03

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Income

in EUR '000	Notes	2023	2022*
REVENUE	[9]	**1,802,431**	**1,804,109**
Other operating income	[10]	20,617	25,095
Own work capitalized	[11]	5,375	3,539
Change in inventories	[12]	-17,088	30,003
Cost of materials	[13]	-801,416	-872,208
Personnel expenses	[14]	-521,537	-494,642
Depreciation/amortization	[15]	-89,248	-85,991
Impairment	[15]	-19,320	-42,772
Other operating expenses	[16]	-230,253	-233,468
OPERATING INCOME (EBIT)		**149,561**	**133,665**
Interest income		1,575	1,378
Interest expense		-21,184	-14,490
NET INTEREST	[17]	**-19,609**	**-13,112**
Income from shares accounted for using the equity method		1,386	511
Other financial income		8,382	-5,133
FINANCIAL INCOME	[17]	**-9,841**	**-17,734**
EARNINGS BEFORE TAXES FROM CONTINUING OPERATIONS		**139,720**	**115,931**
Income taxes	[18]	-55,767	-33,454
EARNINGS AFTER TAXES FROM CONTINUING OPERATIONS		**83,953**	**82,477**
Earnings from discontinued operations	[7]	-27,839	-123,907
EARNINGS AFTER TAXES		**56,114**	**-41,430**
of which interests attributable to non-controlling shareholders		677	805
of which interests attributable to INDUS shareholders		55,437	-42,235
Earnings per share – basic and diluted, in EUR	[19]		
from continuing operations	[19]	3.10	3.04
from discontinued operations	[19]	-1.04	-4.61
from continuing and discontinued operations	[19]	**2.06**	**-1.57**

* Previous year's values (income taxes, earnings after taxes and earnings per share), adjusted. For further information, see under [8].

Consolidated Statement of Comprehensive Income

in EUR '000	Notes	2023	2022*
EARNINGS AFTER TAXES		**56,114**	**-41,430**
Actuarial gains/losses	[29] [30]	-3,893	15,160
Deferred taxes	[29] [26]	935	-3,696
Items not to be reclassified to profit or loss		**-2,958**	**11,464**
Currency conversion adjustment	[29]	-3,354	6,412
Change in the market values of hedging instruments (cash flow hedge)	[29] [37]	-2,955	6,772
Deferred taxes	[26] [37]	468	-1,072
Items to be reclassified to profit or loss		**-5,841**	**12,112**
OTHER COMPREHENSIVE INCOME		**-8,799**	**23,576**
TOTAL COMPREHENSIVE INCOME		**47,315**	**-17,854**
of which interests attributable to non-controlling shareholders		610	789
of which interests attributable to INDUS shareholders		46,705	-18,643

* Previous year's values (earnings after taxes and total comprehensive income), adjusted. For further information, see under [8].

Consolidated Statement of Financial Position

in EUR '000	Notes	Dec. 31, 2023	Dec. 31, 2022*
ASSETS			
Goodwill	[20] [22]	395,808	403,725
Right-of-use assets from leasing/rent	[21] [22]	73,878	68,904
Other intangible assets	[22]	164,170	172,436
Property, plant, and equipment	[22]	344,428	344,283
Investment property	[22]	10,005	2,215
Financial investments	[23]	11,347	5,571
Shares accounted for using the equity method	[24]	5,662	4,276
Other non-current assets	[25]	2,659	1,967
Deferred taxes	[26]	21,262	20,170
Non-current assets		**1,029,219**	**1,023,547**
Inventories	[27]	429,269	449,387
Receivables	[28]	181,310	195,468
Other current assets	[25]	17,336	22,048
Current income taxes	[26]	5,799	5,342
Cash and cash equivalents		265,843	127,816
Assets held for sale	[34]	0	66,273
Current assets		**899,557**	**866,334**
TOTAL ASSETS		**1,928,776**	**1,889,881**
EQUITY AND LIABILITIES			
Subscribed capital		69,928	69,928
Capital reserve		318,143	318,143
Other reserves		329,866	304,677
Equity held by INDUS shareholders		**717,937**	**692,748**
Non-controlling interests in the equity		1,724	2,060
Equity	[29]	**719,661**	**694,808**
Pension provisions	[30]	27,009	23,568
Other non-current provisions	[31]	596	1,093
Non-current financial liabilities	[32]	618,162	580,638
Other non-current liabilities	[33]	48,027	59,737
Deferred taxes	[26]	55,398	54,038
Non-current liabilities		**749,192**	**719,074**
Other current provisions	[31]	41,675	42,336
Current financial liabilities	[32]	153,849	140,734
Trade payables		63,661	74,283
Other current liabilities	[33]	174,491	165,710
Current income taxes	[26]	26,247	17,245
Liabilities in connection with assets held for sale	[34]	0	35,691
Current liabilities		**459,923**	**475,999**
TOTAL ASSETS		**1,928,776**	**1,889,881**

* Previous year's values (deferred taxes, other reserves, equity held by INDUS shareholders, equity), adjusted. For further information, see under [8].

Consolidated Statement of Changes in Equity

in EUR '000	Subscribed capital	Capital reserve	Retained earnings	Other reserves	Equity held by INDUS shareholders	Interests attributable to non-controlling shareholders	Group equity*
AS OF JAN. 1, 2022 before IAS 37 adjustment	**69,928**	**318,143**	**410,994**	**-13,434**	**785,631**	**1,843**	**787,474**
IAS 37 adjustment (rev. 2020)			-46,000		-46,000		-46,000
AS OF JAN. 1, 2022	**69,928**	**318,143**	**364,994**	**-13,434**	**739,631**	**1,843**	**741,474**
Earnings after taxes			-42,235		-42,235	805	-41,430
Other comprehensive income				23,592	23,592	-16	23,576
Total comprehensive income			**-42,235**	**23,592**	**-18,643**	**789**	**-17,854**
Capital increase						177	177
Dividend payment			-28,240		-28,240	-749	-28,989
AS OF DEC. 31, 2022	**69,928**	**318,143**	**294,519**	**10,158**	**692,748**	**2,060**	**694,808**
AS OF JAN. 1, 2023	**69,928**	**318,143**	**294,519**	**10,158**	**692,748**	**2,060**	**694,808**
Earnings after taxes			55,437		55,437	677	56,114
Other comprehensive income				-8,732	-8,732	-67	-8,799
Reclassification			67	-67			
Total comprehensive income			**55,504**	**-8,799**	**46,705**	**610**	**47,315**
Dividend payment			-21,516		-21,516	-946	-22,462
AS OF DEC. 31, 2023	**69,928**	**318,143**	**328,507**	**1,359**	**717,937**	**1,724**	**719,661**

* Previous year's values (earnings after taxes, total comprehensive income and balance as of December 31, 2022), adjusted. For further information, see under [8].

For additional information on equity, see [29].

Consolidated Statement of Cash Flows

in EUR '000	2023	2022*
Earnings after taxes from continuing operations	83,953	82,477
Depreciation/appreciation of non-current assets (excluding deferred taxes)	108,568	128,763
Gains (-) and losses (+) on the disposal of fixed assets	-824	-3,902
Income taxes	55,767	33,454
Financial income	9,841	17,734
Other non-cash transactions	2,442	16
Changes in provisions	-3,561	11,373
Increase (-)/decrease (+) in inventories, receivables, and other assets	35,349	-94,341
Increase (+)/decrease (-) in trade payables and other equity and liabilities	-3,374	9,932
Income taxes received/paid	-48,089	-48,454
Dividends received	50	71
Operating cash flow from continuing operations	**240,122**	**137,123**
Interest paid	-24,533	-22,162
Interest received	2,068	1,378
Cash flow from operating activities from continuing operations	**217,657**	**116,339**
Cash outflow from investments in		
Intangible assets	-10,816	-8,047
Property, plant, and equipment	-51,133	-46,493
Financial investments	-601	-417
Shares in fully consolidated companies	-8,851	-58,769
Cash inflow from the disposal of		
Shares in fully consolidated companies	0	9,843
Other assets	21,318	9,445
Cash flow from investing activities from continuing operations	**-50,083**	**-94,438**
Contributions to capital (capital increase)	0	177
Deposits by non-controlling shareholders	-21,516	-28,240
Dividend payment	-946	-749
Payments to non-controlling shareholders	0	-2,474
Cash outflow from the repayment of contingent purchase price commitments	168,732	264,061
Cash inflow from the raising of loans	-126,596	-157,789
Cash outflow from the repayment of loans	-20,175	-19,081
Cash outflow from the repayment of lease liabilities	**-501**	**55,905**
Net changes in cash and cash equivalents from continuing operations	167,073	77,806
Net changes in cash and cash equivalents from discontinued operations	-24,589	-80,920
Exchange-rate-related change to cash and cash equivalents from continuing operations	-753	-194
Exchange-rate-related change in cash and cash equivalents from discontinued operations	0	-68
Changes in cash and cash equivalents in connection with assets held for sale	-3,704	-5,128
Cash and cash equivalents at the beginning of the period	127,816	136,320
Cash and cash equivalents at the end of the period	**265,843**	**127,816**

* Previous year's values (earnings after taxes from continuing operations, income taxes), adjusted. For further information, see [8].

Additional information on the statement of cash flows can be found in the notes under item [35]. With respect to cash outflow for investment in shares in fully consolidated companies, reference is made to item [5]. The development of financial liabilities is set out under [32].

Notes

Basic Principles of the Consolidated Financial Statements

[1] General Information

INDUS Holding Aktiengesellschaft with registered office in Kölner Strasse 32, 51429 Bergisch Gladbach, Germany, is listed in the Cologne Commercial Register under record no. HRB 46360. INDUS is an established long-term oriented financial investor specializing in the acquisition of SMEs in the manufacturing sector in German-speaking Europe. Since January 1, 2023, the operating companies have been allocated into three company areas (segments): Engineering, Infrastructure, and Materials. Previous-year figures have been adapted to the new segmentation.

INDUS Holding AG has prepared its consolidated financial statements for the 2023 financial year from January 1, 2023 to December 31, 2023 in accordance with the International Financial Reporting Standards (IFRS) and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC) as applicable in the European Union (EU).

The statement of income was prepared using the total cost method. The statement of financial position is structured according to current/non-current status of assets and liabilities.

The consolidated financial statements are prepared in euros (EUR). Unless otherwise indicated, all amounts are stated in thousands of euros (EUR '000). Each figure has been rounded according to normal commercial practice; this May lead to slight discrepancies when figures are added together.

The consolidated financial statements are prepared using historical cost accounting, with the exception of balance sheet items which must be carried at fair value. The annual financial statements of the companies included in the scope of consolidation were prepared as of the reporting date of INDUS Holding AG and are based on uniform accounting and valuation methods. Pursuant to Section 315e German Commercial Code (HGB), INDUS Holding AG is obligated to prepare its consolidated financial statements in compliance with IFRS Standards. The basis for this is Directive No. 1606/2002 of the European Parliament and Council on the application of international accounting standards in the European Union. Information that must be included in the Notes in accordance with the German Commercial Code (HGB) and goes beyond what is mandatory under IFRS is presented in the Notes as well. The financial statements were drawn up by the Board of Management on March 13, 2024. The Supervisory Board approved the consolidated financial statements at its meeting on March 14, 2024.

[2] Application and Impact of New and Revised Standards

All standards which were mandatorily applicable as of December 31, 2023 have been observed. No use was made of the discretionary right to apply standards before they become mandatory.

MANDATORY STANDARDS AND INTERPRETATIONS TO BE APPLIED FOR THE FIRST TIME IN THE 2023 FINANCIAL YEAR

The application of the following standards has been mandatory for the first time since January 1, 2023.

— IFRS 17 "Insurance contracts"
— Change to IAS 1 and Practice Statement 2: "Disclosure of Accounting Policies"
— Changes to IAS 8: "Definition of Accounting Estimates"
— Change to IAS 12 on prohibited recognition of deferred taxes in the case of the first-time recognition of an asset of liability

The first-time application of these new standards has not resulted in any material changes to these financial statements.

The "Changes to IAS 12: Global Minimum Taxation: Pillar Two Model Rules" are currently not relevant for INDUS. INDUS Holding AG with its subsidiaries falls into the scope of application of the OECD Pillar Two rules. The German implementation act relating to Pillar Two was published in the Federal Law Gazette on December 27, 2023 and came into force on December 28, 2023. INDUS is currently assessing the effects of Pillar Two. According to an analysis, based on the reporting period INDUS Holding AG and its subsidiaries can utilize the "Safe Harbor Rules". We do not expect any tax burdens to arise from the Pillar Two Rules in the medium term, and as such also expect no material effects in the medium term from the "Changes to IAS 12: Global Minimum Taxation: Pillar Two Model Rules".

STANDARDS PUBLISHED UP TO DECEMBER 31, 2023 WHICH HAVE NOT BEEN APPLIED EARLY IN THESE FINANCIAL STATEMENTS

New standards that have already been published, but have not been applied early will have no material effect on the financial position and financial performance of INDUS.

[3] Accounting Principles

CONSOLIDATION PRINCIPLES

Capital consolidation is carried out in accordance with the purchase method. Assets, liabilities, and contingent liabilities are measured at their fair value as of the time of purchase for business combinations. Goodwill is determined as the difference between the acquisition costs of the business combination and the purchaser's share of the fair values of the acquired assets, liabilities, and contingent liabilities.

Contingent purchase price components are carried at the acquisition date, at their fair value. Changes in their amounts are recorded through profit and loss in the subsequent periods. Incidental acquisition costs incurred in acquiring the investment are not included in the purchase price allocation. Instead, they are recognized as expenses in the period of acquisition.

In the event that non-controlling shareholders have a right to tender at the time of the initial consolidation and INDUS is unable to revoke this right, the purchase price commitment for eligible interests attributable to non-controlling shareholders is calculated at fair value.

Receivables and liabilities as well as expenses and income between consolidated companies are offset against each other. Interim results are eliminated from inventories and fixed assets. Deferred taxes are recognized for consolidation adjustments.

CURRENCY CONVERSION

Foreign currency transactions in the individual financial statements are translated into the functional currency of the individual company at the exchange rates prevailing at the time of the transaction. Monetary items are measured through profit and loss as of the reporting date using the average spot exchange rate.

In accordance with the concept of functional currency, companies located outside of the euro area prepare their financial statements in the currency of the country in which they are domiciled. For assets and liabilities, these financial statements are translated into euros using the exchange rate prevailing on the reporting date. Except for items recognized directly in equity, equity is carried at historical rates. Items in the statement of income are converted at average exchange rates, and any resulting currency adjustments until disposal of the subsidiary are recognized with no effect on the statement of income.

The exchange rates as applied on the reporting date are shown in the following table, along with the average annual rates:

		Exchange rate as of the reporting date		Average exchange rate	
	EUR 1 =	Dec. 31, 2023	Dec. 31. 2022	2023	2022
United Arab Emirates	AED	4.054	3.939	3.975	3.872
Brazil	BRL	5.362	5.639	5.402	5.443
Canada	CAD	1.464	1.444	1.460	1.370
Switzerland	CHF	0.926	0.985	0.972	1.005
China	CNY	7.851	7.358	7.660	7.080
Czech Republic	CZK	24.724	24.116	24.001	24.560
Denmark	DKK	7.453	7.437	7.451	7.440
United Kingdom	GBP	0.869	0.887	0.870	0.853
Hungary	HUF	382.800	400.870	381.759	390.944
South Korea	KRW	1,433.660	1,344.090	1,413.264	1,358.071
Morocco	MAD	10.940	11.197	10.956	10.682
Mexico	MXN	18.723	20.856	19.190	21.205
Poland	PLN	4.340	4.681	4.542	4.684
Romania	RON	4.976	4.950	4.947	4.932
Serbia	RSD	117.034	117.393	117.309	117.451
Singapore	SGD	1.460	1.430	1.452	1.452
Turkey	TRY	32.653	19.965	25.749	17.385
Taiwan	TWD	33.877	32.890	33.703	31.330
United States	USD	1.105	1.067	1.082	1.054
South Africa	ZAR	20.348	18.099	19.954	17.210

In the presentation of the development of non-current assets, provisions, and equity, the opening and closing balances are translated using the exchange rates prevailing on the reporting date, while changes during the year are translated using the average exchange rate. Any resultant exchange rate differences are reported separately with no effect on the statement of income.

In the consolidated financial statements of December 31, 2023, accounting for AURORA Isı Araçları San. ve Tic. Ltd. Şti, Ergene, Turkey was conducted in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies). Due to the hyperinflation context, transactions in Turkey have not been converted at exchange rates as valid on the reporting date, average exchange rates nor respectively historic rates. The non-monetary assets and liabilities as well as equity have been adjusted to the price index applicable on the reporting date. The balance of adjustments is reported in the consolidated statement of income as “Profits/losses from the net position of monetary items” under other financial income. The price index INDUS has used is the consumer price index of the Turkish Statistical Institute (as of December 31, 2023: 1,859 index points). IAS 29 is to be applied as though Turkey has always been hyperinflationary. The profits from ongoing hyperinflation of non-monetary assets and liabilities, equity, and the consolidated statement of income amount to EUR 2,993 thousand.

FINANCIAL STATEMENT ACCOUNTING AND MEASUREMENT

Goodwill does not undergo amortization due to its indeterminate useful life. It is tested for impairment at least once a year (as of September 30).

Goodwill is tested for impairment at the level at which this is reasonable from an economic point of view, and possible. In most cases, goodwill is attributed to the portfolio companies and their subsidiaries (cash generating units). These are the operating units listed in the Notes. In the few cases in which there is a close trading relationship between these companies, they are combined to form operating units and goodwill is tested for impairment on this basis.

The goodwill recognized in the purchase price allocation is distributed across 44 (previous year: 44) cash-generating units. No individual goodwill amount is significant within the meaning of IAS 36.134.

Other intangible assets acquired for a fee are measured at cost. The customer base refers to customer relationships of acquired investments and is depreciated on a linear basis over the economic usage period from eight to 15 years. Copyrights, licenses, and other intangible assets primarily refers to brand names, technology, and software. They are depreciated on a linear basis over two to 15 years. Capitalized development costs are internally generated assets that fulfill the recognition criteria of IAS 38. These are capitalized at production cost. They are amortized from commencement of their use and this is done using the straight-line method over five to 15 years.

Leases are recognized in the statement of financial position as right-of-use assets from leases and as (financial) liabilities from leasing. In addition to fixed payments, the liabilities also include expected residual value payments, extension options and exercise prices for purchase options if these are reasonably certain to be exercised. Lease payments are discounted at the interest rate underlying the lease or at the incremental borrowing rate. Furthermore, the exemptions of IFRS 16 are applied to low-value lease assets and leases with a term of up to one year, i.e. instead of assets or lease liabilities being recognized, the lease installments continue to be recognized as other operating expenses.

Property, plant, and equipment are measured at cost, reduced by scheduled amortization and, when necessary, impairment. In accordance with the actual structure of their useful lives, the straight line depreciation method is applied. Depreciation periods are based primarily on the following useful lives.

	Years
Buildings	20 to 50
Land improvements	8 to 20
Technical equipment, plant, and machinery	5 to 15
Factory and office equipment	3 to 15

Property, plant, and equipment are impaired in accordance with IAS 36 if the recoverable amount of the asset concerned has fallen below carrying amount. If the reason for an impairment recorded in previous years no longer applies, a reversal of impairment is performed, up to the maximum of the carrying amount after amortization.

Inventories are recognized at cost or lower net realizable value. Cost encompasses direct costs and proportional overheads. Overheads are generally allocated on the basis of actual capacity, if this basically corresponds to normal capacity. Raw materials and goods for resale are measured using the average cost method. Devaluations of the lower net realizable value are primarily applied due to age/obsolescence.

The fair values recognized in the statement of financial position generally correspond to the arm's-length prices of the financial assets or financial liabilities. The market values of financial liabilities are determined on the basis of the market information available on the reporting date, or by using accepted valuation methods such as the discounted cash flow method, and by means of confirmations from the banks carrying out the transactions. The interest rates employed are adjusted to the term and risk of the underlying financial instrument.

Associated companies listed under financial assets on which the INDUS Group exercises significant influence (usually by holding between 20% and 50% of the voting rights) are accounted for using the equity method. When measured for the first time, they are stated at cost. In the subsequent valuation, the carrying amount is adjusted by the proportional changes in the associated company's equity.

Receivables and other assets are recognized at amortized costs; for current receivables this is generally the nominal value. Amortized costs are taken into account with appropriate valuation allowances. Losses are recognized in other operating expenses when loans and receivables are impaired or derecognized or respectively recorded in other operating income if impairments are reversed.

Impairments are recognized for anticipated credit losses on financial assets measured at amortized cost. The simplified method for calculating impairments is used to determine impairments on trade receivables. The full term of the financial instrument is used to determine the anticipated credit losses. Based on historical analysis of defaults, it is assumed that the default risk of a financial asset has not risen significantly once it is more than 30 days overdue.

Derivative financial instruments are used by INDUS to hedge underlying transactions based on future cash flows. At the time the hedging transaction is concluded, the corresponding underlying transactions may or may not be completed.

Derivatives employed as hedging instruments are primarily interest rate swaps or currency forward contracts. The prerequisite for hedge accounting is that the hedge between the underlying transaction and the hedging instrument is effective, documented, and continuously monitored. The existence of an economic relationship between hedge and hedged item is based on reference interest rates, terms, interest adjustment and due dates, and nominal and actual amounts. In assessing effectiveness, the critical terms match method is used. The hedging relationships mostly exist in a 1:1 ratio to the underlying transaction and are 100% effective.

The statement of documented hedges depends on the type of relationship in question. In the case of cash flow hedges, the change in the fair value is recorded in equity with no effect on income, taking all deferred taxes into account. For the valuation of the hedging instruments described above, only market-related valuation methods were used in the last two financial years. This corresponds to the procedure for level 2 of the fair value hierarchy. The market interest rates derived from publicly available swap rates on the reporting date are used as the input for measuring interest-rate swaps.

Call/put options from the acquisition of companies as a contingent purchase price commitment are recognized at fair value.

Market-related observable input factors (level 2) and internal data (level 3) were used to measure call/put options at fair value. The market interest rates derived from the INDUS financing structure as of the reporting date, contractually agreed EBIT multiples, and individual plans of the acquired companies are used as input factors for measuring the fair value of contingent purchase price liabilities. Generally, call/put options measurements are allocated to level 3.

Pension obligations are based on defined contribution and defined benefit plans in various forms.

The defined contribution plan costs relate to payments by INDUS to external institutions, without any additional obligations for the beneficiary being entered into.

With defined benefit obligations, pensions and other post-employment benefits are calculated using the projected unit credit method. The interest rate used for discounting future claims is the market rate for risk-adjusted long-term investments with similar maturities. The Heubeck 2018 G Reference Tables are used to calculate the likelihood of mortality. For every pension plan, the projected benefit obligation is reduced by the fair value of the qualified plan assets. Differences between actuarial assumptions and actual change in the underlying parameters used to calculate projected unit credits and the fair value of plan assets give rise to actuarial gains and losses. These actuarial gains or losses are recognized directly in equity, taking into consideration any deferred taxes, through the change in consolidated equity and recorded on the statement of income and in pension provisions.

In the assessment of **other provisions**, the settlement amount is calculated based on a best-possible estimate. Provisions are discounted when the outflow of resources is classified as long term and the effect of this is significant. Provisions for product warranties are calculated for the sales that are subject to warranty and the relevant warranty period on the basis of ensured experience values. Individual provisions are formed for known damages. Provisions for pending losses from orders and other liabilities from the transactions are calculated on the basis of the services to be performed.

Deferred taxes on goodwill accrue only to the extent that they are tax-deductible. This is generally the case for German limited partnerships.

Deferred taxes must be calculated even if the realization of this goodwill, e.g., via the disposal of the respective limited partnership, is not planned. This leads to a permanent accrual of deferred tax liabilities at INDUS.

Deferred taxes are measured using the tax rate valid for the periods in which the differences are expected to be reversed. Regardless of maturities, deferred taxes are not to be discounted. Deferred taxes are recognized on the basis of the tax rates prevailing or approved in the various countries in accordance with the current legal position. In Germany, a corporate income tax rate of 15% applies (previous year: 15%). Taking into consideration a trade tax assessment multiplier ranging from 295% to 515%, as well as a solidarity surcharge of 5.5%, the income tax rate for domestic companies amounts to between 26.15% and 33.85% (previous year: 26.15% to 33.85%). Foreign tax rates range between 9% and 31% (previous year: between 9% and 32.02%).

In the context of **income realization** from customer contracts, revenue is recognized in accordance with the 5-step model described in IFRS 15, either over a period of time or at a certain point in time. The INDUS product portfolio is highly diversified. Revenue is generated from the sale of goods, order production, and, to a lesser extent, from services provided. The revenue is attributable to the following areas: complete conveyor systems, robotic gripping systems, valve technology, automation components for final vehicle assembly, plants for inert gas systems, plants for metal detection technology, integrated control rooms, electric heat tracing systems, and measurement solutions as well as solutions for specialized vehicles (segment: Engineering), reinforcement of ferroconcrete, construction materials, network and cable laying, air-conditioning and heating technology, accessories for private homebuilding, window construction (segment: Infrastructure), orthotic devices, surgical stockings, lenses and optical devices, surgical accessories, rehabilitation technology as well as hygienic products for medical applications and housekeeping, carbide tools for road construction and mining, manufacture of housings, blasting agent for the steel industry as well as bolt welding technology for structural connecting elements used in bridge construction (segment: Materials). For many contracts from the Engineering and Infrastructure segments, the revenue was realized over the period.

If the prerequisites for revenue recognition over time are met, the percentage of completion must be ascertained. The input-oriented cost-to-cost method is used for this, due to the reliability of the calculation. Revenue is thus recognized based on the percentage of completion until the goods are transferred to the customer or until the service has been performed. Anticipated losses are recognized directly as expenses. If the prerequisites for recognition over time are not met, income realization takes place at a point in time. This is typically the point in time at which goods are transferred or the point in time when the customer accepts the contract liabilities.

Contracts with customers usually include payment terms that are standard for the industry. Advance payments are in some cases agreed for contracts that lead to point-in-time sales recognition. Warranty agreements that are standard for the industry were recognized as provisions for product warranties in the amount of EUR 11,879 thousand (previous year: EUR 13,617 thousand).

The **virtual stock options** (“stock appreciation rights” up to 2020, “virtual performance shares” from 2021) granted as part of the previous (until 2020) and new (from 2021) long-term incentive program are classified as “share-based payment with cash settlement.” Provisions are formed for these and measured at the fair value of the commitments.

In the **statement of cash flows**, interest and dividends received are allocated to the cash flow from operating activities. The figure for funds corresponds to the balance sheet item cash and cash equivalents and includes bank balances and cash on hand. Cash flow from operating activities is determined using the indirect method. Operating expenses and income with no effect on net cash are eliminated from cash flows from operating activities.

Preparation of the consolidated financial statements is influenced by **assumptions and estimates** that have an impact on the recognized value of assets, liabilities, and contingent liabilities, and on income and expenses. When estimates are made regarding the future, actual values may differ from the estimates. If the original basis for the estimates changes, the statement of the items in question is adjusted through profit and loss.

As was also the case in the previous year, there was increased uncertainty during 2023 due to the war in Ukraine. In particular this was apparent in indirect effects such as price increases and shortages of raw materials. The estimate-based balance sheet items are also dependent on the further development of the war in Ukraine and the resulting economic effects.

The effects of the coronavirus pandemic adversely affected the economic activities of the portfolio companies in 2022. There were no coronavirus effects in the 2023 financial year.

In the context of the corporate planning process, those investments that are not directly affected by the war in Ukraine but are somewhat significantly affected by indirect effects of the war, in the form of price increases, material shortages, and supply bottlenecks, have integrated this individually into (partial) planning. The future-oriented parameters relevant to estimation may be interest rates, foreign currency rates, market risk premiums, payment defaults, creditworthiness, and revenue as well as new orders and payment receipts. These planning assumptions are subject to heightened uncertainty.

The effects of **climate change** were analyzed in the reporting year. INDUS identifies, monitors, and reviews potential risks from climate change as part of its Group-wide risk management system. The risk management system is based on the individual, independent risk management systems in the portfolio companies.

INDUS has committed to achieve climate neutrality by 2045. An interim target for 2025 is to reduce greenhouse gas emissions by 35% compared with 2018. INDUS supports the portfolio companies in their efforts to conserve resources and avoid greenhouse gas emissions. The individual company plans were discussed in the context of the budget meetings and decisions were taken. INDUS financially supports the portfolio companies by means of the Sustainability Development Bank.

Environmental protection and energy efficiency are relevant in all manufacturing industries, and will remain important issues in the future. Energy prices and environmental standards will continue to rise over the long term. Increased energy and commodity prices represent a risk for the development of the individual companies and the Group and, depending on the market situation of the portfolio company, cannot always be passed on to customers promptly and in full. For this reason, INDUS expects investment in sustainable and energy-efficient production processes to increase. INDUS believes there are promising medium-term opportunities here, particularly for companies in the Engineering and Materials segments.

With regard to an impact on production conditions, the product portfolio, and the Group's performance as a result of global warming, INDUS does not expect the current situation to get worse in the forecast period. This is also due to the INDUS Group's high level of diversification in terms of locations, selling markets, and fields of business. The portfolio companies' products will nevertheless need to adapt to new requirements and make necessary innovations to gain or maintain the best market positions. As in the previous year, there was no indication that goodwill was impaired as a result of climate change in financial year 2023.

Items on the balance sheet are also influenced by future events that cannot be controlled. This can result in bad debt losses, affect the useful lives of intangible assets or property, plant, and equipment, or similar; these are all risks inherent with commercial activity. The financial statement accounting of such items in the accounts is based on many years' experience and the assessment of current conditions.

Systemic uncertainties result from balance sheet items where expected future payments are discounted. These payments are dependent on future events about which assumptions must be made. Future interest rate levels can also affect the calculation of cash flow considerably. This is particularly the case in testing assets and cash generating units for impairment, and calculating pension provisions using the projected unit credit method. The determination of deferred tax assets' value is also based on forecast future taxable income.

Relevant uncertainties result from items that must be measured on the basis of a range of possible future circumstances. This applies in particular to other provisions and comparable obligations. Extensive accounting experience is very important in this regard, but it still regularly occurs that provision amounts in the financial statements have to be adjusted upward or downward.

In many cases there are no active markets with observable pricing to use in determining fair value. For financial statement accounting of business combinations, the fair value of balance sheet items acquired must be determined using standard valuation models which require assumptions regarding directly observable as well as potentially non-observable valuation mechanisms.

These financial statements are based on estimates and assumptions which reflect the latest information available to management. The need to make substantial valuation adjustments in future cannot be ruled out, as many relevant valuation parameters are beyond management's control.

For the 2024 financial year, INDUS does not on the whole anticipate events requiring material adjustment to balance sheet items in these financial statements. The assumptions made regarding conditions in the general economy and the relevant markets in particular have been discussed in detail in the forecast report in the combined management report.

[4] Scope of Consolidation

All subsidiaries of which the financial and business policy can be directly or indirectly controlled by INDUS Holding AG for the benefit of the INDUS Group are recorded as fully consolidated in the consolidated financial statements. Control is in evidence if a company can exercise power of disposition on its subsidiaries and is subject to variable return flows and has the possibility of using its power of disposition to influence the amount of return flows. Associated companies whose financial and business policies can be significantly influenced are consolidated using the equity method. Companies purchased during the course of the financial year are consolidated as of the date on which control over their financial and business policy is transferred. Companies which are sold are no longer included in the scope of consolidation as of the date on which the business is transferred.

FULLY CONSOLIDATED SUBSIDIARIES

	Germany	International	Total	of which attributable to investments of less than 100%
Dec. 31, 2023				
Engineering	39	34	73	15
Infrastructure	33	17	50	6
Materials	27	18	45	5
Non-core/other	10	0	10	0
Total	**109**	**69**	**178**	**26**
Dec. 31, 2022				
Engineering	41	34	75	16
Infrastructure	32	18	50	6
Materials	28	18	46	5
Non-core/Other	17	6	23	0
Total	**118**	**76**	**194**	**27**

The complete listing of equity interests in accordance with Section 313 of the German Commercial Code (HGB), which forms part of the Notes, is published with the consolidated financial statements in the company register.

The carrying amounts of interests attributable to non-controlling shareholders is EUR 1,724 thousand (previous year: EUR 2,060 thousand). None of the non-controlling interests are significant individually.

Insofar as non-controlling shareholders have a right to tender at the time of the initial consolidation that INDUS cannot withdraw from, and combination with a call/put option exists for INDUS, economic or anticipated ownership rests with INDUS and the affected shares are fully consolidated and recognized at fair value as a contingent purchase price commitment. As of the reporting date, purchase price commitments from non-controlling shareholders with a right to tender were recognized at EUR 55,558 thousand (previous year: EUR 64,050 thousand). Purchase price models exist for all material cases that allow an objective measurement of the shares taking into consideration the company-specific risk structure, which guarantees an exchange of non-controlling interests at fair value. INDUS may generally exercise its rights at contractually agreed exercising periods.

As of December 31, 2023, the scope of consolidation includes 34 limited liability companies (GmbH) as general partners that form a single company with the corresponding LLCs (December 31, 2022: 36 limited liability companies (GmbHs) as general partners).

[5] Business Combinations

DISCLOSURES ON INITIAL CONSOLIDATION FOR THE CURRENT FINANCIAL YEAR

COMPANY ACQUISITIONS

With a contract dated January 12, 2023, the INDUS Holding AG subsidiary BETOMAX systems GmbH & Co. KG acquired 100% of the shares in QUICK Bauprodukte GmbH (QUICK), Schwerte, Germany. QUICK is a specialist for formwork and reinforcement accessories, and manufactures and distributes standard and special parts for bridge building, overground and underground construction, and tunnel construction. QUICK's portfolio of products complements the BETOMAX product range and opens up new opportunities for the company in the field of bridge building. QUICK has been allocated to the Infrastructure segment. The economic transfer (closing) took place on March 31, 2023.

The fair value of the total consideration amounted to EUR 11,398 thousand as of the acquisition date and included an earn-out of EUR 2,200 thousand, adopted cash and cash equivalents of EUR 347 thousand, and a cash benefit of EUR 8,851 thousand. The earn-out depends on the future earnings performance.

Goodwill of EUR 4,415 thousand, determined in the course of the purchase price allocation, is not tax-deductible. Goodwill is the residual amount of the total consideration less the value of the re-assessed acquired assets and assumed liabilities and does not represent the accountable potential earnings of the acquired company for the future or the expertise of the personnel.

In the purchase price allocation, the acquired assets and liabilities have been calculated as follows:

NEW ACQUISITION: QUICK (EUR '000)

	Carrying amounts at the time of acquisition	Assets added due to initial consolidation	Addition to consolidated statement of financial position
Goodwill	0	4,415	4,415
Other intangible assets	2,747	7,761	10,508
Property, plant, and equipment	585	500	1,085
Inventories	394	199	593
Receivables	456	0	456
Other assets*	458	0	458
Cash and cash equivalents	347	0	347
Total assets	**4,987**	**12,875**	**17,862**
Pension provisions	304	0	304
Other provisions	200	0	200
Financial liabilities	2,747	0	2,747
Trade payables	201	0	201
Other equity and liabilities**	475	2,538	3,013
Total liabilities	**3,927**	**2,538**	**6,465**

* Other assets: Other non-current assets, other current assets, deferred taxes, current income taxes
** Other equity and liabilities: Other non-current liabilities, other current liabilities, deferred taxes, current income taxes

The re-assessed intangible assets essentially comprise the client base.

QUICK was consolidated for the first time as of March 31, 2023. QUICK contributed sales amounting to EUR 4,584 thousand and operating income (EBIT) of EUR -304 thousand. If Quick had been consolidated as of January 1, 2023, revenue would have amounted to EUR 6,215 thousand and EBIT to EUR -490 thousand.

The expenses affecting net income from initial consolidation of QUICK, i.e. subsequent valuation of the added value and incidental acquisition costs identified in the purchase price allocation (PPA), reduced operating income (EBIT) by EUR 852 thousand. The incidental acquisition costs for this were recorded in other operating expenses.

[6] Termination of Business

DISCLOSURES ON DECONSOLIDATION FOR THE CURRENT FINANCIAL YEAR

The SCHÄFER Group was sold to a subsidiary of Callista Portfolio Holding GmbH, and the contract was signed on July 5, 2023. The deconsolidation took place on July 31, 2023.

The SELZER Group was sold to a subsidiary of MUTARES SE & Co. KGaA on July 28, 2023. The transaction was completed on September 1, 2023, immediately following approval by the German Federal Cartel Office. The deconsolidation took place on August 31, 2023.

Since the search for a buyer began (Q4 2022), SCHÄFER and SELZER assets have been reported in the statement of financial position under "assets held for sale." Liabilities belonging to the disposal group have been reported under the balance sheet item "liabilities in connection with assets held for sale" accordingly.

In detail, the following assets and liabilities have been disposed of with the deconsolidation:

DISINVESTMENTS: SCHÄFER + SELZER (in EUR '000)

	SCHÄFER	SELZER	Total disposal
Intangible assets / property, plant, and equipment	299	3,435	3,734
Financial investments	650	0	650
Inventories	2,655	13,787	16,442
Receivables	1,437	5,018	6,455
Other assets*	193	8,758	8,951
Cash and cash equivalents	484	2,449	2,933
Total "Assets held for sale"	**5,718**	**33,447**	**39,165**
Pension provisions	0	2,562	2,562
Other provisions	54	11,366	11,420
Financial liabilities	1,853	7,522	9,375
Trade payables	795	6,682	7,477
Other equity and liabilities**	1,190	5,955	7,145
Total "Liabilities in connection with assets held for sale"	**3,892**	**34,087**	**37,979**

* Other assets: Other non-current assets, other current assets, deferred taxes, current income taxes
** Other equity and liabilities: Other non-current liabilities, other current liabilities, deferred taxes, current income taxes

[7] Discontinued Operations

SMA, SELZER, and SCHÄFER are each discontinued operations pursuant to IFRS 5.32.

SMA
On October 24, 2022, INDUS Holding AG lost control of SMA and its subsidiaries, and deconsolidated the companies.

SELZER/SCHÄFER
SCHÄFER and SELZER were disposed of and deconsolidated in the third quarter of 2023.

The following overview presents the expenses and income from discontinued operations for 2023 and 2022:

in EUR '000	SELZER	SCHÄFER	2023	SMA	SELZER	SCHÄFER	2022
Revenue	40,058	8,681	48,739	41,263	54,306	14,089	109,658
Other revenue	912	139	1,051	1,503	2,609	317	4,429
Expenses	-62,798	-13,266	-76,064	-113,295	-124,888	-17,159	-255,342
Operating income (EBIT)	-21,828	-4,446	-26,274	-70,529	-67,973	-2,753	-141,255
Income taxes	26	-1,481	-1,455	930	-2,450	-233	-1,753
Earnings from discontinued operations	**-21,823**	**-6,019**	**-27,842**	**-50,156**	**-70,573**	**-3,178**	**-123,907**

From the disposal of SCHÄFER and SELZER, a consolidation result of EUR 19 thousand was collected.

The following cash flows are attributable to discontinued operations:

in EUR '000	SELZER	SCHÄFER	2023	SMA	SELZER	SCHÄFER	2022
Cash flow from operating activities	-12,588	-2,099	-14,687	-25,972	-21,852	-881	-48,705
Cash flow from investing activities	-8,488	-272	-8,760	-15,881	-11,648	-772	-28,301
Cash flow from financing activities	-740	-402	-1,142	-1,040	-2,165	-709	-3,914
Net changes in cash and cash equivalents from discontinued operations	**-21,816**	**-2,773**	**-24,589**	**-42,893**	**-35,665**	**-2,362**	**-80,920**

[8] Adjustment of the Previous Year's Figures in Accordance with IAS 8

The calculation of deferred taxes from the previous year was corrected in accordance with IAS 8.42, by lower tax expenses in the amount of EUR 9,587 thousand. The adjustment relates to the statement of income including the earnings per share, the balance sheet, the statement of total comprehensive income, the statement of changes in equity, the statement of cash flows and the disclosures in the notes relating to deferred taxes [18] and [26]. The earnings per share from continuing operations increased by EUR 0.36. In the statement of financial position, the deferred tax assets reduced by EUR 2 thousand and the deferred tax liabilities reduced by EUR 9,589 thousand. The amended previous year items have been indicated in the primary financial statement components.

Notes to the Statement of Income

[9] Revenue

Revenue of EUR 1,802,431 thousand includes revenue from measurement at a given time of EUR 1,522,620 thousand and from measurement over time of EUR 261.726 thousand (previous year: EUR 205,275 thousand). Also included is EUR 18,085 thousand in revenue from services (previous year: EUR 18,104 thousand). A breakdown of revenue by reportable segments can be found under segment reporting [36].

[10] Other Operating Income

in EUR '000	2023	2022
Income from the reversal of provisions	6,048	4,996
Income from currency conversion	2,145	7,192
Income from asset disposals	1,760	4,197
Reversal of valuation allowances	2,037	1,581
Transfer to earnings/release of deferrals carried as liabilities	328	381
Insurance compensation	2,901	2,236
Appreciation/reversal of impairment on property, plant, and equipment	0	31
Other operating income	5,398	4,481
Total	**20,617**	**25,095**

Income from currency conversion of EUR 2,145 TEUR thousand (previous year: EUR 7,192 thousand) is offset by expenses of EUR -3,116 thousand (previous year: EUR -9,092 thousand). The figure from exchange rate differences recognized in income therefore amounts to EUR -971thousand (previous year: EUR -1,900 thousand).

[11] Own Work Capitalized

Alongside the own work capitalized, research and development expenses that are not eligible for capitalization in the amount of EUR 22,872 thousand (previous year: EUR 21,146 thousand) were recognized for the period.

[12] Change in Inventories

in EUR '000	2023	2022
Work in process	-23,496	23,746
Finished goods	6,408	6,257
Total	**-17,088**	**30,003**

[13] Cost of Materials

in EUR '000	2023	2022
Raw materials, consumables and supplies, and purchased merchandise	-705,686	-765,254
Purchased services	-95,730	-106,954
Total	**-801,416**	**-872,208**

[14] Personnel Expenses

in EUR '000	2023	2022
Wages and salaries	-438,531	-415,996
Social security	-79,823	-74,755
Pensions	-3,183	-3,891
Total	**-521,537**	**-494,642**

[15] Depreciation/Amortization and Impairment

in EUR '000	2023	2022
Depreciation/amortization	-89,248	-85,991
Impairment	-19,320	-42,772
Total	**-108,568**	**-128,763**

Impairments in the amount of EUR 19,320 thousand relate to goodwill in the amount of EUR 12,810 thousand (previous year: EUR 39,366 thousand), intangible assets of EUR 828 thousand (previous year: EUR 1,874 thousand) and tangible fixed assets of EUR 5,683 thousand (previous year: EUR 1,532 thousand).

The impairments are allocated to the segments as follows: Engineering in the amount of EUR 5,098 thousand (previous year: EUR 13,800 thousand), Infrastructure in the amount of EUR 7,509 thousand (previous year: EUR 12,700 thousand) and Materials in the amount of EUR 6,713 thousand (previous year: EUR 14,835 thousand).

For further information on impairments on goodwill see item [20].

[16] Other Operating Expenses

in EUR '000	2023	2022
Selling expenses	-96,995	-102,125
Operating expenses	-59,308	-58,407
Administrative expenses	-61,153	-57,939
Other expenses	-12,797	-14,997
Total	**-230,253**	**-233,468**

SELLING EXPENSES

in EUR '000	2023	2022
Shipping, packaging, and commissions	-51,478	-57,859
Vehicle, travel, and entertainment expenses	-22,431	-20,542
Marketing and trade fairs	-13,455	-12,897
Receivables and guarantees	-6,413	-7,839
Other selling expenses	-3,218	-2,988
Total	**-96,995**	**-102,125**

OPERATING EXPENSES

in EUR '000	2023	2022
Machinery and plant: Maintenance, upkeep, and ongoing costs	-19,752	-20,646
Land and buildings: Maintenance and ancillary costs	-16,319	-14,975
Energy, supplies, tools	-11,833	-10,948
Other operating expenses	-11,404	-11,838
Total	**-59,308**	**-58,407**

ADMINISTRATIVE EXPENSES

in EUR '000	2023	2022
EDP, office, and communication services	-18,519	-18,088
Consulting and fees	-21,522	-19,676
Insurance	-5,667	-5,223
Human resources administration and continuing education	-8,200	-7,738
Other administrative costs	-7,245	-7,214
Total	**-61,153**	**-57,939**

OTHER EXPENSES

in EUR '000	2023	2022
Cost of currency conversion	-3,116	-9,092
Disposal of fixed assets	-935	-295
Other	-8,746	-5,610
Total	**-12,797**	**-14,997**

Included in various items of other operating expenses are expenditure on short-term leases of EUR 233 thousand (previous year: EUR 471 thousand) and expenditure on low-value leased assets of EUR 395 thousand (previous year: EUR 302 thousand).

[17] Financial Income

in EUR '000	2023	2022
Interest and similar income	1,575	1,378
Interest and similar expenses	-21,184	-14,490
Net interest	**-19,609**	**-13,112**
Income from shares accounted for using the equity method	**1,386**	**511**
Interests attributable to non-controlling shareholders	4,783	-5,203
Expense from/amortization of financial assets	33	0
Profit/loss from hyperinflation	2,993	0
Income from financial investments	573	70
Other financial income	**8,382**	**-5,133**
Total	**-9,841**	**-17,734**

Interest expenses include interest expenses for lease liabilities pursuant to IFRS 16 of EUR 1,758 thousand (previous year: EUR 1,444 thousand). The item "interests attributable to non-controlling shareholders" includes the effect on income from the subsequent valuation of the contingent purchase price liabilities (call/put options) of EUR 11,686 thousand (previous year: EUR 3,008 thousand) as well as earnings after taxes attributable to external entities from shares in limited partnerships and stock corporations with call/put options.

[18] Income Taxes

in EUR '000	2023	2022
Non-recurring taxes	176	-689
Current taxes	-57,208	-58,957
Deferred taxes	1,265	26,192
Total	**-55,767**	**-33,454**

Non-recurring taxes primarily occurred due to changes resulting from diverging tax assessments.

SPECIAL TAX ASPECTS

The INDUS Holding AG business model is based on the idea of building up a portfolio of small and medium-sized niche enterprises which hold leading positions on their respective markets. Synergies are of secondary importance when INDUS Holding AG acquires subsidiaries. Each company is responsible for its own results, supported if necessary by the holding company's resources.

In the past, INDUS has focused its acquisitions primarily on German limited partnerships. The acquisition of a limited partnership has the following tax-related consequences.

The value added from the purchase price allocation for tax purposes is deductible as depreciation/amortization from supplementary tax statements, distributed over the respective useful life. This means that the tax assessment base is reduced by the depreciation/amortization. Even for companies with buoyant earnings, this can result in a tax loss with corresponding savings, in respect of trade tax at limited partnerships and corporate income tax at INDUS Holding AG.

Deferred taxes on tax loss carryforwards are only capitalized by the Group if sufficient taxable income can be assumed.

Trade tax is due at the level of the limited partnerships. Offsetting tax gains and losses between limited partnerships is not permitted for trade tax. The taxable income of limited partnerships is ascribed to INDUS Holding AG and then subjected to corporate income tax. No tax group contracts have been concluded with limited liability companies. Various companies (foreign and domestic stock corporations as well as limited partnerships with respect to their income taxes) did not generate sufficient taxable income to utilize tax losses. This situation is reflected in the item "No offsetting of income for autonomous subsidiaries."

RECONCILIATION FROM EXPECTED TO ACTUAL TAX EXPENSES (in EUR '000)

	2023	2022
Earnings before income taxes	139,720	115,931
Expected tax expenses 29.6% (previous year: 29.6%)	41,357	34,316
Reconciliation		
Non-recurring taxes	-176	689
Measurement of associated companies according to the equity method	-410	-151
Amortization of goodwill corporations	1,960	5,804
Structural effects of		
divergent local tax rates	506	633
divergent national tax rates	364	-1,445
Corporate acquisition transaction costs	82	70
Effects from discontinued operations at INDUS Holding AG	0	-17,002*
Capitalization or valuation allowance of deferred taxes on loss carryforwards due to changed assessment of future use	6,733	109
Use of tax loss carryforwards for which no deferred taxes have been formed to date	-335	-763
No offsetting of income for autonomous subsidiaries	2,877	10,222
Income attributable to other shareholders	-1,416	1,540
Effects of the interest barrier on INDUS Holding AG	562	680
Other non-deductible expenses and tax-free income	3,663	-1,248
Actual tax expenses	**55,767**	**33,454**
as a percentage of income	39.9	28.9

* Previous year's figure adjusted (additional item).

At a corporate income tax rate of 15% (previous year: 15%) and after taking into consideration the average trade tax assessment multiplier of 395% (previous year: 395%), as well as an unchanged solidarity surcharge of 5.5%, the income tax rate for domestic companies comes to 29.6% (previous year: 29.6%).

[19] Earnings per Share

The earnings per share for continuing operations is EUR 3.10 (previous year: EUR 3.04 per share). Earnings per share for discontinued operations came to EUR -1.04 (previous year: EUR -4.61 per share). The weighted average number of shares in circulation remained unchanged in the current year at 26,895,559 (previous year: 26,895,559).

in EUR '000	2023	2022
Income attributable to INDUS shareholders	**55,437**	**-42,235**
Earnings from discontinued operations	-27,839	-123,907
Income attributable to INDUS shareholders from discontinued operations	**83,276**	**81,672**
Weighted average shares outstanding (in thousands)	26,896	26,896
Earnings per share from continuing operations (in EUR)	3.10	3.04
Earnings per share from discontinued operations (in EUR)	-1.04	-4.61
Earnings per share from continuing and discontinued operations (in EUR)	**2.06**	**-1.57**

03 |

Notes to the Consolidated Statement of Financial Position

[20] Goodwill

Individual goodwill, summarized at segment level, is as follows:

FIXED ASSET SCHEDULE – GOODWILL (in EUR '000)

	Carrying amount Jan. 1, 2020	Changes in scope of consolidation	Addition	Disposal	Depreciation	Exchange rate difference	Carrying amount Dec. 31, 2023
Engineering	184,376	0	0	0	-3,597	-67	180,712
Infrastructure	134,082	4,415	0	0	-7,509	540	131,528
Materials	85,267	0	0	0	-1,704	4	83,568
Total goodwill	**403,725**	**4,415**	**0**	**0**	**-12,810**	**477**	**395,808**

	Carrying amount Jan. 1, 2022	Changes in scope of consolidation	Addition	Disposal	Depreciation	Exchange rate difference	Carrying amount Dec. 31, 2022
Engineering	163,718	32,528	0	0	-11,926	56	184,376
Infrastructure	146,383	0	0	0	-12,700	399	134,082
Materials	99,697	0	0	0	-14,740	310	85,267
Total goodwill	**409,798**	**32,528**	**0**	**0**	**-39,366**	**765**	**403,725**

IMPAIRMENT TESTS

The impairment test compares the recoverable value of the cash-generating unit (CGU) against the carrying amount including the allocated goodwill. INDUS typically uses the value in use to determine the recoverable value.

ANNUAL IMPAIRMENT TEST AS OF SEPTEMBER 30, 2023

The annual impairment test for all goodwill was performed as of September 30, 2023. The latest projections were available from all portfolio companies for the purposes of this test. The planning assumptions take into account both current knowledge and historical developments.

In accordance with the detailed planning periods of usually three years, future cash flows are extrapolated with a global growth rate of 1.0% (previous year: 1.0%). The payments determined in this manner are discounted using capital cost rates. These are based on risk-free interest rates of 2.62% (previous year: 1.5%), a market risk premium of 7.00% (previous year: 7.25%) and segment-specific beta coefficients derived from a peer group and borrowing rates. The following pre-tax cost of capital rates were applied for this: Infrastructure 12.5% (previous year: 11.5%), Engineering 12.8% (previous year: 12.2%), Materials 12.3% and 12.6% (previous year: 10.7% and 11.4%). An industry-specific pre-tax cost of capital rate of 11.2% (previous year: 10.8%) was applied to individual portfolio companies belonging to the former Automotive Technology segment.

An increase in the pre-tax cost of capital rates of 0.5 percentage points dated September 30, 2023 would lead to additional goodwill impairments in the amount of EUR 6,101 thousand (previous year: EUR 8,200 thousand). A decrease in the growth rate of 1.0 percentage point would lead to additional goodwill impairments of EUR 9,080 thousand (previous year: EUR 4,400 thousand).

[21] Right-of-use Assets from Leasing/Rent

The carrying amounts of the right-of-use assets from leasing/rent have changed as follows:

FIXED ASSET SCHEDULE – RIGHT-OF-USE ASSETS FROM LEASING/RENT (in EUR '000)

	Carrying amount Jan. 1, 2020	Addition	Disposal	Addition Depreciation	Disposal Depreciation	IFRS 5 reclassification/ scope of consolidation disposal	Re-classifications/ currency differences	Carrying amount Dec. 31, 2023
Right-of-use assets – land and buildings	52,678	13,212	6,053	11,925	5,409	2,745	-367	55,699
Right-of-use assets – technical equipment and machinery	7,533	3,488	863	2,455	257	0	-13	7,947
Right-of-use assets – vehicles	6,530	6,481	3,957	4,562	3,884	0	3	8,379
Right-of-use assets – other leasing/rent	2,163	667	862	980	856	2	7	1,853
Total right-of-use assets from leasing/rent	**68,904**	**23,848**	**11,735**	**19,922**	**10,406**	**2,747**	**-370**	**73,878**

	Carrying amount Jan. 1, 2022	Addition	Disposal	Addition Depreciation	Disposal Depreciation	IFRS 5 reclassification/ scope of consolidation disposal	Re-classifications/ currency differences	Carrying amount Dec. 31, 2022
Right-of-use assets – land and buildings	76,441	10,750	4,487	27,277	4,456	7,412	207	52,678
Right-of-use assets – technical equipment and machinery	9,223	2,023	1,382	3,115	1,158	368	-6	7,533
Right-of-use assets – vehicles	6,595	4,487	3,597	4,506	3,562	9	-2	6,530
Right-of-use assets – other leasing/rent	1,143	2,169	722	1,154	722	0	5	2,163
Total right-of-use assets from leasing/rent	**93,402**	**19,429**	**10,188**	**36,052**	**9,898**	**7,789**	**204**	**68,904**

The INDUS Group primarily recognizes right-of-use assets for land and buildings. These relate both to administration buildings and to production facilities and warehouses. The leased technical equipment generally refers to machinery necessary for production processes. The leases are agreed individually. The right-of-use assets from these have estimated total economic lives of up to 50 years. The corresponding financial liabilities are explained in more detail under [32].

03 |

[22] Development of Goodwill, Right-of-use Assets From Leasing/Rent, Other Intangible Assets, Tangible Fixed Assets, and Investment Property

PURCHASE / MANUFACTURING COSTS IN 2023

(in EUR '000)

	Opening balance Jan. 1, 2023	Changes in scope of consolidation	Addition	Disposal	Reclassification	IFRS 5 reclassification	Exchange rate difference	Closing balance Dec. 31, 2023
Goodwill	**473,733**	**4,415**	**0**	**-1,898**	**0**	**0**	**473**	**476,723**
Right-of-use assets from leasing/rent	**119,472**	**2,747**	**23,848**	**-11,735**	**-622**	**0**	**-263**	**133,447**
Capitalized development costs	29,397	0	2,103	-113	334	0	180	31,901
Customer base	148,900	7,761	0	0	0	0	-171	156,490
IP rights, concessions, other intangible assets	175,466	0	8,712	-2,238	-140	0	409	182,209
Total other intangible assets	**353,763**	**7,761**	**10,815**	**-2,351**	**194**	**0**	**418**	**370,600**
Land and buildings	280,686	0	9,709	-744	3,153	0	1,911	294,715
Technical equipment and machinery	311,807	0	9,151	-5,427	8,234	0	1,052	324,817
Other equipment, factory	189,965	1,085	15,199	-7,049	3,075	6	232	202,513
Advance payments and facilities under construction	16,866	0	14,188	-687	-14,800	0	18	15,585
Total property, plant, and equipment	**799,324**	**1,085**	**48,247**	**-13,907**	**-338**	**6**	**3,213**	**837,630**
Investment property	**8,563**	**0**	**0**	**-8,559**	**766**	**20,182**	**27**	**20,979**

DEPRECIATION IN 2023

(in EUR '000)

	Opening balance Jan. 1, 2023	Changes in scope of consolidation	Addition	Disposal	Reclassification	IFRS 5 reclassification	Exchange rate difference	Closing balance Dec. 31, 2023
Goodwill	**70,008**	**0**	**12,810**	**-1,898**	**0**	**0**	**-5**	**80,915**
Right-of-use assets from leasing/rent	**50,568**	**0**	**19,922**	**-10,406**	**-622**	**0**	**107**	**59,569**
Capitalized development costs	17,476	0	2,292	-102	0	0	146	19,812
Customer base	43,638	0	11,932	0	0	0	14	55,584
IP rights, concessions, other intangible assets	120,213	0	12,281	-1,503	3	0	40	131,034
Total other intangible assets	**181,327**	**0**	**26,505**	**-1,605**	**3**	**0**	**200**	**206,430**
Land and buildings	87,027	0	13,076	-678	-1	0	-57	99,367
Technical equipment and machinery	237,706	0	19,805	-5,247	432	0	669	253,365
Other equipment, factory and office equipment	130,308	0	15,887	-6,304	140	6	167	140,204
Advance payments and facilities under construction	0	0	268	0	0	0	-2	266
Total property, plant, and equipment	**455,041**	**0**	**49,036**	**-12,229**	**571**	**6**	**777**	**493,202**
Investment property	**6,348**	**0**	**294**	**-6,373**	**48**	**10,629**	**28**	**10,974**

PURCHASE / MANUFACTURING COSTS IN 2022

(in EUR '000)

	Opening balance Jan. 1, 2022	Changes in scope of consolidation	Addition	Disposal	Reclassification	IFRS 5 reclassification	Exchange rate difference	Closing balance Dec. 31, 2022
Goodwill	**504,816**	**7,253**	**0**	**-372**	**0**	**-38,449**	**485**	**473,733**
Right-of-use assets from leasing/rent	**140,993**	**-14,808**	**19,429**	**-10,188**	**-1,777**	**-14,407**	**230**	**119,472**
Capitalized development costs	40,042	-1,775	5,507	0	19	-14,507	111	29,397
Customer base	105,458	43,484	0	0	0	-290	248	148,900
IP rights, concessions, other intangible assets	184,931	-8,989	6,279	-528	627	-6,878	24	175,466
Total other intangible assets	**330,431**	**32,720**	**11,786**	**-528**	**646**	**-21,675**	**383**	**353,763**
Land and buildings	315,910	-1,869	2,167	-4,655	9,077	-41,965	2,021	280,686
Technical equipment and machinery	439,179	-63,337	14,623	-18,695	13,871	-74,067	233	311,807
Other equipment, factory and office equipment	204,763	-8,024	17,596	-8,449	3,128	-19,425	376	189,965
Advance payments and facilities under construction	28,972	-8,090	28,595	-129	-24,945	-7,458	-79	16,866
Total property, plant, and equipment	**988,824**	**-81,320**	**62,981**	**-31,928**	**1,131**	**-142,915**	**2,551**	**799,324**
Investment property	**12,232**	**0**	**0**	**0**	**0**	**-3,669**	**0**	**8,563**

DEPRECIATION IN 2022

(in EUR '000)

	Opening balance Jan. 1, 2022	Changes in scope of consolidation	Addition	Disposal	Reclassification	IFRS 5 reclassification	Exchange rate difference	Closing balance Dec. 31, 2022
Goodwill	**95,018**	**-25,275**	**39,366**	**-372**	**0**	**-38,449**	**-280**	**70,008**
Right-of-use assets from leasing/rent	**47,591**	**-8,880**	**36,052**	**-9,898**	**-1,777**	**-12,546**	**26**	**50,568**
Capitalized development costs	23,952	-1,775	9,941	0	-238	-14,507	103	17,476
Customer base	33,798	0	10,268	0	0	-326	-102	43,638
IP rights, concessions, other intangible assets	129,864	-17,973	15,118	-473	474	-6,799	2	120,213
Total other intangible assets	**187,614**	**-19,748**	**35,327**	**-473**	**236**	**-21,632**	**3**	**181,327**
Land and buildings	91,898	-1,747	15,726	-658	1,383	-20,250	675	87,027
Technical equipment and machinery	336,302	-49,315	40,331	-17,711	957	-73,104	246	237,706
Other equipment, factory and office equipment	144,014	-7,721	21,272	-8,061	-799	-18,699	302	130,308
Advance payments and facilities under construction	0	-8,061	15,630	0	0	-7,423	-146	0
Total property, plant, and equipment	**572,214**	**-66,844**	**92,959**	**-26,430**	**1,541**	**-119,476**	**1,077**	**455,041**
Investment property	**6,450**	**0**	**1,367**	**0**	**0**	**-1,469**	**0**	**6,348**

Intangible assets have definable useful lives. A change in scope of consolidation impacts additions in accordance with IFRS 3 as well as deconsolidations. As of the reporting date, the residual carrying amounts of other intangible assets, property, plant, and equipment, and investment properties are:

DEPRECIATED CARRYING AMOUNTS OF FIXED ASSETS (in EUR '000)

	December 31, 2023	December 31, 2022
Goodwill	**395,808**	**403,725**
Right-of-use assets from leasing/rent	**73,878**	**68,904**
Capitalized development costs	12,089	11,921
Customer base	100,906	105,262
IP rights, concessions, other intangible assets	51,175	55,253
Total other intangible assets	**164,170**	**172,436**
Land and buildings	195,348	193,659
Technical equipment and machinery	71,452	74,101
Other equipment, factory and office equipment	62,309	59,657
Advance payments and facilities under construction	15,319	16,866
Property, plant, and equipment	**344,428**	**344,283**
Investment property	**10,005**	**2,215**

[23] Financial Investments

in EUR '000	December 31, 2023	December 31, 2022
Other investments	2,500	2,441
Other loans	8,847	3,130
Total	**11,347**	**5,571**

[24] Shares Accounted for Using the Equity Method

As of December 31, 2023, the carrying amount of shares accounted for using the equity method totaled EUR 5,662 thousand (previous year: EUR 4,276 thousand).

The table below presents additional data on investments measured using the equity method:

in EUR '000	2023	2022
Purchase price of the associated company	4,033	4,033
Appropriated income in the period	1,386	511
Key figures of the associated company:		
Assets	9,228	7,695
Liabilities	2,344	3,532
Capital	6,884	4,163
Revenue	20,804	12,731
Earnings	2,771	1,022

[25] Other Assets

in EUR '000	December 31, 2023	December 31, 2022
Other financial assets		
Reinsurance premiums	436	465
Long-term receivables	28	4
Loans and other receivables	767	755
Positive market value of derivatives	1,390	4,171
Other assets	9,311	11,075
Total other financial assets	**11,932**	**16,470**
Other non-financial assets		
Accrual of payments not relating to the reporting period	6,106	5,949
Other tax refund claims	1,957	1,596
Total other non-financial assets	**8,063**	**7,545**
Total	**19,995**	**24,015**
of which current	17,336	22,048
of which non-current	2,659	1,967

[26] Deferred Taxes and Current Income Taxes

The origin of the deferred tax assets and liabilities is broken down by statement of financial position item as follows:

2023 (in EUR '000)	Assets	Liabilities	Balance
Goodwill, limited partnerships	7,513	-19,641	-12,128
Right-of-use assets from leasing/rent	0	-19,687	-19,687
Intangible assets	23,308	-42,820	-19,512
Property, plant, and equipment	2,789	-8,184	-5,395
Receivables and inventories	27,249	-2,114	25,135
Other current assets	279	-556	-277
Non-current provisions	4,018	-1,638	2,380
Other equity and liabilities	349	-30,028	-29,679
Liabilities from leasing/rent	20,147	0	20,147
Capitalization of loss carryforwards	4,880	0	4,880
Netting	-69,270	69,270	0
Deferred taxes	**21,262**	**-55,398**	**-34,136**

2022 (in EUR '000)	Assets	Liabilities	Balance
Goodwill, limited partnerships	5,125	-21,466	-16,341
Right-of-use assets from leasing/rent	0	-18,254	-18,254
Intangible assets	9,002	-44,632	-35,630
Property, plant, and equipment	11,539	-7,010	4,529
Receivables and inventories	24,111	-937	23,174
Other current assets	8,718	-1,240	7,478
Non-current provisions	9,898	-1,832	8,066
Other equity and liabilities	91	-30,309	-30,218
Liabilities from leasing/rent	18,630	0	18,630
Capitalization of loss carryforwards	4,698	0	4,698
Netting	-71,642	71,642	0
Deferred taxes	**20,170**	**-54,038**	**-33,868**

Netting is undertaken for income tax which is due to the same tax authority. This mainly relates to the corporate income tax of INDUS Holding AG and its German subsidiaries, which are incorporated companies by law.

The deferred tax liabilities result primarily from the calculation of deferred taxes on goodwill for limited partnerships with tax-deductible recognition of goodwill. For tax purposes, rules governing the purchase price allocation are similar to those under IFRS for limited partnerships, and the corresponding added value – and goodwill for tax purposes – are tax-deductible. As goodwill is not subject to scheduled amortization in accordance with IFRS, deferred taxes must be recognized when the goodwill for tax purposes is amortized, as per the conditions set out in IAS 12.21B. Deferred taxes must be recognized before the company is sold.

Changes in the balance of deferred taxes are explained in the following tables:

DEVELOPMENT OF DEFERRED TAXES (in EUR '000)

	Jan. 1, 2023	Income statement	Other	Dec. 31, 2023
Trade tax	4,051	-1,351	0	2,700
Corporation tax	647	1,533	0	2,180
Capitalization of loss carryforwards	**4,698**	**182**	**0**	**4,880**
Other deferred taxes	-38,565	1,083	-1,535	-39,017
Deferred taxes	**-33,867**	**1,265**	**-1,535**	**-34,137**
	Jan. 1, 2022	**Income statement**	**Other**	**Dec. 31, 2022**
Trade tax	4,348	-297	0	4,051
Corporation tax	659	-12	0	647
Capitalization of loss carryforwards	**5,007**	**-309**	**0**	**4,698**
Other deferred taxes	-39,805	26,501	-25,262	-38,566
Deferred taxes	**-34,798**	**26,192**	**-25,262**	**-33,868**

Other changes in deferred taxes break down as follows:

in EUR '000	2023	2022
Reserves for mark-to-market valuation of hedging instruments (cash flow hedge)	468	-1,072
Currency conversion reserve	21	-4,865
Pension provisions (actuarial gains/losses)	935	-3,696
Transfer to retained earnings	-421	0
Change in scope of consolidation	-2,538	-15,629
Total	**-1,535**	**-25,262**

The recognized deferred taxes are based on tax loss carryforwards of EUR 23,460 thousand (previous year: EUR 35,004 thousand).

Other tax loss carryforwards amounting to a total of EUR 264,929 thousand (previous year: EUR 208,504 thousand), where the probability of realization in the next years is unlikely, were not capitalized. These are largely trade tax loss carryforwards, resulting from the special tax aspects of the INDUS Group, as described under [18]. Future potential realization possibilities are therefore determined by the trade tax rate that is applicable at the time. The largest individual item is the holding company's trade tax loss carryforward. Utilization of the tax loss carryforwards is not subject to any time restrictions.

Deferred tax assets of EUR 130 thousand (previous year: EUR 1,478 thousand) were recognized in addition to deferred tax liabilities at companies that recently incurred tax losses, since on the basis of the earnings projection it is more probable than not that there will be taxable profits to offset against them.

For temporary differences associated with shares in subsidiaries, no deferred tax liabilities have been recognized because INDUS Holding AG is able to control the timing of the liquidation of the temporary differences and no reversal of the differences (through disposal or distribution) is planned. The differences in the net assets of the subsidiaries structured as a limited company and the tax base, which is generally the acquisition cost, came to EUR 126,057 thousand (previous year: EUR 133,100 thousand). The total of the unrecognized temporary differences associated with investments in subsidiaries is EUR 6,303 thousand (previous year: EUR 6,655 thousand).

[27] Inventories

in EUR '000	Dec. 31, 2023	Dec. 31, 2022
Raw materials, consumables, and supplies	166,616	173,902
Unfinished goods	97,388	118,898
Finished goods and goods for resale	144,113	137,645
Advance payments	21,152	18,942
Total	**429,269**	**449,387**

The carrying amounts for inventories include depreciation of EUR 22,244 thousand (previous year: EUR 23,483 thousand).

[28] Receivables

in EUR '000	Dec. 31, 2023	Dec. 31, 2022
Receivables from customers	164,446	182,087
Contract receivables	16,807	12,553
Receivables from associated companies	57	828
Total	**181,310**	**195,468**

In the current reporting year, EUR 28 thousand of receivables from customers with a payment term of over one year have been recognized (previous year: EUR 4 thousand).

Receivables include contract receivables with revenue recognized according to the measurement-over-time method. The following table contains further information about contract receivables:

in EUR '000	2023	2022
Costs incurred including prorated income	43,733	105,574
Advance payments received	83,627	133,958
Contract receivables	16,807	12,553
Contract liabilities	56,701	40,937

Contract liabilities relate to contracts with sales in accordance with the over-time method exhibiting an offset surplus of received prepayments. These are shown under other liabilities in the statement of financial position. Of the contract liabilities recognized in the amount of EUR 40,937 thousand in the previous year, EUR 26,117 thousand were recognized as revenue in the reporting year. As of December 31, 2023, contract liabilities exist with allocated transaction prices of EUR 318,333 thousand (previous year: EUR 275,060 thousand). These are scheduled to be realized as revenue within the next one to 37 months.

The receivables include valuation allowances of EUR 5,802 thousand (previous year: EUR 5,944 thousand). The development is depicted below:

in EUR '000	2023	2022
Valuation allowances as of Jan. 1	**5,944**	**4,756**
Currency difference	36	27
Change in scope of consolidation	6	-947
Additions	2,047	3,975
Utilization	-208	-167
Reversals	-2,023	-1,700
Valuation allowances as of Dec. 31	**5,802**	**5,944**

Receivables in the amount of EUR 1,568 thousand (previous year: EUR 840 thousand) were derecognized through profit and loss in the financial year (other operating expenses).

Profit/loss due to valuation allowances or derecognition of receivables are recorded in the amount of EUR -1,356 thousand (previous year: EUR -2,275 thousand) in the consolidated income under other operating income or respectively other operating expenses.

[29] Equity

SUBSCRIBED CAPITAL

The capital stock came to EUR 69,928,453.64 on the reporting date (previous year: EUR 69,928,453.64). Capital stock consists of 26,895,559 (previous year: 26,895,559) no-par-value shares. All shares are fully paid up.

The shares are bearer shares, each conferring one vote at the Annual Shareholders' Meeting. The shares are admitted to the Regulated Market of the Düsseldorf and Frankfurt Stock Exchanges, and for over-the-counter trading in Berlin, Hanover, Hamburg, Munich, and Stuttgart.

AUTHORIZED CAPITAL

The Board of Management is authorized by Section 6.1, with the Supervisory Board's approval, to increase the company's capital stock in the period up until May 25, 2026, once or in several installments, by a total of up to EUR 34,964,225.52 in return for cash and/or non-cash contributions (including mixed non-cash contributions) by issuing up to 13,447,779 new registered no-par-value shares (Authorized Capital 2021) and, in doing so, to set a start date for profit sharing that deviates from that set out by law, also with retroactive effect from a financial year that has already passed insofar as no resolution has been passed as yet on the profit for this financial year that has already passed. The new shares may also be issued to one or more financial institutions or other entities mentioned in Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders (indirect subscription right), or they may partly be issued by way of a direct subscription right (e.g. to entitled shareholders who have previously submitted a fixed subscription agreement), or otherwise by way of an indirect subscription right in accordance with Section 186 (5) AktG. However, the Board of Management is authorized, with the Supervisory Board's approval, to exclude shareholders' statutory subscription rights in the following cases:

— to avoid fractional amounts;
— in the event of a capital increase through cash contributions – if the issue price of the new shares issued under

exclusion of subscription rights pursuant to Section 186 (3) sentence 4 AktG is not significantly below the stock market price, and the aggregate number of the new shares issued under exclusion of subscription rights pursuant to Section 186 (3) sentence 4 AktG does not exceed the lower of 10% of the capital stock at the time at which the Authorized Capital 2021 is entered in the Commercial Register or 10% of the capital stock at the time the new shares are issued. Shares that have been sold or issued, or will be issued, on the basis of other authorizations during the term of this authorization, in direct application or in application mutatis mutandis of Section 186 (3) sentence 4 AktG with the exclusion of subscription rights, shall be counted towards this limit;
- in the event of a capital increase through non-cash contributions, particularly to acquire companies, company divisions, equity interests in a company or other assets, including receivables owed by the company; as well as
- to grant the holders of conversion or option rights relating to shares in the company/corresponding conversion or option obligations a subscription right, to offset dilutions, to the extent that would be available to them as shareholders following their exercise of these rights/fulfillment of these obligations.

The total number of shares issued or to be issued with exclusion of subscription rights owing to one of these authorizations may not exceed 10% of the capital stock at the time at which the authorization is exercised; this limit includes shares sold or issued or to be issued with the exclusion of subscription rights owing to a different authorization during the term of this authorization.

The Board of Management is authorized, with the Supervisory Board's approval, to decide on the additional details of the capital increase and its implementation, in particular on the content of the share rights and the terms and conditions of the share issue, including the issue amount.

CONTINGENT CAPITAL

At the Annual Shareholders' Meeting on May 17, 2023, the company's capital stock was conditionally increased by up to EUR 6,992,843.02; this increase serves the granting of shares in the case of exercising option or respectively conversion rights or in the case of fulfillment of option or respectively conversion obligations to the owners of bonds, which are issued due to the created authorization (Contingent Capital 2023).

The conditional capital increase is only to be implemented to the extent necessary for

- the holders or creditors of option, convertible, and/or income bonds, or profit participation rights, or a combination of these instruments, issued by the company up to May 16, 2028 (inclusive) pursuant to the authorization granted to the Board of Management by the Annual Shareholders' Meeting on May 17, 2023, to make use of their option or conversion right, or
- the obligated parties to convertible bonds and/or option bonds issued by the company, pursuant to the authorization granted to the Board of Management by the ordinary Annual Shareholders' Meeting on May 17, 2023, until May 16, 2028 (inclusive) to fulfill their conversion or option duty or tender shares and
- no other forms of settlement are used for servicing.

New shares are issued at the option or respectively conversion price determined in accordance with the authorization mentioned above. The new shares participate in the profit from the start of the financial year in which they are created; insofar as is legally permissible, the Board of Management may also, with the consent of the Supervisory Board, establish profit sharing for new shares in respect of an already-expired financial year by way of deviation from this and also from Section 60 (2) AktG. The Board of Management is entitled, with the consent of the Supervisory Board, to establish the further particulars of the execution of the conditional capital increase. The Supervisory Board is authorized to amend the wording of the Articles of Incorporation to correspond with the respective utilization of the Contingent Capital 2023 and after all option or conversion deadlines have expired, as well as to perform all other associated adjustments to the Articles of Incorporation that only affect the version.

RESERVES AND CONSOLIDATED NET PROFIT

The development of reserves is presented in the statement of changes in equity and includes the capital reserves of INDUS Holding AG. As of the reporting date, the equity ratio was 37.3% (previous year: 36.8%).

INTERESTS ATTRIBUTABLE TO NON-CONTROLLING SHAREHOLDERS

Shares held by non-controlling shareholders amounted to EUR 1,724 thousand (previous year: EUR 2,060 thousand), mostly comprising shares in a subsidiary of Rolko Kohlgrüber GmbH. The interests attributable to non-controlling shareholders for limited partnerships and limited liability companies, for which the economic ownership of the corresponding non-controlling shares had already been transferred under reciprocal option agreements at the acquisition date, are shown under other liabilities [33].

APPROPRIATION OF DISTRIBUTABLE PROFIT

The Board of Management will propose to the Annual Shareholders' Meeting that the following dividend payments be made from INDUS Holding AG's balance sheet profit:

Payment of a dividend of EUR 1.20 per no-par-value share (previous year: EUR 0.80 per no-par-value share). At 25,795,559 dividend-bearing shares (previous year: 26,895,559 shares), this equates to a payment of EUR 30,954,670.80 (previous year: EUR 21,516,447.20). The text of the proposed appropriation of distributable profit is published separately. The proposed dividend was not recognized in the balance sheet and there are no tax consequences.

OTHER RESERVES

DEVELOPMENT OF OTHER RESERVES (in EUR '000)

	Jan. 1, 2022	Other income 2022	Transfer to retained earnings	Dec. 31, 2022	Other income 2023	Transfer to retained earnings	Dec. 31, 2023
Currency conversion reserve	6,271	6,428	0	12,699	-3,287	0	9,412
Pension provisions (actuarial gains/losses)	-24,394	15,160	0	-9,234	-3,893	354	-12,773
Deferred taxes for pensions	6,874	-3,696	0	3,178	935	-421	3,692
Reserve for cash flow hedges	-2,593	6,772	0	4,179	-2,955	0	1,224
Deferred taxes for cash flow hedges	408	-1,072	0	-664	468	0	-196
Total other reserves	**-13,434**	**23,592**	**0**	**10,158**	**-8,732**	**-67**	**1,359**

Reserves for currency conversion and for cash flow hedges include unrealized gains and losses. The change in reserves for cash flow hedges instruments is based exclusively on ongoing changes in mark-to-market valuation. There were no effects resulting from reclassification.

CAPITAL MANAGEMENT

INDUS manages capital with the goal of increasing the return on equity as well as ensuring the INDUS Group has adequate liquidity and good credit standing. The ratio of equity to interest-bearing total capital, consisting of interest-bearing debt capital and equity, is constantly optimized to the same end. Interest-bearing debt capital comprises pension provisions and financial liabilities, less cash and cash equivalents, and amounts to EUR 533,177 thousand (previous year: EUR 617,125 thousand). Taking into account equity in the statement of financial position, total capital comes to EUR 1,252,838 thousand (previous year: EUR 1,311,933 thousand). Relative to total interest-bearing capital employed, the equity ratio is 57.4% (previous year: 53.0%).

The EUR 59,095 thousand decrease in total capital (previous year: decrease of EUR 20,995 thousand) was due to a EUR 24,853 thousand increase in equity (previous year: decrease of EUR 92,666 thousand) and a EUR 83,948 thousand decrease in interest-bearing debt capital (previous year: increase of EUR 71,670 thousand).

INDUS Holding AG is not subject to any other legally mandatory capital requirements, with the exception of the minimum capital rules stipulated in stock corporation law. Furthermore, INDUS Holding AG has entered into loan agreements that require it to maintain a minimum equity ratio in order to keep being able to obtain financing on reasonable terms. INDUS Holding AG's required minimum equity ratio was exceeded in the past financial year. The lenders have extraordinary termination rights in case of a change of control. Certain key figures have been defined for promissory note loans.

[30] Pensions

The defined benefit plans exist in portfolio companies in Germany and Switzerland. The German pension plans are based on lifetime pension payments for the beneficiaries and their surviving dependents and are subject to the regulations for pension provisions, pension funds, life insurance, and relief funds, which are mainly regulated through the company pension. The pension plans are only financed via guarantee fund assets in individual cases. Pension obligations in Switzerland are subject to the legal regulations for company pensions and are financed in accordance with these regulations so that they are funded via pension funds.

The average weighted term of the obligations for German plans amounts to 12.6 years (previous year: 12.5 years) and for Swiss plans 15.9 years (previous year: 15.8 years).

STATEMENT OF INCOME

(in EUR '000)

	2023	2022	Change
Current service cost	784	1,921	-1,137
Interest expense	1,807	469	1,338
Income from plan assets	-995	-162	-833
Past service cost	-83	-186	103
Administrative costs of the trust	126	127	-1
Cost of defined benefit obligation	**1,639**	**2,169**	**-530**
+ Defined contribution plan cost	3,337	3,419	-82
= Cost of pension commitments for the period	**4,976**	**5,588**	**-612**

CHANGES IN THE PROJECTED BENEFIT OBLIGATION

(in EUR '000)

	2023	2022	Change
Opening balance: DBO as of Jan. 1	**66,014**	**81,976**	**-15,962**
Service cost	784	1,961	-1,177
Past service cost	-83	-186	103
Interest expense	1,807	507	1,300
Pension payments	-5,182	-3,636	-1,546
Employee contributions	1,217	1,319	-102
Actuarial gains/losses	3,727	-15,489	19,216
Settlement	0	-2,650	2,650
Change in scope of consolidation	304	0	304
Currency difference	2,822	2,212	610
Closing balance: DBO as of Dec. 31	**71,410**	**66,014**	**5,396**

BALANCE SHEET VALUE

(in EUR '000)

	2023	2022	Change
Present value of provisioned benefit entitlements	27,009	23,568	3,441
Present value of funded benefit entitlements	44,401	42,446	1,955
Defined benefit obligation: Projected value of benefit obligations	**71,410**	**66,014**	**5,396**
Market value of plan assets	-44,401	-42,446	-1,955
Net obligation = provision	**27,009**	**23,568**	**3,441**
Actuarial gains/losses	-12,773	-9,234	-3,539
Opening balance: Balance sheet value as of Jan. 1	**23,568**	**41,321**	**-17,753**
Pension obligation expenses	1,638	2,247	-609
Pension payments	-2,348	-2,526	178
Actuarial gains/losses recognized in equity	3,893	-15,160	19,053
Exchange rate changes	314	336	-22
IFRS 5 Reclassification	0	-2,650	2,650
Change in scope of consolidation/netting	-56	0	-56
Closing balance: Balance sheet value as of Dec. 31	**27,009**	**23,568**	**3,441**
Underlying assumptions in percent:			
Discount factor			
Germany	3.20	3.80	
Switzerland	1.50	2.25	
Salary trend			
Germany	2.50	2.50	
Switzerland	1.65	1.90	
Pension trend			
Germany	2.00	2.00	
Switzerland	0.00	0.00	
Expected income from plan assets			
Germany	0.00	1.00	
Switzerland	0.00	0.00	

Interest expense is included in the net interest item. The expected income from plan assets largely corresponds to the actual income.

The defined benefit plans are impacted by actuarial risks, such as longevity risk and interest rate risk. An increase or decrease in the discount factor of 0.5 percentage points would reduce the net obligation by EUR 3,438 thousand (previous year: EUR 3,455 thousand) or respectively increase net obligation by EUR 3,883 thousand (previous year: EUR 3,885 thousand). An increase or decrease in the pension factor of 0.5 percentage points would increase the net obligation by EUR 813 thousand (previous year: EUR 1,477 thousand) or respectively reduce net obligation by EUR 673 thousand (previous year: EUR 1,379 thousand).

In connection with retirement benefits, payments amounting to EUR 6,300 thousand are expected in 2024 (in 2022 for 2023: EUR 3,376 thousand).

Plan assets primarily consist of reinsurance policies. Changes in plan assets are as follows:

in EUR '000	2023	2022
Assets as of Jan. 1	**42,446**	**40,655**
Expected income from plan assets	995	162
Ongoing contributions by the companies	2,568	2,704
Pensions paid	-4,185	-2,494
Netting/other	-292	-457
Change in scope of consolidation	360	0
Exchange rate changes	2,509	1,876
Assets as of Dec. 31	**44,401**	**42,446**

The statement of financial position also contains reimbursement claims of EUR 436 thousand (previous year: EUR 465 thousand).

[31] Other Provisions

Other provisions includes interest in the amount of EUR -20 thousand (previous year: EUR -3 thousand).

2023 PROVISIONS (in EUR '000)

	Opening balance Jan. 1, 2023	Change in scope of consolidation	Utilization	Reversals	Additions/ newly created	Exchange rate difference	Closing balance Dec. 31, 2023
Liabilities from warranties	13,622	35	4,832	2,407	5,462	-1	11,879
Obligations for commissions, bonuses, and discounts	14,513	0	12,826	234	12,847	32	14,332
Personnel expenses	3,140	19	2,131	473	3,181	4	3,740
Other provisions	12,154	80	7,143	1,452	8,793	-112	12,320
Total	**43,429**	**134**	**26,932**	**4,566**	**30,283**	**-77**	**42,271**

The liabilities for warranties have been recognized due to legal or de facto liabilities, liabilities for commissions, bonuses, and discounts, as well as personnel expenses based on estimated values. Personnel expenses primarily pertain to contributions to the Employers' Liability Insurance Association as well as expected severance packages. Other provisions relates to the provisions for onerous contracts as well as a range of possible individual risks, which are measured in terms of their probability of occurrence. There were no significant expected reimbursements in relation to liabilities recognized as per IAS 37.

[32] Financial Liabilities

LIABILITIES / DEVELOPMENT (in EUR '000)

	Jan. 1, 2023 Carrying amount	Cash-effective	Not cash-effective				Dec. 31, 2023 Carrying amount
			Initial recognition	Change in scope of consolidation	IFRS 5 reclassification	Exchange rate change and other changes that are not cash-effective	
Liabilities to banks	347,727	-8,792	0	0	0	1,633	340,568
Lease liabilities	70,145	-20,175	23,848	2,747	0	450	77,015
Promissory note loans	303,500	50,928	0	0	0	0	354,428
Total financial liabilities	**721,372**	**21,961**	**23,848**	**2,747**	**0**	**2,083**	**772,011**

	Jan. 1, 2022 Carrying amount	Cash-effective	Not cash-effective				Dec. 31, 2022 Carrying amount
			Initial recognition	Change in scope of consolidation	IFRS 5 reclassification	Exchange rate change and other changes that are not cash-effective	
Liabilities to banks	281,322	67,052	0	-1,124	0	477	347,727
Lease liabilities	95,125	-23,268	19,429	-10,607	-10,389	-145	70,145
Promissory note loans	264,007	39,493	0	0	0	0	303,500
Total financial liabilities	**640,454**	**83,277**	**19,429**	**-11,731**	**-10,389**	**332**	**721,372**

The cash-effective changes to financial liabilities included cash flow from discontinued operations in the amount of EUR 0 thousand (previous year: EUR -3,914 thousand). This is attributable to changes in liabilities to banks in the amount of EUR 0 thousand (previous year: EUR +273 thousand) as well as changes in liabilities from leasing of EUR 0 thousand (previous year: EUR -4,187 thousand)

Accrued interest of EUR 1,522 thousand is included in the exchange rate changes and other non-cash-effective changes (previous year: EUR 446 thousand).

FINANCIAL LIABILITIES / DERIVATIVES (in EUR '000)

	Dec. 31, 2023 Carrying amount	Repayment obligation		
		Up to 1 year	From 1 to 5 years	More than 5 years
Liabilities to banks				
in EUR, the Group's currency	339,931	95,691	212,172	32,068
in other currency	637	637	0	0
Lease liabilities	77,015	18,236	40,166	18,613
Promissory note loans	354,428	39,285	167,643	147,500
Total financial liabilities	**772,011**	**153,849**	**419,981**	**198,181**
Notional value of derivatives	93,444	33,280	60,164	0

	Dec. 31, 2022 Carrying amount	Repayment obligation		
		Up to 1 year	From 1 to 5 years	More than 5 years
Liabilities to banks				
in EUR, the Group's currency	347,123	93,753	214,143	39,227
in other currency	604	604	0	0
Lease liabilities	70,145	17,306	38,836	14,003
Promissory note loans	303,500	29,071	144,929	129,500
Total financial liabilities	**721,372**	**140,734**	**397,908**	**182,730**
Notional value of derivatives	113,225	38,780	74,445	0

[33] Other Liabilities

in EUR '000	Dec. 31, 2023	Current	Non-current	Dec. 31, 2022	Current	Non-current
Other financial liabilities						
Liabilities to outside shareholders	67,548	20,990	46,558	76,459	17,606	58,853
Liabilities for employees	25,166	25,166	0	43,068	43,068	0
Derivative financial instruments	8	8	0	0	0	0
Customer credit notes	8,432	7,897	535	7,187	7,187	0
Sundry other liabilities	5,136	4,711	425	2,766	2,340	426
Total other financial liabilities	**106,290**	**58,772**	**47,518**	**129,480**	**70,201**	**59,279**
Other non-financial liabilities						
Liabilities for employees	15,345	15,329	16	2,452	2,452	0
Obligations for annual financial statement costs	3,560	3,560	0	3,266	3,266	0
Advance payments received	23,389	23,389	0	33,030	33,018	12
Contract liabilities	56,701	56,701	0	40,937	40,937	0
Other tax liabilities	12,169	12,157	12	11,879	11,879	0
Accrual of payments not relating to the reporting period	4,619	4,583	36	3,959	3,957	2
Investment subsidies	445	0	445	444	0	444
Total other non-financial liabilities	**116,228**	**115,719**	**509**	**95,967**	**95,509**	**458**
Total	**222,518**	**174,491**	**48,027**	**225,447**	**165,710**	**59,737**

Liabilities to outside shareholders of EUR 55,558 thousand (previous year: EUR 64,050 thousand) include contingent purchase price liabilities, carried at fair value, insofar as the minority shareholders can tender shares to INDUS by terminating the Articles of Incorporation or on the basis of option agreements. During the financial year, there were new purchase price commitments of EUR 2,200 thousand, EUR 10,618 thousand was recognized in income, and

EUR 74 thousand was deducted mainly due to payouts to outside shareholders. Purchase price commitments fluctuated in line with the percentage change in the operating income (EBIT), partially kept in check by upper and lower limits.

[34] Asstes Held For Sale and Liabilities in Connection With Assets Held For Sale

In the fourth quarter of 2022, the Board of Management of INDUS Holding AG made the decision to sell SELZER Fertigungstechnik and its subsidiaries, and SCHÄFER Holding GmbH and its subsidiaries. Buyers have been being actively sought since then, and sales within the next financial half-year are considered very likely.

The allocated assets have therefore been reported under "assets held for sale". Liabilities belonging to the disposal group have been reported under the balance sheet item "liabilities in connection with assets held for sale" accordingly.

The SCHÄFER Group was sold to a subsidiary of Callista Portfolio Holding GmbH, and the contract was signed on July 5, 2023. The deconsolidation took place on July 31, 2023.

The SELZER Group was sold to a subsidiary of MUTARES SE & Co. KGaA on July 28, 2023. The deconsolidation took place on August 31, 2023.

Write-downs in connection with the sales of SCHÄFER and SELZER are recognized as expenses under income from discontinued operations in the amount of EUR 10,103 thousand (previous year: EUR 63,038 thousand).

Assets in the amount of EUR 9,553 thousand were not sold and have been reclassified into the item "Investment property" as per IFRS 5.27.

Other Disclosures

[35] Information on the Statement of Cash Flows

The purchase prices paid for the new acquisition of investments were as follows:

in EUR '000	2023	2022
Cash-effective processes attributable to the acquisition of portfolio companies	9,198	63,039
less acquired funds	-347	-4,270
Net purchase price	**8,851**	**58,769**

Cash and cash equivalents include limited-authorization accounts amounting to EUR 649 thousand (previous year: EUR 557 thousand). Investing and financing transactions of EUR 553 thousand (previous year: EUR 3,439 thousand) that did not lead to changes in cash and cash equivalents are not included in the statement of cash flows.

The cash inflow from the disposal of shares in fully consolidated companies in the previous year relates to the second tranche of the purchase price payment for the sale of Wiesauplast Group. Cash inflow from the disposal of other assets concerns the disposal of assets held for sale in the amount of EUR 14,403 thousand (previous year: EUR 0 thousand) and fixed assets in the amount of EUR 6,915 thousand (previous year: EUR 9,445 thousand).

The development of financial liabilities is set out under item [32]. EUR 21,933 thousand (previous year: EUR 20,525 thousand) was paid for leases (interest and principal repayment) in the financial year.

The effects arising from hyperinflation in respect of AURORA Isı Araçları San. ve Tic. Ltd. Şti, Ergene, Turkey are recognized as income in the amount of EUR 2,993 thousand in earnings after taxes. This non-cash-effective effect is corrected within the financial result in the cash flow from current operations in the amount of EUR 2,993 thousand. The effect of purchasing power loss in Turkey on cash and cash equivalents is EUR 194 thousand and is included in the statement of cash flows in the changes in cash and cash equivalents caused by currency exchange rates.

The statement of cash flows contains the cash flows from continuing operations. The following table presents the cash flows of the entire INDUS Group, broken down by continuing and discontinued operations:

in EUR '000	2023	2022
Cash flow from operating activities from continuing operations	217,657	116,339
Cash flow from operating activities from discontinued operations	-14,687	-48,705
Total cash flow from operating activities	**202,970**	**67,634**
Cash flow from investing activities from continuing operations	-50,083	-94,438
Cash flow from investing activities from discontinued operations	-8,760	-28,301
Total cash flow from investing activities	**-58,843**	**-122,739**
Cash flow from financing activities from continuing operations	-501	55,905
Cash flow from financing activities from discontinued operations	-1,142	-3,914
Total cash flow from financing activities	**-1,643**	**51,991**
Net changes in cash and cash equivalents from continuing operations	167,073	77,806
Net changes in cash and cash equivalents from discontinued operations	-24,589	-80,920
Total net changes in cash and cash equivalents	**142,484**	**-3,114**

See [7] for information regarding the composition of cash flows from discontinued operations.

[36] Segment Reporting

SEGMENT INFORMATION BY DIVISION

SEGMENT REPORTING IN ACCORDANCE WITH IFRS 8

(in EUR '000)

	Engineering	Infrastructure	Materials	Total segments	Reconciliation	Consolidated financial statements
2023						
Revenue with external third parties						
from customer contracts	443,144	532,387	546,372	1,521,903	717	1,522,620
in accordance to measurement-over-time method	142,596	48,981	70,149	261,726	0	261,726
from service contracts	13,873	881	3,331	18,085	0	18,085
Revenue with external third parties	**599,613**	**582,249**	**619,852**	**1,801,714**	**717**	**1,802,431**
Revenue with Group companies	2,155	36	92	2,283	-2,283	0
Revenue	**601,768**	**582,285**	**619,944**	**1,803,997**	**-1,566**	**1,802,431**
Segment earnings (EBIT)	**57,021**	**49,274**	**57,327**	**163,622**	**-14,061**	**149,561**
Depreciation/amortization	**-37,460**	**-33,720**	**-36,447**	**-107,627**	**-941**	**-108,568**
of which amortization	-32,362	-26,211	-29,734	-88,307	-941	-89,248
of which impairment	-5,098	-7,509	-6,713	-19,320	0	-19,320
Segment EBITDA	**94,481**	**82,994**	**93,774**	**271,249**	**-13,120**	**258,129**
Income from measurement according to the equity method	**0**	**1,386**	**0**	**1,386**	**0**	**1,386**
Investments	**12,118**	**35,239**	**22,046**	**69,403**	**1,397**	**70,800**
of which company acquisitions	0	8,851	0	8,851	0	8,851
Dec. 31, 2023						
Shares accounted for using the equity method	0	5,662	0	5,662	0	5,662
Goodwill	180,712	131,528	83,568	395,808	0	395,808

SEGMENT REPORTING IN ACCORDANCE WITH IFRS 8

(in EUR '000)

	Engineering	Infrastructure	Materials	Total segments	Reconciliation	Consolidated financial statements
2022						
Revenue with external third parties						
from customer contracts	429,652	519,810	630,761	1,580,223	507	1,580,730
in accordance to measurement-over-time method	139,323	65,952	0	205,275	0	205,275
from service contracts	11,892	195	6,017	18,104	0	18,104
Revenue with external third parties	**580,867**	**585,957**	**636,778**	**1,803,602**	**507**	**1,804,109**
Revenue with Group companies	2,340	85	153	2,578	-2,578	0
Revenue	**583,207**	**586,042**	**636,931**	**1,806,180**	**-2,071**	**1,804,109**
Segment earnings (EBIT)	**47,413**	**51,330**	**49,906**	**148,649**	**-14,984**	**133,665**
Depreciation/amortization	**-45,153**	**-37,209**	**-42,548**	**-124,910**	**-3,853**	**-128,763**
of which amortization	-31,353	-24,509	-27,713	-83,575	-2,416	-85,991
of which impairment	-13,800	-12,700	-14,835	-41,335	-1,437	-42,772
Segment EBITDA	**92,566**	**88,539**	**92,454**	**273,559**	**-11,131**	**262,428**
Income from measurement according to the equity method	**0**	**511**	**0**	**511**	**0**	**511**
Investments	**71,185**	**15,183**	**23,466**	**109,834**	**3,475**	**113,309**
of which company acquisitions	58,769	0	0	58,769	0	58,769
Dec. 31, 2022						
Shares accounted for using the equity method	0	4,276	0	4,276	0	4,276
Goodwill	184,376	134,082	85,267	403,725	0	403,725

RECONCILIATION

(in EUR '000)

	2023	2022
Segment earnings (EBIT)	**163,622**	**148,649**
Areas not allocated incl. holding company	-14,061	-14,984
Financial income	-9,841	-17,734
Earnings before taxes	**139,720**	**115,931**

The segment classification was changed with effect from January 1, 2023. Due to a new management structure accompanying the introduction of a new segment management system as well as associated adapted internal reporting, the segments have been re-organized. The previously five segments have become three segments, Engineering, Infrastructure, and Materials. The reconciliations contain the figures of the holding company, the non-operating units not allocated to any segment, and consolidations. See the explanation provided in the management report regarding the products and services that generate segment sales.

The key control variable for the segments is operating income (EBIT) as defined in the consolidated financial statements. The information pertaining to the segments has been ascertained in compliance with the reporting and valuation methods that were applied in the preparation of the consolidated financial statements. The transfer prices between the segments are based on arm's-length prices.

SEGMENT INFORMATION BY REGION

The breakdown of sales by region relates to our selling markets. Owing to the diversity of our foreign activities, a further breakdown by country would not be meaningful since no country other than Germany accounts for 10% of Group sales.

Non-current assets, less deferred taxes and financial instruments, are based on the registered offices of the companies concerned. Further differentiation would not be useful since the majority of companies are based in Germany.

Owing to the diversification policy at INDUS, there were no individual product or service groups and no individual customers that accounted for more than 10% of sales.

in EUR '000	Group	Germany	EU	Third countries
2023				
Revenue with external third parties	1,802,431	906,513	354,047	541,871
Dec. 31, 2023				
Non-current assets, less deferred taxes and financial instruments	993,951	873,512	38,071	82,368
2022				
Revenue with external third parties	1,804,109	896,887	352,829	554,393
Dec. 31, 2022				
Non-current assets, less deferred taxes and financial instruments	995,839	876,160	39,438	80,241

[37] Information on the Significance of Financial Instruments

FINANCIAL INSTRUMENTS (in EUR '000)

	Balance sheet value	IFRS 9 not applicable	IFRS 9 financial instruments	of which measured at fair value	of which measured at amortized cost
Dec. 31, 2023					
Financial investments	11,347	0	11,347	2,500	8,847
Cash and cash equivalents	265,843	0	265,843	0	265,843
Receivables	181,310	16,808	164,502	0	164,502
Other assets	19,995	8,064	11,931	1,216	10,715
Financial instruments: Assets	**478,495**	**24,872**	**453,623**	**3,716**	**449,907**
Financial liabilities	772,011	77,015	694,996	0	694,996
Trade payables	63,661	0	63,661	0	63,661
Other liabilities	222,518	116,228	106,290	55,565	50,725
Financial instruments: Equity and liabilities	**1,058,190**	**193,243**	**864,947**	**55,565**	**809,382**
Dec. 31, 2022					
Financial investments	5,571	0	5,571	2,441	3,130
Cash and cash equivalents	127,816	0	127,816	0	127,816
Receivables	195,468	12,553	182,915	0	182,915
Other assets	24,015	7,545	16,470	4,171	12,299
Financial instruments: Assets	**352,870**	**20,098**	**332,772**	**6,612**	**326,160**
Financial liabilities	721,372	70,145	651,227	0	651,227
Trade payables	74,283	0	74,283	0	74,283
Other liabilities	225,447	95,967	129,480	64,050	65,430
Financial instruments: Equity and liabilities	**1,021,102**	**166,112**	**854,990**	**64,050**	**790,940**

The fair value of financial liabilities that are measured at amortized costs is EUR 760,552 thousand (previous year: EUR 663,413 thousand). The fair value of all other financial instruments measured at amortized costs corresponds to the amortized cost, or deviates immaterially.

FINANCIAL INSTRUMENTS BY BUSINESS MODEL IN ACC. WITH IFRS 9 (in EUR '000)

	Carrying amounts		Net gains/losses	
	Dec. 31, 2023	Dec. 31, 2022	2023	2022
Financial assets measured at fair value through profit and loss	0	0	0	0
Financial assets measured at cost	449,907	326,160	-1,759	-4,690
Financial assets recognized at fair value directly in equity – of which equity instruments	2,500	2,441	2	-6
Derivatives with hedging relationships, hedge accounting	1,216	4,171	-2,955	4,171
Financial instruments: Assets	**453,623**	**332,772**	**-4,712**	**-525**
Financial liabilities measured at fair value through profit and loss	55,565	64,050	11,678	-3,855
Financial liabilities measured at cost	809,382	790,940	-158	-681
Derivatives with hedging relationships, hedge accounting	0	0	0	2,601
Financial instruments: Equity and liabilities	**864,947**	**854,990**	**11,520**	**-4,536**

The gains and losses from changes to the fair value of forward exchange contracts are included in the category "Financial assets measured at fair value through profit and loss." The net result of "Financial assets measured at cost" results largely from valuation allowances on receivables and exchange rate gains and losses from the translation of foreign currency transactions. The gains and losses in the "Financial assets recognized at fair value directly in equity" category include income/expenses from equity instruments that are recognized in this valuation category.

Losses from forward exchange contracts and any losses due to the ineffectiveness of derivatives are recognized in the "Financial liabilities measured at fair value through profit and loss" category. The expenses in the "Financial liabilities measured at cost" category include exchange rate gains and losses from the translation of liabilities in foreign currency.

Total interest income for financial instruments not measured at fair value through profit and loss amounts to EUR 1,544 thousand (previous year: EUR 1,365 thousand). The corresponding total interest expenses are EUR 20,039 thousand (previous year: EUR 12,835 thousand). These are fully attributable to financial liabilities measured at amortized costs.

TYPE AND SCOPE OF RISKS RESULTING FROM FINANCIAL INSTRUMENTS

PRINCIPLES OF FINANCIAL RISK MANAGEMENT

Management of operating risks is the responsibility of the individual companies and their managing directors. The holding company calculates and monitors the overall financing need on the basis of the local risk assessment and the investment and financing plans of the respective portfolio companies. Interest and currency risks are hedged by means of derivative financial instruments. The derivative financial instruments are concluded exclusively for protective purposes.

RISK MANAGEMENT AND FINANCIAL DERIVATIVES

The INDUS Group operates an effective risk management system to detect business risks at an early stage, focusing on the key types of problems facing a diversified portfolio of investments. This system integrates specific aspects of financial risk management in accordance with the definition in IFRS 7. The basic principles of the financial policies are established each year by the Board of Management and monitored by the Supervisory Board. For further details, see the discussion provided in the management report.

LIQUIDITY RISK

Liquidity risk refers to the risk that future payment obligations cannot be met due to lack of cash. The INDUS Group's liquidity is monitored by INDUS Holding AG's Treasury department by means of liquidity reports.

Basically, the individual portfolio companies finance themselves from their operating results. Transfers are made between INDUS Holding AG and the portfolio companies depending on the liquidity situation. The INDUS Group holds sufficient cash and cash equivalents to enable the firm to take action at any time (2023: EUR 265,843 thousand, previous year: EUR 127,816 thousand). It also has unused credit lines totaling EUR 94,495 thousand (previous year: EUR 91,575 thousand).

Widely diversified debt financing, which is spread over eight (previous year: eight) core banks, means the company is never dependent on individual lenders, so the risk from losing banks as lenders is currently limited. The level of available liquidity and firm financing commitments enable the company to take advantage of acquisition opportunities at any time. Long-term financing is structured in tranches with revolving new lines of financing, limiting financing risk.

The following cash outflows, which are incorporated into the INDUS Group's long-term financial planning, were determined in consideration of the conditions for financial instruments determined as of the reporting date:

CASH OUTFLOW

(in EUR '000)

	Dec. 31, 2023			Dec. 31, 2022		
	Up to 1 year	From 1 to 5 years	More than 5 years	Up to 1 year	From 1 to 5 years	More than 5 years
Interest rate derivatives	2,167	2,090	0	520	385	0
Total derivative financial instruments	**2,167**	**2,090**	**0**	**520**	**385**	**0**
Financial liabilities	176,595	467,102	213,530	143,093	413,411	244,282
of which lease liabilities	20,599	44,929	21,450	17,225	38,836	14,003
Trade payables	63,661	0	0	74,283	0	0
Other financial liabilities	58,772	47,518	0	70,201	59,279	0
Total financial instruments	**299,028**	**514,620**	**213,530**	**287,577**	**472,690**	**244,282**

Cash flows consist of principal repayments and their respective interest. The accumulated payment flows from financial liabilities and interest rate derivatives result in the payment flow from corresponding fixed-term loans.

DEFAULT RISK

Default risk means the risk of financial losses due to non-settlement or partial settlement of existing receivables.

In the financing area of INDUS, contracts are concluded only with counterparties of first-class credit standing. In the operational area, the portfolio companies are responsible for ongoing decentralized risk monitoring. Default risks are taken into account by means of adequate valuation allowances. The maximum default risk corresponds to the balance sheet value of loans and receivables originated by the company, while for derivatives it is equal to the sum total of their positive market values.

Corporate risk is widely diversified, as INDUS Group companies are autonomous and they all develop and offer a variety of products on different markets.

Based on the total stock of trade receivables, there are eight customers (previous year: seven) which have a share of more than 1% each. This equates to a share of around 18% of outstanding items as recognized in the consolidated financial statements (previous year: around 21%). The ten largest customers accounted for around 16% of Group sales (previous year: around 19%).

Furthermore, there are receivables from customers and associated companies which are overdue but have had no valuation allowances carried out for them. There are generally no major payment defaults with due dates of up to three months, since overdue payments largely result from timing differences in their booking. Since trade receivables were not subjected to valuation allowances and were not overdue, there were no indications as of the reporting date that the debtors may not be able to meet their payment obligations. Trade receivables are regarded as in default if it is very unlikely that the debtor will meet its payment obligation.

This is particularly relevant in insolvency proceedings or in legal disputes with no prospect of success. The expected defaults are calculated using past experience, taking account of the expectations for future financial performance. For all other financial assets, the default risk is seen as very low, and there is not an increased credit default risk compared with the previous year.

RECEIVABLES FROM CUSTOMERS AND ASSOCIATED COMPANIES AND CONTRACT ASSETS (in EUR '000)

	2023	2022
Carrying amount	181,310	195,468
of which valuation allowance	5,802	5,944
gross value of receivables before impairment	187,112	201,412
of which as per reporting date		
neither impaired nor overdue	125,935	164,599
not impaired and overdue by the following periods		
less than 3 months	32,878	26,340
between 3 and 6 months	4,108	2,442
between 6 to 9 months	1,029	1,065
between 9 and 12 months	1,046	848
more than 12 months	3,336	2,367

The following table contains information on the estimated default risk and expected losses on trade receivables:

DEFAULT RISK ON RECEIVABLES (in EUR '000)

	Loss Rate (Weighted Average)	Gross Carrying Amount	Expected Loss	Impaired Credit Rating
Not overdue and between 1 and < 3 months overdue	0.15%	158,813	236	No
Between 3 and < 6 months overdue	4.24%	4,108	174	No
Between 6 and < 9 months overdue	11.76%	1,029	121	No
Between 9 and < 12 months overdue	27.25%	1,046	285	No
> 12 months overdue	33.72%	3,336	1,125	Yes

The anticipated default risk is determined on the basis of historical data, particularly historical default rates. If an increase or reduction in bad debt losses can be expected in the future, this is taken into account accordingly when measuring anticipated defaults.

The business models, customers, and the economic, political, and geographical environment are considered in the detection of default risk. The individual Group companies therefore apply specific default rates.

INTEREST RATE RISK

INDUS Holding AG ensures and coordinates the financing and liquidity of the Group. The main focus is on financing the long-term development of its investment portfolio. This means employing fixed-rate and variable-rate financing instruments, which are converted to fixed rate instruments by way of interest-rate swaps.

Changes in interest rates might affect the market value of financial instruments and their cash flows. These effects are calculated by performing a sensitivity analysis, which involves shifting each of the relevant interest-rate structure curves in parallel by 100 basis points. The effects are calculated for the fixed conditions of the financial instruments in the portfolio as of the reporting date.

Changes in market value can impact the depiction of the financial position and financial performance, depending on the valuation category of the underlying financial instruments. The following table shows interest rate sensitivity with a parallel shift in the yield curve of 100 base points (BP):

MARKET PRICE RISK SENSITIVITY ANALYSIS (in EUR '000)

	Dec. 31, 2023		Dec. 31, 2022	
	BP +100	BP -100	BP +100	BP -100
Market value of derivatives	2,892	-3,173	1,410	-1,464
of which equity/hedges	2,892	-3,173	1,410	-1,464
of which interest expense per statement of income	0	0	0	0
Market value of loans	41,896	-47,827	11,163	-11,893
Total market value	**44,788**	**-51,000**	**12,573**	**-13,357**

Since interest rate risks are completely hedged against in economic terms, changes in interest rates would be offset in variable interest-bearing debt and derivative financial instruments. There would therefore be no material impact on future cash flows.

CURRENCY RISK

Currency risks basically result from the operating activities of the Group companies and financing transactions between the foreign portfolio companies and the respective holding company. Risk analyses are carried out on a net basis, while hedges are concluded by the portfolio companies on a case-by-case basis in accordance with the philosophy of commercial autonomy. In the previous year, forward exchange transactions and suitable option transactions were used as instruments.

Currency risks have an effect on the presentation of the financial position and financial performance when financial instruments are denominated in currencies other than the functional currency of the Group company in question. Risks arising from the currency translation of financial statements to the Group's currency are not taken into consideration. Since currency hedges are not formally accounted for as hedges, this does not have an impact on provisions for the mark-to-market valuation of financial instruments.

In an assumed scenario where the exchange rates of all foreign currencies rise by 10% against the euro as of the reporting date, net income from currency conversion would change by EUR 3,120 thousand (previous year: EUR 8,436 thousand). As in the previous year, net receivables in US dollars and Swiss francs are the main influence.

HEDGE ACCOUNTING

HEDGING INSTRUMENTS

As at the reporting date, currency hedges with a nominal volume of EUR 6,561 thousand (previous year: EUR 0 thousand) were in place. The exchange rate hedges concerned transactions in US Dollars. Hedging contracts had a negative market value of EUR 182 thousand (previous year: EUR 0 thousand).

Interest rate hedges account for a nominal volume of EUR 93,444 thousand (previous year: EUR 113,225 thousand). The market values amounted to EUR 1,216 thousand (previous year: EUR 4,171 thousand). As in the previous year, interest rate hedges relate to already recognized loan transactions. Further details on terms and maturities are included in the report on financial liabilities [31].

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FINANCIAL STATEMENT ACCOUNTING OF HEDGING TRANSACTIONS AS HEDGE ACCOUNTING

VOf the hedging instruments presented previously, the following hedging instruments are part of hedge accounting:

HEDGE ACCOUNTING PURSUANT TO IFRS 9 (in EUR '000)

	Nominal amounts	Carrying amount of hedging instruments	Balance sheet item	Changes in hedging instrument values recognized in other income
Dec. 31, 2023				
Cash flow hedges				
Interest rate hedges	93,444	1,216	Other current assets	-2,955
Exchange rate hedges	0	0	Other current liabilities	0
Total		**1,216**		**-2,955**
Dec. 31, 2022				
Cash flow hedges				
Interest rate hedges	113,225	4,171	Other current assets	6,772
Exchange rate hedges	0	0	Other current liabilities	0
Total		**4,171**		**6,772**

The average interest rate for interest rate hedges is 1.07% (previous year: 0.95%). As in the previous year, there was no hedge accounting for exchange rate hedges as of the reporting date.

RECONCILIATION OF RESERVES FOR CASH FLOW HEDGES (in EUR '000)

	Reserve for cash flow hedges	Deferred taxes for cash flow hedges
As of Jan. 01, 2022	**-2,593**	**408**
Change in fair value		
Interest rate hedges	6,772	-1,072
Exchange rate hedges	0	0
As of Dec. 31, 2022	**4,179**	**-664**
As of Jan. 01, 2023	**4,179**	**-664**
Change in fair value		
Interest rate hedges	-2,955	468
Exchange rate hedges	0	0
As of Dec. 31, 2023	**1,224**	**-196**

[38] Collateral Furnished

Collateral furnished for financial liabilities is presented in the following table:

PLEDGED ASSETS (in EUR '000)

	2023	2022
Land charges	14,943	18,805
Pledged assets	0	0
Other collateral	921	575
Total collateral	**15,864**	**19,380**

[39] Contingent Liabilities

Liabilities from guarantees exist in the amount of EUR 2,224 thousand (previous year: EUR 3,008 thousand). These include external obligations which INDUS Holding AG assumed in connection with the business activities of the portfolio companies. Currently, it is extremely unlikely that the beneficiaries would utilize the guarantees.

[40] Other Financial Obligations

Obligations from purchase commitments for fixed assets came to EUR 12,227 thousand (previous year: EUR 7,761 thousand), of which EUR 10,201 thousand (previous year: EUR 6,988 thousand) was for property, plant, and equipment, and EUR 2,026 thousand (previous year: EUR 773 thousand) was for intangible assets.

[41] Related-Party Disclosure

MEMBERS OF MANAGEMENT IN KEY POSITIONS AND AFFILIATED PERSONS

In line with the structure of INDUS Group, members of the management team hold key positions on the Supervisory Board, which consists of twelve members (previous year: twelve members), and the Board of Management of INDUS Holding AG, which consists of five people (January 1 to September 30, 2023: four people; from October 1, 2023: five people) (previous year: four people) according to the management structures in place since January 1, 2023.

There are no pension commitments by INDUS Holding AG for members of the Board of Management which must be disclosed in the financial statements.

OVERVIEW OF COMPENSATION* (in EUR '000)

	Expense in the period	of which current compensation	of which share-based payment	of which severance payments	of which pensions
2023					
INDUS Holding AG					
Supervisory Board	725	725	0	0	0
Board of Management	2,982	2,829	153	0	0
Total	**3,707**	**3,554**	**153**	**0**	**0**
2022					
INDUS Holding AG					
Supervisory Board	776	776	0	0	0
Board of Management	1,831	2,064	-233	0	0
Total	**2,607**	**2,840**	**-233**	**0**	**0**

* Changes to the year-over-year comparison figures due to the new management structure as of January 1, 2023.

The employee representatives on the Supervisory Board also have employment contracts with the respective INDUS portfolio companies.

SUPERVISORY BOARD COMPENSATION

The Supervisory Board's compensation was determined by the extraordinary Annual Shareholders' Meeting of INDUS Holding AG in November 2018. It is stipulated in Section 16 (1) and (2) of the Articles of Incorporation. In addition to reimbursement of out-of-pocket expenses incurred in performing their duties in the financial year ended, all Supervisory Board members receive fixed compensation of EUR 30 thousand along with an attendance fee of EUR 3 thousand per meeting. The Chair receives double these two aforementioned sums, and the Deputy Chair receives one-and-a-half times these amounts. Each member of a Supervisory Board committee receives compensation in the amount of EUR 5,000 in addition to reimbursement of expenses for their activities in the past financial year. The chair of the committee receives twice the amount mentioned above. There are no stock option plans or similar securities-based incentive systems in place for Supervisory Board members. The Supervisory Board met six times in 2023 (previous year: eight times).

For further information about Supervisory Board compensation we refer you to our separate compensation report.

BOARD OF MANAGEMENT COMPENSATION

For the 2023 financial year, the compensation of the members of the Board of Management of INDUS Holding AG comprised basic salary (including taxable benefits in kind), performance-based variable compensation (short term incentive program), and a share-based component of the compensation (long term incentive program). A current compensation system for the members of the Board of Management was adopted at the Annual Shareholders' Meeting 2021. The variable components STI and LTI were redefined. The STI is used to compensate for the Management Board members' annual contribution to achieving the operating targets specified by the Supervisory Board and for sustainable business development. The STI is composed of one portion that rewards the achievement of financial targets and one portion that rewards the achievement of non-financial targets with respect to sustainability and strategy. The portion of target STI value relating to non-financial targets makes up at least 20%.

LONG-TERM INCENTIVE PROGRAM UP TO 2020 (OLD COMPENSATION SYSTEM)

The old long-term incentive program (LTI program) awarded "virtual stock options" (stock appreciation rights – SAR). An SAR comprises a commitment to pay an amount determined by the difference between the exercise price of the SAR and the current market price of company shares on exercise of the SAR. The SAR exercise price corresponds to the average closing price of company shares in XETRA trading over the last 20 trading days prior to option issuance. The Board of Management was granted a tranche of SARs each year up to 2020. The option price of the SAR is calculated when it is granted. The contractually agreed target determines the number of SARs allocated to the tranche. The SARs are non-forfeitable from the date they are granted. There is a vesting period for the exercise of options for each tranche granted (four years). The exercise period immediately following the statutory waiting period amounts to two years. A tranche can only be paid out if the share price is higher than the base price of the tranche's SAR on exercise and a defined success hurdle is cleared (minimum price increase of 12% during the vesting period). There is an upper limit (cap) on payment of 200% of the contractually agreed target.

The number of SARs granted to Board of Management members in annual tranches was determined based on the option price at the grant date and the contractually specified target price. The last SARs were issued in financial year 2020. Up to December 31, 2023 there were 124,090 granted and not-yet-exercised SARs (previous year: 185,376). In the 2023 financial year, 61,286 options have lapsed. The fair value of previously granted, not-yet-exercised SARs totaled EUR 7 thousand as of the reporting date (previous year: EUR 50 thousand). A provision in this amount was recognized. A liquidation in the amount of EUR 43 thousand (previous year: EUR 455 thousand) was recorded in personnel expenses. No payments were made from the stock options in the financial year or the previous year.

Fair value calculation is based on an option-price model of Black/Scholes and reasonable volatility on the part of INDUS, along with a risk-free interest rate that takes the cap on payment claims into account. The options have a vesting period of four years and an exercise period of two years.

LONG-TERM INCENTIVE PROGRAM FROM 2021 ONWARD (NEW COMPENSATION SYSTEM)

The new LTI program is structured as a virtual performance share plan (VPSP). The VPSP is based on a four-year performance period that starts at the beginning of each financial year. Virtual shares (performance share units – PSUs) are awarded to the members of the Board of Management at the beginning of each performance period. The number of PSUs at the beginning of the performance period is determined by dividing the individual LTI target by the share price at the time of the award. The share price at the time of the award is the average closing price in the XETRA trading system of Frankfurt Stock Exchange (or a comparable successor system) on the previous 40 trading days.

The number of PSU can change over the performance period depending on a bonus factor for achieving the external and internal targets defined by the Supervisory Board for the performance period. If the targets are not met the bonus factor is less than 100% – the number of PSUs is reduced accordingly and may even be zero if the target is missed by a large margin. Overachievement against the targets results in a bonus factor of more than 100%, and the number of PSUs increases accordingly. The final number of PSU at the end of the performance period is capped at 150% of the number of PSU at the beginning of the performance period.

The Supervisory Board defines the external and internal target for the respective performance period at the beginning of the performance period after preparation by the Personnel Committee. These targets are not changed during the performance period.

In financial year 2023, 39,980 (previous year: 24,429) virtual performance shares (VPS) were issued from the new LTI program. This performance period for this plan (LTI Plan 2023) runs until December 31, 2026. Any payments under the LTI Plan 2023 will be made in the year 2027. On the date on which they were granted, the total fair value of the VPSs was EUR 693 thousand (previous year: EUR 706 thousand). Up to December 31, 2023 there were 89,789 granted and not-yet-exercised VPSs (previous year: 49,809). The fair value of previously granted, not-yet-exercised VPSs totaled EUR 1,084 thousand as of the reporting date (previous year: EUR 887 thousand). A provision in this amount was recognized in the annual financial statements. An addition was made to personnel expenses in the amount of EUR 197 thousand (previous year: EUR 211 thousand).

Fair value was measured using a Monte Carlo simulation model. Assumptions were made for reasonable volatility for INDUS and the risk-free interest rate, taking the payment cap into account. A reasonable correlation between the INDUS share and SDAX based on historic data from the past three years was used to calculate the TSR

CHANGE OF CONTROL

In the event of a material change in the composition of the Supervisory Board (change of control), the members of the INDUS Holding AG Board of Management have a special right to terminate their employment contracts within one year. In the event of a dismissal for cause, or dismissal of the Board of Management within one year after a change of control without good cause within the meaning of Section 626 BGB, the company will pay out severance to the members of the Board of Management. This will be based on the member’s full compensation, including all fixed and variable components of the compensation and non-cash benefits. Severance payments will at maximum be paid for the period through to the planned termination date of employment contracts, or over a term of two financial years if the regular termination period differs from this.

COMPENSATION

For the 2023 financial year, the compensation for members of the Board of Management of INDUS Holding AG consisted of basic salary (including taxable benefits in kind), performance-based variable compensation (short-term incentive program), and a share-based component of the compensation (long-term incentive program). The new long-term incentive program, structured as a virtual performance share plan (VPSP), was in effect for 2023 and the previous year.

In total, expenses of EUR 2,982 thousand (previous year: EUR 1,831 thousand) have been recognized as compensation paid to the Board of Management. EUR 2,000 thousand (previous year: EUR 1,856 thousand) is attributable to fixed compensation, EUR 829 thousand to short-term variable compensation (previous year: EUR 208 thousand) and EUR 153 thousand to virtual share options (previous year: EUR -233 thousand).

Disclosures in the sense of Section 314 (1) (6) (a) HGB: The compensation paid to members of the Board of Management in the financial year amounted to EUR 3,565 thousand (previous year: EUR 2,767 thousand). The compensation paid to the Supervisory Board was EUR 725 thousand (previous year: EUR 776 thousand). For one former member of the Board of Management there are pension rights with a present value of EUR 73 thousand (previous year: EUR 77 thousand). The pension rights are covered by a reinsurance policy of corresponding value. In the financial year, EUR 6 thousand (previous year: EUR 6 thousand) of claims was paid out.

See the separate compensation report for individual Board of Management compensation.

OTHER RELATIONS

INDUS Group transactions with persons or companies which control or are controlled by the INDUS Group must be disclosed insofar as they have not already been included in the consolidated financial statements as a consolidated company. Affiliated companies are the companies in the consolidated financial statements accounted for using the equity method. The other categories relate to key management personnel, their family members, and their attributable companies.

RELATED-PARTY DISCLOSURE (in EUR '000)

	Sales and other operating income	Purchase of goods	Other purchases	Outstanding amounts	Loans granted
2023					
Related companies	1,051	119	0	6	0
Non-controlling shareholders	17,502	0	43	0	0
Total related parties	**18,553**	**119**	**43**	**6**	**0**
2022					
Related companies	540	62	0	36	776
Non-controlling shareholders	21,372	0	60	0	0
Total related parties	**21,912**	**62**	**60**	**36**	**776**

Revenue of EUR 16,259 thousand (previous year: EUR 20,192 thousand) was recognized in 2023 from a business relationship with a related company of a non-controlling shareholder.

Other material transactions with individuals on the Board of Management or the Supervisory Board or parties related to them were present neither in the reporting year nor in the previous year.

[42] Employees

AVERAGE NUMBER OF EMPLOYEES IN THE FINANCIAL YEAR

	2023	2022
Employees by region		
Germany	7,119	7,456
Europe (EU & Switzerland)	1,212	1,499
Rest of world	986	1,436
Employees in continuing and discontinued operations	**9,317**	**10,391**
Employees by segment		
Engineering	2,842	2,771
Infrastructure	2,934	2,875
Materials	3,107	3,151
Other	46	40
Employees from continuing operations	**8,929**	**8,837**
Employees from discontinued operations	388	1,554
Employees in continuing and discontinued operations	**9,317**	**10,391**

[43] Cost of the Annual Financial Statements and Audit of the Consolidated Financial Statements

External auditor PricewaterhouseCoopers GmbH auditing firm's fee for auditing the consolidated financial statements amounted to EUR 1,093 thousand (previous year: EUR 919 thousand), of which for previous years EUR 130 thousand (previous year: EUR 0 thousand), for other confirmation and valuation services EUR 0 thousand (previous year: EUR 3 thousand), of which for previous years EUR 130 thousand (previous year: EUR 0 thousand), for tax accountancy services EUR 0 thousand (previous year: EUR 0 thousand) and for other services EUR 0 thousand (previous year: EUR 0 thousand).

[44] German Corporate Governance Code

Pursuant to Section 161 AktG, the Board of Management and the Supervisory Board submitted a German Corporate Governance Code declaration on December 6, 2023 and made it available to shareholders on the INDUS Holding AG website www.indus.de/en.

[45] Use of Exemptions in Accordance With Section 264 (3) and Section 264b of the German Commercial Code (HGB)

In the complete list of shareholdings recorded in the electronic commercial register in accordance with Section 313 of the German Commercial Code (HGB), which constitutes part of the notes, there is a list of the subsidiaries which have been exempted from disclosure duties in accordance with Section 264 (3) and Section 264b HGB as of December 31, 2023.

[46] Events after the Reporting Date

At the end of January 2024, the Board of Management of INDUS Holding AG resolved to cease and phase out the operation of imeco GmbH & Co. KG Goldbach. Around 120 employees are affected by this measure. No material effects on the financial position and financial performance are expected from the ceasing of operational business.

On February 21, 2024 INDUS Holding AG submitted a public share buyback offer for up to 1,100,000.00 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, 1,100,000.00 shares were acquired by INDUS Holding AG with a value of EUR 25,300,000.00. The bought-back shares do not qualify for dividends.

As of March 11, 2024 Hauff-Technik GmbH & Co. KG, Hermaringen has taken on the remaining 50% in Hauff-Technik Gridcom GmbH (Gridcom). Gridcom is a specialist in the development and production of passive components for glass-fiber infrastructure. Hauff-Technik acquired the first 50% of Gridcom in October 2016.

Bergisch Gladbach, March 13, 2024

INDUS Holding AG

The Board of Management

Dr. Johannes Schmidt Rudolf Weichert

Gudrun Degenhart Dr. Jörn Großmann Axel Meyer