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COMPANY AND SHAREHOLDERS

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Letter to the Shareholders

Dear shareholders, dear readers,

looking back, 2023 demonstrated the strength of our portfolio in a challenging market. Our portfolio companies did well. As well as income which has outperformed our last outlook, the high level of free cash flow is particularly notable.

With almost EUR 200 million in free cash flow, we have generated additional leeway to further expand our portfolio in 2024 – by means of growth acquisitions at the first level and also with complementary additions for our portfolio companies. In 2023 we added QUICK Bauprodukte to strengthen our Infrastructure segment. For 2024 we are expecting to undertake further promising acquisitions with a strong future focus. There is a healthy supply in our M&A pipeline.

Let us briefly look at the details of our sales and income development: The Engineering and Materials segments did especially well. The companies in the Engineering segment slightly raised their year-on-year sales in 2023 and significantly increased their operating income (EBIT). Sales fell slightly in the Materials segment; however, EBIT increased a great deal. The Infrastructure segment was impacted by the slowdown in the construction industry, with both sales and EBIT coming in slightly lower than the previous year. After a few booming years in this area, demand has flattened out – in homebuilding in particular. Considering these difficult framework conditions, we can be very satisfied with the performance of the companies.

The INDUS Group maintained sales at the previous year's level in an overall adverse economic environment. Impairments were significantly below the previous year. The EBIT increased to almost EUR 150 million. This puts the EBIT margin at 8.3%, and as such slightly above our target of 7 – 8%.

We announced our **PARKOUR perform** strategy update at the start of 2023, and in the months following we successfully drove forward the implementation of this future-oriented program. This led us to terminate business in the previous automotive technology segment as planned: Back in summer 2023 we sold the last two companies that were being managed under discontinued operations. Following deconsolidation of these companies in the third quarter of 2023, there are no further encumbrances from discontinued operations. INDUS is therefore now focused exclusively on highly specialized industrial technology.

As part of **PARKOUR perform**, we have started using free cash flow as an additional management key performance indicator; at EUR 199 million at year-end 2023,

it was significantly above the minimum value of EUR 100 million. This is also because our portfolio companies significantly reduced the working capital at year-end compared with the previous year, as a result of our active working capital management. The resulting high level of free cash flow also reduced net debt. The outcome is that we have an EBITDA/net debt key figure of 2.0. This is below our defined upper limit of 2.5, and secures the investment grade for us on the financing side.

“Striving for Sustainability” is a central component of our business strategy, so we are delighted about the reported development of our corporate group's sustainability performance: In 2023, we successfully reduced emissions intensity, i.e. CO₂ emissions from Scope 1 and Scope 2 related to the gross value-added by 36%.

As shareholders, we want you to appropriately participate in the Group's positive 2023 development. We therefore propose to the Annual Shareholders' Meeting a dividend payment of EUR 1.20 per share. This is 40 cents more than in the previous year and corresponds to a dividend yield of 5.4% related to the 2023 year-end price. Taking into account the share buyback program successfully completed in mid-March 2024, shareholders will receive over EUR 56 million in 2024.

At this point you may be asking if it wouldn't be better to invest those funds in purchasing companies. To that we respond that we are well able to do both. We had hoped to be able to announce a larger-scale acquisition to you at year-end, however, we ultimately decided against implementation because it was not possible to meet all of our criteria.

There are still major challenges ahead in 2024, and we foresee very little momentum from the macroeconomic environment. Even though inflation is coming down, costs are expected to continue rising. Nonetheless, we expect stable development for the INDUS Group. Our view is confirmed by the development of our portfolio companies at the start of 2024 – this was made possible by our companies working consistently on their efficiency, with the support of the holding company. We are well-positioned in this respect in light of our strategic initiatives to increase operational excellence and market excellence. What's more, our new segment management means we can steer these measures



From the left: Dr. Jörn Großmann (Board Member),
Rudolf Weichert (Board Member),
Dr.-Ing. Johannes Schmidt
(Chairman of the Board),
Gudrun Degenhart (Board Member),
Axel Meyer (Board Member)

even more successfully. We are particularly attentive to the further internationalization of our businesses. Our portfolio companies are working on establishing additional locations outside Germany – with a particular focus on North America. We also have an eye to the acquisition of sub-subsidiaries abroad. It is clear that technical progress and the innovativeness of our SME portfolio companies are of central importance, particularly in the context of a fast-moving market. The rapid development of AI methods, in particular, offers various opportunities here. We are addressing these with our “Driving Innovation” strategic initiative.

So you can see: We take action with the qualities of an SME, in the best possible sense. Because it does us no good to simply bemoan the current framework conditions and concentrate on complaining about how things are – that certainly will not move us forward. For us and for all of our portfolio companies, the priority is to rapidly find good solutions. Our Annual Report illustrates that we are doing this successfully.

We have adjusted our internal structures and eliminated losses. We are expanding business in growth industries, improving our profitability and doing business sustainably. And with strong free cash flow we have generated what we need to acquire additional attractive hidden champions, invest in the existing portfolio, and pay you an increased dividend as well.

By investing in the INDUS share, you are participating in a successful German SME sector. This business model continues to have excellent prospects into the future. We stand by our commitment: We are shaping the future with SMEs.

Thank you very much for your confidence in us.

Yours sincerely,


Dr. Johannes Schmidt


Rudolf Weichert


Gudrun Degenhart


Dr. Jörn Großmann


Axel Meyer

Bergisch Gladbach, March 2024

Management Bodies

The INDUS Board of Management



DR.-ING. JOHANNES SCHMIDT

CHAIRMAN OF THE BOARD

Dr. Johannes Schmidt (German citizen, born 1961) has been a member of the Board of Management of INDUS Holding AG since January 2006. He assumed the position of Chairman of the Board of Management in July 2018. Dr. Schmidt was previously the sole managing director of ebm-papst Landshut GmbH, a manufacturer of ventilation motors and fans. During his tenure there, his main achievements included advancing the development of new product platforms and internationalization of production sites. Dr. Schmidt began his career at Richard Bergner GmbH, a manufacturer of electrical instruments from Schwabach. He initially assumed development tasks before rising to the position of managing director during his 12 years at the company. Schmidt, who studied mathematics, gained an engineering doctorate in mechanics at the Technical University of Darmstadt.



RUDOLF WEICHERT

DEPUTY CHAIRMAN OF THE BOARD

Rudolf Weichert (German citizen, born 1963) has been a member of the INDUS Holding AG Board of Management since June 2012. Before joining the INDUS Board of Management, he was a partner at accounting firm KPMG for nine years. He spent three of these years in Detroit, Michigan, United States, where he worked mainly with companies in the automotive, engineering, and materials trading industries. Mr. Weichert, who holds a business degree, worked for KPMG for about 20 years, primarily in the firm's Düsseldorf offices, where he worked mainly with multi-national manufacturing corporations.



GUDRUN DEGENHART

BOARD MEMBER SINCE OCTOBER 2023 (responsible for the Materials segment)

Gudrun Degenhart (German citizen, born 1970) has been a member of the Board of Management of INDUS Holding AG since October 2023. She has more than 20 years of experience in the management and development of portfolio companies in the Europe, USA and Asia-Pacific regions. A graduate in business administration, she began her career by building up the Central and Eastern European activities of the market-leading manufacturer and construction specialist Lindner Group. After another stint on the board of an SMEs construction technology company, she joined the thyssenkrupp Group. Her positions there included CEO of an international business unit for special lifts and CEO Materials Western Europe and AsiaPacific. Most recently, she served as CEO for the German portfolio companies of the international service group ISS A/S.

**DR. JÖRN GROßMANN****BOARD MEMBER** (responsible for the Infrastructure segment)

Dr. Jörn Großmann (German citizen, born 1968) has been a member of the INDUS Holding AG Board of Management since January 2019. Up until his move to the INDUS Board of Management, he worked for the Dutch Group Aalberts Industries N.V., with his last position being sole managing director of Impreglon GmbH in Lüneburg. He previously held various positions at the Georgsmarienhütte Group, initially becoming managing director of Mannstaedt GmbH in Troisdorf and later managing director of GMH Edelstahl Service Center Burg GmbH and GMH Engineering GmbH. Before Dr. Großmann became the managing director of Buderus Feinguss GmbH in Moers, he worked as a development engineer and as technical director for Doncasters Precision Castings GmbH in Bochum, Germany. He studied material sciences and earned a doctorate in the field of natural sciences.

**AXEL MEYER****BOARD MEMBER** (responsible for the Engineering segment)

Axel Meyer (German citizen, born 1968) has been a member of the INDUS Holding AG Board of Management since October 2017. He previously worked in various management positions at Schuler AG, most recently as managing director of Schuler Pressen GmbH and head of the Schuler Group service division in Göppingen. Between 2003 and 2008, Axel Meyer was a managing partner and a management board member at the management consultancy firm IMAGIN Prof. Bochmann AG in Eppstein im Taunus. He began his career at the Schuler Group in the massive forming segment – first in international sales and then as division manager. Axel Meyer studied industrial engineering in Germany and the United States and also completed a Master of Mergers & Acquisitions (LL.M.) from the Frankfurt School of Finance & Management while working.

 Detailed information concerning memberships of the Board members on other Supervisory Boards can be found on p. 133 and online at www.indus.de/en/about-indus/board-of-management

The INDUS Supervisory Board

Supervisory Board members representing shareholders are elected for no longer than the period until the end of the Annual Shareholders' Meeting that resolves the approval of the actions for the fourth financial year after the start of the term in office. The financial year in which the term of office begins is not taken into account here. The Annual Shareholders' Meeting can define a shorter term of office for the Supervisory Board members representing shareholders on their election. Re-election is permitted. Candidates must not be above the age of 70 at the time of their election or re-election. The terms of office of the serving members of the Supervisory Board end with the end of the Annual Shareholders' Meeting in 2028. Only the term of office of Mr. Carl Martin Welcker ends at the end of the 2026 Annual General Meeting.

JÜRGEN ABROMEIT

Supervisory Board Chairman
(since 2018)

JAN KLINGELNBERG

Member of the Supervisory
Board (since May 17, 2023)

WOLFGANG LEMB*

Deputy Supervisory Board
Chairman (since 2018)

STEFAN MÜLLER*

Member of the Supervisory
Board (since May 17, 2023)

DR. JÜRGEN ALLERKAMP

Member of the Supervisory
Board (until May 17, 2023)

BARBARA SCHICK

Member of the Supervisory
Board (since 2022)

DR. DOROTHEE BECKER

Member of the Supervisory
Board (since 2014)

HELMUTH SPÄTH

Member of the Supervisory
Board (until May 17, 2023)

DOROTHEE DIEHM*

Member of the Supervisory
Board (since 2018)

UWE TRINOGGA*

Member of the Supervisory
Board (until May 17, 2023)

PIA FISCHINGER*

Member of the Supervisory
Board (since 2018)

CARL MARTIN WELCKER

Member of the Supervisory
Board (since 2010)

CORNELIA HOLZBERGER*

Member of the Supervisory
Board (since 2018)

PROF. DR. RER. POL. ISABELL M. WELPE

Member of the Supervisory
Board (since May 17, 2023)

GEROLD KLAUSMANN*

Member of the Supervisory
Board (since 2018)

Supervisory Board Committees

Nomination Committee

Jürgen Abromeit (Chairman),
Barbara Schick,
Carl Martin Welcker

Personnel Committee

Jürgen Abromeit (Chairman),
Dr. Dorothee Becker,
Dorothee Diehm,
Wolfgang Lemb

Audit Committee


Barbara Schick (Chairwoman, Financial Expert),
Gerold Klausmann (Financial Expert),
Prof. Dr. rer. pol. Isabell M. Welpé (Financial Expert)

Strategy and ESG Committee

Jürgen Abromeit (Chairman),
Cornelia Holzberger,
Jan Klingelberg,
Wolfgang Lemb

Mediation Committee in Accordance With Section 27 (3) of the German Codetermination Act (MitbestG)

Jürgen Abromeit (Chairman),
Pia Fischinger,
Wolfgang Lemb,
Barbara Schick

 Detailed information concerning memberships on other
Supervisory Boards can be found on p. 132 et seq. and online at
www.indus.de/en/about-indus/supervisory-board

* Employee representative

Report of the Supervisory Board

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Dear Shareholders,
With this report, we want to inform you of the key aspects of the Supervisory Board's work in the 2023 financial year.

Cooperation Between the Board of Management and the Supervisory Board

The Supervisory Board fulfilled all of the tasks required of it by law and according to the Articles of Incorporation in the reporting year. It consistently advised the Board of Management, monitored their management of the company, and confirmed the lawfulness, expedience, and correctness of their actions. The Board of Management met their obligations to provide information at all times, and briefed the Supervisory Board on all issues of strategy, planning, and business performance as well as the risk situation and risk management, compliance, and Internal Audit, relevant to the company and the INDUS Group regularly, fully, and in a timely fashion, both in writing and orally. This also included information regarding deviations in the actual entrepreneurial development of the INDUS Group from targets announced previously and deviations in the actual business performance from the original and communicated planning, as well as other information regarding unusual material events.


The members of the Supervisory Board always had sufficient opportunity to critically appraise the Board of Management's submitted reports and proposals in the full Supervisory Board meetings and Committee meetings, and to voice their own suggestions. This gave them an overview of the current business and asset performance at all times. In addition to the company, finance and investment planning, the Supervisory Board also took a close look at the risk situation and risk management. Wherever required by law, the Articles of Incorporation or rules of procedure, the Supervisory Board gave its approval to business actions requiring approval. In addition, the Supervisory Board Chairman was in close contact with the Board of Management between meetings to exchange information and thoughts, and informed himself regularly, in good time and in detail, about important developments in the company. The Chairwoman of the Audit Committee maintained bilateral exchanges with the Chief Financial Officer and the Supervisory Board Chairman on certain topics. As the controlling body, the Supervisory Board was always included in fundamental decisions.

Composition of the Supervisory Board and Committees

Effective at the end of the Annual Shareholders' Meeting on May 17, 2023, Dr. Jürgen Allerkamp, Mr. Helmut Späth, and Mr. Uwe Trinogga resigned from the Supervisory Board. They were not nominated for re-election to the Supervisory Board. The Annual Shareholders' Meeting on May 17, 2023, elected Mr. Jan Klingelberg and Prof. Dr. Isabell M. Welpé as the new members of the Supervisory Board. Mr. Jürgen Abromeit, Dr. Dorothee Becker, Ms. Barbara Schick, and Mr. Carl Martin Welcker were re-elected by the Annual Shareholders' Meeting. At the direct election of employee representatives on March 21 and 22, 2023, Mr. Stefan Müller was elected as a new member of the Supervisory Board. Ms. Pia Fischinger, Ms. Cornelia Holzberger, Mr. Gerold Klausmann, Mr. Wolfgang Lemb, and Ms. Dorothee Diehm were re-elected.

At the constituent meeting of the Supervisory Board, which directly followed the 2023 Annual Shareholders' Meeting, Mr. Jürgen Abromeit was again elected as Supervisory Board Chairman and Mr. Wolfgang Lemb was elected Deputy Supervisory Board Chairman. Committee members were appointed and chairpersons were selected at this meeting. The only changes to the committee compositions were in the Audit Committee; Prof. Dr. Isabell Welpé (Financial Expert) replaced Dr. Allerkamp (Financial Expert) who has resigned from the Supervisory Board, and the Mediation Committee pursuant to Section 27(3) of the Co-determination Act (MitbestG), where Ms. Barbara Schick was selected as a fourth member. Mr. Jürgen Abromeit, as Chairman, Ms. Cornelia Holzberger, Mr. Jan Klingelberg, and Mr. Wolfgang Lemb were elected to the new Strategy and ESG Committee, which was established as a result of the Supervisory Board resolution on May 16, 2023.

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. 8 and p. 132 et seq. as well as www.indus.de/en/about-indus/supervisory-board

Meeting Frequency and Attendance

In addition to the constituent meeting, which was held in person directly after the 2023 Annual Shareholders' Meeting, the Supervisory Board held six ordinary meetings in the 2023 financial year. Two Supervisory Board meetings were held as video conferences. The other four meetings in 2023 were each in-person meetings with the options for individual Supervisory Board members to join via video. In addition, a resolution was taken on June 19, 2023, outside of the in-person meetings. A resolution was also passed by shareholder representatives on the Supervisory Board in an in-person meeting on March 16, 2023, on the independence and election nominations for shareholder representatives at the Supervisory Board elections during the Annual Shareholders' Meeting on May 17, 2023. The Supervisory Board also met regularly without the Board of Management. The Board of Management generally does not participate in Supervisory Board meetings or Audit Committee meetings if the auditor is in attendance unless the Supervisory Board or the Audit Committee considers it absolutely necessary.

With the exception of the constituent meeting on May 17, 2023, the Supervisory Board meetings were all attended by the Board of Management, whereby the Supervisory Board also regularly discussed agenda items without the presence of the Board of Management. With the excused absence of two members at one Supervisory Board meeting each and a Personal Committee meeting, and one member at the constituent meeting and one Supervisory Board meeting, all members of the Supervisory Board and the committees attended every regular Supervisory Board meeting and committee meeting. Together with the Supervisory Board Chairman in a separate meeting beforehand, absent members took part in resolutions with written votes, so that all resolutions were made by all members of the Supervisory Board or the committee. All shareholder representatives attended the shareholder representative Supervisory Board meeting.

SUPERVISORY BOARD MEETINGS IN THE 2023 FINANCIAL YEAR

	Meeting attendance (incl. constituent meeting)	in %
Supervisory Board		
Jürgen Abromeit (Chairman)	7/7	100
Wolfgang Lemb (Deputy Chairman)	7/7	100
Dr. Jürgen Allerkamp (until May 17, 2023)	2/2	100
Dr. Dorothee Becker	6/7	86
Dorothee Diehm	6/7	86
Pia Fischinger	7/7	100
Cornelia Holzberger	7/7	100
Gerold Klausmann	7/7	100
Jan Klingelberg (since May 17, 2023)	3/5	60
Stefan Müller (since May 17, 2023)	5/5	100
Barbara Schick	7/7	100
Helmut Späth (until May 17, 2023)	2/2	100
Uwe Trinogga (until May 17, 2023)	2/2	100
Carl Martin Welcker	7/7	100
Prof. Dr. Isabell M. Welpé (since May 17, 2023)	5/5	100

SUPERVISORY BOARD COMMITTEE MEETINGS IN THE 2023 FINANCIAL YEAR

	Meeting attendance	in %
Personnel Committee		
Jürgen Abromeit (Chairman)	9/9	100
Dr. Dorothee Becker	8/9	89
Dorothee Diehm	8/9	89
Wolfgang Lemb	9/9	100
Audit Committee		
Barbara Schick (Chairwoman)	6/6	100
Dr. Jürgen Allerkamp (until May 17, 2023)	2/2	100
Gerold Klausmann	6/6	100
Prof. Dr. Isabell M. Welpé (since May 17, 2023)	4/4	100
Nomination Committee		
Jürgen Abromeit (Chairman)	3/3	100
Barbara Schick	3/3	100
Carl Martin Welcker	3/3	100
Strategy and ESG Committee		
Jürgen Abromeit (Chairman)	2/2	100
Cornelia Holzberger	2/2	100
Jan Klingelberg (since May 17, 2023)	2/2	100
Wolfgang Lemb	2/2	100

Onboarding New Members to the Supervisory Board

The Supervisory Board Chairman introduced Prof. Welpé, Mr. Klingelberg, and Mr. Müller, the members newly elected to the Supervisory Board in 2023, to the work of the Supervisory Board at INDUS in a two-part onboarding workshop in the form of a video conference on July 10 and 11, 2023. The first part focused on the general conditions and the organization of the Supervisory Board's work. In the second part, in which other members of the Supervisory Board also participated, the INDUS strategy, the planned financial development, and current issues were outlined. Before the Supervisory Board meeting on December 6, 2023, in another video conference, the Supervisory Board Chairman brought the new members of the Supervisory Board up to speed on the discussions of the Supervisory Board regarding the Supervisory Board remuneration system.

Conflicts of Interest

There was no indication of conflicts of interests on the part of Supervisory Board or Board of Management members that would have to be immediately declared, or about which the Annual Shareholders' Meeting would have to be informed.

Corporate Governance

In the meeting on March 16, 2023, the Supervisory Board adopted an update to the Supervisory Board rules of procedure to which the aims of the composition had been added. On May 16, 2023, a resolution was made on the expansion of the Supervisory Board rules of procedure to include the newly established Strategy and ESG Committee. The latest version of the Supervisory Board rules of procedure is available on the INDUS website. In light of the new responsibilities for Board of Management members introduced together with the **PARKOUR perform** strategy update and the expansion of the Board of Management to five members, the Supervisory Board enacted new rules of procedure for the Board of Management on September 28, 2023, effective October 1, 2023. In the same meeting on September 28, 2023, the updated qualification matrix for the Supervisory Board, which has been published on the INDUS website, was adopted. Together with the Board of Management, the Supervisory Board issued a new declaration of conformity with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act on December 6, 2023. The declaration does not deviate from the Code and has been made available on the INDUS website.

Focal Points of the Meetings

The **first regular meeting held on March 16, 2023**, focused on the presentation and explanation of the INDUS Holding AG 2022 annual financial statements and the 2022 consolidated financial statements, along with related resolutions. Chief Financial Officer Rudolf Weichert explained the most important aspects of the accounting of the consolidated financial statements to the Supervisory Board. Following in-depth exchanges with the external auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, and the recommendation of the Audit Committee that was presented in detail by the Chairwoman of the Audit Committee, Ms. Barbara Schick, the Supervisory Board approved the annual financial statements and the consolidated financial statements along with the separate non-financial Group report for the 2022 financial year. Following a close inspection, the Supervisory Board had no objections to the combined management report including the Board of Management's explanatory report. In line with the recommendation of the Personnel Committee, the remuneration report for the 2022 financial year, which was formally and materially audited by the external auditor, was approved. The Supervisory Board concurred with the Board of Management's dividend proposal and resolution proposals for the 2023 Annual Shareholders' Meeting.

Other Supervisory Board agenda items included the annual risk management and compliance report for 2022, the current economic situation, the development of the Supervisory Board's remuneration, and the extension of the Chairman of the Board Dr. Johannes Schmidt's appointment as the company's labor director.

In the **second regular meeting on May 16, 2023**, the Supervisory Board dealt with current business performance in the first quarter of 2023 and the Forecast I for the whole of 2023. The Board of Management provided the Supervisory Board with an update on the ongoing sales processes for the SCHÄFER Group and the SELZER Group. The Supervisory Board also resolved on the establishment of a Strategy and ESG Committee with a corresponding update in the Supervisory Board's rules of procedure, and discussed the selection processes for appointing a COO for the materials segment.

On **May 17, 2023**, the **newly elected Supervisory Board** held its **constituent meeting**, where Mr. Jürgen Abromeit was reelected as Supervisory Board Chairman and Mr. Wolfgang Lemb as Supervisory Board Deputy Chairman.

During a **resolution outside of a meeting**, the Supervisory Board resolved on **June 19, 2023**, to appoint Ms. Gudrun Degenhart as COO for the Materials segment and conclude a Board of Management employment contract with a term of three years.

The topic of discussion at the **third regular Supervisory Board meeting on July 3, 2023**, was the sale of the SCHÄFER Group to an investment company belonging to

Callista Portfolio Holding GmbH, with registered office in Munich, Germany. Following a detailed explanation of and discussion regarding the transaction, the Supervisory Board approved the sale.

In the **fourth regular meeting on July 27, 2023**, the Supervisory Board dealt with the sale of the SELZER Group to an investment company belonging to Mutares SE & Co. KG, with registered office in Munich, Germany. Following a detailed explanation of and discussion regarding the transaction, the Supervisory Board approved the sale of the last automotive series production supplier in the INDUS investment portfolio.

The Supervisory Board held its **fifth regular meeting on September 28, 2023**. In this meeting, the Board took an in-depth look at the Board of Management's report regarding the company's performance in the months from January to August 2023. The Board of Management also presented its Forecast II as of the end of 2023, and explained its financial strategy and the share price performance. The Supervisory Board also adopted the updated qualification matrix for members of the Supervisory Board, which has been published on the INDUS website.

The main items discussed at the **sixth regular Supervisory Board meeting on December 6, 2023**, included the Board of Management report on the current financial performance as of October 31, 2023, and the current outlook for the remainder of the 2023 financial year. The Board of Management then explained the corporate plan for the 2024 financial year. In the subsequent discussions, the Supervisory Board and Board of Management debated the details of the planning process and its results. The Supervisory Board approved the annual planning without change. The Board of Management also provided details regarding an acquisition at sub-subsidiary level in 2024, which the Supervisory Board approved following a discussion. Share price performance, shareholder structure, and the resolution to submit the 2023 declaration of conformity were also discussed.

Another focal point of the discussions were the consultations and resolution of the targets submitted by the Personnel Committee regarding the short-term variable remuneration as part of the Board of Management remuneration system for the 2024 financial year. Following discussion, the Supervisory Board adopted an optimized Supervisory Board remuneration system effective January 1, 2024, that will be presented to the 2024 Annual Shareholders' Meeting. The Supervisory Board also dealt with the long-term succession planning for the Board of Management and resolved to extend Dr. Jörn Großmann's and Mr. Axel Meyer's appointments by a further three years. The Supervisory Board also appointed Mr. Rudolf Weichert as the Supervisory Board Deputy Chairman effective January 1, 2024.

Work of the Committees

The Supervisory Board committees are primarily responsible for preparing the decisions and topics for full Supervisory Board meetings. Decision-making power can be transferred to the committees if legally permissible. The committee chairperson reports on the committees' work to the Supervisory Board regularly and in detail. In the past year, the Personnel Committee, the Audit Committee, the Nomination Committee, and the newly established Strategy and ESG Committee met several times. There was no need to call a Mediation Committee pursuant to Section 27(3) of the German Co-Determination Act together in the past year. The composition of the committees is presented in the Annual Report under the heading "Management Bodies" and on the INDUS website.

 See p. 8 and www.indus.de/en/about-indus/supervisory-board

The **Personnel Committee met nine times** in the 2023 financial year on **January 12, March 16 and 29, April 26, May 8, June 12, August 23, September 28, and December 6, 2023**, and prepared the Supervisory Board's personnel decisions. Wherever necessary, resolutions were passed or recommendations were made to the Supervisory Board for the purpose of passing a resolution. One focus was on finding and selecting a new member of the Board of Management to function as the member of the Board of Management responsible for the materials segment. This process was completed with the appointment of Ms. Degenhart, who was recommended to the Supervisory Board by the Personnel Committee. She joined INDUS as the COO responsible for the Materials segment on October 1, 2023. The Personnel Committee also dealt with the long-term succession planning for the Board of Management and recommended extending Dr. Jörn Großmann's and Mr. Axel Meyer's appointments by a further three years. As part of implementing a deputy regulation for the Board of Management, the Personnel Committee recommended appointing Rudolf Weichert as the Board of Management Deputy Chairman effective January 1, 2024. Another focal point of the Committee's work was the remuneration paid to the Board of Management. In addition to the recommendation to the Supervisory Board for passing the necessary resolutions to determine target attainment in 2021 for targets set for 2022 as part of the short-term variable remuneration, the Personnel Committee recommended new targets for the year 2024 to the Supervisory Board. The Personnel Committee also recommended that the Supervisory Board approve the remuneration report for 2022. Details regarding the Board's remuneration can be found in the remuneration report. The Committee also discussed its initial thoughts regarding a potential optimization of the Board of Management remuneration system.

The **Audit Committee met six times** in the 2023 financial year on **March 10, May 5, August 7, October 19, November 9, and December 6, 2023**. Representatives of the external auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, attended the Committee meetings on March 10, November 9, and December 6, 2023. The Audit Committee supervised the qualification and independence of the external auditor and the quality of the financial statement audit. The Committee awarded the audit mandate to the external auditor selected by the 2023 Annual Shareholders' Meeting, concluded the fee agreement, and determined the focus of the audit. The focus of the consultation was the 2022 annual financial statements and consolidated financial statements, along with corresponding resolution recommendations for the Supervisory Board, the preliminary audit of the 2023 annual financial statements, and consolidated financial statements and interim reporting. Before the quarterly and half-year reports were published, the Board of Management held a meeting for each, explained the main transactions, and discussed them with the Audit Committee. In a separate meeting, the Audit Committee took a close look at risk management and developed potential improvement approaches. Other topics included the review of the 2022 risk management and compliance annual reports, the 2023 annual report from Internal Audit, and the implementation of the Supply Chain Due Diligence Act. The further implementation of the Corporate Sustainability Reporting Directive was also discussed.

The **Nomination Committee held three meetings** in the 2023 financial year on **January 30, February 6, and March 13, 2023**. The main focus of the discussions were the continuation of the preparations started in the previous year for the Supervisory Board elections to be held at the 2023 Annual Shareholders' Meeting. Based on an analysis regarding the skills presented on the Supervisory Board at this point in time and in the future, the Supervisory Board followed the recommendation of the Nomination Committee and resolved to find two new members with predefined profiles in 2022. The search and selection process was continued in 2023 and concluded with the proposal for the election of six shareholder representatives. The shareholder representatives agreed to the proposal and accordingly made a recommendation at the 2023 Annual Shareholders' Meeting.

The **Strategy and ESG Committee met twice** in the 2023 financial year, on **September 28 and December 6, 2023**. A key focus of the discussions was the information and explanation from the Board of Management regarding ongoing ESG issues from the INDUS sustainability strategy, and the regulatory environment to the organizational measures resolved on by INDUS and the actual implementation of these measures. The Committee determined that its focal points in 2023 and 2024 would be further growth through acquisitions (ESG acquisition strategy), the further imple-

mentation of ESG issues with a focus on the fields of environment, fair work (especially fair pay), as well as external communications and market presence, especially in terms of the above-mentioned issues. It also dealt with the acquisition strategy in detail.

Approval of the Annual Financial Statements and the Consolidated Financial Statements as of December 31, 2023

The external auditor of the separate and consolidated financial statements commissioned by resolution of the Annual Shareholders' Meeting on May 17, 2023, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, audited the INDUS Holding AG annual financial statements, the consolidated financial statements, the combined management report, and the remuneration report for the 2023 financial year in accordance with the Supervisory Board's mandate. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS). The external auditor issued an unqualified audit certificate for the annual financial statements, the consolidated financial statements and the combined management report. The auditor also determined that the risk management system fulfills the legal requirements and no going concern risks were discernible. As planned, an audit review of the interim financial reports was not conducted.

Annual financial statements, consolidated financial statements, the combined management report and the external auditor's audit reports, the separate non-financial report, and the remuneration report were all submitted to the members of the Supervisory Board in good time. They were discussed in detail at the Supervisory Board meeting to adopt the financial statements on March 14, 2024. The external auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, attended this meeting and reported on the main findings of the audit. The external auditor was also available for any additional questions. The Supervisory Board discussed all documents and audit reports in detail with the external auditor, and partially without the presence of the Board of Management.

Following a final examination of the documents submitted and the recommendation of the Audit Committee, the Supervisory Board raised no objections to the annual financial statements, the consolidated financial statements, and the combined management report and agreed with the external auditor's findings. The Supervisory Board therefore approved the 2023 annual financial statements and the 2023 consolidated financial statements. The 2023 annual financial statements are thus complete in accordance with Section 172(1) of the German Stock Corporation Act (AktG).

Following prior examination, the Supervisory Board approved the Board of Management's proposed appropriation of distributable profit. The Supervisory Board also examined the INDUS Group's separate non-financial report. It based its examination on the audit review conducted by the external auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main. The Supervisory Board raised no objections to the INDUS Group's separate non-financial report. Based on the formal and material audit of the remuneration report conducted by the external auditor, the Supervisory Board approved the remuneration report without objections.

The Supervisory Board thanks all employees at the portfolio companies and at the holding company as well as the Board of Management of INDUS Holding AG for their extraordinary dedication over the past financial year.

Bergisch Gladbach, March 14, 2024



On behalf of the Supervisory Board
Jürgen Abromeit
Chairman

INDUS Share

01 |

2023: Positive Stock Market Performance Despite Tense Geopolitical Situation

The general conditions on the financial markets remained volatile and uncertain in 2023. As the war continued, the focus shifted from tensions between Ukraine and Russia to the conflict in Gaza. Of particular importance for the dynamics on the stock markets were the regular interest decisions by the European Central Bank (ECB) and the Federal Reserve (FED).

Despite these influences, the stock markets saw robust development and marked price gains in the first half of the year, followed by a sideways phase, an interim high in June, a stock market slide in August and September, and the “year-end rally”. The annual performance of the DAX was ultimately 20.3%, and it closed at 16,751.64 points, while in December it passed the 17,000-point mark for the first time in its history. Subordinate indices such as the MDAX, SDAX and TecDAX all increased, at different levels. Following a strong first half of the year, neither the standstill of the European economy nor the war in the Middle East resulted in a negative trend reversal by the end of the year.

INDUS Share: Slight Increase Compared to Previous Year

The start at EUR 22.20 progressed to a high for the quarter of EUR 25.50 in January. In the first quarter, a low of EUR 21.65 was recorded on March 15 and high sales of 62,420 shares at the end of the quarter. The second quarter brought the year’s high of EUR 27.40 on April 20, while the low for the quarter was on April 6 at EUR 24.50.

A gradual decrease in prices started in the third quarter, and on September 25 the share fell under the EUR 20 mark, closing slightly under EUR 19.98. The downward trend continued at the start of the fourth quarter, and on October 30 reached an annual low of EUR 18.24 followed by movement in the opposite direction. On November 14, at EUR 20.85 the share exceeded the important EUR 20 mark again and developed in a positive direction at year-end within the EUR 20 to EUR 22.50 range.

Sales development was particularly noteworthy in the fourth quarter, with average daily trading volumes of 39,000 units, significantly higher than previously. In November there

KEY SHARE DATA

(in EUR)

	2023	2022
Earnings per share	2.06	2.68
Cash flow per share	8.09	4.33
Dividend per share ¹	1.20	0.80
Dividend yield in % ¹	5.4	3.6
Distribution in EUR million ¹	31.0	21.5
Highest closing price for the year ²	27.40	34.35
Lowest closing price for the year ²	18.24	17.44
Final closing price for the year ²	22.35	21.95
Market capitalization ³ in EUR million	601.1	590.4
Average daily trading volume in number of shares (on XETRA)	19,460	16,410

1) Subject to approval at Annual Shareholders' Meeting expected on May 22, 2024

2) XETRA dealing closing price

3) As of reporting date

INDUS SHARE DATA

WKN/ISIN	620010/DE0006200108
Stock exchange code	INH.DE
Share class	No-par-value shares
Stock exchanges	XETRA, Düsseldorf, Frankfurt (regulated market), Berlin, Hamburg, Hanover, Munich, Stuttgart
Market segment / Indices	Prime Standard / SDAX
Designated sponsors	ICF and Oddo
Subscribed capital	EUR 69,928,453.64
Authorized capital 2021	EUR 34,964,225.52
Number of shares	26,895,559

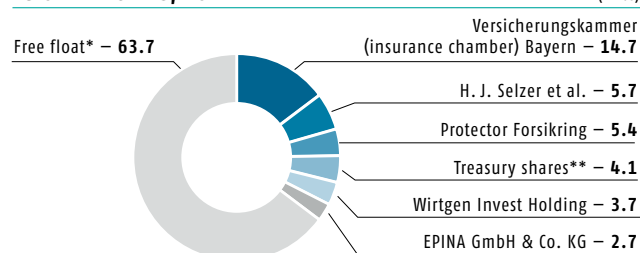
were above-average daily trading volumes, including on November 30 with more than 792,000 shares on Xetra due to new index structures that compelled foreign institutional investors to trade in the share. The annual closing price was set at EUR 22.35. Looking at the entire year, the rate closed with an increase of 1.8% as compared to the previous year, while the MDAX (+8%) and SDAX (+17%) increased much more than this.

Share Liquidity: Trading Volume Up Slightly

In the reporting year, liquidity of the INDUS share was around 19% higher than in the previous year. On average, according to the statistics of the German Stock Exchange, 19,460 shares were traded per day on XETRA. The figure amounted to approximately 16,410 shares per day in 2022.

SHAREHOLDER STRUCTURE OF INDUS HOLDING AG AS OF MARCH 18, 2024

(in %)



* The German Stock Exchange defines free float as all shares not held by major shareholders (share of share capital of at least 5%). According to this definition, free float amounts to 74.2%.

** The 1,000,000 shares repurchased by the company are not entitled to voting rights or dividends.

Source: Company information

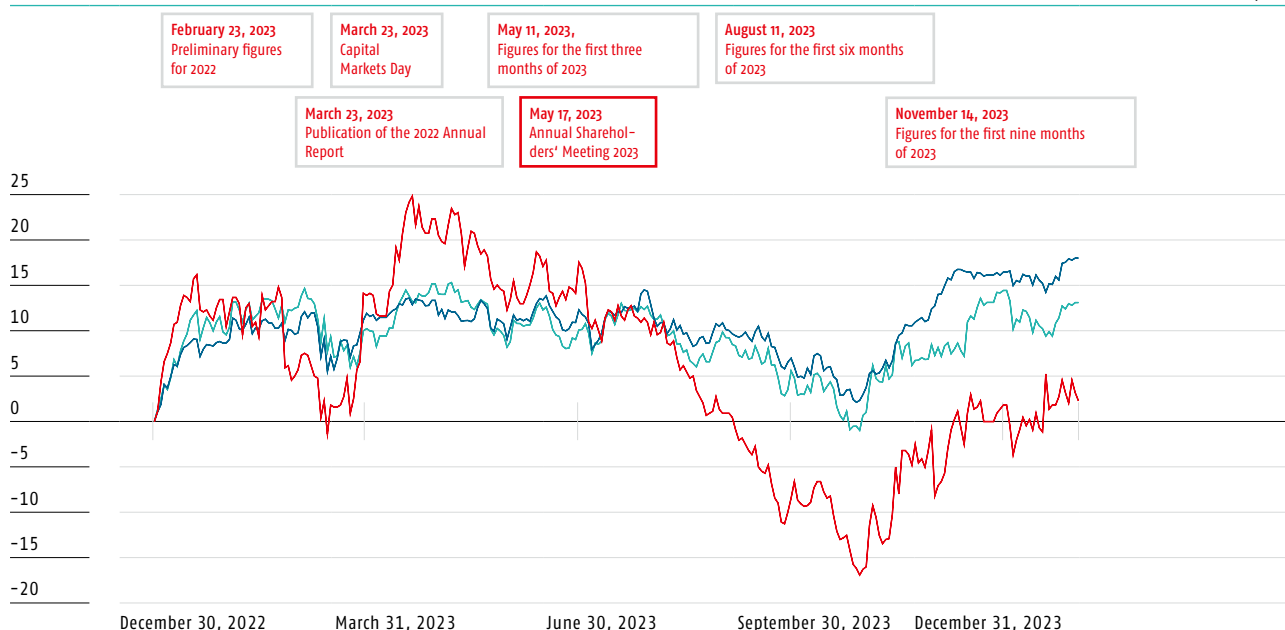
Stable Shareholder Structure with Many Institutional Investors

INDUS Holding AG's largest shareholder continues to be Versicherungskammer Bayern in Munich. In line with its long-term capital investment strategy, according to the voting rights notification of March 14, 2024 it holds 14.7% of the capital stock. The other anchor is formed by a group of private investors who are jointly represented. The spokesman for the group of proxy shareholders is Hans Joachim Selzer of Driedorf, Germany. This group holds 5.7% of INDUS shares, according to its own statements. The Norwegian insurance company Protector Forsikring holds 5.4% of INDUS shares according to the voting rights notification of March 18, 2024. According to the knowledge of the Board of Management, WIRTGEN Invest Holding, Neustadt (Wied), still has a holding of 3.7%. Epina GmbH & Co. KG, Gütersloh, has been one of INDUS Holding AG's larger shareholders since November 2017, with 2.7% according to statements by that company.

Dr. Schmidt (Chair of the Board of Management) holds 6,200 shares, Mr. Großmann (member of the Board of Management) holds 2,435 shares and Mr. Weichert (Deputy Chair of the Board of Management) holds 1,000 shares. Mr. Abromeit (Chair of the Supervisory Board) holds 10,000 shares, Ms. Fischinger (member of the Supervisory Board) holds 1,000 shares, Ms. Holzberger (member of the Supervisory Board) holds 200 shares, and Mr. Klausman (member of the Supervisory Board) holds 100 shares.

SHARE PRICE PERFORMANCE OF THE INDUS SHARE 2023 EXCL. DIVIDEND

(in %)



Source: Bloomberg

— INDUS Holding AG — DAX price index — SDAX price index

Share Buyback Offer, February 21, 2024 01 | Overview of Current Research Coverage

On February 21, 2024, INDUS Holding AG submitted a public share buyback offer for up to 1,100,000 registered no-par-value shares to its shareholders at a price of EUR 23.00 per share. The volume of the buyback offer was accordingly up to EUR 25,300,000.00. The buyback offer applied from February 22, 2024 to March 1, 2024. As a result of the offer, 1,100,000 shares with a value of EUR 25,300,000.00 were acquired by INDUS Holding AG.

The bought-back shares do not qualify for voting rights or dividends.

Proposed Dividend of EUR 1.20 per Share

INDUS practices a stable dividend policy. Shareholders participate in company profits by means of regular dividend distributions. These are fundamentally based on the holding company's success in the year. The dividend policy provides that a good 50% of profits should be retained for reinvestment in the company and up to 50% distributed.

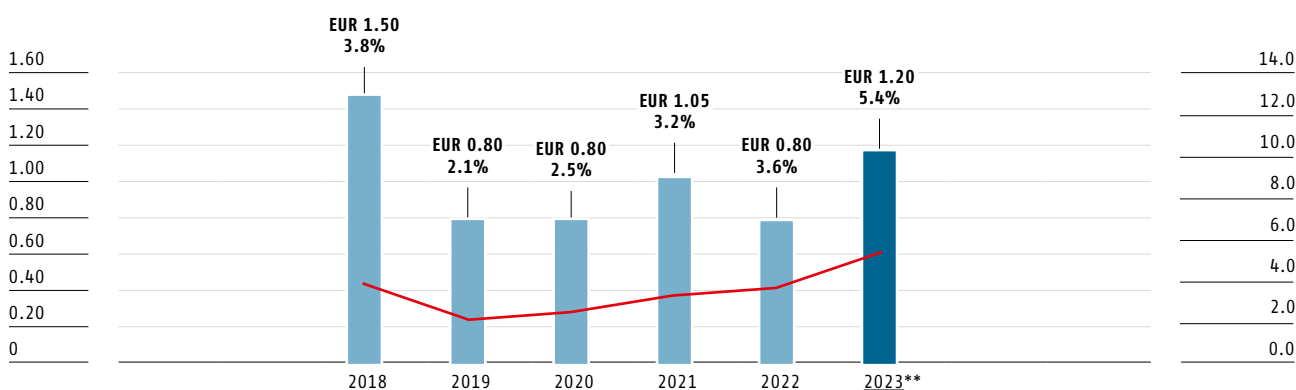
INDUS Holding AG's balance sheet profit as of December 31, 2023, was EUR 80.8 million. The Board of Management and the Supervisory Board will propose a dividend payment of EUR 1.20 per share (previous year: EUR 0.80). This corresponds to a total sum distributed of EUR 31.0 million with a dividend payout ratio of 38.3%.

The research coverage and the published analytical reports are an important instrument for investors in assessing a security with respect to a company's expected earning power and the resulting rate opportunities. Seven banks and investment firms are currently watching the INDUS share and publish regular research reports.

- FMR (EUR 44.30) – buy
- Kepler Chevreux (EUR 24.00) – hold
- LBBW (EUR 25.00) – buy
- NuWays (EUR 36.00) – buy
- M.M.Warburg (EUR 37.00) – buy
- ODDO BHF (EUR 27.00) – outperform
- Pareto (EUR 40.00) – buy

DIVIDEND PER SHARE* AND DIVIDEND YIELD 2018 TO 2023

(in EUR/in %)



* Dividend payment for the respective financial year

** Subject to approval at Annual Shareholders' Meeting expected on May 22, 2024

— Dividend yield

Investor Relations Work: Successful Capital Market Day and Annual Shareholders' Meeting Back to Being Held in Person

INDUS took part in six roadshows, and six conferences and investment forums in 2023. In total, the Board of Management and the Investor Relations team made personal contact with around 50 investors and many private shareholders. New events attended this year were the International Investment Forum (GBC), Hamburger Investorentag (Montega AG), and the Autumn Conference (Equity Forum). In addition to the DSW forum in September, INDUS took part in the virtual SdK Aktienforum for the first time this year.

Around 30 analysts and institutional investors came to Cologne on March 24, 2023 for the **Capital Markets Day**, which INDUS hosted for the first time in 2023. 12 others joined the event online. The Board of Management shared insights about the INDUS DNA and presented the income for the 2022 financial year. The update to the PARKOUR perform strategy was also on the agenda. In addition, the members of the Board of Management responsible for the segments set out the new segment structure and provided information about the milestones and corporate objectives planned for up to 2025.

The **Annual Shareholders' Meeting** took place in an in-person format again for the first time on May 17, 2023 at koelnmesse. Despite lower attendee numbers – around 240 people were present – compared with the last face-to-face meeting, the event confirms that direct dialog with shareholders, shareholder representatives, and the INDUS network brings clear added value. INDUS also plans to hold in-person Annual Shareholders' Meetings in 2024 and 2025.

In the reporting year, **dialog with private investors continued to intensify**, and was intensely fostered outside the Annual Shareholders' Meeting by means of participation in various **investor forums** and personal contact. Interested investors can also actively stay informed on current events through the INDUS newsletter.

By actively cultivating relations with the capital markets, INDUS underscores its commitment to transparent and regular communication. The financial calendar on the inside cover of the Annual Report provides an overview of the most important dates for the current financial year. It is regularly updated and is also available on the company's website.

 The dates planned for 2024 and additional IR information can be found at www.indus.de/en/investor-relations/financial-calendar

YOUR CONTACT AT INVESTOR RELATIONS

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