

REPORT OF THE SUPERVISORY BOARD

Dear shareholders of Mutares SE & Co. KGaA,

the financial year 2021 was the most successful in the history of Mutares SE & Co. KGaA ("Company") so far, notwithstanding significant adverse effects of the ongoing COVID-19 pandemic on the Company's business and the economic environment. Mutares has successfully mastered the operational challenges and resolutely seized the opportunities presented by a business model focused on restructuring in a difficult economic environment. The Supervisory Board is very satisfied with what was achieved in 2021 and sees this as an excellent basis for Mutares' further positive development.

Personnel and structure

There were no changes to the Supervisory Board of the Company in the reporting year 2021; the terms of office of the four Supervisory Board members in office in accordance with the Articles of Association, Volker Rofalski (Chairman of the Supervisory Board), Dr. Axel Müller (Deputy Chairman of the Supervisory Board), Prof. Dr. Micha Bloching and Dr. Lothar Koniarski, end at the close of the Annual General Meeting in 2024.

In 2021, the Audit Committee of the Company's Supervisory Board consisted unchanged of the two members Dr. Axel Müller (Chairman) and Volker Rofalski.

The general partner Mutares Management SE assumes the management and representation of the Company through its Management Board, in the reporting year 2021 consisting of Robin Laik (Chairman), Mark Friedrich, Dr. Kristian Schleede and Johannes Laumann (hereinafter " Management Board").

The Supervisory Board of the Company would like to thank the Management Board of Mutares Management SE for its continued trusting and close cooperation in the financial year 2021. The Supervisory Board would like to express its special thanks to Dr. Kristian Schleede, who left the Management Board by mutual agreement on 31 December 2021, for his many years of successful work for Mutares. Since 1 January 2022, the Management Board has thus been composed of Robin Laik (Chairman), Mark Friedrich (CFO) and Johannes Laumann (CIO). Kristian Schleede's responsibilities have been distributed across several shoulders on the Management Board.

Activity report for the financial year 2021

The Supervisory Board of the Company performed the duties incumbent upon it by law, the Articles of Association and the Rules of Procedure. It met five times with all members of the Supervisory Board present (in some cases by video conference) and at least one member of the Management Board present; the Supervisory Board also met regularly without the Management Board. In addition, resolutions of the Supervisory Board of the Company were prepared, discussed and adopted by electronic means of communication at eleven resolution meetings, each attended by all members of the Supervisory Board.

Composition of the Supervisory Board

Meetings of the Supervisory Board of Mutares SE & Co. KGaA and its committees

Overview of plenum and committee meetings and individual attendance in the financial year 2021

Member	Term	Plenum	in %	Audit committee	in %
Volker Rofalski (Chairman)	until 2024	5 / 5	100	5 / 5	100
Dr. Axel Müller (Deputy Chairman) (Chairman of the Audit Committee)	until 2024	5 / 5	100	5 / 5	100
Dr. Lothar Koniarski	until 2024	5 / 5	100		
Prof. Dr. Micha Bloching	until 2024	5 / 5	100		

Meetings of the Supervisory Board of Mutares Management SE

Overview of the plenum meetings as well as individual participation in the financial year 2021

Member	Term	Plenum	in %
Volker Rofalski	until 2024	5 / 5	100
Dr. Axel Müller	until 2024	5 / 5	100
Dr. Lothar Koniarski (Deputy Chairman)	until 2024	5 / 5	100
Prof. Dr. Micha Bloching (Chairman)	until 2024	5 / 5	100

In particular, the Supervisory Board of the Company accompanied the Management Board both in the operational development of the Group and in all portfolio decisions on the basis of a timely exchange of information and dealt regularly and in detail with the situation of the Company.

To this end, the Supervisory Board obtained regular reports from the Management Board on current developments in the Company and its net assets, financial position and results of operations, and discussed this information in detail with the Management Board. This also included information on deviations of the actual development from previously reported targets of the Company as well as deviations of the actual business development from the Company's planning.

In addition, the Management Board provided regular and comprehensive information on all relevant topics relating to operational management, including significant developments at the individual portfolio companies and their economic results. In the reporting period, this included an intensive continuous exchange of information on the effects of the COVID-19 pandemic on the Company and the operating businesses of the portfolio companies and the measures taken in this regard, acquisitions and disposals of portfolio companies, financing topics such as the bond increased in

February 2021 by EUR 10,0 million to a total volume of EUR 80,0 million, and a rights issue with gross proceeds of around EUR 100,0 million in connection with the uplisting to the Prime Standard (Regulated Market) of the Frankfurt Stock Exchange in October 2021, and finally the topics of IT structure, human resources, compliance, risk management, material litigation, and IR activities.

The Supervisory Board fulfilled its duty to audit the content of the separate non-financial Group report by providing continuous audit support during its preparation. It was involved from the outset in the process of identifying the main issues and associated concepts, measures and results. It was regularly informed by the responsible CSR project team at the Audit Committee meetings about the progress of the preparation of the non-financial Group report and provided with key information. The Supervisory Board was directly involved in the management concepts and selection of the non-financial indicators to ensure congruence with the long-term orientation of the Company.

Outside of meetings, the Management Board also provided the members of the Supervisory Board of the Company with regular and timely information on current business, updated key financial figures and matters of particular importance. The Management Board submitted without delay all documents of the Company which the Supervisory Board wished to inspect in the course of fulfilling its statutory duties and answered all questions raised in this context to the full satisfaction of the Supervisory Board.

The Supervisory Board regularly reviews its activities for efficiency. Against this background, it has established an Audit Committee. In view of the small size of the Supervisory Board, there is no need for further committees or other efficiency-enhancing measures.

Each member of the Supervisory Board discloses to the Chairman of the Supervisory Board any conflicts of interest that may arise in accordance with the recommendations of the German Corporate Governance Code ("GCGC"). In the past financial year, there were no indications or notifications regarding conflicts of interest on the part of Supervisory Board members. The same applies to conflicts of interest of members of the Management Board.

The members of the Supervisory Board are responsible for their own training and development. They are supported in this by the Company. In the reporting period, the members of the Supervisory Board took part in various internal and external events to maintain and expand their expertise. At one meeting, the Supervisory Board dealt in detail with current regulatory developments in the areas of compliance and corporate governance.

Audit Committee

The Audit Committee of the Supervisory Board of Mutares SE & Co. KGaA met five times in the reporting period, in addition to several informal votes. All meetings of the Audit Committee were attended by all committee members and at least one member of the Management Board during the reporting period.

In addition to preparing the audit and approval of the annual financial statements, topics included a review of the process for preparing the Company's annual financial statements and consolidated financial statements for the financial year 2021 together with the auditor and representatives of the Company's finance department, as well as an update on the preparation of the audits and the determination of audit priorities. In addition, the Audit Committee dealt intensively with the Company's first non-financial (consolidated) reporting for the financial year 2021 with the aim of gaining a direct impression of the quality of the preparation process sufficient for an audit of the report prepared by the Management Board, on which the Supervisory Board could then base its final audit opinion.

Corporate governance, responsibility and sustainability

In the reporting year 2021, the Company has decided to uplist to the Prime Standard of the Regulated Market of the Frankfurt Stock Exchange and thus also to the highest level of transparency with regard to corporate governance. The Supervisory Board continuously monitors the development of corporate governance practices. Particularly against the background of the move to the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange, the Supervisory Board has dealt intensively with the principles, recommendations and suggestions of the GCGC. Together with the Supervisory Board, the Management Board reports in detail on the Company's corporate governance in the "Declaration on Corporate Governance". The Management Board and Supervisory Board last issued their annual Declaration of Conformity based on the GCGC in its version of 16 December 2019 in December 2021 (Section 161 AktG); the Company makes this permanently available to the public on its website.

Responsible action is firmly anchored in the corporate values at Mutares. Mutares has already committed to the UN initiative "Global Compact" on corporate responsibility and its four principles in the areas of human rights, labor, environment and corruption prevention in March 2021. The Supervisory Board welcomes this extra-mandatory voluntary commitment as an important signal for long-term sustainable corporate governance.

Mutares has published a non-financial reporting for the first time for the financial year 2021 and thus fully informs investors and the public about the sustainability position of the Mutares Group according to CSR-RUG and EU taxonomy. The non-financial (consolidated) report is publicly available on the Company's website.

Audit of the annual financial statements and consolidated financial statements for the financial year 2021

Deloitte GmbH Wirtschaftsprüfungsgesellschaft audited the annual financial statements of Mutares SE & Co. KGaA (prepared in accordance with the German Commercial Code) and the consolidated financial statements of Mutares SE & Co. KGaA (prepared in accordance with IFRS), each as of 31 December 2021, prepared by the managing Mutares Management SE as general partner. The annual financial statements and the consolidated financial statements were each issued with an unqualified audit opinion.

At its meeting on 7 April 2022, which was also held by means of telecommunications against the background of the current COVID-19 pandemic, the Supervisory Board discussed and reviewed the annual financial statements and the consolidated financial statements for the financial year 2021 in detail; the auditor's reports were available to the Supervisory Board in each case. Both the Management Board of Mutares Management SE and the undersigned auditors from Deloitte GmbH Wirtschaftsprüfungsgesellschaft were connected to the meeting. They were thus available for detailed explanations of both sets of financial statements and answered all of the Supervisory Board's questions to its complete satisfaction. The auditors reported on the scope, focus and main findings of their audit, in particular on the main points of the audit and the audit procedure. No material weaknesses in the internal control and risk management system were reported.

As a final result of its own review, the Supervisory Board – following the proposal of the Audit Committees meeting on 4 April 2022 - determined that there were no objections to the annual financial statements, the consolidated financial statements and the combined management report. Following the proposal of the Audit Committee at its meeting on 4 April 2022, the Supervisory Board approved both the annual financial statements and the consolidated financial statements of the Company. At the same time, in agreement with the Management Board of Mutares Management SE, it resolved to propose to the Annual General Meeting of the Company that the annual financial statements of the Company for the financial year 2021 be adopted as prepared by the general partner in accordance with Section 286 (1) sentence 1 AktG.

In addition, the Management Board of Mutares Management SE has also prepared a non-financial (consolidated) report in accordance with Sections 289b, 315b HGB. The Supervisory Board reviewed the non-financial reporting in its meeting on 7 April 2022 - prepared on 4 April 2022 by the meeting of the Audit Committee - and did not find any objections.

Valuation of the financial year 2021

In the view of the Supervisory Board, the business model of the Mutares Group as a listed private equity house focused on restructuring has not only proven to be resilient, but additionally promising, even in the pandemic-related economic crisis of 2021.

Pandemic-related threats to the continued existence of individual portfolio companies were successfully averted, not least thanks to the intensive support provided by the Group's own consultants; significant restructuring progress was made at numerous portfolio companies despite multiple operating challenges.

The market opportunities that open up for restructuring specialists in economic crises were very actively exploited: Transaction activity as the core of Mutares' business

model was increased again to a record number of 20 transactions closed in 2021, thereof 14 on the buy side and 6 on the sell side.

As a basis for a further intensified use of opportunities, the corporate bond issued in 2020 was increased by EUR 10,0 million from EUR million 70,0 to EUR 80,0 million in the first quarter of 2021. A special milestone is the successful rights issue in October 2021 with a volume of around EUR 100,0 million in gross proceeds in connection with the uplisting to the highest transparency level of the Regulated Market of the Frankfurt Stock Exchange, the Prime Standard.

Thanks to significant contributions from all three earnings pillars of the Mutares business model - intragroup consulting services, dividend payments from portfolio companies, and exit proceeds - Mutares SE & Co. KGaA was thus able to achieve the highest net profit in its history in 2021, to the great satisfaction of the Supervisory Board.

A resistant and promising business model alone does not guarantee such outstanding economic successes in times of unforeseeable economic crises; rather, they are very much based on the impressive commitment and outstanding drive with which the enormous challenges of 2021 were tackled by the Management Board. The Supervisory Board would like to express its great appreciation and special thanks to the Management Board for this.

We would also like to express our gratitude and appreciation to all employees of the Mutares Group for their excellent performance and great commitment - especially in the still difficult pandemic situation.

Proposal for the appropriation of profits

According to the German Stock Corporation Act (AktG), the dividend distributable to shareholders is based on the retained earnings reported in the annual financial statements of Mutares SE & Co. KGaA.

The Supervisory Board of the Company follows the proposal for the appropriation of profits of the general partner Mutares Management SE and has in turn also resolved to propose to the Annual General Meeting of the Company to distribute to the shareholders an amount of EUR 30,939,384.00 (excluding treasury shares) from the Company's retained earnings as of 31 December 2021 of EUR 75,865,346.02, which corresponds to a dividend of EUR 1.50 per dividend-bearing share, and to carry forward the remaining amount of EUR 44,925,962.02.

As a private equity company listed in the Prime Standard on the stock exchange, Mutares allows its shareholders to participate very directly in the profits of its successful business model, which is focused on restructuring, subject to a corresponding resolution by the Annual General Meeting.

Outlook

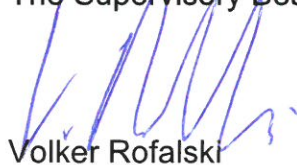
In the past financial year, Mutares has set an important course with the capital measures designed for further growth, the high level of transaction activity, the opening of additional offices in Stockholm, Madrid, Vienna and Amsterdam, the expansion of the investment team and, last but not least, the uplisting to the Prime Standard.

The ongoing conflict between Ukraine and Russia has been at war since 24 February 2022. In particular, from today's perspective, the Supervisory Board cannot rule out the possibility that the overall effects will have a negative impact on the financial position, net assets and results of operations of Mutares.

The Supervisory Board is optimistic that, despite the continuing challenging economic environment, the Group's success factors - a promising business model, excellent management, highly committed employees and the highest standards of transparency - will continue to have a positive impact in 2022.

With this assessment, the Supervisory Board assumes that Mutares SE & Co. KGaA and the entire Mutares Group will continue their success story in the financial year 2022.

The Supervisory Board of Mutares SE & Co. KGaA,



Volker Rofalski

Chairman of the Supervisory Board
Munich, April 2022