG, Article 4 (1) and Table 3 of the Annex to the Implementing Regulation (EU) 2018/1212**

ART DER ANGABE	Beschreibung
<b>A. INHALT DER MITTEILUNG</b>	
1. EINDEUTIGE KENNUNG DES EREIGNISSES	Ordentliche (virtuelle) Hauptversammlung der DEUTZ AG 2eaf225c8c9fec11812c005056888925
2. ART DER MITTEILUNG	Einladung zur Hauptversammlung im Format gemäß Durchführungsverordnung (EU) 2018/1212: NEWM
<b>B. ANGABEN ZUM EMITTENTEN</b>	
1. ISIN	DE 000 630500 6
2. NAME DES EMITTENTEN	Deutz AG
<b>C. ANGABEN ZUR HAUPTVERSAMMLUNG</b>	
1. DATUM DER HAUPTVERSAMMLUNG	28. April 2022 im Format gemäß Durchführungsverordnung (EU) 2018/1212: 20220428
2. UHRZEIT DER HAUPTVERSAMMLUNG	10:00 Uhr (MESZ) im Format gemäß Durchführungsverordnung (EU) 2018/1212: 08:00 UTC (koordinierte Weltzeit)
3. ART DER HAUPTVERSAMMLUNG	Ordentliche (virtuelle) Hauptversammlung ohne physische Präsenz der Aktionäre; im Format gemäß Durchführungsverordnung (EU) 2018/1212: GMET
4. ORT DER HAUPTVERSAMMLUNG	Virtuell: <a href="http://www.deutz.com/investor-relations/hauptversammlung/2022/">www.deutz.com/investor-relations/hauptversammlung/2022/</a> Angaben gem. § 125 AktG: Geschäftsräumen der Gesellschaft in Köln, Ottostr. 1, 51149 Köln
5. AUFZEICHNUNGSDATUM	07. April 2022 (00:00 Uhr MESZ) im Format gemäß Durchführungsverordnung (EU) 2018/1212: 20220407
6. UNIFORM RESOURCE LOCATOR (URL)	<a href="http://www.deutz.com/investor-relations/hauptversammlung/2022/">www.deutz.com/investor-relations/hauptversammlung/2022/</a>

The German Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic of March 28, 2020 – most recently amended by article 15 of the German Act Concerning the Establishment of the 2021 Special Relief Fund and the Temporary Suspension of the Obligation to Apply for Insolvency due to Heavy Rain and Flooding in July 2021 and Amending Other Laws (AufbhG) of September 10, 2021 – (COVID-19 Act) provides the option to hold annual general meetings without the physical presence of shareholders or their authorized representatives (virtual Annual General Meeting) up to and including August 2022. In light of the COVID-19 pandemic and in order to protect against the health risks associated with coronavirus, the Board of Management has decided, with the consent of the Supervisory Board, to make use of the option provided under section 1 (2) of the COVID-19 Act and to again hold the Annual General Meeting relating to the 2021 financial year in the form of a virtual Annual General Meeting without the physical presence of the shareholders or their authorized representatives and to enable shareholders to exercise their voting rights by means of electronic communications and the authorization of proxies. The virtual Annual General Meeting will be held at the Company's offices in Cologne, at Ottostrasse 1, 51149 Cologne (Porz-Eil). An audio and video webcast of the entire Annual General Meeting will be streamed publicly and on the following password-protected InvestorPortal for registered shareholders on the day of the Annual General Meeting: [www.deutz.com/en/investor-relations/annual-general-meeting/2022/](http://www.deutz.com/en/investor-relations/annual-general-meeting/2022/)

**We are therefore asking shareholders again this year to take special note of the information concerning registration for the Annual General Meeting, the exercise of voting rights, and other shareholder rights set out in Section II of this notice below the agenda.**

# I. AGENDA

## 1. PRESENTATION OF THE ADOPTED SINGLE-ENTITY FINANCIAL STATEMENTS OF DEUTZ AG, THE APPROVED CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT FOR DEUTZ AG AND THE GROUP FOR THE 2021 FINANCIAL YEAR, THE EXPLANATORY REPORTS OF THE BOARD OF MANAGEMENT CONCERNING THE DISCLOSURES PURSUANT TO SECTION 289A AND SECTION 315A OF THE GERMAN COMMERCIAL CODE (HGB), AND THE REPORT OF THE SUPERVISORY BOARD FOR THE 2021 FINANCIAL YEAR.

On March 10, 2022, the annual and consolidated financial statements prepared by the Board of Management were approved by the Supervisory Board in accordance with sections 171 and 172 of the German Stock Corporation Act (AktG), and the annual financial statements were thereby formally adopted. Formal adoption by the Annual General Meeting is therefore not required, i.e. the AktG does not require the adoption of a resolution in this regard, but the annual financial statements, the consolidated financial statements, the combined management report, the reports of the Board of Management, and the report of the Supervisory Board must be presented to the Annual General Meeting.

## 2. APPROPRIATION OF ACCUMULATED INCOME FOR THE 2021 FINANCIAL YEAR

The Board of Management and Supervisory Board propose using the accumulated income reported by DEUTZ AG for 2021 of €18,200,659.51 as follows: €18,129,267.45 will be used to pay the shareholders a dividend of €0.15 per dividend-bearing share; the remaining accumulated income of €71,392.06 is to be carried forward to the next accounting period.

Pursuant to section 58 (4) sentence 2 AktG, the dividend is due to be paid out on the third working day after the Annual General Meeting, i.e. on May 3, 2022.

## 3. FORMAL APPROVAL OF THE ACTIONS OF THE BOARD OF MANAGEMENT FOR 2021

The Board of Management and Supervisory Board propose the formal approval of the actions of the members of the Board of Management for the 2021 financial year.

## 4. FORMAL APPROVAL OF THE ACTIONS OF THE SUPERVISORY BOARD FOR 2021

The Board of Management and Supervisory Board propose the formal approval of the actions of the members of the Supervisory Board for the 2021 financial year.

## 5. ELECTION OF THE INDEPENDENT AUDITORS FOR 2022

On the recommendation of its Audit Committee, the Supervisory Board proposes that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Cologne, be appointed as auditor of the annual and consolidated financial statements for the 2022 financial year. This appointment includes the auditor's review of the condensed financial statements and the interim management report for the period ended June 30, 2022 pursuant to section 115 (5) sentence 1 of the German Securities Trading Act (WpHG).

The Audit Committee has stated in accordance with Article 16 (2) subsection 3 of the European Audit Regulation (Regulation (EU) No. 537/2014 of the European Parliament and of the Council of April 16, 2014) that its recommendation is free from influence by a third party and that it was not subjected to any restrictions regarding the appointment of a particular auditor or audit firm (Article 16 (6) of the European Audit Regulation).

## 6. RESOLUTION TO APPROVE THE REMUNERATION REPORT

In the future, the German Act Implementing the Second Shareholder Rights' Directive (ARUG II) will require the boards of management and supervisory boards of listed companies to prepare an annual remuneration report in accordance with section 162 AktG and to present it to the annual general meeting for the adoption of a resolution to approve it in accordance with section 120a (4) AktG. This requirement applies to DEUTZ AG for the first time for the 2021 remuneration report following implementation of the ARUG II requirements in the new Board of Management remuneration system, which was approved by the 2021 Annual General Meeting with a majority of 72.01 percent of the represented capital. The remuneration report was audited by DEUTZ AG's auditor as part of the audit of the group management report and the auditor issued a related report.

The remuneration report for 2021 and the related report on the auditor's full audit, including of the remuneration report, is reproduced below and in the 2021 annual report and can also be found at [www.deutz.com/en/investor-relations/annual-general-meeting/2022/](http://www.deutz.com/en/investor-relations/annual-general-meeting/2022/).

# REMUNERATION REPORT OF DEUTZ AG PURSUANT TO SECTION 162 AKTG

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The remuneration report provides details of the remuneration granted and owed to former and current members of the Board of Management and Supervisory Board of DEUTZ AG in 2021. It meets the requirements of section 162 of the German Stock Corporation Act (AktG).

## I. REVIEW OF 2021 FROM A REMUNERATION PERSPECTIVE

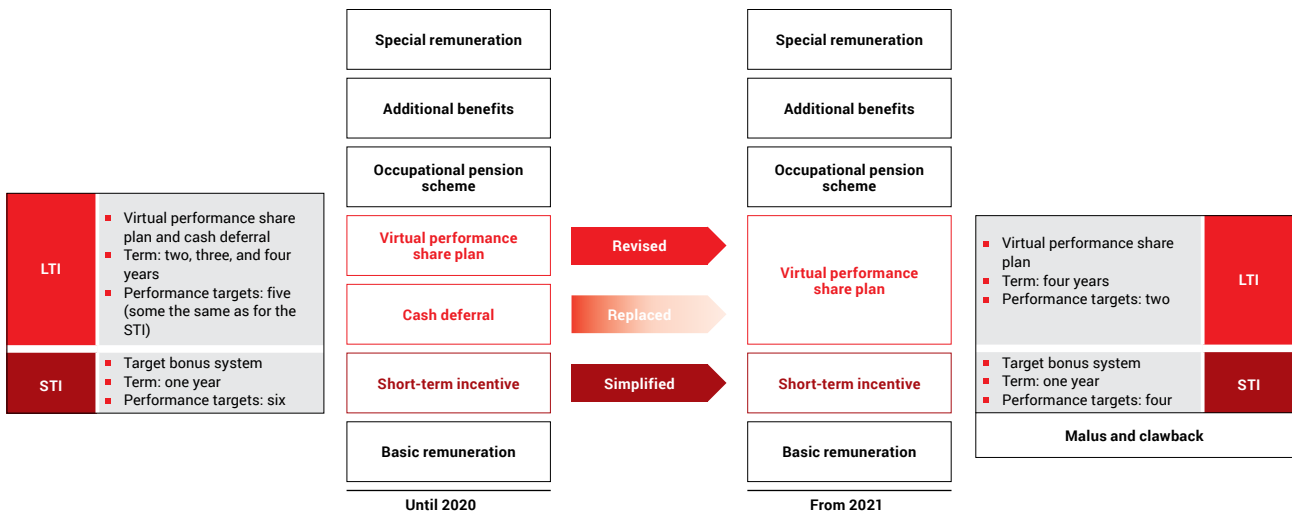
The Supervisory Board of DEUTZ AG revised the remuneration system for the members of the Board of Management in line with the German Act Implementing the Second Shareholder Rights' Directive (ARUG II). The revised system incorporates the statutory requirements and the recommendations in the version of the **German Corporate Governance Code (DCGK)** dated December 16, 2019 and supports DEUTZ AG's long-term, sustainable development. The new remuneration system for the members of the Board of Management was used for the first time in 2021.

Short-term variable remuneration (**short-term incentive, STI**) supports the aim of profitable growth and underpins the strategy for a future of carbon-neutral drive systems. It does so by setting out

not only financial but also strategic and non-financial (**ESG**) performance criteria. Long-term variable remuneration (**long-term incentive, LTI**) is focused on DEUTZ AG's value-based development in terms of both capital employed and performance in the capital markets. The Board of Management members' ability to share in the Company's short-term and long-term success (the latter has a higher weighting) incentivizes them to develop the Company in a sustainable manner and ensure its long-term success. [See also](#) 'Remuneration for Board of Management members' under ILC.

When the Board of Management remuneration system was revised, the underlying idea was to make the system understandable, bring the interests of investors and Board of Management members closer into line, and strengthen the long-term focus of remuneration. For example, the structure of the STI and LTI was simplified by reducing the number of performance targets. The cash deferral was removed completely. In return, the allocation value for the virtual performance share plan was increased, thereby lending it more importance. A share-based performance criterion was also added to the LTI. In addition, malus and clawback provisions were introduced for members of the Board of Management, reflecting the recommendation in the DCGK.

### Comparison of the current and future remuneration systems



In accordance with section 120a (1) AktG, the new Board of Management remuneration system was presented to the shareholders of DEUTZ AG for approval at the virtual Annual General Meeting on April 29, 2021, at which it was approved with 72.01 percent of the votes. Although the vast majority of shareholders supported the system presented to them, a number of shareholders expressed criticism. This mainly related to the inclusion of sustainability targets (ESG targets) in the short-term incentive, the lack of share ownership guidelines, and the option for the Supervisory Board to grant a special bonus to the Board of Management members. The Supervisory Board of DEUTZ AG studied the main areas of criticism extensively and has issued the following statement explaining its position.

**Sustainability targets in the short-term incentive** The Supervisory Board of DEUTZ AG believes that the long-term strategies – such as the China strategy, the E-DEUTZ strategy, and the general Taking Responsibility sustainability strategy – are the right building blocks with which to achieve successful growth for DEUTZ AG in the medium and long term. The strategy targets and sustainability targets embedded in the remuneration system reflect the main elements of the long-term corporate strategy. The specific targets for the individual years are thus derived directly from the overarching long-term and forward-looking targets. [See also 'Remuneration for Board of Management members' under II.C.](#)

When the remuneration system was developed in summer 2020, economic conditions were plagued by significant uncertainty created by the fallout from the coronavirus pandemic. The impact of the coronavirus crisis on DEUTZ meant that the medium-term targets that DEUTZ originally wanted to achieve in 2022 had to be postponed to 2023/2024. For example, the target set for 2022 as part of the E-DEUTZ strategy, whereby electric drive systems are to account for between 5 percent and 10 percent of consolidated revenue, was adjusted and is now not expected to be achieved until 2023/2024.

The actual macroeconomic conditions in which long-term strategic plans are being implemented are thus changing constantly, which means that the situation has to be reassessed regularly. The Supervisory Board therefore believes that, for the time being, embedding the sustainability targets in the short-term incentive is the right approach as it enables them to be incorporated into the incentive system for the Board of Management as effectively as possible and in line with the actual situation faced by

the Company at any given time. This enables the Company to respond flexibly and appropriately to the rapid pace of change in the market.

**Share ownership guidelines** The bulk of the variable remuneration – and thus a significant proportion of the total remuneration – is granted to the Board of Management members in the form of share-based long-term variable remuneration. The share price affects the level of long-term variable remuneration in two ways because this remuneration component is based on virtual shares. Firstly, the value of the virtual shares changes as a result of changes in the DEUTZ AG share price. Secondly, the number of virtual shares is influenced by the share price. [See also 'Remuneration for Board of Management members' under II.C.](#) In the opinion of the DEUTZ AG Supervisory Board, the interests of the Board of Management and those of shareholders are already sufficiently linked as a result of this mechanism. Nonetheless, the Supervisory Board will reconsider whether to introduce share ownership guidelines when the remuneration system is updated in the future.

**Special remuneration** The option of special remuneration reflects recommendation G.11 in the German Corporate Governance Code, according to which the Supervisory Board should have the option of taking extraordinary developments into account. This provision is the consequence of a ruling by the German Federal Court of Justice (BGH) relating to the takeover of Mannesmann by Vodafone and is thus in line with current best practice for executive pay. No special bonus was granted in the past ten years, and this was again the case in 2021.

There were changes to the membership of the Board of Management in 2021. Dr. Andreas Strecker left the Board of Management on February 28, 2021. Dr. Sebastian C. Schulte was appointed to the Board of Management on January 1, 2021 and Dr. Ing. Markus Müller was appointed on March 15, 2021. The new remuneration system also applies analogously to the two new Board of Management members.

The remuneration report was jointly prepared by the Board of Management and Supervisory Board and was audited by the auditor. [See 'Auditor's report' under IV.](#)

## II. REMUNERATION FOR BOARD OF MANAGEMENT MEMBERS

### A. GENERAL PRINCIPLES OF THE REMUNERATION SYSTEM

The aim of the remuneration system is to support the achievement of DEUTZ's strategic objectives and ensure that the members of the Board of Management are paid appropriately. In line with DEUTZ's corporate strategy, the remuneration system incentivizes the Board of Management members to achieve profitable growth and sustainable value creation. Long-term variable remuneration is higher than short-term variable remuneration in order to underscore the particular importance of DEUTZ AG's long-term development.

The Supervisory Board of DEUTZ AG is responsible for the remuneration system and for setting the remuneration of the individual members of the Board of Management. It is supported by the Human Resources Committee, which prepares recommendations on the Board of Management remuneration system and carries out the preparatory work for the decisions of the Supervisory Board and for the review of the appropriateness of the level of remuneration.

### B. REMUNERATION SYSTEM IN 2021

In 2021, the remuneration of the members of DEUTZ's Board of Management consisted of non-performance-related and performance-related remuneration components. The individual components of the remuneration system in 2021 are summarized in the following table:



Remuneration components	Support for long-term development	Structure in 2021
<b>Non-performance-related remuneration</b>		
Basic remuneration	Forms the basis for attracting and retaining highly qualified Board of Management members who develop and implement the strategy	<ul style="list-style-type: none"> <li>Fixed remuneration paid in monthly installments</li> </ul>
Additional benefits		<ul style="list-style-type: none"> <li>Company car and insurance policies</li> </ul>
Retirement pension		<ul style="list-style-type: none"> <li>Annual contribution to a benevolent fund</li> </ul>
<b>Performance-related remuneration</b>		
Short-term variable remuneration (bonus)	Rewards the degree to which the corporate strategy has been operationalized and specific forward-looking sustainability targets have been implemented during a year	<ul style="list-style-type: none"> <li>Plan type: target bonus</li> <li>Performance criteria:                             <ul style="list-style-type: none"> <li>– 30% revenue</li> <li>– 30% EBIT</li> <li>– 25% strategy target</li> <li>– 15% sustainability target</li> </ul> </li> <li>Payment cap: 150% of target amount</li> <li>Term: one year</li> </ul>
Long-term variable remuneration	Incentivizes Board of Management members to contribute to the sustainable growth of DEUTZ AG and increase its value over the long term; brings the interests of investors and Board of Management members into line	<ul style="list-style-type: none"> <li>Plan type: virtual performance share plan</li> <li>Performance criteria:                             <ul style="list-style-type: none"> <li>– 50% relative total shareholder return (TSR) compared with DAXsubsector All Industrial Machinery</li> <li>– 50% return on capital employed (ROCE)</li> </ul> </li> <li>Payment cap: 180% of target amount</li> <li>Term: four years</li> </ul>
<b>Miscellaneous</b>		
Malus/clawback	Safeguards responsible corporate governance for the benefit of DEUTZ AG	<ul style="list-style-type: none"> <li>Option to reduce or claw back some or all of the variable remuneration in the event of a serious compliance violation</li> </ul>
Special remuneration	Rewards special achievements in connection with exceptional (structural) events that were not factored into the strategic planning or that have a particularly strong impact on the Group	<ul style="list-style-type: none"> <li>Option to grant special remuneration</li> <li>Limited to half of the annual basic remuneration and also limited by the maximum amount of remuneration</li> </ul>
Maximum amount of remuneration	Limits remuneration to an amount that is high enough to motivate the members of the Board of Management but is not inappropriately high	<ul style="list-style-type: none"> <li>Limit on the total remuneration granted for a year in accordance with section 87a (1) sentence 2 no. 1 AktG:                             <ul style="list-style-type: none"> <li>– Chairman of the Board of Management: €2,800,000</li> <li>– Ordinary members of the Board of Management: €1,900,000 each</li> </ul> </li> </ul>
Cap on severance pay	Avoids excessive severance payments that are not in the interests of DEUTZ AG	<ul style="list-style-type: none"> <li>Severance payments are limited to twice the amount of annual remuneration and may not exceed the remuneration due for the remaining term of the contract</li> </ul>

## B.1. NON-PERFORMANCE-RELATED REMUNERATION

Non-performance-related remuneration is granted to the Board of Management members irrespective of their specific performance in relation to their targets and irrespective of the Company's performance. This remuneration comprises basic remuneration, additional benefits, and a retirement pension. The components of non-performance-related remuneration form the basis for attracting and retaining highly qualified Board of Management members who develop and implement the strategy.

**Basic remuneration** The basic remuneration is a fixed amount that is granted irrespective of the actual performance of DEUTZ AG.

**Additional benefits** Each Board of Management member receives additional benefits in the form of non-monetary remuneration and other benefits. In 2021, the additional benefits for the members of the Board of Management comprised the provision of a company car that can also be used privately, the option of a driver for the car, and payment of insurance premiums for accident and D&O insurance policies.

**Retirement pension** The retirement pension for Board of Management members is structured as a defined contribution plan. For each Board of Management member, DEUTZ AG paid an amount into a reinsured benevolent fund in 2021 (pension expense). When they retire, the Board of Management members are entitled to the capital promised to them; this payment is made by the benevolent fund.

Aspect	Details
Pension plan type	Defined contribution pension plan
Start of retirement	Standard retirement age is 65; earliest possible retirement age is 62 (provided that the statutory pension is also drawn)
Return	The return depends on the policyholder dividend arrangements of the insurer. There is no guaranteed return, i.e. there is no return over and above what is agreed in the policyholder dividend arrangements.
Payment options	An amount of capital is promised. In agreement with the Board of Management member, DEUTZ AG can agree a life-long annuity instead of a lump sum. This annuity is paid by the benevolent fund once there has been a pension trigger event.
Invalidity/death	Death before the start of retirement: the policy value is paid out. Benefits may also be paid in the form of a share of the valuation reserves. Death after the start of retirement (applies only if a life-long annuity has been arranged): payment of ten times the annual annuity guaranteed from the start of retirement. Guaranteed annuities that have already been paid are deducted from this amount.

**Pension expense for Board of Management members** The pension expenses in 2021 are shown in the following table:

	Pension expense in 2021 (€ thousand)
Dr. Ing. Frank Hiller	150
Dr. Ing. Markus Müller (since March 15, 2021)	50
Dr. Sebastian C. Schulte (since January 1, 2021)	50
Dr. Andreas Strecker (until February 28, 2021)	12.5
Michael Wellenzohn	80

## B.2. PERFORMANCE-RELATED REMUNERATION

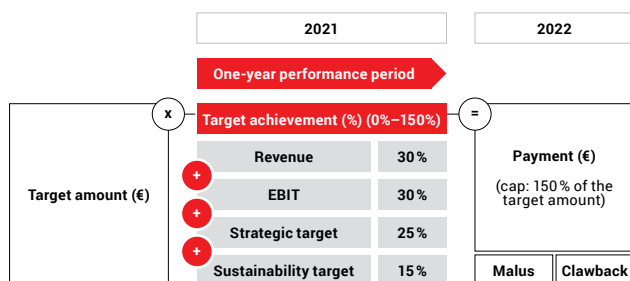
The following chapters describe the structure of the remuneration granted or owed in 2021. Remuneration granted is the remuneration for which the related (one-year or multiple-year) work has been performed in full, i.e. the performance period has ended and the performance criteria have been met. Remuneration owed is when DEUTZ has a legal obligation to the Board of Management member that is due but has not yet been fulfilled.

The structure of the LTI promised in 2021 (2021–2024) is also described. Remuneration promised is the remuneration that is promised to the Board of Management members for 2021, irrespective of the timing of payment (target remuneration).

### 2.1 SHORT-TERM VARIABLE REMUNERATION – BONUS (STI)

The bonus contributes to the Company's long-term development by specifying how the corporate strategy is to be implemented operationally during a year and rewarding its implementation. Success is assessed on the basis of financial, strategic, and sustainability performance criteria. The financial targets revenue and EBIT underpin DEUTZ AG's growth strategy and its regional growth initiatives because together they incentivize the Board of Management members to contribute to profitable growth. The strategy target is based on the achievement of specific strategic initiatives, such as implementation of the E-DEUTZ strategy. The sustainability target reflects DEUTZ AG's social and environmental responsibility and is derived from the groupwide Taking Responsibility sustainability strategy, which forms part of the overall strategy.

### Short-term variable remuneration – bonus (STI)



The target amount is the starting point for the STI. The target amount is multiplied by the total target achievement rate to obtain the amount payable. Total target achievement for the STI is the weighted sum of the rates of target achievement for the four performance criteria revenue, EBIT, strategy target, and sustainability target. For 2021, the Supervisory Board specified a strategy target from the internationality category and a sustainability target from the alternative drives category.

The target values for the performance criteria are set by the Supervisory Board, and target achievement in respect of these values is determined by the Supervisory Board after the end of the performance period. If performance is below a threshold, target achievement for the relevant share of the STI is 0 percent. This may result in no STI being paid at all. Target achievement is limited to a maximum of 150 percent. Linear interpolation is applied between the aforementioned rates of target achievement.

**Revenue** Revenue is defined as the consolidated revenue calculated and audited in accordance with the accounting principles that apply to DEUTZ AG by law. Revenue has a weighting of 30 percent.

The minimum threshold, the target value corresponding to 100 percent target achievement, the cap, the actual value achieved in 2021, and the resulting rate of target achievement for the revenue performance criterion are shown in the following table:

#### STI 2021

	Revenue	Target achievement
Minimum threshold	€1,160.0 million	50%
Target value	€1,432.0 million	100%
Cap	€1,700.0 million	150%
Actual value	€1,617.3 million	134.6%

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 50 percent and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 percent and 150 percent.

**EBIT** EBIT is defined as the consolidated earnings before interest and tax (EBIT) calculated and audited in accordance with the accounting principles that apply to DEUTZ AG by law. EBIT has a weighting of 30 percent.

The minimum threshold, the target value corresponding to 100 percent target achievement, the cap, the actual value achieved in 2021, and the resulting rate of target achievement for the EBIT performance criterion are shown in the following table:

#### STI 2021

	EBIT	Target achievement
Minimum threshold	-€30.0 million	50%
Target value	€0.1 million	100%
Cap	€30.0 million	150%
Actual value	€37.2 million	150%

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 50 percent and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 percent and 150 percent.

**Strategy target and sustainability target** The strategy target for 2021 was selected from the internationality category and given a weighting of 25 percent. The sustainability target for 2021 was selected from the alternative drives category and given a weighting of 15 percent.

Within their categories, ten individual targets were set for the strategy target and for the sustainability target. Examples of these individual targets, which are grouped into clusters, are shown in the following table:

**Strategy targets for 2021 in the internationality category, derived from the growth and internationalization strategy**

Target cluster	Examples of individual targets
China	Establish a new factory; localize purchasing
USA	Establish a new diesel power center; design a US long block concept
Spain	Establish a shared service center
Europe	Expand DEUTZ Engineering

**Sustainability targets for 2021 in the alternative drives category, derived from the sustainability strategy**

Target cluster	Examples of individual targets
Hydrogen	Complete a development test bay; establish a mobile H2 genset as a demonstration model; secure a project eligible for support
E-DEUTZ	Complete customer applications; secure a volume production order

Target achievement for the strategy target and sustainability target is measured by the number of individual targets that were reached in the relevant category in 2021. The correlation between the number of targets reached and target achievement is shown in the following table along with the actual rate of target achievement in 2021:

**STI 2021**

	Number of individual targets reached in the relevant categories for the strategy target and sustainability target	Target achievement
Minimum threshold	3	50%
Target value	5	100%
Cap	7	150%
Actual value: <b>strategy target</b>	7	150%
Actual value: <b>sustainability target</b>	10	150%

Ex post changes to the performance criteria and target values for the performance criteria are not permitted. In accordance with the recommendation in G.11 DCGK, the Supervisory Board also has the option of taking exceptional developments appropriately into account in the STI if such developments were not explicitly factored into the strategic planning and defined individual targets. The Supervisory Board did not exercise this option in 2021.

**Determination of the STI** The determined target achievement rates are multiplied by the relevant weightings for the performance criteria and then added up to give the total target achievement. This is multiplied by the target amount to obtain the amount payable, which is limited to 150 percent of the target amount.

The following table summarizes the target amount, total target achievement, and the resulting amount payable under the STI 2021 for each member of the Board of Management:

**STI 2021**

	Dr. Ing. Frank Hiller	Dr. Ing. Markus Müller	Dr. Sebastian C. Schulte	Dr. Andreas Strecker	Michael Wellenzohn
Target amount	€428 thousand	€238 thousand	€300 thousand	€50 thousand	€300 thousand
Total target achievement	145.4%	145.4%	145.4%	145.4%	145.4%
Amount payable	€622 thousand	€345 thousand	€436 thousand	€72 thousand	€436 thousand

## 2.2 LONG-TERM VARIABLE REMUNERATION (LTI)

Long-term variable remuneration contributes to the Company's long-term development by rewarding implementation of the Company's strategies, their focus on sustainability, and the long-term increase in the value of DEUTZ AG on the basis of the original remuneration system that applied until 2020 and the new remuneration system that has applied to the Board of Management since 2020. Success is assessed using financial and share-based performance criteria derived from DEUTZ AG's strategy.

## 2.2.1 2020–2021 DEFERRAL (2019 BONUS) AND 2021–2022 DEFERRAL (2020 BONUS) – GRANTED IN 2021

Of the bonus promised in the past, only 60 percent was paid following the determination of target achievement, while 20 percent was deferred for one year and another 20 percent for two years. These deferred amounts were then paid, provided that further performance targets (medium-term targets) were achieved. Consequently, the deferred portions of the 2019 bonus (deferred for two years) and of the 2020 bonus (deferred for one year) were paid in 2021.

The amounts payable under the 2019 and 2020 bonuses were determined on the basis of the total target achievement rate for the performance criteria. If total target achievement was below 75 percent, there was no entitlement to a bonus. If total target achievement was 75 percent (minimum threshold), the bonus was 50 percent. If total target achievement was 100 percent, the bonus was measured at 100 percent. And if total target achievement was 150 percent or higher (cap), the bonus was 150 percent. The bonus was interpolated on a linear basis between the minimum threshold and 100 percent target achievement and between 100 percent target achievement and the cap.

The total target achievement rate for the bonus in 2019 was based on the performance criteria EBIT margin before exceptional items (40 percent), average working capital (30 percent), and revenue (30 percent). In 2020, the total target achievement rate for the bonus was measured using the performance criteria EBIT margin before exceptional items (40 percent), average working capital (20 percent), revenue (20 percent), and strategic objectives (30 percent). In 2019, the target values were 4.9 percent for the EBIT margin before exceptional items, 16.5 percent for average working capital, and €1.9 million for revenue. And in 2020, they were 2.5 percent for the EBIT margin before exceptional items, 20.6 percent for average working capital, and approximately €1.6 million for revenue. The strategic objectives for 2020 related to E-DEUTZ, the China strategy, and external alliances with other companies; they consisted of three targets in each of these areas. Target achievement for 2019 was determined to be 86.4 percent for the EBIT margin before exceptional items, 77.5 percent for average working capital, and 90.2 percent for revenue. This gives a total target achievement of 84.9 percent and a bonus of 69.8 percent in 2019. Target achievement for 2020 was 0 percent for the EBIT margin before exceptional items, 0 percent for average working capital, 0 percent for revenue, and 139.0 percent for the strategic objectives. This gives a total target achievement of 41.7 percent for 2020. As total target achievement for 2020 was below the minimum threshold, there was no entitlement to a bonus for 2020. Consequently, no bonus amounts were deferred from 2020.

The amount payable for the deferral is determined by multiplying the deferred amount by the total target achievement rate for the deferral performance criteria. The deferral performance criteria (medium-term targets) for the deferred payment of the 2019 and 2020 bonus are revenue and the EBIT margin. These two financial performance criteria have an equal weighting.

**Revenue** Revenue is defined as the consolidated revenue calculated and audited in accordance with the accounting principles that apply to DEUTZ AG by law. The minimum threshold, the target value corresponding to 100 percent target achievement, the actual value achieved in 2021, and the resulting rate of target achievement for the revenue performance criterion are shown in the following table for the two deferred payments:

### 2020–2021 deferral (2019 bonus)

	Revenue	Target achievement
Minimum threshold	€0 billion	0 %
Target value	€2.07 billion	100 %
Actual value	€1.62 billion	78.1 %

### 2021–2022 deferral (2020 bonus)

	Revenue	Target achievement
Minimum threshold	€0 billion	0 %
Target value	€1.90 billion	100 %
Actual value	€1.62 billion	45.1 %

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 0 percent and 100 percent. If revenue is higher than the target value, target achievement for revenue is extrapolated on a linear basis. Total target achievement for revenue and the EBIT margin is capped at 150 percent.

**EBIT margin** The EBIT margin is defined as EBIT divided by revenue. EBIT is defined as the consolidated earnings before interest and tax (EBIT) calculated and audited in accordance with the accounting principles that apply to DEUTZ AG by law. The minimum threshold, the target value corresponding to 100 percent target achievement, the actual value achieved in 2021, and the resulting rate of target achievement for the EBIT margin performance criterion are shown in the following table for the two deferred payments:

#### 2020–2021 deferral (2019 bonus)

	EBIT margin	Target achievement
Minimum threshold	0 %	0 %
Target value	6.4 %	100 %
Actual value in 2021	2.3 %	35.9 %

#### 2021–2022 deferral (2020 bonus)

	EBIT margin	Target achievement
Minimum threshold	0 %	0 %
Target value	5.0 %	100 %
Actual value in 2021	2.3 %	46.0 %

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 0 percent and 100 percent. If the EBIT margin is higher than the target value, target achievement for the EBIT margin is extrapolated on a linear basis. Total target achievement for revenue and the EBIT margin is capped at 150 percent.

**Determination of the deferral** The target achievement rates determined in this way are multiplied by the relevant weightings for the performance criteria and then added up to give the total target achievement. This is multiplied by the deferred amount for the bonus to obtain the amount payable, which is limited to 150 percent of the target amount.

The following table summarizes the deferred amount for the bonus, total target achievement, and the resulting amount payable for the 2020–2021 deferral and 2021–2022 deferral for each member of the Board of Management to whom a deferral was granted:

#### 2020–2021 deferral (2019 bonus)

	Dr. Ing. Frank Hiller	Dr. Andreas Strecker	Michael Wellenzohn
Deferred amount	€105 thousand	€63 thousand	€65 thousand
Total target achievement	57.1 %	57.1 %	57.1 %
Amount payable	€60 thousand	€36 thousand	€37 thousand

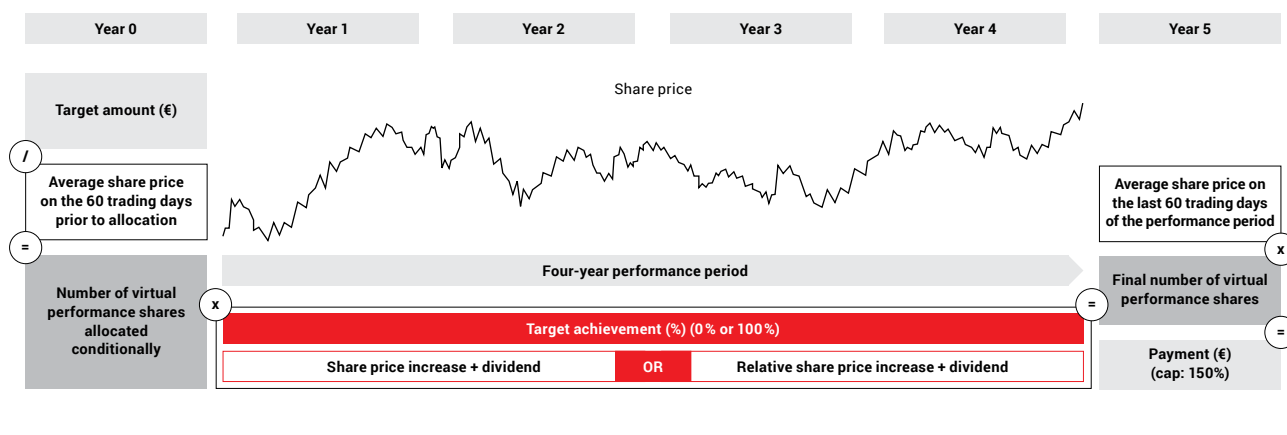
#### 2021–2022 deferral (2020 bonus)

	Dr. Ing. Frank Hiller	Dr. Andreas Strecker	Michael Wellenzohn
Deferred amount	€0 thousand	€0 thousand	€0 thousand
Total target achievement	65.6 %	65.6 %	65.6 %
Amount payable	€0 thousand	€0 thousand	€0 thousand

## 2.2.2 LTI (LTI 2018–2021)

In 2021, the Board of Management members were granted remuneration in connection with the LTI promised in 2018. The LTI promised in 2018 was promised in the form of virtual performance shares. The target amount is the starting point for the allocation.

#### Long-term Incentive (2018–2021)



At the start of the four-year term, the target amount was divided by the average DEUTZ AG share price (arithmetic mean of the XETRA closing price on the last 60 trading days prior to the start of the performance period) in order to determine a number of virtual shares that are promised conditionally (virtual performance shares, VPSs). The start of the term was January 1, 2018 for Dr. Ing. Hiller and Mr. Wellenzohn. For Dr. Strecker, it was the date of his appointment to the Board of Management, i.e. March 1, 2018. The average DEUTZ AG share price was €7.03 for Dr. Ing. Hiller and Mr. Wellenzohn. For Dr. Strecker, it was €7.58. The number of VPSs promised to the Board of Management members for 2018 is shown in the following table:

#### Number of virtual shares promised conditionally to each Board of Management member in 2018

Board of Management member	Number of virtual shares promised conditionally in 2018
Dr. Ing. Frank Hiller	28,455
Dr. Andreas Strecker (until February 2021)	19,789
Michael Wellenzohn	18,963

Entitlement to payment after expiry of the four-year performance period depends on whether one of the two performance criteria – share price increase or relative share price increase – has been met.

The LTI payment is limited to 150 percent of the target amount. Target achievement for the performance criteria is calculated as follows:

**Share price increase** To calculate the increase in the share price during the performance period, the price of DEUTZ shares on the stock exchange (average closing price of DEUTZ AG shares in Xetra trading on the Frankfurt Stock Exchange during the last 60 trading days prior to expiry of the performance period) is compared with the reference price (average closing price of DEUTZ AG shares in Xetra trading on the Frankfurt Stock Exchange during the 60 trading days prior to the allocation date). In this calculation of the share price increase, any gross dividends distributed up to the end of the vesting period are added to the market value of the DEUTZ shares.

The target value resulting in 100 percent target achievement and the actual value achieved in 2021 for the share price increase performance criterion are as follows:

#### LTI grant in 2021

	Share price increase in the period 2018 to 2021	Target achievement
Minimum threshold	< 30 %	0 %
Target value	>= 30 %	100 %
Actual value in 2021	-6.7 %	0 %

**Relative share price increase** To calculate the relative increase in the share price, the increase in the DEUTZ share price (see 'Share price increase performance criterion') is compared with the increase in share prices on the MDAX.

The target value resulting in 100 percent target achievement and the actual value achieved in 2021 for the relative share price increase performance criterion are as follows:

#### LTI grant in 2021

	Difference between the increase in the DEUTZ share price and the increase in share prices on the MDAX in the period 2018 to 2021	Target achievement
Minimum threshold	< 10 percentage points	0 %
Target value	>= 10 percentage points	100 %
Actual value in 2021	-41.1 %	0 %

Ex post changes to the performance criteria and target values for the performance criteria are not permitted.

**Determination of the LTI** After the end of the performance period, it is determined whether entitlement to payment arose during the performance period. To calculate the amount of the cash payment after the end of the performance period, the final number of VPSs in the event of entitlement to payment is multiplied by the average DEUTZ AG share price (arithmetic mean of the closing price on the last 60 trading days prior to expiry of the performance period). The amount payable is limited to 150 percent of the target amount.

The following table summarizes various items of information, including the target amount, total target achievement, and the resulting amount payable for the LTI 2018–2021 for each member of the Board of Management to whom the LTI 2018–2021 was granted:

#### LTI 2018-2021<sup>1</sup>

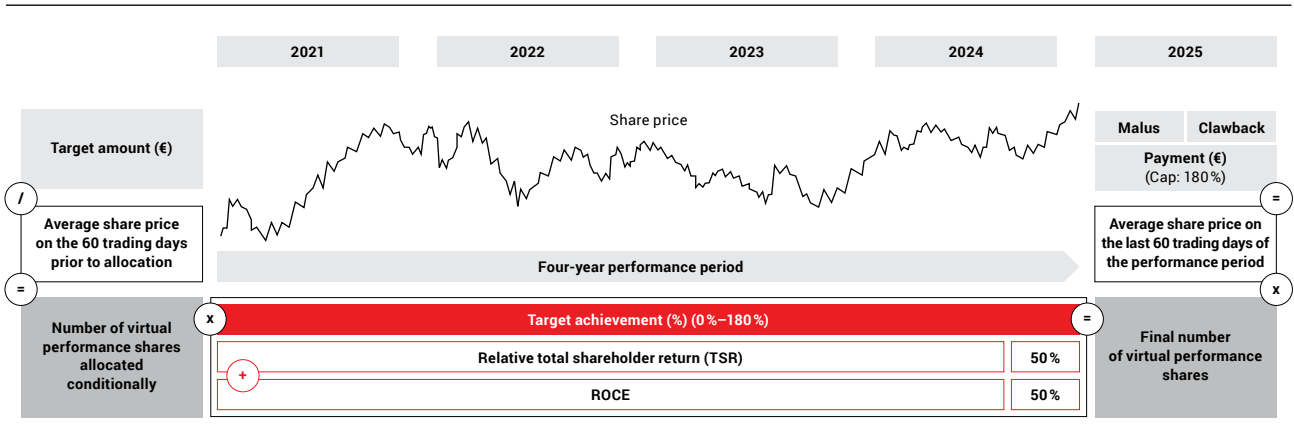
	Dr. Ing. Frank Hiller	Michael Wellenzohn
Target amount	€200 thousand	€133 thousand
Allocation price	€7.03	€7.03
Number of virtual shares	28,455	18,963
Total target achievement	0%	0%
Final number of virtual shares	0	0
Closing price	€6.82	€6.82
Amount payable	€0	€0

<sup>1</sup> For Dr. Andreas Strecker, the term of the LTI 2018–2021 began on March 1, 2018 and ends on February 28, 2022. Consequently, it will not be possible to disclose target achievement and the amount payable until the 2022 remuneration report.

### 2.2.3 LTI (ALLOCATION IN 2021)

The LTI promised in 2021 is promised as annual tranches of virtual shares (virtual performance shares, VPSs). The target amount is the starting point for the promised LTI and totals between 63 percent and 69 percent of the Board of Management members’ basic remuneration.

#### Long-term Incentive (2021–2024)



At the start of the four-year term, the target amount is divided by the average DEUTZ AG share price (arithmetic mean of the XETRA closing price on the last 60 trading days prior to the start of the performance period) in order to determine a number of VPSs that are promised conditionally. For 2021, the average DEUTZ AG share price was €4.79. The number of VPSs promised to the Board of Management members for 2021 is shown in the following table:

Board of Management member	Promised LTI amount (target amount)	Number of virtual shares allocated conditionally in 2021
Dr. Ing. Frank Hiller	€522 thousand	108,977
Dr. Ing. Markus Müller (since March 15, 2021)	€294 thousand	61,372
Dr. Sebastian C. Schulte (since January 1, 2021)	€370 thousand	77,244
Dr. Andreas Strecker (until February 28, 2021)	€0 thousand	0
Michael Wellenzohn	€365 thousand	76,200

The final number of VPSs depends on the aggregated rates of target achievement for the performance criteria return on capital employed (ROCE) and relative total shareholder return (relative TSR).

Target achievement for relative TSR is determined after the end of the performance period on the basis of DEUTZ AG’s **percentile ranking** within a TSR peer group. The target value for the ROCE performance criterion is set by the Supervisory Board. Target achievement for ROCE is determined once the relevant consolidated financial statements for the final year of the performance period have been approved by the Supervisory Board.

The LTI payment is limited to 180 percent of the target amount. Target achievement for the performance criteria is calculated as follows:

**Relative total shareholder return** Relative TSR compares DEUTZ’s TSR performance against that of a specific peer group and has a weighting of 50 percent. TSR performance is calculated by comparing the share price (plus the dividend paid) at the end of the performance period with the value at the start of the performance period. The TSR peer group comprises companies in the DAXsubsector All Industrial Machinery.

Some of the companies in this peer group are therefore different from those in the peer group used to check whether the Board of Management’s remuneration is typical in comparison with that in similar companies. The composition of the peer group for assessing how remuneration compares with that of other companies is based on stock-corporation law criteria, such as sector, size, and country. The composition of the TSR peer group has been given a greater sectoral focus, which means that companies



that are larger or smaller than DEUTZ are also included. Some companies in the TSR peer group would therefore not meet the stock-corporation law criteria regarding size that are applied in the comparison of Board of Management remuneration with that in similar companies. The Supervisory Board believes that a peer group with a greater sectoral focus is better suited to evaluating DEUTZ's performance relative to relevant competitors and the overall sector than the peer group used to compare Board of Management remuneration with that in similar companies.

As at December 2021, the TSR peer group comprised the following companies:

Aumann AG, Datron AG, DMG MORI AG, Dürr AG, Francotyp-Postalia Holding AG, Heidelberger Druckmaschinen AG, Jungheinrich AG, KHD Humboldt Wedag International AG, KHD Humboldt Wedag Vermögensverwaltungs-AG, KION GROUP AG, Knorr-Bremse AG, Koenig & Bauer AG, Kronos AG, KSB SE & Co. KGaA, Kuka AG, Maschinenfabrik Berthold Hermle AG, Masterflex SE, NORMA Group SE, PITTER Maschinensfabrik AG, SAF-Holland SE, Schaltbau Holding AG, SCHUMAG AG, Stabilus S.A., Wacker Neuson SE, WashTec AG.

TSR performance is determined for each company in the peer group and for DEUTZ after the end of the performance period. The individual values are then ranked and given a percentile ranking in which the 0th percentile ranking represents the lowest TSR performance and the 100th percentile ranking represents the highest TSR performance.

Target achievement for relative TSR is determined after the end of the performance period on the basis of DEUTZ AG's percentile ranking as follows:

#### LTI allocation in 2021

	DEUTZ's percentile ranking for TSR	Target achievement
Minimum threshold	25th	0%
Target value	50th	100%
Cap	75th	180%

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 50 percent and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 percent and 180 percent.

**Return on capital employed** ROCE is the ratio of consolidated earnings before interest and tax (EBIT, based on the consolidated financial statements) to capital employed and has a weighting of 50 percent. The relevant figure for the assessment of target achievement for the 2021 tranche is ROCE for the final year of the performance period, i.e. ROCE in 2024.

The threshold for ROCE equates to DEUTZ AG's **weighted average cost of capital (WACC)**. If ROCE is below the WACC, target achievement is 0 percent. There is thus no entitlement to the payment of a bonus unless the return on capital employed exceeds the costs.

The minimum threshold, the target value corresponding to 100 percent target achievement, and the cap including the resulting target achievement for ROCE in 2024 are as follows:

#### LTI allocation in 2021

	ROCE	Target achievement
Minimum threshold	7.6%	50%
Target value	11.0%	100%
Cap	15.0%	180%

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 50 percent and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 percent and 180 percent.

Ex post changes to the performance criteria and target values for the performance criteria are not permitted. In accordance with the recommendation in G.11 DCGK, however, for the LTI, the Supervisory Board has the option of taking exceptional developments appropriately into account in respect of measurement variables, targets, and the determination of target achievement. The Supervisory Board did not exercise this option in 2021.

**Determination of the LTI** After the end of the performance period, the final number of VPSs is determined by multiplying the number of VPSs that are promised conditionally by the weighted total target achievement. To calculate the amount of the cash payment after the end of the performance period, the final number of VPSs is multiplied by the average DEUTZ AG share price (arithmetic mean of the closing price on the last 60 trading days prior to expiry of the performance period). The amount payable is limited to 180 percent of the target amount.

## 2.3 OVERVIEW OF THE VARIABLE REMUNERATION GRANTED AND OWED IN 2021

The following table summarizes the short-term and long-term variable remuneration resulting from the performance criteria that was granted or owed for 2021:

## 2.4 MISCELLANEOUS

**Malus and clawback** The short-term variable remuneration and the virtual performance shares are subject to malus and clawback conditions. This means that if, as proved by the Company, a Board of Management member is in serious violation of applicable law, his or her statutory obligations, or the obligations in his or her employment contract, the Supervisory Board is entitled to withhold some of the variable remuneration that has not yet been paid (malus) and to claw back variable remuneration that has already been paid. The Supervisory Board decides on this at its professional discretion. The Supervisory Board did not withhold or claw back any variable remuneration components in 2021.

	Dr. Ing. Frank Hiller	Dr. Ing. Markus Müller	Dr. Sebastian C. Schulte	Dr. Andreas Strecker	Michael Wellenzohn
<b>STI 2021</b>					
Target amount	€428 thousand	€238 thousand	€300 thousand	€50 thousand	€300 thousand
Total target achievement	145.4%	145.4%	145.4%	145.4%	145.4%
<b>Amount payable</b>	<b>€622 thousand</b>	<b>€345 thousand</b>	<b>€436 thousand</b>	<b>€72 thousand</b>	<b>€436 thousand</b>
<b>LTI – deferral (2019 bonus)</b>					
Deferred amount	€105 thousand	–	–	€63 thousand	€65 thousand
Total target achievement	57.1%	–	–	57.1%	57.1%
<b>Amount payable</b>	<b>€60 thousand</b>	<b>–</b>	<b>–</b>	<b>€36 thousand</b>	<b>€37 thousand</b>
<b>LTI – deferral (STI 2020)</b>					
Deferred amount	€0 thousand	–	–	€0 thousand	€0 thousand
Total target achievement	65.6%	–	–	65.6%	65.6%
<b>Amount payable</b>	<b>€0 thousand</b>	<b>–</b>	<b>–</b>	<b>€0 thousand</b>	<b>€0 thousand</b>
<b>LTI 2018–2021</b>					
Target amount	€200 thousand	–	–	€150 thousand	€133 thousand
Allocation price	€7.03	–	–	€7.58	€7.03
Number of virtual shares	28,455	–	–	19,789	18,963
Total target achievement	0%	–	–	- <sup>1</sup>	0%
Final number of virtual shares	0	–	–	–	0
Closing price	€6.82	–	–	–	€6.82
<b>Amount payable</b>	<b>€0</b>	<b>–</b>	<b>–</b>	<b>-<sup>1</sup></b>	<b>€0</b>
<b>Variable remuneration granted and owed (total)</b>	<b>€682 thousand</b>	<b>€345 thousand</b>	<b>€436 thousand</b>	<b>€108 thousand</b>	<b>€473 thousand</b>

<sup>1</sup> For Dr. Andreas Strecker, the term of the LTI 2018–2021 began on March 1, 2018 and ends on February 28, 2022. Consequently, it will not be possible to disclose target achievement and the amount payable until the 2022 remuneration report.

**Special remuneration** In exceptional cases, the Supervisory Board can, at its professional discretion, grant a special bonus to Board of Management members in accordance with recommendation G.11 in the German Corporate Governance Code. The Supervisory Board must both identify and provide grounds for

such exceptions. The special bonus is limited in two ways. Firstly, it is limited in relative terms to half of the Board of Management member's annual basic remuneration. Secondly, it is limited by the maximum remuneration pursuant to section 87a (1) sentence 2 no. 1 AktG, which represents the absolute upper limit on total remuneration. No such special bonus has been granted in the past ten years, and this was again the case in 2021.

**Adherence to the maximum remuneration limit** As well as limiting the variable remuneration components, the Supervisory Board has specified a maximum amount of remuneration for each member of the Board of Management pursuant to section 87a (1) sentence 2 no. 1 AktG that limits the remuneration to be paid that was granted for a particular year. This maximum remuneration encompasses the basic remuneration, additional benefits, retirement pension, payments under the STI and LTI, and any special bonuses. The following maximum remuneration amounts for the members of the DEUTZ Board of Management are lower than the maximum remuneration amounts specified in the 2021 remuneration system and therefore meet the requirements of this system.

**Maximum remuneration pursuant to section 87a (1) sentence 2 no. 1 AktG**

Board of Management member	
Dr. Ing. Frank Hiller	€2,482 thousand
Dr. Ing. Markus Müller (since March 2021)	€1,746 thousand
Dr. Sebastian C. Schulte (since January 2021)	€1,746 thousand
Dr. Andreas Strecker (until February 2021)	€1,754 thousand
Michael Wellenzohn	€1,767 thousand

For 2021, the maximum remuneration limit was adhered to in respect of the basic remuneration, additional benefits, retirement pension, and payments under the STI without having to reduce any component. Because the amount payable for the multi-year variable remuneration will not be known until the third year after the end of the reporting year owing to the four-year performance period, it will not be possible to report conclusively on adherence to the maximum remuneration limit for 2021 until the remuneration report for 2024.

**Benefits in the event of early termination of Board of Management membership** If the employment contract or the appointment of a Board of Management member is terminated prematurely without good cause pursuant to section 626 of the German Civil Code (BGB), the Board of Management member receives a severance payment equivalent to the total remuneration that the Company is likely to owe him or her for the period until the original termination date of the contract of employment up to a maximum of two years (cap on severance pay).

In 2021, no member of the Board of Management was granted benefits due to the early termination of his or her Board of Management membership.

## C. AMOUNT OF BOARD OF MANAGEMENT REMUNERATION IN 2021

### C.1. REMUNERATION FOR BOARD OF MANAGEMENT MEMBERS WHO WERE CURRENT MEMBERS IN THE REPORTING YEAR

**Remuneration promised and remuneration granted and owed in 2021** The remuneration that was promised to the members of the Board of Management and the remuneration that was granted and owed in 2021 pursuant to section 162 (1) sentence 1 AktG is shown in the following tables.

**Promised remuneration:** Remuneration promised is the remuneration that is promised to the Board of Management members for 2021, irrespective of the timing of payment (target remuneration).

In respect of the remuneration components in 2021, 'promised' specifically refers to the following:

**Remuneration promised in 2021**

Remuneration components
Basic remuneration
Additional benefits
Expenses for occupational pension scheme
STI 2021 (granted in 2021)
LTI 2021–2024 (to be granted in 2024)

**Granted and owed:** Remuneration granted is the remuneration for which the related (one-year or multiple-year) work has been performed in full. Remuneration owed is when DEUTZ has a legal obligation to the Board of Management member that is due but has not yet been fulfilled.

In respect of the remuneration components in 2021, 'granted and owed' specifically refers to the following:

**Remuneration granted and owed in 2021 pursuant to section 162 (1) sentence 1 AktG<sup>1</sup>**

Remuneration components	
Basic remuneration	
Additional benefits	
STI 2021 (promised in 2021)	
LTI	LTI 2018–2021 (promised in 2018)
	2020–2021 deferral (2019 bonus) (promised in 2019)
	2021–2022 deferral (2020 bonus) (promised in 2020)

<sup>1</sup> Pension expenses for a year are not deemed remuneration granted and owed pursuant to section 162 (1) no. 1 AktG because the work to which the remuneration is related has not yet been performed in full.

The following tables show the remuneration promised to the members of the Board of Management in 2021 (target remuneration):

### Target remuneration

	Dr. Ing. Frank Hiller, Chairman of the Board of Management (until February 13, 2022)				Dr. Ing. Markus Müller, ordinary member of the Board of Management (since March 15, 2021)			
	2021		2020		2021		2020	
	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)
Basic remuneration	750	40.1	750	52.7	459	24.5	–	–
+ Additional benefits	22	1.2	22	1.5	19	1.8	–	–
<b>= Total non-performance-related remuneration</b>	<b>772</b>	<b>41.2</b>	<b>772</b>	<b>54.3</b>	<b>478</b>	<b>45.1</b>	<b>–</b>	<b>–</b>
+ One-year variable remuneration (total)	428	22.9	0	0.0	238	12.7	–	–
STI 2020 <sup>1</sup>	–	–	0	0.0	–	–	–	–
STI 2021	428	22.9	–	–	238	22.4	–	–
+ Multi-year variable remuneration (total)	522	27.9	500	35.2	294	15.7	–	–
2021–2022 deferral (STI 2020) <sup>2</sup>	–	–	300	21.1	–	–	–	–
LTI 2020–2023	–	–	200	14.1	–	–	–	–
LTI 2021–2024	522	27.9	–	–	294	27.7	–	–
+ Expense for occupational pension scheme	150	8.0	150	10.5	50	4.7	–	–
<b>= Total remuneration</b>	<b>1,872</b>	<b>100.0</b>	<b>1,422</b>	<b>100.0</b>	<b>1,060</b>	<b>100.0</b>	<b>–</b>	<b>–</b>

	Dr. Sebastian C. Schulte, ordinary member of the Board of Management (since January 1, 2021)				Dr. Andreas Strecker, ordinary member of the Board of Management (until February 28, 2021)				Michael Wellenzohn, ordinary member of the Board of Management			
	2021		2020		2021		2020		2021		2020	
	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)
Basic remuneration	580	43.9	–	–	97	59.8	580	55.0	580	42.8	580	54.3
+ Additional benefits	21	1.6	–	–	3	1.9	24	2.3	30	2.2	37	3.5
<b>= Total non-performance-related remuneration</b>	<b>601</b>	<b>45.5</b>	<b>–</b>	<b>–</b>	<b>100</b>	<b>61.6</b>	<b>604</b>	<b>57.3</b>	<b>610</b>	<b>45.0</b>	<b>617</b>	<b>57.8</b>
+ One-year variable remuneration (total)	300	22.7	–	–	50	30.6	0	0.0	300	22.1	0	0.0
STI 2020 <sup>1</sup>	–	–	–	–	–	–	0	0.0	–	–	0	0.0
STI 2021	300	22.7	–	–	50	30.6	–	–	300	22.1	–	–
+ Multi-year variable remuneration (total)	370	19.8	–	–	–	–	330	31.3	365	26.9	351	32.9
2021–2022 deferral (STI 2020) <sup>2</sup>	–	–	–	–	–	–	180	17.1	–	–	186	17.4
LTI 2020–2023	–	–	–	–	–	–	150	14.2	–	–	165	15.4
LTI 2021–2024	370	28.0	–	–	–	–	–	–	365	26.9	–	–
+ Expense for occupational pension scheme	50	3.8	–	–	13	7.7	120	11.4	80	5.9	100	9.4
<b>= Total remuneration</b>	<b>1,321</b>	<b>100.0</b>	<b>–</b>	<b>–</b>	<b>162</b>	<b>100.0</b>	<b>1,054</b>	<b>100.0</b>	<b>1,355</b>	<b>100.0</b>	<b>1,068</b>	<b>100.0</b>

<sup>1</sup> In 2020, the Board of Management waived its one-year variable remuneration due to the pandemic.

<sup>2</sup> The deferral target amount comprises the target amount for a one-year deferral (2021 performance period) and the target amount for a two-year deferral (2021–2022 performance period).

The following tables show the remuneration granted and owed to the members of the Board of Management in 2021 pursuant to section 162 (1) sentence 1 AktG:

### Remuneration granted and owed

	Dr. Ing. Frank Hiller, Chairman of the Board of Management (until February 13, 2022)				Dr. Ing. Markus Müller, ordinary member of the Board of Management (since March 15, 2021)			
	2021		2020		2021		2020	
	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)
Basic remuneration	750	51.6	750	97.2	459	55.8	-	-
+ Additional benefits	22	1.5	22	2.8	19	2.3	-	-
<b>= Total non-performance-related remuneration</b>	<b>772</b>	<b>53.1</b>	<b>772</b>	<b>100.0</b>	<b>478</b>	<b>58.1</b>	-	-
+ One-year variable remuneration (total)	622	42.8	-	-	345	41.9	-	-
STI 2020	-	-	-	-	-	-	-	-
STI 2021	622	42.8	-	-	345	41.9	-	-
+ Multi-year variable remuneration (total)	60	4.1	-	-	-	-	-	-
2019–2020 deferral (STI 2018)	-	-	-	-	-	-	-	-
2020–2021 deferral (STI 2019)	60	4.1	-	-	-	-	-	-
2021–2022 deferral (STI 2020)	0	0.0	-	-	-	-	-	-
LTI 2017–2020	-	-	-	-	-	-	-	-
LTI 2018–2021	0	0.0	-	-	-	-	-	-
+ Miscellaneous <sup>1</sup>	-	-	-	-	-	-	-	-
<b>= Total remuneration</b>	<b>1,454</b>	<b>100.0</b>	<b>772</b>	<b>100.0</b>	<b>823</b>	<b>100.0</b>	-	-

	Dr. Sebastian C. Schulte, ordinary member of the Board of Management (since January 1, 2021)				Dr. Andreas Strecker, ordinary member of the Board of Management (until February 28, 2021)				Michael Wellenzohn, ordinary member of the Board of Management			
	2021		2020		2021		2020		2021		2020	
	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)
Basic remuneration	580	55.9	-	-	97	46.6	580	96.0	580	53.5	580	94.0
+ Additional benefits	21	2.0	-	-	3	1.4	24	4.0	30	2.8	37	6.0
<b>= Total non-performance related remuneration</b>	<b>601</b>	<b>57.9</b>	-	-	<b>100</b>	<b>48.0</b>	<b>604</b>	<b>100.0</b>	<b>610</b>	<b>56.3</b>	<b>617</b>	<b>100.0</b>
+ One-year variable remuneration (total)	436	42.1	-	-	72	34.7	-	-	436	40.3	-	-
STI 2020	-	-	-	-	-	-	-	-	-	-	-	-
STI 2021	436	42.1	-	-	72	34.7	-	-	436	40.3	-	-
+ Multi-year variable remuneration (total)	-	-	-	-	36	17.3	-	-	37	3.4	-	-
2019–2020 deferral (STI 2018)	-	-	-	-	-	-	-	-	-	-	-	-
2020–2021 deferral (STI 2019)	-	-	-	-	36	17.3	-	-	37	3.4	-	-
2021–2022 deferral (STI 2020)	-	-	-	-	0	0.0	-	-	0	0.0	-	-
LTI 2017–2020	-	-	-	-	-	-	-	-	-	-	-	-
LTI 2018–2021	-	-	-	-	-	-	-	-	0	0.0	-	-
+ Miscellaneous <sup>1</sup>	-	-	-	-	-	-	-	-	-	-	-	-
<b>= Total remuneration</b>	<b>1,037</b>	<b>100.0</b>	-	-	<b>207</b>	<b>100.0</b>	<b>604</b>	<b>100.0</b>	<b>1,083</b>	<b>100.0</b>	<b>617</b>	<b>100.0</b>

<sup>1</sup> Miscellaneous remuneration comprises any remuneration not covered by the other remuneration components, e.g. severance payments or compensation for a non-compete period.

**Remuneration of the Board of Management members in 2021 pursuant to section 314 (1) no. 6a HGB** The total remuneration for the Board of Management of DEUTZ AG recognized in expenses for 2021 was €7,072 thousand (2020: €2,586 thousand). This consisted of short-term employee benefits of €5,268 thousand (2020: €2,362 thousand), other long-term benefits of €0 thousand (2020: minus €291 thousand), and share-based long-term benefits as part of the long-term incentive plans amounting to €1,804 thousand (2020: €515 thousand).

Remuneration for former members of the Board of Management or their surviving dependants pursuant to section 314 (1) no. 6a HGB amounted to €1,101 thousand (2020: €1,181 thousand) for DEUTZ AG and the Group. Provisions of €10,247 thousand (December 31, 2020: €10,657 thousand) have been recognized to cover pension obligations to former members of the Board of Management.

**Review of whether Board of Management remuneration is typical** The Supervisory Board reviews the level of the Board of Management's remuneration every two years in order to ensure that it is typical for the market and is competitive. This review involves checking and assessing factors such as whether the remuneration is typical in comparison with that of Board of Management members in similar companies and is typical in comparison with remuneration and employment conditions within DEUTZ. Companies are selected that are similar to DEUTZ, particularly in terms of the criteria country, sector, and size. Within DEUTZ, a comparison is made with the current situation and with the situation over time in respect of senior management and the workforce as a whole.

The remuneration of the Board of Management members was last reviewed in 2020 when the current remuneration system was being drawn up. It was found to be typical. Two peer groups were formed in order to assess whether the remuneration is typical in comparison with that in similar companies. The first peer group primarily consisted of German listed companies that were similar to DEUTZ in terms of sector, volume of revenue, and number of employees. The following companies were part of this peer group: Aumann AG, DMG MORI AG, ElringKlinger AG, Jungheinrich AG, KION GROUP AG, Knorr-Bremse AG, LEONI AG, Rolls-Royce Power Systems AG, Sulzer AG, VARTA AG, and Wacker Neuson SE. The SDAX was chosen as the second peer group because DEUTZ is listed on the SDAX.

## C.2. REMUNERATION OF FORMER MEMBERS OF THE BOARD OF MANAGEMENT

The remuneration that was granted and owed to the former members of the DEUTZ AG Board of Management pursuant to section 162 (1) sentence 1 AktG amounted to €332 thousand in 2021. The remuneration granted and owed to Dr. Margarete Haase, who left in 2018, amounted to €55 thousand in 2021 and was entirely attributable to her fixed, non-performance-related retirement pension. Dr. Ing. Helmut Leube, who left in 2016, received a fixed, non-performance-related retirement pension of €78 thousand in 2021. The remuneration of the other former members, who stepped down from the DEUTZ AG Board of Management more than ten years ago, came to €199 thousand in 2021 and was entirely attributable to the granting of fixed, non-performance-related retirement pensions. The retirement pensions of former members of the Board of Management are granted entirely by the benevolent fund, not by DEUTZ AG.

## C.3. DISCLOSURES ON THE RELATIVE CHANGE IN THE REMUNERATION OF THE BOARD OF MANAGEMENT, THE REMUNERATION OF THE REST OF THE WORKFORCE, AND THE COMPANY'S EARNINGS PERFORMANCE

The following table shows the year-on-year change in the remuneration granted and owed to the Board of Management members in the reporting year, the earnings performance of DEUTZ AG, and the remuneration of the workforce. The change in the remuneration granted and owed to the Board of Management members is based on the remuneration presented above (see section C. 'Amount of Board of Management remuneration in 2021', chapters 1 and 2, remuneration granted and owed). The earnings performance of the Company (DEUTZ AG) and of the Group (DEUTZ Group) is presented on the basis of EBIT, which is one of the main financial KPIs. The remuneration of the workforce shows the average remuneration of the Company's (DEUTZ AG's) salaried and non-salaried employees in Germany (excluding trainees, apprentices, and interns). To ensure comparability, the remuneration of part-time workers was extrapolated into remuneration for full-time equivalents.

The retirement pensions of the former members of the Board of Management Dr. Margarete Haase and Dr. Ing. Helmut Leube are paid by the benevolent fund, not by DEUTZ AG.

Year-on-year change (%)	2021 (absolute)	2021 vs. 2020	2020 vs. 2019	2019 vs. 2018	2018 vs. 2017
<b>Board of Management remuneration</b>					
Dr. Ing. Frank Hiller	€1,454 thousand	88.3%	-47.2%	-5.6%	10.2%
Dr. Ing. Markus Müller (since March 15, 2021) <sup>1</sup>	€823 thousand	- <sup>1</sup>	-	-	-
Dr. Sebastian C. Schulte (since January 1, 2021) <sup>1</sup>	€1,037 thousand	- <sup>1</sup>	-	-	-
Michael Wellenzohn	€1,083 thousand	75.6%	-50.6%	1.1%	29.5%
Dr. Andreas Strecker (March 1, 2018 to February 28, 2021) <sup>2</sup>	€207 thousand	-65.6 <sup>2</sup>	-31.3%	13.6%	- <sup>2</sup>
Dr. Margarete Haase (until April 30, 2018)	€55 thousand	1.0%	1.0%	-95.9%	25.8%
Dr. Ing. Helmut Leube (until December 31, 2016)	€78 thousand	1.0%	1.0%	141.0%	-90.0%
<b>Earnings performance of DEUTZ</b>					
EBIT of DEUTZ AG	€36.6 million	131.9%	-226.2%	83.8%	-68.1%
EBIT of the DEUTZ Group	€37.2 million	134.9%	-221.0%	7.4%	-43.0%
<b>Average remuneration of the DEUTZ AG workforce</b>					
Workforce		-0.2%	3.5%	2.1%	1.9%

<sup>1</sup> As Dr. Ing. Markus Müller and Dr. Sebastian C. Schulte only joined the Board of Management in 2021, a comparison with their 2020 remuneration is not possible.

<sup>2</sup> As Dr. Andreas Strecker was a Board of Management member for the whole of 2020 but only part of 2021, the 2021 vs. 2020 comparison shows a sharp fall in the remuneration granted and owed to him. As he joined the Board of Management in 2018, there is no 2017 remuneration for comparison.

### III. REMUNERATION FOR SUPERVISORY BOARD MEMBERS

#### A. REMUNERATION SYSTEM IN 2021

The remuneration system for the members of the Supervisory Board, which is governed by section 15 of the Company's Statutes, was adopted by the Annual General Meeting on April 26, 2018 and approved by the AGM with 99.65 percent of the votes on April 29, 2021. The remuneration of the Supervisory Board is structured so as to help to attract highly qualified people to the Supervisory Board and ensure that they remain with the Company. This means that the Supervisory Board can advise the Board of Management on the development of strategy and monitor the work of the Board of Management.

The annual remuneration of the Supervisory Board members consists of fixed basic remuneration, fixed remuneration for committee membership, and attendance fees for participating in meetings of the Supervisory Board and its committees. The basic remuneration and committee remuneration are paid annually after the end of the financial year, before the Annual General Meeting; the attendance fees are paid after each meeting attended.

Each ordinary member of the Supervisory Board is paid fixed basic remuneration of €40,000 each year. The chairperson of the Supervisory Board receives €80,000 and the deputy receives €60,000. Members of the Human Resources Committee and members of the Audit Committee receive an additional €12,000 per year, and members of the Nominations Committee and members of the Arbitration Committee receive an additional €8,000. The chairpersons of each committee receive double these amounts, and their deputies one-and-a-half times these amounts.

In addition, each member is paid an attendance fee of €1,500 for each Supervisory Board meeting and committee meeting attended. Furthermore, DEUTZ reimburses the members of the Supervisory Board for any VAT they incur in connection with the performance of their mandate and ensures that appropriate liability insurance is taken out (D&O insurance).

## B. REMUNERATION GRANTED AND OWED IN 2021

The remuneration granted and owed to the members of the Supervisory Board in 2021 is shown below. Remuneration granted is the remuneration for which the related (one-year or multiple-year)

work has been performed in full. Remuneration owed is when DEUTZ has a legal obligation to the Supervisory Board member that is due but has not yet been fulfilled.

In respect of the remuneration components in 2021, 'granted and owed' specifically refers to the following:

### Remuneration granted and owed in 2021 (section 162 (1) sentence 2 no. 1 AktG)

#### Remuneration components

Fixed basic remuneration  
(promised for membership of the Supervisory Board in 2021)

Remuneration for committee membership  
(promised for membership of a committee in 2021)

Attendance fees  
(promised for attendance of meetings in 2021)

The remuneration granted and owed to all members of the Supervisory Board for 2021 totaled €897 thousand. The breakdown of the total remuneration by individual Supervisory Board member is shown in the following table:

	Fixed basic remuneration		Remuneration for committee membership		Attendance fees		Total remuneration
	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)	(%)	(€ thousand)
Dr. Ing. Bernd Bohr (chairman until February 12, 2022)	80.0	46.9	68.0	39.9	22.5	13.2	170.5
Corinna Töpfer-Hartung <sup>1</sup> (deputy chairwoman)	60.0	49.8	38.0	31.5	22.5	18.7	120.5
Sophie Albrecht <sup>1</sup>	40.0	60.2	16.0	24.1	10.5	15.8	66.5
Sabine Beutert <sup>1</sup>	40.0	53.7	18.0	24.2	16.5	22.1	74.5
Yavuz Büyükdag <sup>1</sup>	40.0	79.2	0.00	0.0	10.5	20.8	50.5
Dr. Fabian Dietrich <sup>1</sup>	40.0	79.2	0.00	0.0	10.5	20.8	50.5
Dr. Ing. Rudolf Maier	40.0	79.2	0.00	0.0	10.5	20.8	50.5
Hans-Peter Finken <sup>1</sup>	40.0	79.2	0.00	0.0	10.5	20.8	50.5
Patricia Geibel-Conrad	40.0	49.7	24.0	29.8	16.5	20.5	80.5
Alois Ludwig	40.0	55.6	20.0	27.8	12.0	16.7	72.0
Dr. Dietmar Voggenreiter (chairman since February 12, 2022)	40.0	79.2	0.00	0.0	10.5	20.8	50.5
Ali Yener <sup>1</sup>	40.0	66.7	8.0	13.3	12.0	20.0	60.0
<b>Total remuneration</b>	<b>540.0</b>		<b>192.0</b>		<b>165.0</b>		<b>897.0</b>

<sup>1</sup> Employee representative.



## C. DISCLOSURES ON THE RELATIVE CHANGE IN THE REMUNERATION OF THE SUPERVISORY BOARD, THE REMUNERATION OF THE REST OF THE WORKFORCE, AND THE COMPANY'S EARNINGS PERFORMANCE

The following table shows the year-on-year change in the remuneration granted and owed to the Supervisory Board members in the reporting year, the earnings performance of DEUTZ AG, and the remuneration of the workforce. DEUTZ AG's earnings performance and the remuneration of its workforce are calculated in the same way as in the section on Board of Management remuneration.

Year-on-year change (%)	2021 (absolute)	2021 vs. 2020	2020 vs. 2019	2019 vs. 2018	2018 vs. 2017
<b>Supervisory Board remuneration</b>					
Dr. Ing. Bernd Bohr (since April 26, 2018; chairman from January 1, 2019 to February 12, 2022)	€170.5 thousand	4.6%	-2.7%	368.0%	-
Corinna Töpfer-Hartung <sup>1</sup> (deputy chairwoman since April 26, 2018)	€120.5 thousand	5.2%	-1.3%	43.0%	-
Sophie Albrecht (since April 26, 2018)	€66.5 thousand	4.7%	10.2%	45.0%	-
Sabine Beutert <sup>1</sup>	€74.5 thousand	6.4%	-4.1%	3.2%	48.9%
Yavuz Büyükdag <sup>1</sup> (since April 26, 2018)	€50.5 thousand	9.8%	-6.1%	36.9%	-
Dr. Fabian Dietrich <sup>1</sup> (since April 26, 2018)	€50.5 thousand	9.8%	-6.1%	36.9%	-
Hans-Peter Finken <sup>1</sup>	€50.5 thousand	9.8%	-6.1%	2.2%	27.8%
Patricia Geibel-Conrad (since April 26, 2018)	€80.5 thousand	5.9%	-3.8%	43.2%	-
Alois Ludwig	€72.0 thousand	-4.0%	2.0%	14.7%	70.9%
Dr. Ing. Rudolf Maier (since October 7, 2020)	€50.5 thousand	368.0%	-	-	-
Dr. Dietmar Voggenreiter (since April 30, 2019; chairman since February 12, 2022)	€50.5 thousand	9.8%	40.0%	-	-
Ali Yener <sup>1</sup> (since April 26, 2018)	€60.0 thousand	14.3%	-7.9%	38.2%	-
<b>Earnings performance of DEUTZ</b>					
EBIT of DEUTZ AG	€36.6 million	131.9%	-226.2%	83.8%	-68.1%
EBIT of the DEUTZ Group	€37.2 million	134.9%	-221.0%	7.4%	-43.0%
<b>Average remuneration of the DEUTZ AG workforce</b>					
Workforce		-0.2%	3.5%	2.1%	1.9%

<sup>1</sup> Employee representative.

## IV. "INDEPENDENT AUDITOR'S REPORT"

To DEUTZ Aktiengesellschaft, Cologne

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

#### Audit Opinions

We have audited the consolidated financial statements of DEUTZ Aktiengesellschaft, Cologne, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of DEUTZ Aktiengesellschaft, which is combined with the Company's management report, – which comprise the content included to comply with the German legal requirements as well as the remuneration report pursuant to § [Article] 162 AktG [Aktiengesetz: German Stock Corporation Act], including the related disclosures, – included in section „Remuneration Report “ of the group management report for the financial year from 1 January to 31 December 2021. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § 289f HGB [Handelsgesetzbuch: German Commercial Code] and § 315d HGB.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2021, and of its financial performance for the financial year from 1 January to 31 December 2021, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the statement on corporate governance referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

#### Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

#### Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January

to 31 December 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

**1) Accounting treatment of internally generated intangible assets**

**2) Recoverability of goodwill**

Our presentation of these key audit matters has been structured in each case as follows:

- 1) Matter and issue
- 2) Audit approach and findings
- 3) Reference to further information

Hereinafter we present the key audit matters:

**1) Accounting treatment of internally generated intangible assets**

1) Expenses for the development of new technologies – in particular the development of new engine series – amounting to EUR 86.5 million (6.7% of consolidated total assets) are reported under the "Intangible assets" balance sheet item in the consolidated financial statements of the Company. Development costs are capitalized based on milestones within the development process that are defined by the Company. The assets are generally subject to amortization on a straight-line basis over the expected production cycle of eight to ten years.

A test is performed as of each balance sheet date to determine whether there are indications that an asset may be impaired. An impairment test is carried out at least once annually for intangible assets that are not yet available for use. Impairments are calculated by comparing the carrying amount against the recoverable amount. The recoverable amount of an asset is either the fair value of an asset or a cash-generating unit, less costs to sell, and the value in use, whichever is higher. For the purposes of impairment testing, assets are grouped, at the lowest level that makes sense, into cash-generating units for which cash inflows can be identified largely independently. In order to calculate the value in use, the expected future cash flows are discounted to their present values using a discount rate that reflects the current market expectations regarding the interest rate effect and the specific risks associated with the asset or cash-generating unit.

The calculations are based on model calculations that take into account the projections, with a finite planning period, and the corresponding carrying amounts as of 31 December 2021. These projections were also used to prepare the Group's medium-term plan prepared by the executive directors and adopted by the supervisory board. The financial surpluses are discounted using the weighted cost of capital of the asset in question or the cash-generating unit in question that applies based on the relevant term.

The impairment test identified reversals of write-downs in the total amount of EUR 4.4 million.

The valuations are highly dependent on the estimates made by the executive directors with respect to the future cash inflows from the respective assets or cash-generating units, the discount rate used and other assumptions are therefore, also against the background of the effects of the coronavirus pandemic, subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

2) For the purposes of our audit, we first of all asked for the development process to be explained to us and assessed adherence to the requirements for capitalizing development costs based on milestones that had been reached.

We also assessed the procedures for identifying and evaluating issues and developments which could result in an impairment of the intangible assets, including the controls established. In a further step, we assessed, among other things, the method used for performing impairment tests and the assumptions and parameters used to determine whether they form an appropriate basis overall for the Company's executive directors to test internally generated intangible assets for impairment. After matching the future cash inflows used for the calculation against the model calculations and the medium-term business plan adopted by the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In this context, we also assessed the executive directors' estimate as to the impact of the coronavirus pandemic on the Group's business and evaluated how this was taken into consideration in calculating the future cash inflows.

In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. We performed ad hoc sensitivity analyses in order to reflect the uncertainty inherent in the projections. Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

3) The Company's disclosures relating to internally generated intangible assets are contained in the sections of the notes to the consolidated financial statements entitled "Accounting policies" and "Notes to the balance sheet".

## 2) Recoverability of Goodwill

1) In the Company's consolidated financial statements goodwill amounting in total to EUR 54.3 million (4.2% of consolidated total assets) is reported under the "Intangible assets" balance sheet item.

Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the groups of cash-generating units to which the relevant goodwill is allocated. The carrying amount of the relevant cash-generating units, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally determined using the value in use. The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group forms the starting point which is extrapolated based on assumptions about long-term rates of growth. These projections also factor in expectations as to the future development of the market and assumptions as to the development of macroeconomic variables, as well as the expected impacts of the ongoing coronavirus pandemic on the Group's business. The discount rate used is the weighted average cost of capital for the respective group of cash-generating units. The impairment test determined that no write-downs were necessary.

The outcome of this valuation is dependent to a large extent not only on the estimates made by the executive directors with respect to the future cash inflows from the respective group of cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore, also against the background of the effects of the coronavirus crisis, subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

2) As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash inflows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In this connection, we also evaluated the

assessment of the executive directors regarding the effects of the coronavirus crisis on the business activities of the Group and examined how they were taken into account in determining the future cash flows. In addition, we assessed the appropriate consideration of the costs of Group functions. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. We verified that the necessary disclosures were made in the notes to the consolidated financial statements relating to groups of cash-generating units for which a reasonably possible change in an assumption would result in the recoverable amount falling below the carrying amount of the cash-generating units including the allocated goodwill.

Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

3) The Company's disclosures relating to goodwill are contained in the sections of the notes to the consolidated financial statements entitled "Accounting policies" and "Notes to the balance sheet".

## Other Information

The executive directors are responsible for the other information. The other information comprises the statement on corporate governance pursuant to § 289f HGB and § 315d HGB as an unaudited part of the group management report.

The other information comprises further

- the separate non-financial report pursuant to § 289b Abs. 3 HGB and § 315b Abs. 3 HGB
- all remaining parts of the annual report - excluding cross-references to external information - with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

### **Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report**

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

The executive directors and the supervisory board are further responsible for the preparation of the remuneration report, including the related disclosures, which is included in a separate section of the group management report and complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
  - Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
  - Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
  - Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
  - Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

### Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the “ESEF documents”) contained in the electronic file DEUTZ\_KA\_LB\_20211231.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format (“ESEF format”). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2021 contained in the “Report on the Audit of the Consolidated Financial Statements and on the Group Management Report” above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

### Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (10.2021))

and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the “Group Auditor’s Responsibilities for the Assurance Work on the ESEF Documents” section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

### Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

### Group Auditor’s Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

#### **Further Information pursuant to Article 10 of the EU Audit Regulation**

We were elected as group auditor by the annual general meeting on 29 April 2021. We were engaged by the supervisory board on 2 December 2021. We have been the group auditor of the DEUTZ Aktiengesellschaft, Köln, without interruption since the financial year 2014.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

#### **REFERENCE TO AN OTHER MATTER – USE OF THE AUDITOR'S REPORT**

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

#### **GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT**

The German Public Auditor responsible for the engagement is Harald Wimmer."

Cologne, 9 March 2022

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Harald Wimmer	ppa. Clivia Döll
Wirtschaftsprüfer	Wirtschaftsprüferin
(German public auditor)	(German public auditor)

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The Board of Management and Supervisory Board propose that the remuneration report for the financial year 2021 be approved.



## 7. Resolution to approve the signing of a control and profit transfer agreement with DEUTZ Deutschland GmbH, Stockstadt am Rhein, dated January 24, 2022

On January 24, 2022, DEUTZ AG signed a control and profit transfer agreement with DEUTZ Deutschland GmbH, Helmut-Kiesel-Strasse 2, 64589 Stockstadt am Rhein, registered at the Darmstadt local court (registration court) under HRB102904. The shareholders' meeting of DEUTZ Deutschland GmbH has already approved the control and profit transfer agreement. The control and profit transfer agreement only becomes effective when it has been approved by the Annual General Meeting of DEUTZ AG and entered in the commercial register of DEUTZ Deutschland GmbH. DEUTZ AG is the sole shareholder of DEUTZ Deutschland GmbH, so no compensation payments or settlement for external shareholders pursuant to sections 304 and 305 AktG are to be made.

The Board of Management and Supervisory Board propose that the following resolution be adopted:

The control and profit transfer agreement dated January 24, 2022 between DEUTZ AG and DEUTZ Deutschland GmbH is approved.

The control and profit transfer agreement between DEUTZ AG and DEUTZ Deutschland GmbH has the following content:

### Introduction

- (1) The stock corporation trading as DEUTZ Aktiengesellschaft with registered office in Cologne is entered in the commercial register at the local court of Cologne under HR B 281 ('**CONTROLLING COMPANY**').
- (2) The private limited company trading as DEUTZ Deutschland GmbH with registered office in Stockstadt am Rhein is entered in the commercial register at the local court of Darmstadt under HR B 102904 ('**CONTROLLED COMPANY**').
- (3) The CONTROLLING COMPANY holds all the shares in the CONTROLLED COMPANY, with a total nominal value of €25,000.00. This represents the whole of the voting nominal capital in the CONTROLLED COMPANY (financial integration). This financial integration has continued without interruption since the start of the CONTROLLED COMPANY's current financial year.
- (4) The parties intend to enter into a profit transfer agreement. This being the case, the parties agree the following:

### 1

#### Management Authority

- (1) The CONTROLLED COMPANY agrees to allow the CONTROLLING COMPANY to manage its business.
- (2) The CONTROLLING COMPANY will issue to the management of the CONTROLLED COMPANY all instructions concerning organizational, commercial, technical, financial, and personnel matters that it deems necessary. Such instructions will be issued through its representative bodies or through persons authorized to issue such instructions. Instructions may be issued generally or on a case-by-case basis and must be in text form (as defined in section 126b of the German Civil Code (BGB)). If instructions are issued orally, they must be confirmed in text form without undue delay.
- (3) The CONTROLLED COMPANY is obliged to comply with the instructions of the CONTROLLING COMPANY in every respect, provided such instructions do not conflict with mandatory provisions of company, commercial, or accounting law. The right to issue instructions does not include the right to amend, maintain, or terminate this Agreement.
- (4) The CONTROLLING COMPANY must be kept informed of all material affairs of the CONTROLLED COMPANY and its business performance. The CONTROLLED COMPANY is obliged to provide the representative bodies of the CONTROLLING COMPANY and its authorized persons with comprehensive information and to allow them to inspect the books and other records of the company, to a degree that extends beyond the usual membership rights.

### 2

#### Profit Transfer

- (1) The CONTROLLED COMPANY undertakes to transfer its entire profit to the CONTROLLING COMPANY, starting from the beginning of the financial year in which this Agreement is entered in the commercial register. The provisions of the prevailing version of section 301 of the German Stock Corporation Act (AktG) apply.
- (2) The CONTROLLED COMPANY may, with the consent of the CONTROLLING COMPANY, transfer amounts from the net income to retained earnings (section 272 (3) of the German Commercial Code (HGB)), provided this is permitted under commercial law and is justified in accordance with prudent business practice.
- (3) Any other retained earnings recognized under section 272 (3) HGB during the term of this Agreement may – so far as is legally permissible – be reversed at the request of the CONTROLLING COMPANY and transferred as profit. Other

reserves and any profit carried forward or retained earnings originating from the period before this Agreement came into effect must not be transferred to the CONTROLLING COMPANY. The same applies to additional paid-in capital irrespective of whether this was recognized before or after this Agreement came into effect.

- (4) The right to demand transfer of profits arises at the end of the CONTROLLED COMPANY's financial year. The amount must be credited to the account of the CONTROLLING COMPANY on that date.

### 3 Transfer of Losses

The provisions of the prevailing version of section 302 AktG apply with the necessary modifications.

### 4 Term and End Date of the Agreement

- (1) This Agreement is subject to the consent of the Annual General Meeting of the CONTROLLING COMPANY and the shareholders' meeting of the CONTROLLED COMPANY. It takes effect upon being entered in the commercial register of the CONTROLLED COMPANY and, in respect of the profit transfer, applies from the beginning of the CONTROLLED COMPANY's financial year in which this Agreement is entered in the commercial register. In other respects, it applies from the date of entry in the commercial register.
- (2) The Agreement is concluded for an indefinite period. It may be terminated with six months' notice to the end of the CONTROLLED COMPANY's financial year, but not before the end of the financial year in which the tax group to be consolidated for the purposes of corporation tax and trade tax, established under this Agreement, has fulfilled its minimum term as required under tax law (the 'minimum term') (under current law this period is five years; section 14 (1) sentence 1 no. 3 in conjunction with section 17 of the German Corporation Tax Act (KStG), section 2 (2) sentence 2 of the German Trade Tax Act (GewStG)).
- (3) Both parties are entitled to terminate this Agreement for cause, in particular if,
  - (a) as the result of a disposal of shares or for other reasons the conditions required for a financial integration of the CONTROLLED COMPANY in the CONTROLLING COMPANY under tax law will no longer exist once the measure concerned has been carried out;

- (b) wthe CONTROLLING COMPANY moves its investment in the CONTROLLED COMPANY to a different entity; or
- (c) the CONTROLLING COMPANY or the CONTROLLED COMPANY is merged, split or liquidated.

- (4) If the validity of this Agreement or its due and proper implementation is not recognized or is not fully recognized under tax law, the parties agree that the minimum term will not commence until the first day of the CONTROLLED COMPANY's financial year in which the conditions required for the Agreement or its due and proper implementation to be recognized under tax law are in place for the first time, or are first met again.

### 5 Concluding Provisions

- (1) Amendments and additions to this Agreement require the consent of the Annual General Meeting of the CONTROLLING COMPANY and the shareholders' meeting of the CONTROLLED COMPANY. The consent of the CONTROLLED COMPANY must be unanimous and must be entered in the commercial register of the CONTROLLED COMPANY.
- (2) Amendments and additions to this Agreement must further be made in writing, unless recording by a notary is stipulated. This also applies to the revocation of this requirement for the written form.
- (3) Should any provision of this Agreement be or become ineffective, impracticable, or unenforceable wholly or in part, or should the Agreement prove to contain an omission, this will not affect the effectiveness and enforceability of the remaining provisions. The parties undertake to replace the ineffective, impracticable, unenforceable, or missing provision with one that is effective, practicable, and enforceable and that most closely approximates the economic purpose pursued by the parties.

The Board of Management of DEUTZ AG and the managing directors of DEUTZ Deutschland GmbH have prepared a joint report pursuant to section 293a AktG. The joint report and the other documents to be published will be available on DEUTZ AG's website from the date on which the Annual General Meeting is convened.

## 8. Resolution to authorize the purchase and use of treasury shares, to disapply pre-emption rights and rights to tender shares, and to retire treasury shares

The Board of Management and the Supervisory Board propose that the following resolution be adopted:

### a) Authorization to purchase treasury shares

The Board of Management is authorized, with the consent of the Supervisory Board, to purchase treasury shares in an amount equating to up to 10 percent of the lower of the Company's issued capital in existence when the resolution is adopted by the Annual General Meeting and the Company's issued capital in existence when the authorization is exercised. The purchased shares – together with other treasury shares owned by the Company or attributable to the Company pursuant to sections 71d and 71e AktG – must at no time account for more than 10 percent of the Company's issued capital. The authorization comes into force on April 29, 2022 and remains valid until April 26, 2027.

The authorization must not be used for the purpose of trading in treasury shares.

### b) Purchase arrangements

The purchase is conducted (1) via the stock market or (2) by means of a public purchase offer to all of the Company's shareholders or by means of a request to all shareholders to submit offers of sale ('public offer').

- (1) If treasury shares are purchased via the stock market, the purchase price per share (excluding incidental acquisition costs) must not be more than 10 percent above or below the market price of the Company's shares. The relevant market price for the purposes of the authorization is the unweighted arithmetic mean of the market price of the Company's shares in the closing auctions in the Xetra trading system of the Frankfurt Stock Exchange (or a comparable successor system) on the final three trading days prior to purchase of the shares.
- (2) If treasury shares are purchased by means of a public offer to all of the Company's shareholders, the offered purchase price or the upper and lower limits of the offered range of purchase prices per share (excluding incidental acquisition costs) must not be more than 10 percent above or below the market price of the Company's shares. The relevant market price for the purposes of this clause (2) is the unweighted arithmetic mean of the market price of the Company's shares in the closing auctions in the Xetra trading system of the Frankfurt Stock Exchange

(or a comparable successor system) on the sixth to third trading days prior to the date of publication of the public offer.

A limit can be set for the purchase volume. If, in a public offer, the volume of shares tendered exceeds the envisaged purchase volume, (i) the offer can be accepted in accordance with the ratio of shares tendered (tender ratio) rather than on the basis of the shareholding in the Company of the tendering shareholders (shareholding ratio). (ii) Preferential acceptance of small quantities of the Company's shares that are the subject of a purchase/sale offer of up to 100 shares per shareholder can be decided upon, and (iii) the quantities can be rounded according to commercial principles in order to avoid fractional amounts of shares. Any further-reaching rights of shareholders to tender shares are disappplied in scenarios (i) to (iii).

### c) Use of treasury shares

The Board of Management can sell the purchased treasury shares provided that it upholds the principle of equal treatment (section 53a AktG). This can be achieved, in particular, by selling the purchased treasury shares via the stock market or by means of an offer to all shareholders in proportion to their shareholding.

The Board of Management is also authorized, with the consent of the Supervisory Board, to offer or grant the purchased treasury shares to third parties, while disapplying shareholders' pre-emption rights, in the following cases:

- (1) in return for cash, provided the agreed price is not significantly higher than the market price of the Company's shares at the time of sale;
- (2) in connection with mergers or direct or indirect acquisitions of entities, parts of entities, equity investments in entities, including increases in existing shareholdings, or other assets eligible as capital contributions in connection with such acquisition plans, including receivables from the Company;
- (3) to fulfill conversion rights or option rights granted by the Company or a direct or indirect majority shareholding of the Company when bonds are issued, or to fulfill conversion obligations arising on bonds issued by the Company or a direct or indirect majority shareholding of the Company;

- (4) as staff shares in the context of agreed remuneration or as part of special programs for the employees of the Company and its affiliated companies (including members of the governing bodies); where treasury shares are to be offered/promised and transferred to members of the Company's Board of Management, this authorization is granted to the Company's Supervisory Board;
- (5) when carrying out a so-called scrip dividend by selling the shares and, in return, shareholders transferring their dividend rights (wholly or in part).

However, the authorization pursuant to clause (1) above is subject to the proviso that the treasury shares sold while disapplying pre-emption rights do not exceed 10 percent of the issued capital, neither at the time the authorization is granted nor at the time the authorization to disapply pre-emption rights is exercised. The aforementioned 10 percent limit includes shares that are sold or issued during the term of this authorization on the basis of other authorizations in direct application, or application with the necessary modifications, of section 186 (3) sentence 4 AktG with the disapplication of pre-emption rights ('disapplication limit'). If another authorization that was exercised during the term of this authorization is renewed by the Annual General Meeting, the disapplication limit will cease to apply to the extent that the renewed authorization permits the issue of shares with the disapplication of pre-emption rights in direct application, or application with the necessary modifications, of section 186 (3) sentence 4 AktG.

In accordance with clause (1) above, the shares may only be sold to third parties at a price that is not significantly below the market price of the Company's shares at the time of sale. The relevant market price for this purpose is the unweighted arithmetic mean of the market price of the Company's shares in the closing auctions in the Xetra trading system of the Frankfurt Stock Exchange (or a comparable successor system) on the final five trading days prior to sale of the treasury shares.

In addition, the Board of Management is authorized, with the consent of the Supervisory Board, to disapply pre-emption rights of shareholders for fractional amounts in the event of purchased treasury shares being sold as part of an offer to all shareholders.

Furthermore, the Board of Management is authorized, with the consent of the Supervisory Board, to retire the purchased treasury shares without any further resolution being adopted by the Annual General Meeting. In this context, it is also authorized to retire no-par-value shares with or without

a capital reduction. If the no-par-value shares are retired without a capital reduction, the other shares will make up a larger proportion of the issued capital in accordance with section 8 (3) AktG. In this case, the Board of Management is also authorized to amend the number of shares of the Company that is set out in the Statutes (section 237 (3) no. 3 AktG).

#### d) Other details

The Board of Management determines the precise details each time that an authorization is exercised. The above authorizations can be exercised on one or more occasions individually or together. To the extent that they apply, the provisions of the German Securities Acquisition and Takeover Act (WpÜG) must be satisfied. When purchasing treasury shares, the Board of Management will, as required, comply with the statutory provisions concerning the hypothetical recognition of reserves in the amount of the expenses for the purchase (section 71 (2) sentence 2 AktG).

#### **Report of the Board of Management on agenda item 8 concerning the authorization to disapply pre-emption rights and rights to tender shares when purchasing and using treasury shares in accordance with section 71 (1) no. 8 sentence 5 in conjunction with section 186 (4) sentence 2 AktG**

The Board of Management and Supervisory Board intend to propose to the Annual General Meeting on April 28, 2022 that the Company be authorized to purchase and sell treasury shares while potentially disapplying pre-emption rights and rights to tender shares. The authorization is to be valid for the potential repurchase of treasury shares in an amount equating to up to 10 percent of the lower of the Company's issued capital in existence when the resolution is adopted by the Annual General Meeting and the Company's issued capital in existence when the authorization is exercised.

The authorization is to come into force on April 29, 2022 and remain valid until April 26, 2027.

The Board of Management is to be authorized, with the consent of the Supervisory Board, to sell the purchased treasury shares to third parties in various cases, while disapplying shareholders' pre-emption rights.

### **Purchase of treasury shares with (partial) disapplication of rights to tender shares**

In addition to purchasing them via the stock market, the Company is also to be given the option of purchasing treasury shares by means of a public purchase offer or by means of a request to all shareholders to submit offers of sale ('public offer').

In these processes, each shareholder of the Company who is interested in selling their shares can decide how many shares to offer and, when a price range has been set, at what price.

The principle of equal treatment pursuant to section 53a AktG must be upheld when purchasing treasury shares. Proposing to purchase the shares via the stock market or by means of a public offer is sufficient to satisfy this principle.

If the quantity offered exceeds the number of shares that the Company wishes to purchase, a decision on the allocation of acceptance of the offers of sale must be made. The allocation can be made in accordance with the ratio of shares tendered (tender ratio) rather than on the basis of the shareholding in the Company because this makes the technical implementation of the purchase process easier and more commercially practical. It should also be made possible to preferentially accept small offers or small parts of offers for up to a maximum of 100 shares. The related partial disapplication of any right of shareholders to tender their shares facilitates the technical processing and should avoid fractional amounts when setting the quotas to be purchased and should avoid small residual shareholdings; it is therefore objectively justified because it is in the Company's interests. Because the partial disapplication of any right of shareholders to tender their shares has only a minor impact on shareholders' rights, it appears reasonable in view of the intended purpose.

### **Sale of purchased shares with disapplication of pre-emption rights**

The sale of shares while disapplying shareholders' pre-emption rights is to be made possible in the following cases:

- in return for cash, provided the agreed price is not significantly higher than the market price of the Company's shares at the time of sale;
- in connection with mergers or direct or indirect acquisitions of entities, parts of entities, equity investments in entities, including increases in existing shareholdings, or other assets eligible as capital contributions in connection with such acquisition plans, including receivables from the Company;

- to fulfill conversion rights or option rights granted by the Company or a direct or indirect majority shareholding of the Company when bonds are issued, or to fulfill conversion obligations arising on bonds issued by the Company or a direct or indirect majority shareholding of the Company;
- as staff shares in the context of agreed remuneration or as part of special programs for the employees of the Company and its affiliated companies (including members of the governing bodies);
- when carrying out a so-called scrip dividend by selling the shares and, in return, shareholders transferring their dividend rights (wholly or in part); and
- for fractional amounts.

### **Disapplication of pre-emption rights in the event of an issue in return for cash**

Insofar as authorization is granted to the Board of Management, with the consent of the Supervisory Board, to sell the treasury shares in return for cash while disapplying shareholders' pre-emption rights in ways other than via the stock market or by means of an offer to all shareholders, the intention is to enable the Company to issue shares to, for example, institutional investors, financial investors, or other partners. The Company operates in a very competitive environment in the capital markets. It is particularly important for the Company's future business performance that it has an adequate level of equity. This includes being able to raise capital in the markets at any time on reasonable terms and, if applicable, to flexibly sell treasury shares as described above. To this end, the Company needs to be able to tap into further groups of investors. In individual cases, this may make it necessary to purchase treasury shares and to use these shares by passing them on to certain investors.

The purchased treasury shares may only be sold to third parties in return for cash at a price that is not significantly different from the market price of the Company's shares at the time of sale. The relevant market price is determined on the basis of the market price in the closing auctions in the Xetra trading system of the Frankfurt Stock Exchange (or a comparable successor system) on the final five trading days prior to the sale. The sale price for treasury shares is thus finalized shortly before the Board of Management sells the treasury shares with the consent of the Supervisory Board. The Board of Management will set any discount on the market price as low as possible in accordance with the prevailing market conditions at the time of placement. The discount on the market price at the time the authorization is exercised will not exceed 5 percent of the current market price under any

circumstances. Consequently, there is no risk of any impairment of the shareholders' assets. The interests of shareholders are further protected when treasury shares are sold to third parties in return for cash because the treasury shares sold while disapplying pre-emption rights must not exceed 10 percent of the lower of the issued capital at the time the authorization is granted and the issued capital at the time the authorization to disapply pre-emption rights is exercised. The upper limit of 10 percent of the issued capital is reduced by the pro rata amount of the issued capital that is attributable to shares that are issued during the term of this authorization, disapplying pre-emption rights, in direct application, or application with the necessary modifications, of section 186 (3) sentence 4 AktG. This restriction also includes shares that have been or are to be issued in order to service bonds with conversion rights, option rights, or conversion obligations in so far as the bonds were issued during the term of this authorization with the disapplication of pre-emption rights in application, with the necessary modifications, of section 186 (3) sentence 4 AktG.

These shares are not included, however, if the other exercised authorization is renewed. In this case, the disapplication limit will cease to apply to the extent that the renewed authorization permits the issue of shares with the disapplication of pre-emption rights in direct application, or application with the necessary modifications, of section 186 (3) sentence 4 AktG. If, for example, in addition to the authorization to sell treasury shares, there is also an authorization to increase the issued capital (authorized capital), the issue of shares on the basis of the authorized capital amounting to 10 percent of the issued capital with the disapplication of pre-emption rights pursuant to section 186 (3) sentence 4 AktG would be applied to the authorization to sell treasury shares first, with the result that no more purchased shares would be able to be issued with the disapplication of pre-emption rights. If the Annual General Meeting subsequently renews the authorized capital and grants another authorization to disapply pre-emption rights pursuant to section 186 (3) sentence 4 AktG for 10 percent of the issued capital, the disapplication limit in respect of the decision to sell shares that had previously been applied would no longer apply. The Company would subsequently be able to issue purchased shares, disapplying pre-emption rights, up to a limit of 10 percent of the issued capital.

This protects the interests of the shareholders as it ensures there is no dilution of their shareholding that cannot be reversed through a subsequent purchase of shares via the stock market; this is also the intention of the legislators as expressed in section 186 (3) sentence 4 AktG.

### **Disapplication of pre-emption rights in the event of an acquisition**

In the context of mergers and acquisitions, the authorization to disapply pre-emption rights is also aimed at enabling the Company to hold treasury shares in order to offer them as consideration in connection with mergers or acquisitions of entities or equity investments in entities. This form of consideration is becoming increasingly necessary due to the globalization of business at national and international level. The granting of shares in connection with an acquisition can help to protect the Company's liquidity. Frequently, the party selling an entity demands an equity investment in the buyer as consideration so that it can continue to benefit from the success of the entity that it has sold. The proposed authorization gives the Company the necessary flexibility to be able to use treasury shares as an acquisition currency and thus to be able to react promptly to attractive offers to purchase or invest in entities.

The authorization is also to cover indirect acquisitions of entities by the Company. In particular, this will enable a subsidiary to purchase an acquisition target while protecting its liquidity and without having to issue treasury shares. This means that the Company can maintain its 100 percent stake in the subsidiary carrying out the acquisition. Otherwise, there would be a risk, for example, that an existing control and/or profit transfer agreement between the Company and its subsidiary would end automatically.

The authorization to disapply pre-emption rights for the purpose of purchasing other assets eligible as capital contributions may be particularly useful if the seller of an acquisition target has stipulated an increase in the purchase price should certain events occur; this is the case with earn-out agreements, for example. The authorization will enable the Company to give (further) shares to the eligible party instead of cash in the event of subsequent purchase price payments.

By analogy with section 255 (2) AktG, the value of the acquired entity, part of an entity, equity investment, or other assets must not be unreasonably low in relation to the value of the shares to be issued, as determined by an overall assessment to be carried out by the Board of Management and Supervisory Board, so that there is no risk of any impairment of the shareholders' assets. If

specific acquisition opportunities present themselves, the Board of Management will carefully review them in the interests of the Company and will use the authorization granted to it only if the disapplication of shareholders' pre-emption rights appears appropriate, necessary and – in view of the shareholders' interests – proportionate. Only if these conditions are met will the Supervisory Board grant its consent. The basis for determining an appropriate value for the shares to be issued is usually the valuation of the entity or assets being acquired, derived from market prices or neutral valuation reports, e.g. prepared by auditing firms and/or investment banks. When determining the valuation basis, the Board of Management will take account of the market price of the Company's shares. However, the value would not be rigidly tied to the market price, as this could jeopardize the potential outcome of negotiations if there were any fluctuations in the market price.

#### **Disapplication of pre-emption rights in order to fulfill conversion rights or option rights**

In addition, the Company is to be given the option to use treasury shares purchased on the basis of the proposed authorization to fulfill option rights or conversion rights arising on bonds issued by the Company or a direct or indirect majority shareholding and to fulfill conversion obligations linked to such bonds.

If the Company makes use of this option, no contingent capital increase that would dilute the shareholders' shareholdings has to be carried out. This additional option to issue treasury shares while disapplying pre-emption rights would thus ultimately not affect shareholders' interests because the dilution resulting from the issue of treasury shares while disapplying pre-emption rights would occur anyway.

#### **Issue of shares as staff shares**

The Company is to be authorized to offer the purchased treasury shares as staff shares to employees of the Company and its affiliated companies (including members of the governing bodies). As a result, the Company would have the option to continue offering shares to these employees in the future. When deciding on the method for procuring the shares to be issued as staff shares, the Board of Management will be guided solely by the interests of

the Company and its shareholders. The additional option of using existing treasury shares instead of a capital increase or cash compensation may make commercial sense; the authorization is intended to increase flexibility without there currently being any specific plan to exercise the authorization. The issue of treasury shares to employees – generally subject to a multi-year lock-up period – is in the interests of the Company and its shareholders because it helps employees to identify more strongly with the Company and increases their motivation, thereby boosting the Company's enterprise value. Alternatively, shares can be procured and issued to employees of the Company and its affiliated companies – even without the adoption of a resolution by the Annual General Meeting – on the basis of section 71 (1) no. 2 AktG.

When determining the purchase price to be paid by employees, an appropriate subsidy can be granted that is customary for staff shares and is commensurate with the Company's success.

#### **Issue of shares as scrip dividends**

In addition, the purchased shares of the Company are to be used when carrying out a so-called scrip dividend, where shareholders are offered the option of transferring their dividend rights (wholly or in part) to the Company and, in return, receiving shares as a non-cash payment. Carrying out a scrip dividend using treasury shares can, for example, take the form of an offer to all shareholders that upholds their pre-emption rights and upholds the principle of equal treatment (section 53a AktG). The shareholders are only offered whole shares. In respect of any portion of the dividend entitlement that is below the subscription price for a whole share, shareholders are referred to the subscription of the cash dividend and are unable to receive shares for this amount. No offer of partial rights is envisaged, nor is the establishment of any trade in pre-emption rights or fractions thereof. Because the shareholders receive a pro rata cash dividend in lieu of the right to subscribe to treasury shares, this is regarded as justified and reasonable, however. It is also conceivable that certain non-German investors will not be offered a scrip dividend due to provisions of capital market law and will instead only receive a cash dividend. Depending on the capital market situation, it may be preferable in an individual case to structure the scrip dividend involving treasury shares in such a way that the Board of Management offers treasury shares to all shareholders eligible for dividends (while complying with the general principle of equal treatment (section 53a AktG)) in return for assigning their dividend entitlement, but at the same time formally disapplying the

shareholders' pre-emption rights. Formally disapplying pre-emption rights enables the scrip dividend to be carried out on more flexible terms. In view of the fact that all shareholders are offered the treasury shares and surplus fractional dividend amounts are settled through payment of a cash dividend, the disapplication of pre-emption rights therefore appears to be justified and reasonable in this case too. The Company will also make Authorized Capital I available for this purpose. When deciding on the method – or combination of methods – for procuring the shares to be used to facilitate such measures, the Board of Management will be guided solely by the interests of the Company and its shareholders. The additional option of using existing treasury shares instead of a capital increase or cash compensation may make commercial sense, and in this respect the authorization is intended to increase flexibility.

#### **Disapplication of pre-emption rights for fractional amounts**

Finally, the Board of Management is to be authorized, with the consent of the Supervisory Board, to disapply pre-emption rights of shareholders for fractional amounts in the event of treasury shares being sold as part of an offer of sale made to all shareholders. This is necessary for the technical implementation of the sale of purchased treasury shares by means of an offer to shareholders.

#### **Concluding assessment of the authorizations to disapply pre-emption rights**

When viewed abstractly, the authorizations to disapply shareholders' pre-emption rights are in the interests of the Company. The proposed authorizations adequately protect the interests of shareholders. There are currently no specific plans to exercise the authorizations.

When deciding on the exercise of the authorizations, the Board of Management will be guided solely by the best interests of the Company and its shareholders. Moreover, this does not require the consent of the Supervisory Board.

If the Board of Management exercises the authorizations, it will report on them at the next Annual General Meeting.



## II. REQUIREMENTS FOR ATTENDANCE AT THE ANNUAL GENERAL MEETING AND THE EXERCISE OF VOTING RIGHTS

### 1. TOTAL NUMBER OF SHARES AND VOTING RIGHTS

The issued capital of the Company amounting to €308,978,241.98 was divided into 120,861,783 no-par-value bearer shares on the date on which this Annual General Meeting was convened. Each share confers one vote. All the shares are of the same type. The Company held no treasury shares on the date on which this Annual General Meeting was convened.

### 2. REQUIREMENTS FOR ATTENDANCE AT THE ANNUAL GENERAL MEETING AND THE EXERCISE OF VOTING RIGHTS

#### **Annual General Meeting without the physical presence of the shareholders**

In accordance with section 1 (1) and (2) of the COVID-19 Act and with the consent of the Supervisory Board, the Board of Management has decided that this year's Annual General Meeting is to be held in the form of a virtual general meeting without the physical presence of the shareholders or their authorized representatives. Parliament has however explicitly allowed proxies nominated by the Company to attend in person as representatives of the shareholders. **No shareholders or other shareholder representatives (with the exception of the proxies appointed by the Company) are permitted to attend the virtual Annual General Meeting in person.**

Shareholders or their authorized representatives can exercise voting rights exclusively by means of electronic communication (electronic postal vote) or by granting authority to the proxies nominated by the Company. Shareholders or their authorized representatives as defined by section 118 (1) sentence 2 AktG cannot participate electronically in the meeting.

The Annual General Meeting will take place in the offices of the Company in Cologne, at Ottostrasse 1, 51149 Cologne (Porz-Eil), attended by the Chairman of the Supervisory Board, the Chairman of the Board of Management, and other members of the Supervisory Board and of the Board of Management, the proxies nominated by the Company, and the notary charged with taking the minutes of the Annual General Meeting.

Holding the 2022 Annual General Meeting as a virtual Annual General Meeting in accordance with the COVID-19 Act requires modifications to the procedures of the Annual General Meeting and to the rights of the shareholders. An audio and video web-cast of the entire Annual General Meeting will be streamed on the internet, shareholders will be permitted to exercise their voting rights via electronic communication (electronic postal voting) and by authorizing proxies, shareholders will be granted the right to ask questions by means of electronic communication in advance of the virtual Annual General Meeting, and shareholders who have exercised their voting rights can raise objections to resolutions of the Annual General Meeting by means of electronic communication.

The Company also intends, around one week prior to the date of the virtual Annual General Meeting, to publish a draft copy of the speech of the Chairman of the Board of Management in the version available at that time on the Company's website at <https://www.deutz.com/en/investor-relations/annual-general-meeting/2022/> in order to give the shareholders an opportunity to ask questions about it.

**We are therefore asking shareholders this year to take special note of the information below concerning registration for the Annual General Meeting, the exercising of voting rights, and other shareholder rights.**

Only shareholders who register with the Company prior to the Annual General Meeting and provide proof of their entitlement to attend the Annual General Meeting and exercise their voting rights will be entitled to attend the virtual Annual General Meeting and exercise their voting rights (including exercising their voting rights by means of electronic postal vote or via an authorized representative).

The proof of entitlement to attend the virtual Annual General Meeting and to exercise voting rights must relate to such status as at the start of the 21st day before the Annual General Meeting, i.e. as at **00.00 hours (CEST) on April 7, 2022 (the proof of entitlement reference date)**. The proof of entitlement is to be submitted in the form of evidence prepared by the last intermediary (e.g. the custodian bank) in German or English in text form. The proof

of entitlement to attend must be provided in accordance with the requirements pursuant to section 67c (3) AktG, which can be done with suitable proof of shareholding from the custodian bank.

Registration together with proof of entitlement to attend the virtual Annual General Meeting and exercise voting rights must reach the Company via the following address in text form (as defined in section 126b BGB) in either German or English by no later than **24.00 hours (CEST) on April 21, 2022**.

DEUTZ AG  
 c/o Deutsche Bank AG Securities  
 Production General Meetings  
 Postfach 20 01 07  
 60605 Frankfurt am Main  
 Germany  
 Fax: +49 (0)69 12 01 28 60 45  
 Email: wp.hv@db-is.com

In order for shareholders to follow the webcast of the virtual Annual General Meeting via the InvestorPortal at: <https://www.deutz.com/en/investor-relations/annual-general-meeting/2022/> and exercise additional shareholder rights, they must have registered in time and submitted proof of their shareholding to the Company. The custodian banks normally conduct the mandatory registration process and submit proof of shareholding on behalf of their customers. Shareholders are therefore asked to contact their custodian bank as early as possible. Once the registration and proof of shareholding have been received, the registration office will send the confirmation of registration by post to the shareholders eligible to attend; the necessary login details for the InvestorPortal are printed on the confirmation of registration. These login details enable shareholders to log onto the InvestorPortal and, as described below, exercise their shareholder rights in respect of the virtual Annual General Meeting. The exercise of shareholder rights by other means – as also described below – remains unaffected. We would ask shareholders to register and send in the proof as soon as possible so that they receive the Annual General Meeting login details in good time.

### 3. IMPORTANCE OF THE PROOF OF ENTITLEMENT REFERENCE DATE

The proof of entitlement reference date is the critical date regarding the number of persons with the right to attend and exercise voting rights at the virtual Annual General Meeting. Only those who have provided proof that they are shareholders as at the proof of entitlement reference date qualify as shareholders of the Company who can attend the virtual Annual General Meeting and exercise voting rights. Changes in shareholdings after the proof of entitlement reference date are disregarded for this purpose. Shareholders who have acquired their shares after the reference date are therefore not entitled to attend the Annual General Meeting or exercise voting rights. This does not affect the right of a seller to appoint the buyer as an authorized representative. Shareholders who have duly registered and provided the relevant proof are entitled to attend the virtual Annual General Meeting and exercise their voting rights and to ask questions even if they have sold the shares after the proof of entitlement reference date. This date has no effect on the marketability of shares and is of no relevance as far as any entitlement to dividends is concerned.

### 4. PROCEDURE FOR VOTING VIA AN AUTHORIZED REPRESENTATIVE PROXY OR BY MEANS OF ELECTRONIC POSTAL VOTE

Shareholders who do not wish to attend the virtual Annual General Meeting themselves may elect to have their voting rights exercised by an authorized representative such as an intermediary (e.g. a bank), a shareholder association, or the proxy nominated by DEUTZ AG. In this case too, timely registration and submission of the proof of entitlement to attend the Annual General Meeting and exercise a voting right is also required as specified in item II.2. If a shareholder appoints more than one authorized representative, the Company is entitled to reject one or more of them.

The granting or revocation of authority, together with the proof of authority, must be submitted to the Company in text form (as defined in section 126b BGB), unless the authority has been granted to an intermediary or a person equivalent to an intermediary in accordance with section 135 (8) AktG (including, but not limited to, shareholder associations, and voting consultants).

Within the scope of section 135 AktG (in particular authorization of intermediaries, shareholder associations, and voting consultants in accordance with section 134a AktG), neither section 134 (3) sentence 3 AktG nor the Statutes specifically require text form. If intermediaries, equivalent institutions, companies, shareholder associations, or other equivalent persons or entities within the meaning of section 135 (8) AktG are authorized to exercise voting rights, the authorized representative must merely retain the proxy declaration in a verifiable form; this proxy declaration must be complete and must only contain declarations relating to the exercise of voting rights. In such cases, shareholders are requested to consult the entity to be granted such authority in good time in order to ensure that the entity's requirements as regards the form of authority are satisfied.

Shareholders wishing to appoint a proxy that is not an intermediary (e.g. a bank) or equivalent person or association (including, but not limited to, a shareholder association) within the meaning of section 135 (8) AktG may do so using the form provided by the Company for this purpose. This form will be sent to properly registered persons together with their confirmation of registration. A form that can be used to appoint an authorized representative may also be downloaded from the website <https://www.deutz.com/en/investor-relations/annual-general-meeting/2022/>. There is no obligation to use the form provided by the Company. Shareholders may appoint proxies by other means, provided that the required formalities are observed. Shareholders who wish to make use of this option are requested to pass on to the authorized representative the InvestorPortal login details sent to them with the confirmation of registration.

The communication channels listed below are provided for notifying the Company of the appointment of an authorized representative, for cancelling such an appointment, and for submitting proof of the appointment, in particular electronically ('**communication channels**').

DEUTZ AG  
c/o Computershare Operations Center  
80249 Munich  
Germany  
Fax: +49 (0) 89 30 90 37 46 75  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

DEUTZ AG also offers shareholders the option of being represented at the virtual Annual General Meeting by employees of the Company who will then act in accordance with the instructions of the shareholder concerned. If a shareholder appoints as a proxy one of the proxies nominated by the Company for this purpose, the shareholder must have registered in a timely manner in advance in the same way and must issue instructions to the proxy for the exercise of his/her voting rights in respect of each individual agenda item that has been announced. Unless these instructions are issued, the proxies appointed by the Company will not represent the relevant votes. The proxies are under an obligation to vote in accordance with the instructions from the shareholders concerned. The proxy nominated by the Company is unable to accept any instruction to raise objections to resolutions of the virtual Annual General Meeting or to ask questions.

The proxy form sent to shareholders with the confirmation of registration may be used to authorize a proxy nominated by the Company and to issue instructions to this proxy. This form can also be downloaded from the website at <https://www.deutz.com/en/investor-relations/annual-general-meeting/2022/>. Proxy authorizations with instructions, their revocation, and the evidence of authorization must be submitted in text form (as defined in section 126b BGB).

The appointment of authorized representatives, proxy authorizations with instructions, and the issue or amendment of such instructions must be sent by post, fax, or email to reach the following address by no later than **17.00 hours (CEST) on April 27, 2022**:

DEUTZ AG  
c/o Computershare Operations Center  
80249 Munich  
Germany  
Fax: +49 (0) 89 30 90 37 46 75  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Shareholders can also grant proxies to third parties and issue authorization and instructions to the voting proxies nominated by the Company via the InvestorPortal at <https://www.deutz.com/en/investor-relations/annual-general-meeting/2022/>. Shareholders who wish to make use of the option to grant proxies to third parties are requested to pass on to their authorized representative the InvestorPortal login details sent to them with the confirmation of registration. The appointment of authorized representatives and the issuing of instructions to the proxies nominated by the Company can be communicated or amended via the InvestorPortal – even after 17.00 hours (CEST) on April 27, 2022 – until voting is closed by the meeting chairman at the virtual Annual General Meeting.

The foregoing information on the submission of notifications and the deadlines to be complied with also apply to a revocation of the authority granted to an authorized representative or to a proxy nominated by the Company, and for amendments to instructions.

### Voting by electronic postal vote

Shareholders can also exercise their voting right by means of electronic postal vote. This also requires timely registration and the submission of evidence of shareholding. Authorized representatives, authorized intermediaries (e.g. banks), shareholder associations, voting consultants, or their equivalents in accordance with section 135 AktG can also use electronic postal votes.

Postal votes can only be submitted by means of electronic communication via the InvestorPortal at <https://www.deutz.com/en/investor-relations/annual-general-meeting/2022/>. Postal votes may be submitted or amended via the InvestorPortal until the meeting chairman closes postal voting before the start of actual voting at the virtual Annual General Meeting.

## 5. REQUESTS FOR ADDITIONS TO THE AGENDA, MOTIONS, NOMINATIONS FOR ELECTION, REQUESTS FOR INFORMATION, OPPORTUNITY TO OBJECT

### 5.1 Requests for additions to the agenda submitted by a minority pursuant to section 122 (2) AktG

Shareholders whose shareholdings together account for one twentieth or more of the issued capital or a proportion equivalent to €500,000.00 of the issued capital or more may request that items be added to the agenda and be duly published. Each new item must be accompanied by the reasons for the item or a proposed resolution. The request must be submitted in writing to the Board of Management of DEUTZ AG.

The persons submitting the request must prove that they have held the shares for at least 90 days prior to the receipt of the request and that they will continue to hold the shares until the Board of Management has decided upon the request. Please refer to the rules in section 70 AktG about calculating the length of time that shares have been held. Appropriate confirmation from the last intermediary (e.g. custodian bank) will suffice as proof.

Requests for additions to the agenda must reach the Company by no later than **24.00 hours (CEST) on March 28, 2022**. Please send any such requests to the following address:

DEUTZ AG  
Board of Management  
Ottostrasse 1  
51149 Cologne (Porz-Eil)  
Germany

Unless they have already been published with the notice of the Annual General Meeting, any new additions to the agenda will be published on receipt of the request without delay in the German Federal Gazette and in media that can be assumed to distribute the information throughout the whole of the European Union. They will also be published on the DEUTZ AG website at [www.deutz.com/en/investor-relations/annual-general-meeting/2022/](https://www.deutz.com/en/investor-relations/annual-general-meeting/2022/) and notified to shareholders.

## 5.2 Motions and nominations for election from shareholders in accordance with section 126 (1) and section 127 AktG

Counterproposals within the meaning of section 126 AktG and nominations for election within the meaning of section 127 AktG – including the name of the shareholder, any justification that is based on legal requirements (not required for nominations for election), and any response from the management – will be made available by the Company on the DEUTZ AG website at [www.deutz.com/en/investor-relations/annual-general-meeting/2022/](https://www.deutz.com/en/investor-relations/annual-general-meeting/2022/), provided that the shareholder sends them to the following address at least 14 days before the meeting, i.e. by no later than **24.00 hours (CEST) on April 13, 2022**.

DEUTZ AG  
Investor Relations  
Ottostrasse 1  
51149 Cologne (Porz-Eil)  
Germany  
Fax: +49 (0) 221 822 15 249 1  
Email: [ir@deutz.com](mailto:ir@deutz.com)

The Company may decline to make a counterproposal and the reasons for the counterproposal available on its website if one of the criteria for exclusion as specified by section 126 (2) sentence 1 AktG is deemed to be met, e.g. because the counterproposal would lead to a decision by the Annual General Meeting that would be in contravention of the law or the Statutes. The reasons for a counterproposal do not need to be made available if the text amounts to more than 5,000 characters in total.

The aforementioned rules apply analogously to any proposal by a shareholder concerning the election of members of the Supervisory Board or the appointment of auditors. The Board of Management does not have to make a nomination for election available if the nomination does not include the information pursuant to section 127 sentence 3 AktG in conjunction with section 124 (3) sentence 4 and section 125 (1) sentence 5 AktG.

Shareholders are requested to include proof of their status as a shareholder when they send in their counterproposal or nomination for election.

By publishing counterproposals and/or nominations for election in accordance with the above, the Company is fulfilling its statutory duty under sections 126 (1) and 127 AktG, as these requirements remain unaffected by the COVID-19 Act. Shareholder motions or nominations for election to be made available in accordance with sections 126 or 127 AktG are deemed to have been made at the meeting if the shareholder proposing the motion or nomination is duly authorized and has registered for the Annual General Meeting.

## 5.3 Right of shareholders to ask questions by means of electronic communication

Shareholders will be granted the right to ask questions by means of electronic communication in accordance with section 1 (2) sentence 1 no. 3 and sentence 2 of the COVID-19 Act. The Board of Management has stipulated, in agreement with the Supervisory Board, that shareholders will not have a right to ask questions at the virtual Annual General Meeting itself. Questions from shareholders or authorized representatives may only be submitted via the InvestorPortal at <https://www.deutz.com/en/investor-relations/annual-general-meeting/2022/> and must have reached the Company **by no later than 24.00:00 hours (CEST) on April 26, 2021**. Questions received after this time will be disregarded. Only duly registered shareholders or authorized representatives who have furnished the required proof of shareholding have a right to submit questions. By way of derogation from section 131 AktG, the Board of Management decides at its own discretion, exercising all due care and diligence, whether it will answer the questions at the virtual Annual General Meeting.

## 5.4 Opportunity to object to resolutions of the Annual General Meeting

Shareholders will be given the opportunity to object to resolutions of the virtual Annual General Meeting in accordance with section 1 (2) sentence 1 no. 4 of the COVID-19 Act. Objections may only be submitted via the InvestorPortal at <https://www.deutz.com/en/investor-relations/annual-general-meeting/2022/> and may be raised only by shareholders who have exercised their voting right by electronic postal vote or by proxy. Objections can be raised at any time from the start of the virtual Annual General Meeting until it is closed by the meeting chairman, stating the resolution to which the objection relates. Objections may also be submitted through an authorized representative. The voting proxies nominated by the Company are not available for this purpose. Objections received will be forwarded to the recording notary.

## 6. RESOLUTIONS

No resolutions will be adopted in respect of agenda item 1. Votes on all of the other agenda items except agenda item 6 are binding.

For each vote, the options available are: voting in favor, voting against, or abstaining.

## 7. PUBLICATION OF INFORMATION ON THE WEBSITE

The following information is available on the DEUTZ AG website at [www.deutz.com/en/investor-relations/annual-general-meeting/2022/](http://www.deutz.com/en/investor-relations/annual-general-meeting/2022/) in accordance with section 124a AktG:

- This notice of the Annual General Meeting;
- Explanation as to why there is no voting on the subject matter under agenda item 1;
- The documents to be made available to the Annual General Meeting;
- The total number of shares and voting rights on the date of the notice of the Annual General Meeting;
- Access to the InvestorPortal;
- Any requests from shareholders for additions to the agenda pursuant to section 122 (2) AktG received by the Company after the notice of the Annual General Meeting was issued.

Any other pertinent information – such as counterproposals and nominations for election received from shareholders and further explanatory notes on the shareholders' right to ask questions described under point 5.3 – will be made available on the Company's aforementioned website.

## 8. INFORMATION TO BE MADE AVAILABLE

The adopted single-entity financial statements of DEUTZ AG, the approved consolidated financial statements and the combined management report for DEUTZ AG and the Group for the 2021 financial year, together with the explanatory reports of the Board of Management concerning the disclosures pursuant to section 289a and section 315a in conjunction with section 294 (4) HGB, and the report of the Supervisory Board for the 2021 financial year will also be made available on the website of DEUTZ AG at [www.deutz.com/en/investor-relations/annual-general-meeting/2022/](http://www.deutz.com/en/investor-relations/annual-general-meeting/2022/) in accordance with section 124a AktG.

From the date on which the Annual General Meeting is convened, the following documents concerning agenda items 7 and 8 will be made available during regular business hours:

- Control and profit transfer agreement dated January 24, 2022 between DEUTZ AG and DEUTZ Deutschland GmbH;

- Annual financial statements of DEUTZ AG and consolidated financial statements of the Group for 2019, 2020, and 2021, as well as the management reports of DEUTZ AG and of the Group for the same years;
- Joint report of the Board of Management of DEUTZ AG and the managing directors of DEUTZ Deutschland GmbH pursuant to section 293a AktG;
- Report of the Board of Management concerning the disapplication of pre-emption rights in accordance with section 186 AktG when purchasing treasury shares.

## 9. DATA PROTECTION INFORMATION FOR SHAREHOLDERS AND THEIR REPRESENTATIVES

DEUTZ AG processes personal data as a controller within the meaning of Article 4 No. 7 of the General Data Protection Regulation (GDPR) in order to enable shareholders and their representatives to participate in the virtual Annual General Meeting and exercise their rights at the Annual General Meeting. Such processing also enables DEUTZ AG to fulfill its other obligations as a controller under stock-corporation law (e.g. publication and disclosure obligations). Data is deemed to be personal data if it relates to an individual. The pertinent data protection rules that apply in Germany are satisfied.

The controller can be contacted as follows:

DEUTZ AG  
Data Protection Officer  
Ottostrasse 1  
51149 Cologne (Porz-Eil)  
Germany  
Tel: +49 (0) 221 8222 03 0  
Fax: +49 (0) 221 8221 52 03 0  
Email: [datenschutz@deutz.com](mailto:datenschutz@deutz.com)

The following items of personal data are processed in respect of each shareholder and each person who has been authorized by a shareholder to exercise, in his or her own name, the shareholder's voting rights attaching to shares: last name and first name, address, email address if applicable (if supplied or known), number of shares, class of share, type of shareholding (own shareholding [Eigenbesitz], third-party shareholding [Fremdbesitz], or proxy shareholding [Vollmachtsbesitz]), and registration confirmation number.

The following personal data is processed in relation to a shareholder's representative: last name and first name, address.

If this personal data is not sent to us by the shareholder or the shareholder's representative when registering for the virtual Annual General Meeting, when participating in the virtual Annual General Meeting, when submitting a request for additions to the agenda pursuant to section 122 AktG, or when sending in a counterproposal or nomination for election pursuant to sections 126 and 127 AktG, the custodian bank of the shareholder in question will send us this personal data.

If countermotions or nominations for election pursuant to sections 126 and 127 AktG are submitted, they will be published on the Company's website, i.e. made publicly available, together with the name of the shareholder concerned, the reasons for the counter-motion or nomination for election, and any comment by the management of the Company.

An attendance list will be kept at the virtual Annual General Meeting. This list contains the personal data required by section 129 AktG for the attendees at the Annual General Meeting and for the shareholders represented, including name, place of residence, the number of shares represented by each authorized representative, and the class of such shares. On request, any shareholder must be permitted to inspect the attendance list for a period of two years after the Annual General Meeting.

The personal data is stored in accordance with statutory requirements and is deleted once the relevant record retention requirements no longer apply.

The processing of personal data is essential to participation in the Annual General Meeting and to the exercising of the shareholder's rights. The legal basis for processing is Article 6 (1) c) GDPR.

The service providers engaged by the Company to organize the virtual Annual General Meeting receive from the Company only the personal data that they need to perform the services for which they have been engaged, and they process the data solely in accordance with the instructions given by the Company as controller.

Provided the relevant statutory requirements are met, data subjects have a right of access (Article 15 GDPR), right to rectification (Article 16 GDPR), right to restriction (Article 18 GDPR), right to object (Article 21 GDPR), right to portability (Article 20 GDPR), and right to erasure (Article 17 GDPR) in respect of their personal data. Data subjects may assert these rights free of charge vis-à-vis DEUTZ AG using the following contact details:

DEUTZ AG  
Data Protection Officer  
Ottostrasse 1  
51149 Cologne (Porz-Eil)  
Germany  
Tel: +49 (0) 221 82 22 03 0  
Fax: +49 (0) 221 822 15 20 30  
Email: [datenschutz@deutz.com](mailto:datenschutz@deutz.com)

Shareholders and their representatives have a right to lodge a complaint with the data protection supervisory authority pursuant to Article 77 GDPR. Shareholders and their representatives can also contact our data protection officer using the contact details provided above.

Cologne, March 2022

DEUTZ AG  
The Board of Management

DEUTZ AG  
51149 Cologne  
[www.deutz.com](http://www.deutz.com)

