

Report of the Supervisory Board



Dear Shareholders,
I would like to take this opportunity to inform you of the Supervisory Board's work over the past financial year.

Cooperation Between the Board of Management and the Supervisory Board

In the reporting year, the Supervisory Board diligently fulfilled its duties under applicable law and the company's Articles of Incorporation. The Supervisory Board continually advised the Board of Management, supervised its management of the company, and ensured that all actions taken were legal and proper and served their intended purpose. The Board of Management fulfilled its informational duties at all times and regularly, promptly, and comprehensively informed the Supervisory Board, both in writing and orally, of all issues relating to strategy, planning, business performance, risk exposure, risk management, compliance, and internal audit that were of material importance to the company and the INDUS Group. This included information about any divergence between the actual performance of the INDUS Group and previously reported goals and of the actual course of business from the originally communicated planning as well as information relating to significant other events.

The members of the Supervisory Board always had sufficient opportunity to critically review, in their plenary sessions and committees, the reports and proposed resolutions presented by the Board of Management, and to introduce suggestions of their own. This kept them informed of current business performance and asset development at all times. Matters to which the Supervisory Board devoted its attention included, in addition to corporate, financial, and investment planning, the company's risk exposure and risk management. Where necessary due to the law, the Articles of Incorporation, or the rules of procedure, the Supervisory Board provided approval on a case-by-case basis for business transactions requiring approval. Between board meetings, the Supervisory Board Chair also engaged in an intensive exchange of information and ideas with the Board of Management and was kept regularly informed of significant company developments as they happened. The Chair of the Audit Committee conferred bilaterally with the Chief Financial Officer and the Supervisory Board Chair on specific subjects. The Supervisory Board as the supervisory body was always included in all fundamental decisions.

Composition of the Supervisory Board

Ms. Isabella Pfaller resigned from the Supervisory Board effective at the end of the Annual Shareholders' Meeting on May 31, 2022. The 2022 Annual Shareholders' Meeting elected Ms. Barbara Schick as her successor. The Supervisory Board resolved to appoint Ms. Schick as the Chairwoman of the Audit Committee. The shareholder representatives on the Supervisory Board elected Ms. Schick as a member of the Nomination Committee. Apart from this, there were no other changes to the Supervisory Board or its committees. Details of the composition of the Supervisory Board and its committees can be found in the Annual Report in the "Management Bodies" section and on the INDUS website.

  See p. 9 and p. 140 et seq. as well as www.indus.de/en/about-indus/supervisory-board

Meeting Frequency and Attendance

The Supervisory Board held eight ordinary meetings in financial year 2022. Four Supervisory Board meetings were held as video conferences. The other four Supervisory Board meetings were held as physical meetings, with the option for individual members to attend by video link. In addition, the resolutions of the shareholder representatives on the Supervisory Board on independence were adopted in a video conference on March 17, 2022. The resolutions of the shareholder representatives on independence and the election of Ms. Schick to the Supervisory Board on April 28, 2022, were made in physical meetings with the option for individual shareholder representatives to join via video conference.

The Board of Management attended all Supervisory Board meetings except for the meeting held on June 8, 2022, although the Supervisory Board also regularly discussed agenda items without the Board of Management. Apart from the excused absence of one member at three Supervisory Board meetings and one Personnel Committee meeting and three other members at one Supervisory Board meeting each, all members of the Supervisory Board and the committees always took part in all meetings of the Supervisory Board and its committees. All shareholder representatives attended the shareholder representative Supervisory Board meetings in person or via video.

SUPERVISORY BOARD MEETINGS IN FINANCIAL YEAR 2022

| | Attendance at ordinary meetings | in % |
|---------------------------------------|------------------------------------|------|
| Supervisory Board | | |
| Jürgen Abromeit (Chairman) | 8/8 | 100 |
| Wolfgang Lemb (Deputy Chair) | 8/8 | 100 |
| Dr. Jürgen Allerkamp | 7/8 | 88 |
| Dr. Dorothee Becker | 5/8 | 63 |
| Dorothee Diehm | 7/8 | 88 |
| Pia Fischinger | 8/8 | 100 |
| Cornelia Holzberger | 8/8 | 100 |
| Gerold Klausmann | 8/8 | 100 |
| Isabella Pfaller (until May 31, 2022) | 4/4 | 100 |
| Barbara Schick (from May 31, 2022) | 4/4 | 100 |
| Helmut Späth | 7/8 | 88 |
| Uwe Trinogga | 8/8 | 100 |
| Carl Martin Welcker | 8/8 | 100 |

COMMITTEE MEETINGS IN FINANCIAL YEAR 2022

| | Attendance | in % |
|---|------------|------|
| Personnel Committee | | |
| Jürgen Abromeit (Chairman) | 2/2 | 100 |
| Dr. Dorothee Becker | 1/2 | 50 |
| Dorothee Diehm | 2/2 | 100 |
| Wolfgang Lemb | 2/2 | 100 |
| Audit Committee | | |
| Isabella Pfaller (Chairwoman until May 31, 2022) | 1/1 | 100 |
| Barbara Schick (Chairwoman from May 31, 2022) | 2/2 | 100 |
| Dr. Jürgen Allerkamp | 3/3 | 100 |
| Gerold Klausmann | 3/3 | 100 |
| Nomination Committee | | |
| Jürgen Abromeit (Chairman) | 7/7 | 100 |
| Isabella Pfaller (until May 31, 2022) | 2/2 | 100 |
| Barbara Schick (from May 31, 2022) | 5/5 | 100 |
| Carl Martin Welcker | 7/7 | 100 |

Conflicts of Interest

There were no indications that members of the Supervisory Board or Board of Management had conflicts of interest, which must be promptly disclosed to the Supervisory Board and of which the Annual Shareholders' Meeting is to be informed.

Corporate Governance

The Supervisory Board and the Board of Management issued an updated Declaration of Conformity with the German Corporate Governance Code on December 8, 2022, pursuant to Section 161 of the German Stock Corporation Act (AktG). The Declaration does not deviate from the Code and is available on the INDUS website.

Self-assessment of the Supervisory Board and its Committees

The Supervisory Board again performed a self-assessment of the entire body and the Personnel and Audit Committees in 2022. A corresponding survey was distributed to the members of the Supervisory Board in May 2022. The members of the Personnel and Audit Committees received an additional survey. The filled-out surveys were evaluated by the Supervisory Board Chairman and the findings and potential suggestions for the future were discussed at the Supervisory Board meeting on September 22, 2022. Overall, the self-assessment confirmed that the work of the Supervisory Board and the Personnel and Audit Committees was efficient and trustworthy.

Main Topics of the Meetings

The **first ordinary Supervisory Board meeting on March 17, 2022**, focused on the presentation and discussion of the 2021 separate and consolidated financial statements of INDUS Holding AG and the Group and the resolutions on these. Ms. Pfaller, the Chair of the Audit Committee, particularly explained significant aspects of accounting for the consolidated financial statements to the Supervisory Board. At the Audit Committee's recommendation and after in-depth discussion with the external auditor, Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, Cologne branch, the Supervisory Board approved the annual financial statements and the consolidated financial statements as well as the separate non-financial Group report for the financial year 2021. After a thorough review, the Supervisory Board had no objections to make to the joint management report and explanatory report by the Board of Management. In line with the recommendation of the Personnel Committee, the external auditor's formal and material review of the compensation report for the 2021 financial year was approved. The Supervisory Board agreed with the dividend and resolutions proposed by the Board of Management for the 2022 Annual Shareholders' Meeting. Based on the Audit Committee's suggestion, the Supervisory Board resolved to propose PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft at the 2022 Annual Shareholders' Meeting as the first choice for auditor of the separate and consolidated financial statements at the Supervisory Board meeting on December 8, 2021.

Other items on the agenda at the Supervisory Board meetings included the 2021 annual risk management and compliance report, the direct impacts of the war in Ukraine, and the current investments in the automotive field.

In the **second ordinary meeting held on April 28, 2022**, the Supervisory Board acknowledged Ms. Pfaller's resignation from the Supervisory Board effective with the end of the 2022 Annual Shareholders' Meeting, and the shareholder representatives' resolution to nominate Ms. Schick as successor at the 2022 Annual Shareholders' Meeting. The Supervisory Board also dealt with the company's performance in the first quarter of 2022 and specifically the development of the portfolio companies in the Automotive Technology segment, based on a detailed report from the Board of Management. The Board of Management also updated the Supervisory Board on the company's risk situation.

The Supervisory Board held a **third ordinary meeting on May 16, 2022**. The Supervisory Board looked closely at a report from the Board of Management regarding the planned acquisition of the HELD Group, a successful manufacturer of laser technology systems, which the Supervisory Board approved following discussion.

In addition to the company's current performance, the main issues of discussion at the **fourth ordinary meeting on May 30, 2022**, were the Forecast I for the 2022 financial year, a current risk report on the direct and indirect impacts of the war in Ukraine, the composition targets and skill profile of the Supervisory Board, and the Supervisory Board diversity concept. Based on the Nomination Committee's recommendations, the latest versions of these were approved following discussion.

In the **fifth ordinary meeting on June 8, 2022**, the Supervisory Board turned to the topic of a successor for Ms. Pfaller on the Audit and Nomination Committees following her resignation from the Supervisory Board. The Supervisory Board elected new member Ms. Schick as member and Chair of the Audit Committee. The shareholder representatives on the Supervisory Board resolved to elect Ms. Schick as a member of the Nomination Committee.

The Supervisory Board held a **sixth ordinary meeting on September 22, 2022**. The board dealt in depth with the Board of Management's report concerning business performance in the months from January to August 2022 at this meeting. The Board of Management also presented its Forecast II for year-end 2022 on the basis of the results in June 2022 and detailed the further financing strategy. The main topic was the continuation of the discussion regarding the refinement of the corporate strategy. The future outlooks of the portfolio companies SCHÄFER, SELZER, and S.M.A. were discussed in great detail. With regard to S.M.A., the Board of Management explained the current situation and the plan of action in terms of the time limits put on the further financing of the portfolio company to the Supervisory Board. Following a discussion, the Supervisory Board reached a decision on the matter.

On the recommendation of the Nomination Committee, the Supervisory Board also adopted the qualifications matrix for members of the Supervisory Board, which was then published on the INDUS website. The Supervisory Board also looked at the future composition of the body and profiles for two new members, based on an analysis of the skills represented on the Supervisory Board. The Supervisory Board Chairman also presented the findings of the Supervisory Board's self-assessment.



The main topics at the **seventh ordinary meeting on October 25, 2022**, were the Board of Management's in-depth report on developments at S.M.A. and the consequences for INDUS, in addition to the company's performance as of September 2022. Another important issue at the meeting was the continuation of the strategy dialogue with the Board of Management and the adoption of the refined PARKOUR strategy program **PARKOUR perform**. The refined strategy program aims to focus the portfolio on future fields in the industrial technology core skills. The INDUS Group will reposition itself with the segments Engineering,

Infrastructure and Materials. Portfolio companies with positive outlooks will remain part of the new core segments. The loss-making companies SELZER and SCHÄFER from the former Automotive Technology segment will be sold. The newly created segment management will drive the focus on future fields at the portfolio companies and push yield- and value-focused management in the segments.

The Supervisory Board held an **eighth ordinary meeting on December 8, 2022**. At the meeting, the Board of Management reported on the current financial performance as of October 31, 2022, and the outlook for the remainder of the 2022 financial year. The Board of Management also reported on the current operating developments at SELZER and the ongoing sale process with the probable impacts on the valuation and financial statement accounting of the company at year-end 2022. The Supervisory Board acknowledged the Board of Management's report but has not yet made a final decision regarding the sale. The Board of Management then covered the corporate planning process for the 2023 financial year. In the discussion that followed, the Supervisory Board and the Board of Management considered the details and results of the planning process. The Supervisory Board adopted the annual planning without changes. In addition, the Board of Management explained the planned acquisition of QUICK Bauprodukte GmbH by BETOMAX systems GmbH & Co. KG, which the Supervisory Board approved following a debate.

The targets proposed by the Personnel Committee for the short-term variable compensation of the Board of Management for financial year 2023 were also discussed and adopted. The Supervisory Board also turned its attention to the long-term succession planning for the Board of Management. As part of the implementation of the refined **PARKOUR perform** strategy and the associated adjustment of the distribution of responsibility in the Board of Management, the Supervisory Board followed the recommendation of the Personnel Committee and resolved to expand the Board of Management by a further member. The new member sought for the Board of Management will be responsible for the Materials segment.

Work of the Committees

The main task of the Supervisory Board committees is to prepare decisions and topics for the complete Board's sessions. Decision-making powers may be transferred to the committees for this purpose insofar as the law permits. The chairs of the committees reported to the Supervisory Board regularly and in detail on their committees' work. Both the Personnel Committee, the Audit Committee, and the Nomination Committee met several times in the past year. In accordance with Section 27 (3) of the Codetermination Act, there was no need for the Mediation Committee to convene. The composition of the committees is presented in the Annual Report under the heading "Management Bodies" and on the INDUS website.   See p. 9 and www.indus.de/en/about-indus/supervisory-board

In the 2022 financial year, the **Personnel Committee** prepared the Supervisory Board's personnel decisions in **two meetings on March 17 and December 8, 2022**. Where necessary, decisions were made or resolutions to be taken were recommended to the Supervisory Board. One focal point of the work was the compensation paid to the Board of Management. In addition to making recommendations to the Supervisory Board regarding necessary decisions on the achievement of targets set in 2020 for 2021 for short-term variable compensation, the Personnel Committee also proposed new targets for 2023 for Supervisory Board approval. The Personnel Committee also recommended the Supervisory Board approve the 2021 compensation report. Details regarding compensation for the Supervisory Board members can be found in the compensation report. The Personnel Committee also turned its attention to the long-term succession planning for the Board of Management. As part of the implementation of the refined **PARKOUR perform** strategy and the associated adjustment of the distribution of responsibility in the Board of Management, the Personnel Committee also recommended the Supervisory Board expand the Board of Management by a further member. The new member sought for the Board of Management will be responsible for the Materials segment. The Personnel Committee began the search in January 2023.

The **Audit Committee** met **three times** in the 2022 financial year: **on March 17, November 7, and December 8, 2022**. Representatives of the auditors for the 2021 financial year, Ebner Stolz & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft Stuttgart, Cologne branch, attended the meeting on March 17, 2022. Representatives of the new external auditor for the 2022 financial year PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Osnabrück branch, took part in the Audit Committee's meetings on November 7 and December 8, 2022. The Audit Committee verified the qualification and independence of the external auditor and the quality of the audit, and set the external auditor's catalog

of approvable non-audit services. The Committee commissioned the external auditor selected at the 2022 Annual Shareholders' Meeting with the audit, completed the fee agreement, and determined the focus of the audit. The focal points of the discussion were the 2021 annual and consolidated financial statements along with the corresponding resolution recommendations to the Supervisory Board, the preliminary audit of the 2022 annual and consolidated financial statements and interim reporting. Other topics included the review of the 2021 risk management and compliance report and the further development of these areas, particularly in terms of new legal framework conditions such as the Act on Due Diligence in Supply Chains. The implementation of the EU Taxonomy Regulation in terms of sustainability reporting was also discussed.

The **Nomination Committee** held **seven meetings** in the 2022 financial year on **April 28, May 30, September 22, October 25, November 7 and 23, and December 1, 2022**. The main issue discussed was the preparations for the Supervisory Board election during the 2023 Annual Shareholders' Meeting. In light of this fact, the Nomination Committee revised the targets for the composition and skill profiles of the Supervisory Board and the diversity concept for the Supervisory Board, and proposed them for the Supervisory Board's resolution. The main targets of the Supervisory Board composition were also added to the updated version of the rules of procedure, adopted March 16, 2023, for the Supervisory Board. A qualification matrix was also created for the Supervisory Board and then adopted by the Supervisory Board. Based on an analysis of the current and future skills present on the Supervisory Board, the Nomination Committee proposed the Supervisory Board search for two new members with a predefined search profile. In light of Ms. Pfaller's resignation from the Supervisory Board, the Nomination Committee recommended the shareholder representatives on the Supervisory Board elect Ms. Schick to the Supervisory Board. The shareholder representatives agreed. Ms. Schick was accordingly recommended for election to the Supervisory Board at the 2022 Annual Shareholders' Meeting.

Approval of the Annual Financial Statements and the Consolidated Financial Statements as of December 31, 2022

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, appointed auditor of the separate and consolidated financial statements by resolution at the Annual Shareholders' Meeting of May 31, 2022, audited the annual financial statements, the consolidated financial statements, the combined management report and the compensation report of the Group and of INDUS Holding AG for the 2022 financial year pursuant to the Supervisory Board's instructions. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS). The external auditors provided the annual financial statements with an unqualified audit certificate. The auditors also confirmed that the risk management system complied with the provisions of law, and that there are no identifiable risks that might jeopardize the company as a going concern. As planned, the interim financial reports were not audited.

Annual financial statements, consolidated financial statements, the combined management report, the external auditor's audit report, the non-financial Group report and the compensation report were presented to all members of the Supervisory Board in good time. These were discussed in detail at the Supervisory Board meeting held on March 16, 2023, for adoption of the financial statements. This meeting was also attended by the external auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Osnabrück branch, which reported on the main results of the audit. The external auditor was also available to answer any further questions. The Supervisory Board discussed all of the submissions and audit reports in depth with the external auditor and partially without the presence of the Board of Management.

Following the final review of the documents submitted and the recommendations of the Audit Committee, the Supervisory Board raised no objections to the annual financial statements, the consolidated financial statements, or the combined management report, and agreed with the external auditor's findings. The Supervisory Board thus approved the 2022 annual financial statements and the 2022 consolidated financial statements. The annual financial statements for 2022 have therewith been adopted in accordance with Section 172 (1) of the German Stock Corporation Act (AktG). Following its review of the proposal, the Supervisory Board concurred with the Board of Management's proposed appropriation of distributable profit. The Supervisory Board also reviewed the separate non-financial report for the INDUS Group. It referred to the audit performed by the external auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Osnabrück branch.

The Supervisory Board raised no objections to the separate non-financial report for the INDUS Group. On the basis of the formal and material review of the compensation report by the external auditors, the Supervisory Board approved the compensation report with no objections.

The Supervisory Board would like to thank the managing directors and all employees of the portfolio companies as well as all employees of INDUS Holding AG and the Board of Management for the extraordinary dedication they have displayed in the past financial year, which has been a volatile one, dominated by challenging conditions.

Bergisch Gladbach, March 16, 2023



For the Supervisory Board
Jürgen Abromeit
Chairman of the Board