

TO CUMMINS SHAREHOLDERS:

Strong economic recovery and higher demand for our products resulted in record full year revenues for the company in 2021. At the same time, our industry experienced significant supply chain constraints that negatively impacted manufacturing, logistics and material costs. We have taken actions to improve our margins and implemented cost reduction initiatives and operational improvements. I am confident that we have the right strategy in place to continue powering a more prosperous world for our customers and shareholders for the next 100 years.

2021 FINANCIAL PERFORMANCE

Revenues in 2021 were \$24 billion, 21 percent higher than 2020. In North America, revenues increased 17 percent and international revenues increased by 27 percent. Earnings before interest, tax, depreciation and amortization (EBITDA) for the year were \$3.5 billion, or 14.7 percent of sales. This compares to EBITDA of \$3.1 billion, or 15.7 percent of sales in 2020. Net income attributable to Cummins in 2021 was \$2.1 billion, compared to \$1.8 billion in 2020.

Cummins generated a Return on Invested Capital of 16 percent while returning \$2.2 billion of Operating Cash Flow to shareholders in the form of dividends and share repurchases. The company increased the dividend from \$1.35 to \$1.45 a share, our 12th straight year of dividend growth. This increase is indicative of the company's commitment to delivering strong returns to shareholders and reflects confidence in our short- and long-term performance.

LEADING THE TRANSITION TO A ZERO EMISSIONS FUTURE

Climate change is the existential crisis of our time, and the decarbonization of our economy is critical to our way of life. Our industry will play a key role in that effort. Our journey to zero emissions is also a growth opportunity for Cummins. We are confident in our ability to play a leading role in bringing lower carbon technologies to the commercial and industrial markets globally and to generate strong returns due to the unique capabilities Cummins has built over many years.

- We are a leader in the key technologies for zero tailpipe emissions in commercial and industrial applications and are investing further to strengthen our position. We are also a leader in the transition technologies that will be needed in our industry for many, many years; technologies that lower carbon emissions while still offering customers economic solutions in hard to abate applications.
- We have existing relationships with leading original equipment manufacturers (OEMs) and customers around the globe and are continually forming new partnerships with market leaders in a variety of industries. These relationships bring us visibility to opportunities and product plans, economies of scale in production and service, and the trust of those making key purchasing decisions.
- We have deep knowledge of our end markets and applications, each of which has unique technical, performance and service demands. We know how to

adapt existing and new technologies into products our customers can use and operate economically.

- We are building a combination of businesses that have both the capability to serve the industry and the agility necessary to quickly pivot our product offerings depending on changes in regulations or infrastructure, advancements in technology and end user preference.
- We have invested significantly to attract and build the best talent and to create an environment for innovation and long-term success that will increase shareholder value. The pipeline of diverse and talented leaders that we have developed is our most sustainable strength irrespective of industry and business cycles. We remain focused on building business acumen and emotional intelligence for our leaders to successfully drive business results while effectively engaging with stakeholders.

Our strategy to lead in the transition is aligned with our sustainability goals, and we have a history of being a leader in sustainability and using that innovation as a growth driver for the company. Over the last 20 years, we have been able to reduce NOx and particulate matter emissions from today's engines by over 90%, delivering on our mission of powering a more prosperous world and simultaneously driving robust cash flow for our business. This new chapter of innovating for low carbon technology is another opportunity for us to deliver on our mission and provide solutions to our customers.

We have taken several steps to deliver the solutions needed to address climate change today in critical parts of the economy:

- We announced that we will bring a 15-liter natural gas engine to market for heavy-duty trucks.
- We are expanding the potential of hydrogen with a new internal combustion engine.
- We announced several key partnerships and acquisitions:
 - A global strategic partnership with Daimler to provide medium-duty powertrain systems for Daimler Trucks and Buses;
 - An agreement with Iberdrola to collaboratively accelerate the growth of business opportunities in the electrolyzer market of Iberia, promoting the green hydrogen value chain;
 - A Letter of Intent to acquire 50 percent equity interest in Momentum Fuel Technologies from Rush Enterprises to produce Cummins-branded natural gas fuel delivery systems for the commercial vehicle market in North America;
 - An agreement with Sion Power Corporation to design and supply battery cells based on their proprietary lithium metal technology for commercial vehicle applications; and
 - The formation of a 50:50 joint venture with Sinopec to form Cummins Enze, which will accelerate the affordability and availability of green hydrogen in China.

With the successful execution of our strategy over many years, we have maintained a strong financial position to continue investing in products and technologies to transition our industry to a zero emissions future that will fuel profitable growth, strengthen our existing portfolio of power solutions and return capital to shareholders. Only Cummins can power our customers' success through this transition with our growing portfolio of diesel, natural gas, propane, hydrogen, fuel cell and battery system solutions.

COMMITMENT TO OUR STAKEHOLDERS

Our long-standing commitment to our stakeholders — our communities, customers, employees, partners and shareholders — remains a top priority while leading in the journey to decarbonization. Aligned with our stakeholder model, we believe that each stakeholder in a company is served best by supporting every stakeholder.

At Cummins, we do this by living our core values inside and outside of the workplace. Our success depends on our ability to create a diverse, equitable and inclusive culture. We recognize and appreciate the differences brought by our employees, customers and suppliers that ultimately allow us to deliver superior results. Our more than 100 employee resource groups and local diversity councils promote diversity and inclusion across the globe.

Our communities also thrive when we create more equitable and inclusive environments. Last year, we launched the Cummins Advocating for Racial Equity (CARE) initiative that focuses on achieving police reform, realizing criminal justice reform, creating economic empowerment by building Black wealth and income, and driving social justice reform in healthcare, housing, workforce development and civil rights, including voting rights and education. To date, the program has positively impacted 311 Black-owned enterprises, influenced five laws and policy changes, participated in 13 advocacy efforts and engaged more than 300 volunteers.

We continue to invest significant time and funds into our communities. With the launch of Cummins Water Works last July, Cummins now has global strategic community initiatives aligned with each of our community priority areas of Education, Equality of Opportunity and Environment. In Education, Cummins TEC: Technical Education for Communities has grown to 27 schools in 14 countries. For Equality of Opportunity, our \$22 million commitment in Cummins Powers Women has benefitted 26 million women and girls. And finally, Cummins Water Works, our global community initiative for the Environment, focuses on being part of the collective action required to solve the growing global water crisis. Overall, employee-led volunteerism and grantmaking reached record levels last year, with \$35.5 million in global community giving and more than 186,000 volunteer hours.

LOOKING AHEAD

We continued to operate in a very difficult environment during 2021 and I want to thank our nearly 60,000 employees who helped drive our success, deliver for our customers and enhance our communities. We are excited for the opportunity to deliver strong results in 2022, as demand remains high across nearly all our global markets. We are confident in our ability to continue managing costs effectively to improve our margins and drive better performance, despite ongoing challenges in the supply chain.

We view the decarbonization journey as a significant opportunity for Cummins to leverage our technology leadership, application knowledge and global distribution network to lead in our industry, just as we have throughout the past 103 years. As we continue to execute our strategy, Cummins remains in a strong position to invest in future growth and continue leading in the transition to zero emissions.

A handwritten signature in black ink, appearing to read "Tom".

Tom Linebarger

Chairman and Chief Executive Officer

Cummins Inc.