INDUS
HOLDING AG

2024

ANNUAL REPORT

INDUS

Contents

3 About us
4 Key Figures 2024
6 Highlights
7 Empowering Mittelstand
8 Segments

01

9 **Company and Shareholders**
10 Letter to the Shareholders
11 Interview with the Board of Management
18 Management Bodies
21 Report of the Supervisory Board
26 INDUS Share

02

31 **Combined Management Report**
32 Introduction to the Group
45 Report on the Economic Situation
67 Further Legal Information
71 Opportunities and Risks
81 Forecast Report
87 Post-balance-sheet Events
88 Sustainability Report

03

159 **Consolidated Financial Statements**
160 Consolidated Statement of Income
161 Consolidated Statement of Comprehensive Income
162 Consolidated Statement of Financial Position
163 Consolidated Statement of Changes in Equity
164 Consolidated Statement of Cash Flows
165 Notes

04

211 **Further Information**
212 Responsibility Statement
213 Dividend Proposal
214 Report of the Independent Group Auditors
221 Independent Auditor’s Limited Assurance Engagement Statement
224 Further Information on the Board Members
226 Investments of INDUS Holding AG
228 Key Figures
230 Contact
230 Financial Calendar
230 Imprint

References

Follow link for further information within the document or other documents

Follow link for more information on the internet

About us

At INDUS, we have been generating sustained growth from a diversified portfolio of Mittelstand companies since 1989.

We know how to grow the power of Mittelstand.

Our focus at INDUS is to buy and grow family businesses with unique engineering capabilities. We are proud to understand technology in more detail than many other investors, even if operating in a niche market.

We ensure that our leaders act like true entrepreneurs to grow their businesses and can rely on our evergreen perspective as long-term investors. With our track record of finding tailored succession solutions for family-owned businesses, we are a highly reliable partner for company sellers.

Rooted in the German-speaking Mittelstand, INDUS today fully owns and successfully leads more than 40 companies from all over Europe. In the future, we will expand our international footprint. Listed on the Frankfurt Stock Exchange (S-DAX) since 1995, we have established a unique bridge between the SME sector and the capital market.

Our growth strategy 2030

Our strategy **EMPOWERING MITTELSTAND** will lead to substantial inorganic growth through acquisitions and sustained organic growth for our existing portfolio.

The strategy will give our leader-entrepreneurs the room to generate sustained growth and allow formerly family-owned businesses to dynamically develop and secure their future.

To achieve this, we have defined three growth drivers:

— Acquisitions
— Engineering competence
— Internationalization

Our purpose

At INDUS, we know how to grow the power of **Mittelstand**.

We believe in **entrepreneurs** and lead our investments successfully, values-based and reliably.

We love **engineering** and only invest in companies with excellent products, processes and services.

We trust our **people** to contribute to our success. This is how we create a future-proof working environment.

As international investors, we generate **sustained growth** and offer a long-term, above-average value perspective for our shareholders.

Key Figures 2024

INDUS Group

in EUR million	2024	2023
Sales	**1,721.8**	**1,802.4**
EBITDA	226.1	258.1
in % of sales	13.1	14.3
Adjusted EBITA	153.7	188.1
in % of sales	8.9	10.4
EBIT	126.7	149.6
in % of sales	7.4	8.3
Earnings after taxes from continuing operations	96.1	139.7
Earnings from discontinued operations	0.0	-27.8
Earnings after taxes	54.7	56.1
Operating cash flow	171.3	240.1
Cash flow from operating activities	143.7	217.6
Cash flow from investing activities	-65.3	-50.1
Cash flow from financing activities	-199.9	-0.5
Free cash flow	135.4	198.9
Earnings per share (in EUR)	2.07	2.06
Dividend per share (in EUR)	1.20*	1.20
Dividend yield (in %)	5.9*	5.4
Greenhouse emissions (GHG emissions Scope 1 + 2 in t CO_2/EUR million sales)**	15.9	20.9
	December 31, 2024	**December 31, 2023**
Total assets	1,806.8	1,928.8
Equity	700.0	719.7
Equity ratio (in %)	38.7	37.3
Working capital	470.7	466.9
Net debt	541.4	506.2
Portfolio companies (number as of Dec. 31)	44	43
Employees within the Group (on average)	8,768	8,929

* Subject to approval at Annual Shareholders' Meeting on May 27, 2025
** Net emissions intensity

INDUS Segments

in EUR million	2024	2023
Engineering segment		
Revenue	596.7	599.6
EBITDA	80.2	94.5
in % of sales	13.4	15.8
Adjusted EBITA	57.7	73.5
in % of sales	9.7	12.3
EBIT	45.7	57.0
in % of sales	7.6	9.5
Portfolio companies (number as of Dec. 31)	17	15
Employees in segment	2,962	2,842
Infrastructure segment		
Revenue	559.5	582.2
EBITDA	86.0	83.0
in % of sales	15.4	14.3
Adjusted EBITA	63.6	61.8
in % of sales	11.4	10.6
EBIT	52.3	49.3
in % of sales	9.3	8.5
Portfolio companies (number as of Dec. 31)	14	14
Employees in segment	2,835	2,934
Materials segment		
Revenue	564.8	619.9
EBITDA	76.2	93.7
in % of sales	13.5	15.1
Adjusted EBITA	49.9	66.7
in % of sales	8.8	10.8
EBIT	46.1	57.3
in % of sales	8.2	9.2
Portfolio companies (number as of Dec. 31)	13	14
Employees in segment	2,925	3,107

Highlights

INDUS Group

- EUR 1.72 billion in sales and EUR 126.7 million in EBIT despite difficult economic environment
- Scope for further growth: free cash flow above target at EUR 135.4 million
- Four acquisitions in the growth industries of measuring and monitoring technology, industrial automation and infrastructure networks
- Solid balance sheet ratios: equity ratio increased to 38.7%, repayment term of 2.4 years secures investment grade
- EUR 72.7 million paid out to shareholders via share buyback programs and dividends
- Reliable dividend: proposed dividend of EUR 1.20 per share
- Significant reduction in emissions intensity – first publication of a sustainability report in accordance with CSRD

7.4%

EBIT MARGIN

51.7%

SHARE OF SALES ABROAD

The segments

- Sales in the Engineering segment almost stable despite weak demand
- Materials segment subject to sharp volume declines and price pressure
- EBIT and EBIT margin in Infrastructure segment up year-over-year despite weak conditions in construction industry

Forecast

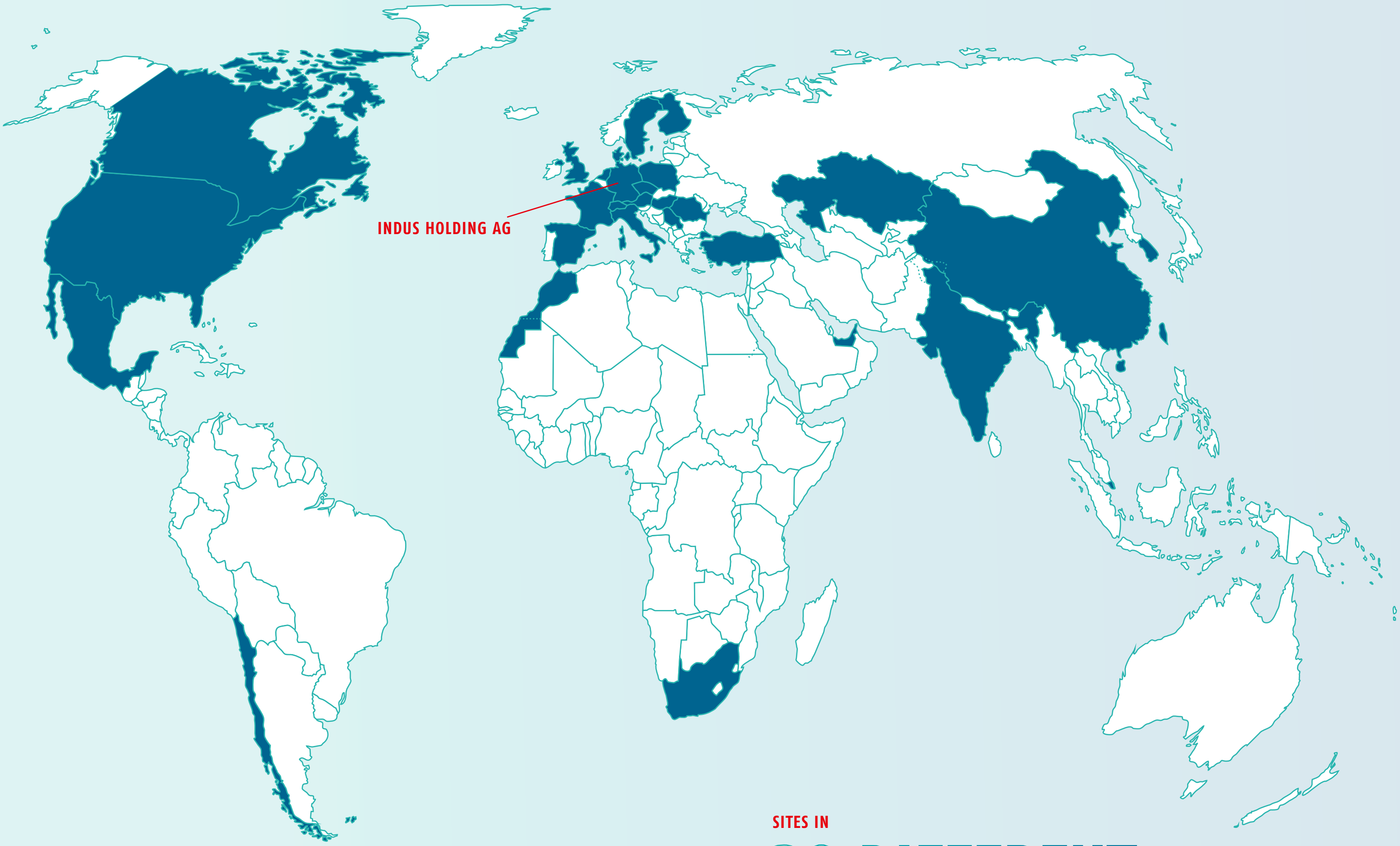
- Sales forecast in challenging conditions: EUR 1.75 billion to EUR 1.85 billion in 2025
- Opportunities in international growth markets
- New management variable: Adjusted EBITA expected to be between EUR 150 million and EUR 175 million
- Free cash flow above EUR 90 million planned
- EMPOWERING MITTELSTAND growth strategy: Ambition of around EUR 3 billion in sales by 2030, adjusted EBITA of over EUR 330 million
- Growth drivers: acquisitions, technology and innovation, and international expansion

AROUND

EUR 500 MILLION

PLANNED FOR ACQUISITIONS UNTIL 2030

Empowering Mittelstand



SITES IN
30 DIFFERENT COUNTRIES

As of March 24, 2025

WE INVEST IN ACQUISITIONS
Until 2030, we will invest around EUR 500 million in acquisitions. We will focus on larger growth targets at the portfolio level.

WE DRIVE GROWTH THROUGH OUR ENGINEERING EXPERTISE
Thanks to our deep engineering competence, our acquisition focus will continue to be on complex industrial technology for our three segments

— Engineering
— Infrastructure
— Materials Solutions.

We are further integrating technology fields within each segment to refine our perspective on product and market-driven growth opportunities. Actively enhancing our capabilities in each segment will further strengthen our ability to drive acquisitions.

WE ARE INTERNATIONALIZING OUR GROWTH
We have defined three fields of action for our global growth: For the acquisition of new portfolio companies, we are extending our search area across all of Europe. For add-on acquisitions of our existing portfolio companies, we will search globally. In addition, for the organic growth of our existing investments, we will put a strong focus on further internationalization and invest accordingly.

Segments

Engineering

Whether it's the energy transition or the optimization of work and production processes, engineering is the foundation of successful change. Interconnecting production with cutting-edge information and communication technology creates space for new growth models. The megatrends of digitalization and sustainability are the driving forces behind these developments.

The companies that currently make up the INDUS Engineering segment support the manufacturing industry today with a broad range of products and services. They are established names in the specialized field of machinery and equipment construction, and niche suppliers for automation and robotics, sensor technology and measuring/control engineering.

Axel Meyer is the Board member responsible for the Engineering segment.

Infrastructure

Growing mobility and advancing urbanization, increasing digitalization and sustainability are the megatrends providing lasting momentum to the construction industry. Public investment in infrastructure for the maintenance and expansion of traffic routes, high capacity requirements in residential construction, and energy renovations are driving demand. Construction and building technology are gaining ideas from the social demand for sustainable building. Modern technologies enable intelligent infrastructures and supply networks for telecommunications and energy supplies. The companies in the INDUS Infrastructure segment exploit their stable positioning to develop their ranges and focus on these needs – in the fields of construction and building technology, telecommunications infrastructure, and air-conditioning technology.

Dr. Jörn Großmann is the Board member responsible for the Infrastructure segment.

Materials Solutions

In the manufacturing sector, innovative materials and new composite materials are pushing the boundaries of what is possible. Together with state-of-the-art production processes, they enable solutions that open up new dimensions in performance and application.

The companies in the INDUS Materials Solutions segment have a high level of expertise in the field of materials. They specialise in metal production and processing, component manufacturing, medical products and aids. Growth potential lies in innovative materials such as composites, engineering plastics and textiles as well as in specific manufacturing and logistics solutions, and the addressing of new attractive end markets.

Gudrun Degenhart is the member of the Management Board responsible for the Materials Solutions segment.

01

COMPANY AND SHAREHOLDERS

10 Letter to the Shareholders
11 Interview with the Board of Management
18 Management Bodies
21 Report of the Supervisory Board
26 INDUS Share

Letter to the Shareholders

Dear Shareholders,

Let's take a brief look back at the 2024 financial year. It was a year in which the macroeconomic environment was challenging and our Group had to work hard. The portfolio companies have shown that they can hold their own even under these difficult conditions. We could certainly complain about the economic downturn. But we're not going to do that. Instead, we are focusing our strategy on a future with changed conditions. This is how we will move forward faster.

Sales in the Engineering segment remained mostly stable in 2024 despite the weakness of the market. The Materials segment was subject to high volume declines and price pressure, which affected its development. The Infrastructure segment was able to increase its operating income in the midst of a construction slump. This shows the resilience of our business model.

In the current economic climate, we cannot just assume that all our companies will grow. However, we do expect them to take advantage of the opportunities available and earn a decent amount of money. They have passed this test. In 2024, we generated sales of EUR 1.72 billion and EBIT of around EUR 127 million. With an EBIT margin of 7.4%, we can be satisfied when looking at development on the market as a whole.

Financially, we are in a very good position and have the capital for further growth. We are pleased to report free cash flow of over EUR 135 million for the year, which gives us the flexibility to make exciting acquisitions. Despite the payments for the two share buybacks totaling EUR 41.7 million and the dividend of EUR 31 million, the equity ratio rose to 38.7%. The repayment term of 2.4 is below our defined upper limit of 2.5, and secures the investment grade for us on the financing side. We also want our shareholders to appropriately participate in our profit for the 2024 financial year. We will therefore propose to the Annual Shareholders' Meeting the payment of a dividend of EUR 1.20 per share; this corresponds to a dividend yield of 5.9% based on the 2024 closing price.

Our corporate group's sustainability performance also saw positive development in 2024. In the year under review, we significantly exceeded our target of reducing emissions intensity by at least 6%.

EMPOWERING MITTELSTAND – We have strategically repositioned ourselves to successfully counter the major geopolitical changes and structural transformation in the German industrial landscape. Our 2030 strategy sets out a path for significant inorganic and organic growth, and our high level of technical expertise will help us to achieve this. We will continue to grow in the coming years. This growth will be driven by increased acquisitions and a broader international focus. In addition to acquiring hidden champions in Europe, we will make complementary first-level additions worldwide. We have the financial strength and the expertise to do this.

With INDUS shares, you invest in successful Mittelstand. We look forward to coming together at our Annual Shareholders' Meeting on May 27, and discussing how we can give these SMEs the tools they need for above-average growth.

Until then, we thank you very much for your confidence in us. Best regards,

Dr. Johannes Schmidt | Rudolf Weichert | Gudrun Degenhart | Dr. Jörn Großmann | Axel Meyer

Bergisch Gladbach, March 2025

Interview with the Board of Management

Recent years have focused on the recalibration of the portfolio, but INDUS is now aiming for faster growth again. To do so, the Group is treading new paths.

Dr. Schmidt: INDUS wants to use the EMPOWERING MITTELSTAND program to more than double its earnings per share by 2030. How is the Group going to do that?

By shifting up a gear. Over the past few years we have streamlined our portfolio, reorganized the segment structure and built up segment management. We have moved in even closer to our companies. Now that we have done our homework there, we are concentrating our efforts on achieving successful growth. Our ambition is to generate sales of some EUR 3 billion by 2030 and to increase profitability at an above-average level.

We are using three levers to do this. **First:** We are making more acquisitions. By 2030 we intend to spend around EUR 500 million to expand our portfolio. At the first level we are concentrating on bigger targets, which can contribute annual earnings of at least EUR 4 million to the Group result. **Second:** We love engineering and are investing in innovation. The strength of our portfolio companies lies in sophisticated industrial technology. And at INDUS we are an excellent sparring partner. We are using these skills to establish technology fields within the segments, which will then be systematically developed. And **third:** We are going for more international growth. The Group already has a presence in 30 countries, and 51.7% of sales are generated outside Germany. We intend to increase this share with acquisitions, but also through organic growth.

The first-level targets are going to be bigger and can now also be spread across other European countries: How do you persuade the sellers to pass on their business to INDUS?

With our performance commitment and our reputation. Our business model, in a nutshell, is to help healthy companies keep developing successfully, by encouraging an entrepreneurial mindset and leveraging the strengths of small and medium businesses. That is what we stand for and what we have demonstrated over the past three decades. It is a very attractive proposition, also outside Germany, especially as there are a large number of companies abroad that mirror the successful characteristics of the German Mittelstand. And we can be successful there too if we make INDUS a bigger part of the equation.

“IN A VERY REAL SENSE WE OPEN UP SPACES FOR OUR PORTFOLIO COMPANIES TO GROW INTO. THE MARKETS ARE WAITING FOR THEM.”

Dr. Johannes Schmidt

Why is North America particularly interesting for INDUS? What sectors there?

We see great development potential in the North American market. In the United States especially, there is very strong domestic demand as a result of the current wave of reindustrialization, which is a great match for our services. Our portfolio companies AURORA and M.BRAUN, for example, are already making use of this and have been operating on the ground as “local-for-local” for some years now. Demand is literally pulling them into the market. We intend to reinforce this with local complementary additions going forward – just as we accelerated the HORNGROUP Group with the addition of TECALEMIT, Inc. in the United States. As protectionism is on the increase worldwide and economic blocks are decoupling, it means the local-for-local strategy works particularly well.

And when several portfolio companies are already on the ground, as in the United States, then the conditions are favorable for another business to make the leap. Our companies can share knowledge, work together in production, and pool their logistics. We intend to support that even more in the future.

What needs to happen in Germany for the portfolio companies to become more successful again here in Europe?

To start with, I do not believe that our country is in a process of deindustrialization, as some people fear. The industrial fabric and experience are too deeply rooted in our economy for that to happen. But it is also clear that we are faced with a faster pace of structural change, driven by high (energy) costs, digitalization and decarbonization. And we can only get to grips with that by expanding the framework again and making space for a spirit of invention. By removing barriers so that new ideas can gain momentum. You won’t be surprised to hear me call for less bureaucracy. But what would be innovative would be for policymakers and businesses to put their heads together and ask: “What does the fundamental setting have to be for a packaging machine or a carbide tool, for instance, from a German company to stay competitive on the world market?”

“WE HAVE EARMARKED AROUND EUR 500 MILLION FOR ACQUISITIONS BY 2030. AS OUR BALANCE SHEET RATIOS REMAIN STRONG, WE CAN DO THAT WITHOUT RAISING CAPITAL.”

Rudolf Weichert

What concrete action is INDUS taking to activate the growth drivers of technology and innovation in its portfolio companies?

One important element are the technology fields I mentioned earlier: companies within a segment are entering into dialog about their joint development interests. This collaboration results in new products and services that can be used to open up new markets. And we are expanding the technology fields with the right add-on acquisitions.

At the same time we are supporting the businesses on their way to a digital future, with AI applications, cooperation with start-ups via venture clienting and the digitalization of business processes, in sales for example. All these and other topics are on our common agenda.

INDUS will be faster to sell a portfolio company in future if it doesn’t perform. Will that change the Group’s DNA?

No, certainly not. Dependability is a core value at INDUS and will remain so. That means when we bring a company into the Group, we want to work with it over the long term. And this works precisely because we think long and hard before we say “yes”. But is also true that a portfolio company does not get a “lifelong green card” when it is acquired. Markets change incredibly fast nowadays. Look at the automotive industry: risks are increasing and getting more complex. So, going forward, we will divest from segment companies that cannot fulfill our growth expectations in the medium term or consistently do not live up to our profitability expectations.

Mr. Weichert: You are also using the new strategy to modify your management variables. To what extent does that enable you to better measure the performance of INDUS?

To be precise it is one management variable that we are changing in the current financial year: Instead of EBIT and the EBIT margin we are measuring performance by means of adjusted EBITA and the adjusted EBITA margin. This means that in addition to interest and taxes, we also deduct impairment on goodwill and amortization on intangible assets from purchase price allocations. In this way we get an undistorted view of the purely operational earnings quality of our portfolio – for the period under review, but also for comparisons between periods.

"IN ADDITION TO THEIR MATERIALS AND PROCESS COMPETENCE, OUR COMPANIES ARE FOCUSING ON DEVELOPING THEIR DIGITAL SKILLSETS."

Gudrun Degenhart

INDUS plans to finance even the larger acquisitions from cash flow. How realistic is that? And what are your preferred instruments if more funding is in fact needed?

It's perfectly realistic. Of course we also assume that our portfolio companies will deliver the expected results. By means of operational excellence and organic growth we intend to boost sales in our existing portfolio by around EUR 700 million by 2030. At the same time we have to keep our working capital under control. Which we do.

We will be managing our investments accordingly at the same time. Starting with cash outflows for company acquisitions of EUR 50 million in the current year, we want to increase our spending to more than EUR 100 million in 2030. So, ultimately, the approximately EUR 500 million expenditure on acquisitions will be offset by additional annual revenues of around EUR 600 million.

And if more funding is necessary, what are your preferred instruments?

Of course there could well be a target that we absolutely want to have, although it is outside our budget. Even in that case we are so well positioned that we can afford it. It may be that we then have to think about what we will do the year after. But in the short term we are always capable of bringing exciting companies on board.

To date, INDUS has always based its goals on the number of acquisitions. Now you are switching to the volume of sales or profits. Why is that?

With the new strategy we are focusing on sustained growth. To reinforce this perspective, we believe it makes sense to review our targets consistently in terms of our investment budget and their potential earnings. The number of companies acquired is not as important as the future earnings potential that we are buying. So now we are also introducing the idea of annualized adjusted EBITA for the acquisitions in a given year. This figure is a good indicator of the expected earnings potential for the acquisitions.

Ms. Degenhart: By changing the name to Materials Solutions, you are signaling new aspirations for your segment. What are you planning?

The segment I lead is still young and has maybe the broadest coverage of them all. It ranges from carbide tools for industry to medical products for surgical operations, with plenty in between. The addition to the segment name is an indication that we are not just about pure materials competence, but are also purposefully expanding our solutions competence. Today we deal primarily with companies that have a high level of production and process excellence. Then we acquire companies that use their deep understanding of their customer sectors to develop and manufacture tailored products and components or offer services that set them apart – like individual logistics concepts, for example. And that can also be under a separate brand name.

What areas are you particularly looking at right now?

In terms of their materials, the new companies may operate in the fields of composite materials, technical plastics, technical textiles, ceramics or metals. For us, specific, differentiating know-how in production and logistics processes are important for attractive market segments. We are currently working with external support to complete a structured market screening of the technology fields that we consider to be attractive. And at the same time we have recruited more people for M&A activities in Materials Solutions.

How do you develop the existing portfolio companies?

In addition to the individual excellence initiatives that we support in the portfolio companies, we are particularly driving digitalization and the active use of AI. Our AI Sprint program provides direct support for implementation projects in the portfolio companies, and the initial AI projects lead to ideas for new applications and internal expertise. One of our portfolio companies, BETEK from the Black Forest, which manufactures carbide tools and abrasion technology, has built a specialist AI team from internal recruits. The enthusiastic team is developing and implementing use cases along the entire value chain – from automatic image recognition to determine the percentage of recycling components in scrap metal, to intelligent energy management to reduce peak power loads and a proprietary AI-based knowledge management tool for the whole company. At first it was mainly about efficiency, but now the focus also includes support for creative material development projects and direct customer applications. This encourages our smaller

"THE BREADTH OF THE INFRASTRUCTURE SECTOR MEANS IT OFFERS A LARGE NUMBER OF OPPORTUNITIES FOR US TO EXPAND OUR PORTFOLIO."

Dr. Jörn Großmann

portfolio companies to try out simpler smart OCR solutions before moving on to the AI-enabled digitalization of production processes.

Dr. Großmann: What are the strengths of your Infrastructure segment?

In our Infrastructure segment we have a deliberately broad footprint. There is a huge range of different skills assembled here. Our portfolio companies lay optical fiber, make doors, windows and heat pumps, and produce reinforcement and anchoring technology. Despite this portfolio structure, the segment offers diverse opportunities for the companies to interact and work together. And in terms of strategic development, this diversity is a great opportunity. There are numerous points at which our companies can deliver their services, from power grids and fiber networks to road and bridge building, construction, refurbishment and maintenance. The segment has also demonstrated its earning power and reliability in the very demanding environment of the past few years.

A few weeks ago you acquired KETTLER and ELECTRO TRADING via the HAUFF-TECHNIK subsidiary ...

These are two excellent examples for our journey into new markets. ELECTRO TRADING is based in Sweden. This distributor of products related to power grids and renewable energy enables the HAUFF Group to exploit additional market opportunities in the Scandinavian market. KETTLER is a manufacturer of spindle extensions that is a perfect fit for the "last mile" of the HAUFF product portfolio. This SME has its headquarters in Germany. But as part of the HAUFF Group it will also be in a great position to expand into international markets.

Which application areas do you think have the most growth potential?

In the Infrastructure segment we intend to deploy the whole range of strategic levers. In terms of markets the particularly interesting areas for expansion include technologically demanding fields such as power grids and fiber networks, or electrification. We are also expecting economic policy initiatives here in the near future. There are also many promising opportunities in construction chemicals. Here we could well imagine an add-on for FS-BF, for instance.

"FURTHER INTERNATIONALIZATION OF OUR BUSINESS WILL ENABLE SIGNIFICANT GROWTH AND MAKE US MORE ECONOMICALLY RESILIENT OVERALL."

Axel Meyer

Mr. Meyer: What approaches are you taking to drive growth in the Engineering segment?

The companies in this segment all stand out for their high-level development and application skills. They are small, very flexible hidden champions, often global technology leaders, who operate in fragmented sectors and niche markets. A certain amount of consolidation is taking place in those markets. We are trying to play a very active role in this process by strengthening our portfolio companies with acquisitions and expansion.

So acquisitions and internationalization have an important role to play here too?

That's right. In my segment we have formed a total of six technology fields. This pools our strengths and enables us to boost our impact with focused acquisitions at the portfolio level and complementary additions. One of the most important strategies is the further internationalization of the business. Here we are casting our nets widely, to Europe, USA, Canada and parts of Latin America, as well as the Middle East, India and some other economic areas of Asia, which are all interesting growth regions for us. So in addition to its operations in Germany, HORNGROUP for example now also has its own offices in the United States, India, China and the United Kingdom. But it is not just geographic expansion we are interested in. In the years ahead we want to get even more involved in the specific customer applications and access new sectors.

Can you give us an example?

Fluid technology is one exciting area of growth. It is used in many different forms in a wide variety of sectors and comes overwhelmingly from niche providers around the world. Our portfolio company GSR is a valve specialist, which has also developed innovative high-performance valves for the new hydrogen market. Handling hydrogen is very demanding in terms of the temperature and pressure involved. A product like this puts GSR in a pole position from the outset to develop this still young market.

Videos with the INDUS CEO

OUR YEAR 2024

Scan the QR code or go to
www.indus.eu/investors/financial-publications

OUR GROWTH STRATEGY

Scan the QR code or go to
www.indus.eu

Management Bodies

The INDUS Board of Management

DR.-ING. JOHANNES SCHMIDT
CHAIRMAN OF THE BOARD

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

RUDOLF WEICHERT
DEPUTY CHAIRPERSON OF THE BOARD

Rudolf Weichert (German citizen, born 1963) is deputy Chair of the Board of INDUS Holding AG. Before joining the INDUS Board of Management in June 2012, he was a partner at the accounting firm KPMG for nine years. He spent three of these years in Detroit, Michigan, USA, where he worked mainly with companies in the automotive, engineering and materials trading industries. Mr. Weichert, who holds a masters degree in business administration, worked for KPMG for about 20 years, primarily in the firm’s Düsseldorf offices, where he worked mainly with internationally operating companies and corporations in the industrial sector.

GUDRUN DEGENHART
MEMBER OF THE BOARD OF MANAGEMENT (responsible for the Materials segment)

Gudrun Degenhart (German citizen, born 1970) has been a member of the INDUS Holding AG Board of Management since October 2023. She has more than 20 years of experience in managing and developing portfolio companies in Europe, the United States and Asia Pacific. Before joining INDUS, Gudrun Degenhart was CEO of the German portfolio companies of the internal service group ISS A/S. Prior to that, she was with the thyssenkrupp Group where she performed various roles, including CEO of an international business unit for specialized elevators and CEO of Materials Western Europe and Asia Pacific. She gained experience in SMEs as a member of the Board of Management of Schöck AG, a construction technology company. The business administration graduate began her career by establishing Central and Eastern European subsidiaries for the construction specialist Lindner Group.

DR. JÖRN GROßMANN

MEMBER OF THE BOARD OF MANAGEMENT (responsible for the Infrastructure segment)

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

AXEL MEYER

MEMBER OF THE BOARD OF MANAGEMENT (responsible for the Engineering segment)

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

Board of Management members' seats on supervisory boards p. 225 and at www.indus.eu/about-us/#board-of-management

The INDUS Supervisory Board

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

JÜRGEN ABROMEIT
Supervisory Board Chairman (since 2018)

WOLFGANG LEMB*
Deputy Supervisory Board Chairman (since 2018)

DR. DOROTHEE BECKER
Member of the Supervisory Board (since 2014)

DOROTHEE DIEHM*
Member of the Supervisory Board (since 2018)

PIA FISCHINGER*
Member of the Supervisory Board (since 2018)

CORNELIA HOLZBERGER*
Member of the Supervisory Board (since 2019)

GEROLD KLAUSMANN*
Member of the Supervisory Board (since 2018)

JAN KLINGELNBERG
Member of the Supervisory Board (since 2023)

STEFAN MÜLLER*
Member of the Supervisory Board (since 2023)

BARBARA SCHICK
Member of the Supervisory Board (since 2022)

CARL MARTIN WELCKER
Member of the Supervisory Board (since 2010)

PROF. DR. RER. POL. ISABELL M. WELPE
Member of the Supervisory Board (since 2023)

Supervisory Board Committees

Nomination Committee

Jürgen Abromeit (Chairman)
Barbara Schick
Carl Martin Welcker

Personnel Committee

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

Audit Committee

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

Strategy and ESG Committee

Jürgen Abromeit (Chairman)
Cornelia Holzberger
Jan Klingelnberg
Wolfgang Lemb

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

Jürgen Abromeit (Chairman)
Pia Fischinger
Wolfgang Lemb
Barbara Schick

Details of other supervisory board seats p. 224 f. and at www.indus.eu/investors/supervisory-board

* Workers' representatives

Report of the Supervisory Board

Dear Shareholders,
With this Report, we want to inform you of the key aspects of the Supervisory Board's work in the 2024 financial year.

Cooperation Between the Board of Management and the Supervisory Board

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

The members of the Supervisory Board always had sufficient opportunity to critically appraise the Board of Management's submitted reports and proposals in the full Supervisory Board meetings and Committee meetings, and to voice their own suggestions. This gave them an overview of the current business and asset performance at all times. In addition to the company, finance and investment planning, the Supervisory Board also took a close look at the risk situation and risk management. Where necessary due to the law, the Articles of Incorporation, or the rules of procedure, the Supervisory Board provided approval for business transactions requiring approval.

Between board meetings, the Supervisory Board Chairman also engaged in an intensive exchange of information and ideas with the Board of Management. The Chairman of the Board informed the Supervisory Board Chairman regularly, promptly and in-depth of material developments in the company and provided immediate information regarding important events that were of significance for assessing the situation and development, and for the management of the company. The Supervisory Board Chairman advised the Chairman of the Board regularly on issues concerning strategy, business performance, the risk situation, risk management, and compliance. The Chairwoman of the Audit Committee maintained bilateral dialog with the Chief Financial Officer and the Supervisory Board Chairman on certain topics. As the controlling body, the Supervisory Board was always included in fundamental decisions.

Composition of the Supervisory Board and Committees

The composition of the Supervisory Board and its committees did not change in the 2024 financial year. You can find details regarding the composition of the Supervisory Board and its committees on page 20 of the Annual Report in the "Governing Bodies" section and on the INDUS website.

Meeting Frequency and Attendance

The Supervisory Board held six ordinary meetings and one extraordinary meeting in 2024. The four Supervisory Board meetings were in-person meetings with the options for individual Supervisory Board members to join via video. The other three Supervisory Board meetings, including the extraordinary meeting, were held as video conferences. In addition, the shareholder representatives on the Supervisory Board passed resolutions regarding independence in an in-person meeting on March 14, 2024. The Supervisory Board also met regularly without the Board of Management. The Board of Management generally does not participate in Supervisory Board meetings or Audit Committee meetings if the auditor is in attendance unless the Supervisory Board or the Audit Committee considers it absolutely necessary.

The Board of Management attended all Supervisory Board meetings, although the Supervisory Board also regularly discussed agenda topics without the Board of Management. With the excused absence of one member at two Supervisory Board meetings and one Personal Committee meeting and one Strategy and ESG Committee meeting, which were held on the same day as a Supervisory Board meeting, all members of the Supervisory Board and the committees attended every Supervisory Board meeting and committee meeting. Together with the Supervisory Board Chairman in a separate meeting beforehand, the absent member took part in resolutions with written votes, so that all resolutions were made by all members of the Supervisory Board or the committee. All the shareholder representatives apart from one who was excused took part in the meeting of the shareholder representatives on the Supervisory Board. Here, too, the absent member took part in the resolutions via written vote following a preliminary discussion with the Supervisory Board Chairman.

SUPERVISORY BOARD MEETINGS IN THE 2024 FINANCIAL YEAR

	Meeting attendance (incl. constituent meeting)	in %
Supervisory Board		
Jürgen Abromeit (Chairman)	7/7	100
Wolfgang Lemb (Deputy Chairman of the Board)	5/7	71
Dr. Dorothee Becker	7/7	100
Dorothee Diehm	7/7	100
Pia Fischinger	7/7	100
Cornelia Holzberger	7/7	100
Gerold Klausmann	7/7	100
Jan Klingelnberg	7/7	100
Stefan Müller	7/7	100
Barbara Schick	7/7	100
Carl Martin Welcker	7/7	100
Prof. Dr. Isabell M. Welpe	7/7	100

SUPERVISORY BOARD COMMITTEE MEETINGS IN THE 2024 FINANCIAL YEAR

	Meeting attendance	in %
Personnel Committee		
Jürgen Abromeit (Chairman)	6/6	100
Dr. Dorothee Becker	6/6	100
Dorothee Diehm	6/6	100
Wolfgang Lemb	5/6	83
Audit Committee		
Barbara Schick (Chairwoman)	6/6	100
Gerold Klausmann	6/6	100
Prof. Dr. Isabell M. Welpe	6/6	100
Strategy and ESG Committee		
Jürgen Abromeit (Chairman)	4/4	100
Cornelia Holzberger	4/4	100
Jan Klingelnberg	4/4	100
Wolfgang Lemb	3/4	75

The Nomination Committee did not meet in the last financial year.

Conflicts of Interest

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

Training and development for Supervisory Board members

Supervisory Board members took part in training and development relating in particular to risk management, compliance, and sustainability.

Corporate Governance

In its meeting on December 4, 2024, the Supervisory Board, together with the Board of Management, issued an updated declaration of conformity with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act. The declaration does not deviate from the Code and has been made available on the INDUS website.

Self-assessment of the Supervisory Board and its Committees

The Supervisory Board again performed a self-assessment of the entire board and committees in 2024. A self-assessment form was sent to the members of the Supervisory Board in May 2024. Committee members also received an additional form for the committees they sit on. The completed forms were evaluated by the Supervisory Board Chairman and the findings were discussed in the Supervisory Board meeting on September 18, 2024. Overall, the self-assessment confirmed that the work of the Supervisory Board and Committees is efficient and trustworthy.

Main Topics of the Meetings

In the **first ordinary meeting on February 21, 2024**, the Supervisory Board focused on the preliminary figures for the 2023 financial year. Following a detailed explanation, the Supervisory Board also approved the Board of Management's plan for a share buyback program as part of a public purchase offer.

The **second ordinary Supervisory Board meeting on March 14, 2024**, focused on the presentation and discussion of the 2023 separate and consolidated financial statements of INDUS Holding AG and the Group and the resolutions on these. Chief Financial Officer Rudolf Weichert explained the most important aspects of the accounting of the consolidated financial statements to the Supervisory Board. At the Audit Committee's recommendation and after in-depth discussion with the external auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, the Supervisory Board approved the annual financial statements and the consolidated financial statements as well as the separate non-financial Group report for the financial year 2023. Following a close inspection, the Supervisory Board had no objections to the combined management report including the Board of Management's explanatory report. In line with the recommendation of the Personnel Committee, the remuneration report for the 2023 financial year, which was formally and materially audited by the external auditor, was approved. The Supervisory Board concurred with the Board of Management's dividend proposal and resolution proposals for the 2024 Annual Shareholders' Meeting.

Other Supervisory Board agenda items included the 2023 annual risk management and compliance report and the current economic situation in particular.

In the **third regular meeting on May 21, 2024**, the Supervisory Board dealt with current business performance in the first quarter of 2024 and the Forecast I for the whole of 2024. The Supervisory Board also resolved to extend the appointment of Mr. Rudolf Weichert by another three years.

The topic of discussion in the **fourth ordinary Supervisory Board meeting on August 14, 2024**, was business performance in the first half of 2024 and Forecast II for the full year. The Supervisory Board also approved the acquisition of DECKMA after receiving in-depth information concerning the transaction from the Board of Management.

In the **fifth ordinary meeting on September 18, 2024**, the Supervisory Board covered the results of the Supervisory Board and Committee self-assessments. Another significant item on the agenda was current financial performance as of August 2024 along with special reports on three portfolio companies who deviated negatively from original planning in Forecast II. Another focal point of discussions was the strategy process launched by the Board of Management.

The Supervisory Board held an **extraordinary meeting** on **November 11, 2024**. The Board dealt with the second share buyback program in detail that will run first as a public buy offer like the first share buyback program and then feature a subsequent program stage with buyback via the stock exchange. Following in-depth information from the Board of Management, the Supervisory Board approved the share buyback program as presented. The Supervisory Board also dealt with the financial performance as of September 30, 2024, and Forecast III for the whole of 2024.

The main items discussed at the **sixth regular Supervisory Board meeting on December 4, 2024,** included the Board of Management report on the current financial performance as of October 31, 2024, and the subsequent explanation from the Board of Management for the corporate planning process for the 2025 financial year. In the subsequent discussions, the Supervisory Board and Board of Management debated the details of the planning process and its results. The Supervisory Board approved the annual planning without change. A resolution was also passed to submit the 2024 declaration of conformity.

The Supervisory Board also discussed the development of the risk management system and approved the complementary addition of KETTLER by HAUFF following an explanation by the Board of Management.

Another focal point of the discussions were the consultations and resolution of the targets submitted by the Personnel Committee regarding the short-term variable remuneration as part of the Board of Management remuneration system for the 2025 financial year. The Supervisory Board also focused on long-term succession planning for the Board of Management and the further development of the remuneration system for the Board of Management.

Work of the Committees

The Supervisory Board committees are primarily responsible for preparing the decisions and topics for full Supervisory Board meetings. Decision-making power can be transferred to the committees if legally permissible. The committee chairperson reports on the committees' work to the Supervisory Board regularly and in detail. In the past year, the Personnel Committee, the Audit Committee, and the Strategy and ESG Committee met several times. In accordance with Section 27 (3) of the Codetermination Act, there was no need for the Mediation Committee or the Nomination Committee to convene. The members of the committees can be seen under "Bodies" on page 20 of the Annual Report and on the INDUS website.

The **Personnel Committee met six times** in the 2024 financial year on **March 14, May 21, July 19, September 18, November 11, and December 4, 2024**, and prepared the Supervisory Board's personnel decisions. Wherever necessary, resolutions were passed or recommendations were made to the Supervisory Board for the purpose of passing a resolution. The Personnel Committee dealt with the long-term succession planning for the Board of Management and recommended extending Mr. Rudolf Weichert's appointment by a further three years. Another focal point of the Committee's work was the remuneration paid to the Board of Management. In addition to the recommendation to the Supervisory Board for passing the necessary resolutions to determine target attainment in 2022 for targets set for 2023 as part of the short-term variable remuneration, the Personnel Committee recommended new targets for the year 2025 to the Supervisory Board. The Personnel Committee also recommended that the Supervisory Board approve the remuneration report for 2023. Details regarding the Board's remuneration can be found in the remuneration report. The Committee also discussed the potential optimization of the Board of Management remuneration system.

The **Audit Committee met six times** in the 2024 financial year on **March 8, May 10, August 9, November 8 and 25, and December 4, 2024.** Representatives of the external auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, attended the Committee meetings on March 8, November 8, and December 4, 2024. The Audit Committee supervised the qualification and independence of the external auditor and the quality of the financial statement audit. The Committee awarded the audit mandate to the external auditor selected by the 2024 Annual Shareholders' Meeting, concluded the fee agreement, and determined the focus of the audit. The focus of the consultation was the 2023 annual financial statements and consolidated financial statements, along with corresponding resolution recommendations for the Supervisory Board, the preliminary audit of the 2024 annual financial statements, and consolidated financial statements and interim reporting. Before the quarterly and half-year reports were published, the Board of Management held a meeting for each, explained the main transactions, and discussed them with the Audit Committee. In a separate meeting, the Audit Committee took a close look at risk management and developed potential improvement approaches. Other topics included the review of the 2023 risk management and compliance annual reports, the 2024 annual report from Internal Audit, and the implementation of the Supply Chain Due Diligence Act as well as the ongoing implementation of the Corporate Sustainability Reporting Directive.

The **Strategy and ESG Committee met four times** in the 2024 financial year, on **March 14, September 18, November 27, and December 4, 2024**. One material aspect of the discussions was the further development of PARKOUR perform to a new strategy to safeguard sustainable, profitable growth in the coming years. The discussions were based on the Board of Management's explanations of the topic. The Strategy and ESG Committee also dealt with the topic of fair work.

Approval of the Annual Financial Statements and the Consolidated Financial Statements as of December 31, 2024

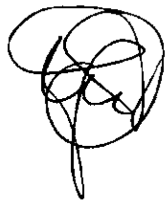
The external auditor of the separate and consolidated financial statements commissioned by resolution of the Annual Shareholders' Meeting on May 22, 2024, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, audited the INDUS Holding AG annual financial statements, the consolidated financial statements, the combined management report, and the remuneration report for the 2024 financial year in accordance with the Supervisory Board's mandate. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS). The external auditor issued an unqualified audit certificate for the annual financial statements, the consolidated financial statements and the combined management report. The non-financial report (sustainability report) integrated into the management report for the first time was subjected to a limited-assurance audit. The auditor also determined that the risk management system fulfills the legal requirements and no going concern risks were discernible. As planned, an audit review of the interim financial reports was not conducted.

The annual financial statements, consolidated financial statements, the combined management report including the integrated consolidated non-financial report (sustainability report) and the audit reports and remuneration report were presented to the members of the Supervisory Board in good time. They were discussed in detail at the Supervisory Board meeting to adopt the financial statements on March 17, 2025. The external auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, attended this meeting and reported on the main findings of the audit. The external auditor was also available for any additional questions. The Supervisory Board discussed all documents and audit reports in detail with the external auditor, and partially without the presence of the Board of Management.

Following a final examination of the documents submitted and the recommendation of the Audit Committee, the Supervisory Board raised no objections to the annual financial statements, the consolidated financial statements, and the combined management report and agreed with the external auditor's findings. The Supervisory Board therefore approved the 2024 annual financial statements and the 2024 consolidated financial statements. The 2024 annual financial statements are thus complete in accordance with Section 172(1) of the German Stock Corporation Act (AktG). Following prior examination, the Supervisory Board approved the Board of Management's proposed appropriation of distributable profit. The Supervisory Board also examined the INDUS Group's non-financial report (sustainability report), which has been included in the management report for the first time. It based its examination on the limited-assurance audit conducted by the external auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main. The Supervisory Board raised no objections to the INDUS Group's non-financial report (sustainability report), which has been integrated into the management report. Based on the formal and material audit of the remuneration report conducted by the external auditor, the Supervisory Board approved the remuneration report without objections.

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

Bergisch Gladbach, March 17, 2025



On behalf of the Supervisory Board,
Jürgen Abromeit
Chairman

INDUS Share

2024: A Tense Year for The Stock Market

Investors can look back on an eventful stock market year in 2024; one defined by uncertainty, but which was ultimately extremely successful. Geopolitical tensions continued to rise and resulted in ongoing market volatility, with numerous economic challenges impacting global financial markets at the same time. Fears of recession in the euro area were fanned by weak consumer spending and stagnant industrial production, accompanied by only a gradual decline in inflation. It was only in the second half-year that long-anticipated interest rate cuts provided some relief, signaling that the economy was stabilizing. Capital markets reacted with unexpectedly steep increases, surpassing analysts' forecasts. Technology and AI shares particularly profited from strong demand for digital solutions, while leading equities indices, gold and bitcoin all reached new highs.

The leading German DAX index closed the 2024 year at 19,909.14 points, just short of the symbolic 20,000 mark. The index reached an all-time high on December 13 at 20,523 points. The DAX was the winner among the major European exchanges with an annual performance of 18.8%. The MDAX and SDAX, which are more exposed to the German economy, performed significantly less well, with the MDAX reporting a fall of more than 5% over the year and the SDAX closing with a loss of just under 2%.

INDUS Share: Uncertain Market Environment Affects Share Price Performance

The INDUS share started the year at a price of EUR 21.85 and performed positively in the first quarter, reaching EUR 23.10 on January 17 with above-average trading volumes of 81,744 shares (Xetra). The share reached its high to date at EUR 26.55 towards the end of the quarter.

The high for the year of EUR 28.70 came in the second quarter. Prices trended lighter at the start of the third quarter, with the share moving within a range of EUR 20 to 24 and closing at EUR 22.35 on September 30, 2024. As in the previous year, the fourth quarter was weaker; the share struggled repeatedly around the EUR 20 mark, falling below it for the first time on October 30 to EUR 19.98 with high trading volumes of 91,057 shares. The low for the year came on November 6, 2024 at EUR 19.62.

The annual closing price was measured at EUR 20.30. Looking at the entire year, the INDUS share closed down -9.17% year-on-year, with the MDAX and SDAX reporting falls of -5.71% and -1.78% respectively.

KEY SHARE DATA (in EUR)

	2024	2023
Earnings per share	2.07	2.06
Cash flow from business operations	5.54	8.09
Dividend per share[1]	1.20	1.20
Dividend yield in %[1]	5.9	5.4
Distribution in EUR million[1]	29.9	31.0
Highest closing price for the year[2]	28.70	27.40
Lowest closing price for the year[2]	19.62	18.24
Final closing price for the year[2]	20.30	22.35
Market capitalization[3] in EUR million	508.3	601.1
Average daily trading volume in number of shares	18,546	19,460

1) Subject to approval at Annual Shareholders' Meeting expected on May 27, 2025
2) XETRA closing price
3) As of the reporting date, based on shares in circulation.

INDUS SHARE DATA

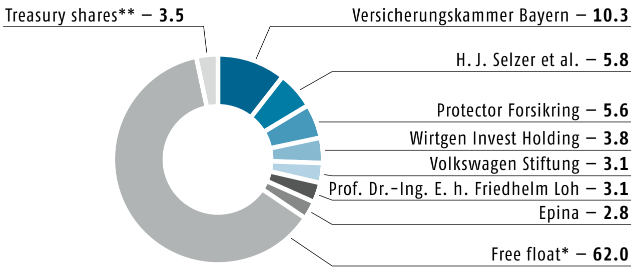
WKN/ISIN	620010/DE0006200108
Stock exchange code	INH.DE
Share class	No-par-value shares
Stock exchanges	XETRA, Düsseldorf, Frankfurt (regulated market), Berlin, Hamburg, Hanover, Munich, Stuttgart
Market segment / Indices	Prime Standard / SDAX
Designated sponsors	ICF and Oddo
Subscribed capital	EUR 69,928,453.64
Authorized capital 2021	EUR 34,964,225.52
Number of shares after cancellation of shares on March 5, 2025	25,800,000

Share Liquidity: Lower Trading Volume

In the reporting year, liquidity of the INDUS share was nearly 5% lower than in the previous year. On average, according to the statistics of the German Stock Exchange, 18,546 shares were traded per day on XETRA and the German regional exchanges during the financial year. The figure amounted to approximately 19,460 shares per day in 2023.

Stable Shareholder Structure with Numerous Institutional Investors

SHAREHOLDER STRUCTURE OF INDUS HOLDING AG AS OF MARCH 11, 2025
in %



* Deutsche Börse defines as free float all the shares not held by major shareholders (with at least 5% of share capital). According to this definition, free float amounts to 78.3%.
** The 904,441 shares bought back by the company do not carry voting or dividend rights.

Source: Company information

Dr. Schmidt (Chair of the Board) holds 6,200 shares, Ms. Degenhart (member of the Board of Management) 940 shares, Dr. Großmann (member of the Board of Management) 3,335 shares and Mr. Weichert (Deputy Chair of the Board) 1,000 shares. Mr. Abromeit (Chair of the Supervisory Board) holds 10,000 shares, Ms. Fischinger (member of the Supervisory Board) 1,000 shares, Ms. Holzberger (member of the Supervisory Board) 200 shares and Mr. Klausmann (member of the Supervisory Board) 100 shares.

Share Buyback Offer, February 21, 2024

On February 21, 2024 INDUS Holding AG launched a public share buyback offer for up to 1,100,000 registered no-par-value shares to its shareholders at a price of EUR 23.00 per share. The volume of the buyback offer amounted to EUR 25,300,000. The buyback offer applied from February 22, 2024 to March 1, 2024. As a result of the offer, shares were acquired by INDUS Holding AG with a value of EUR 25,300,000. The bought-back shares do not qualify for dividends.

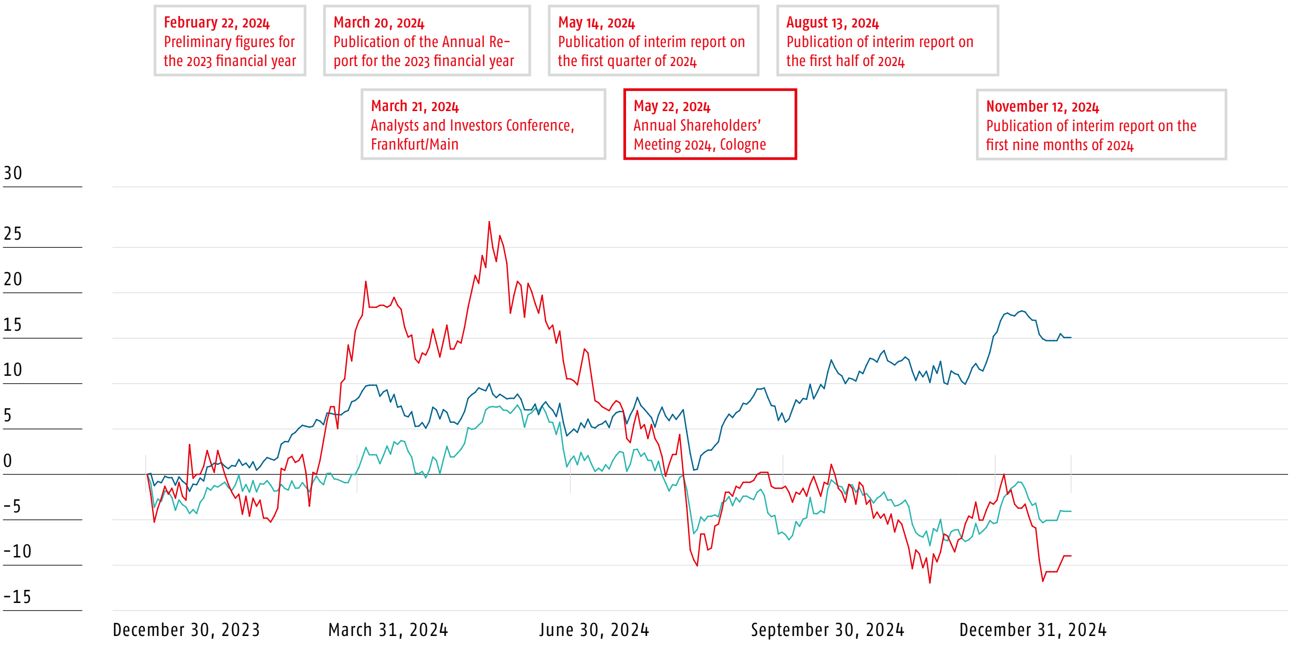
Share Buyback Offer and Buyback Program of November 11, 2024

The Board of Management of INDUS Holding AG, with the approval of the Supervisory Board, voted on November 11, 2024 to make a public buyback offer for up to 700,000 shares at a price of EUR 21.65 per share. Shareholders could accept the offer from November 12–25, 2024. The total volume was EUR 15,160,000. On the basis of this offer 700.000 shares were bought back.

INDUS launched an additional share buyback program on December 5, 2024. Up to 200,000 shares were to be bought back via the stock exchange between December 2, 2024 and May 16, 2025, for a total volume of up to EUR 5,000,000. By the end of 2024, 54,520 shares had been acquired. The share buyback program ended on March 5, 2025, with the purchase of 200,000 shares.

SHARE PRICE PERFORMANCE OF THE INDUS SHARE 2024 EXCL. DIVIDEND

(in %)



Source: Bloomberg

INDUS Holding AG — DAX price index — SDAX price index

Cancellation of Shares on March 5, 2025

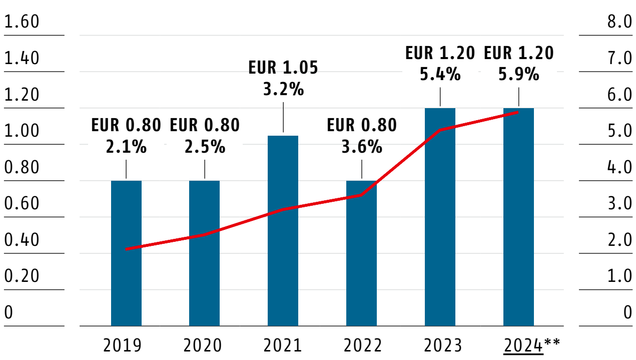
The Board of Management, with the approval of the Supervisory Board, voted on March 5, 2025, to cancel 1,095,559 no-par-value shares. Since this date the company has held 904,441 treasury shares. There are now 25,800,000 shares in circulation.

Proposed Dividend of EUR 1.20 per Share

INDUS has a stable dividend policy. Shareholders participate in company profits by means of regular dividend distributions. As a rule, these are based on the performance of INDUS Holding AG in the year. The dividend policy provides that at least 50% of profits are to be reinvested in the company and up to 50% distributed.

As of December 31, 2024, INDUS Holding AG had EUR 77.8 million in balance sheet profit. The Board of Management and the Supervisory Board will propose a dividend payment of EUR 1.20 per share (previous year: EUR 1.20). This corresponds to a total sum distributed of EUR 29.9 million with a dividend payout ratio of 38.4%.

DIVIDEND PER SHARE* AND DIVIDEND YIELD 2019 TO 2024 (in EUR/in %)



—— Dividend yield
* Dividend payment for the respective financial year
** Subject to approval at Annual Shareholders' Meeting on May 27, 2025

Overview of Current Research Coverage

The research coverage and the published analyst reports are an important instrument for investors to assess a company's expected earning power and the resulting potential for its share price. This year the number of banks and investment companies monitoring the INDUS share and publishing regular research reports continued to rise. Ten investment firms are currently following the INDUS share.

— GBC (EUR 35.70) – Buy
— GSC (EUR 32.00) – Buy
— Kepler Cheuvreux (EUR 23.00) – Hold
— LBBW (EUR 28.00) – Hold
— M.M.Warburg (EUR 36.00) – Buy
— mwb research (EUR 34.00) – Buy
— NuWays (EUR 34.00) – Buy
— ODDO BHF (EUR 22.00) – Neutral
— Parmantier (EUR 34.30) – Buy
— Pareto Securities (EUR 32.00) – Buy

Investor Relations Work: Intensive Dialog with Capital Markets

INDUS attended 14 roadshows and conferences in 2024. New this year was our attendance at the German Small Cap Select Conference (mwb) and the Small/MidCap Conference organized by ICF Bank. Digital formats in particular are gaining in importance. This year INDUS took part in two digital roundtable discussions at NuWays and mwb after interim reports were published.

INDUS held an Analyst and Investor Day at Helaba in Frankfurt on March 21, 2024, which was attended by 35 analysts and investors in person, with a further ten taking part via live stream. All the Board of Management members were present and reported on current developments in their segment.

The Annual Shareholders' Meeting was once again held as an in-person event at the Koelnmesse Congress Center on May 22, 2024. In 2024 it was attended by 233 shareholders, 85 guests and around 40 INDUS employees. INDUS also plans to hold in-person Annual Shareholders' Meetings in 2025 and 2026.

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

By actively encouraging relations with the capital markets, INDUS underlines its commitment to transparent and regular communication. The financial calendar on page 230 of the Annual Report provides an overview of the most important dates for the current financial year. It is regularly updated and is also available on the company's website.

The dates planned for 2025 and additional IR information can be found at www.indus.eu/investors/financial-publications

YOUR CONTACT AT INVESTOR RELATIONS

Dafne Sanac
Head of Investor Relations
Phone: +49 (0)2204/40 00-32
Email: investor.relations@indus.de

02

COMBINED MANAGEMENT REPORT

02 |

32 **Introduction to the Group**
32 The Company
36 Objectives, Strategies and Dividend Policy
40 Management Control
42 Non-financial Performance Indicators
43 Corporate Governance
43 Declaration on Corporate Governance
45 **Report on the Economic Situation**
45 Changes in the Economic Environment
47 Performance of the INDUS Group
59 Financial Position
65 Financial Performance of INDUS Holding AG
67 **Further Legal Information**
67 Acquisition-related Disclosures
71 **Opportunities and Risks**
71 Opportunity Management
72 The Portfolio Companies' Opportunities
72 Risk Management
75 Description of Individual and Aggregate Risks
80 The Board of Management's Overall Assessment
81 **Forecast Report**
81 Forecast Economic Outlook
82 Expected Group Performance
87 **Post-balance-sheet Events**
88 **Sustainability Report**
88 General Disclosures
117 Environment
137 Social
148 Governance
154 Annex

Introduction to the Group

INDUS buys and develops SMEs that have a clear focus on industrial technology, and is one of the leading specialists for sustainable business investment and development in the SME sector of the German speaking countries. INDUS acquires stakes predominantly in owner-managed companies, and assists them in the long-term orientation of their entrepreneurial development. INDUS ensures that the portfolio companies retain their SME status. In the coming years, portfolio growth is anticipated due to organic growth of existing investments and targeted acquisitions in areas around the future fields that are relevant for INDUS.

The Company

Positioning and Business Model

VALUE- AND GROWTH-ORIENTED SME HOLDING COMPANY

INDUS Holding AG (hereinafter: INDUS) was founded in 1989 and is now among the leading specialists in the acquisition and long-term development of technology-oriented industrial SME companies. The focus for acquisitions is owner-managed companies that have their own industrial added value. INDUS acquires investments solely on a majority basis, preserves the SME status of its portfolio companies and supports them in their long-term entrepreneurial development. In the regions where the portfolio companies operate, INDUS positions itself as a long-term-oriented investor without an exit strategy but with the clear aim of strategically developing the portfolio companies.

As of the reporting date, its portfolio comprised 44 companies (previous year: 43). The changes against the previous year relate to the acquisition of two new direct portfolio companies and the closure of a portfolio company. On December 31, 2024, a total of 184 fully consolidated enterprises (previous year: 178) belonged to the INDUS Group.

The INDUS Group consists of the holding company INDUS Holding AG with registered office in Bergisch Gladbach, Germany, and the individual portfolio companies. All direct INDUS portfolio companies have their registered offices in Germany (41) or Switzerland (3). The INDUS Group is represented by sub-subsidiaries, branches, and representative offices in 29 countries (previous year: 29 countries) on five continents.

INDUS has been a listed company since 1995. The share is traded on the regulated market at the stock exchanges in Frankfurt and Düsseldorf. In Berlin, Hamburg, Hanover, Munich and Stuttgart, the share is traded over the counter. The INDUS share is listed in the SDAX stock market index.

INDUS fulfills the Prime Standard transparency requirements in its financial reporting.

The holding company with its registered office in Bergisch Gladbach, Germany, is managed by a Board of Management, which consists of five (previous year: five) members. The Board of Management is made up of Dr. Johannes Schmidt (Chairman of the Board), Gudrun Degenhart, Dr. Jörn Großmann, Axel Meyer and Rudolf Weichert (Deputy Chair). As at the reporting date, the company had an average of 41 employees excluding the Management Board in the financial year (previous year: 39).

THE INDUS BUSINESS MODEL: BUY, HOLD & DEVELOP

The companies acquired and targeted for possible acquisition are in the SME sector and have their own technology-oriented industrial technology, their own industrial added value, and an above-average level of profitability. They should generate annual sales figures amounting to between EUR 20 million and EUR 100 million and a sustained return on sales (EBIT margin) of **10% or more**. The target companies operate in attractive niche markets with clear technology focal points in the future fields that are relevant for INDUS. Their business models are viable and offer potential for strategic further development.

INDUS primarily acquires owner-managed companies, exclusively on a majority basis, and specializes in the arrangements for succession in the families managing the companies. Continuity and the company's SME status are secured with the transfer of ownership. Therefore, ideally the previous owners ideally remain as co-shareholders and managing directors of the company for a certain period.

The companies relevant for INDUS should be unencumbered by legacy economic issues and be exemplary in terms of sustainability considerations. As a rule, INDUS does not directly acquire companies undergoing restructuring and start-ups. INDUS does not acquire companies in the defense, alcohol or gambling sectors. Neither is INDUS planning any acquisitions in connection with the extraction of fossil fuels.

INDUS continuously acquires new companies. These portfolio additions are aimed at improving the development prospects of the entire Group. As well as organic development of the existing portfolio companies, the company acquisitions ensure that the portfolio always continues to reflect relevant future fields as time goes on. The Group's companies operate in diverse business and technological fields, selling markets, and business cycles – the Group is broadly diversified. With their respective core capabilities, the companies generally occupy market niches which are of interest for their industries.

INDUS focuses on sustainability. Sustainable action generates competitive advantages, increases corporate value and strengthens the company culture. That is why INDUS actively strengthens sustainability performance in its holdings by means of its own strategic initiative, "Striving for Sustainability". For INDUS, Striving for Sustainability means making economic, social and environmental goals equal long-term priorities. This is the only way to create enduring added value, enable employees to work well, and at the same time guarantee thoughtful interaction with the environment.

As a majority shareholder and financial holding company, INDUS supports its portfolio companies by functioning as an advisor and also as a development bank. The members of the Board of Management with responsibility for the segments continuously advise the portfolio companies' managing directors by means of dialog on strategy. Within the portfolio companies, the holding company's experts share methodological knowledge, train employees, and support strategic projects. The support is provided with an emphasis on reinforcing innovativeness, increasing market excellence and operational excellence, and anchoring Striving for Sustainability in the portfolio companies. The holding company's employees encourage knowledge transfer via networking within the Group, as well as with external partners. INDUS provides capital to its portfolio companies for investments in fixed assets, development projects, acquisitions of companies at subsidiary level, and internationalization. In addition to this, the INDUS innovation development bank provides capital for innovative projects. Through the sustainability development bank, INDUS provides financial support for portfolio company projects that aim to protect resources and reduce emissions.

INDUS' business model can be summarized by the phrase "buy, hold & develop." This enshrines the strategy of making a long-term commitment to the company while simultaneously developing the portfolio companies.

In this way, the portfolio companies develop over the long term in a fast-changing market environment while preserving their status as an SME, with INDUS at their side as a financially strong partner. INDUS shareholders participate in the value of a managed investment portfolio of SME assets, and benefit from regular dividend distribution.

EXTERNAL INFLUENCING FACTORS

As industrial companies, the INDUS Group portfolio companies are influenced by the **general economic situation** – in Germany, in Europe, and on global markets. At the same time, the individual companies are subject to sector-specific business cycles.

The biggest factors that impacted the Group in 2024 were **Germany's ongoing economic weakness** with low domestic and foreign demand and the domestic political uncertainties that led to the collapse of the coalition government. The future U.S. president's announcement that he will impose export tariffs is likely to have a further negative impact on the export-oriented German economy.

International demand is still negatively affected by declining demand from **China** and the **effects of restrictive monetary policy**. Companies in the manufacturing sector in particular are suffering from the noticeable loss of competitiveness, especially outside of the European markets. The war in Ukraine is also having a dampening effect. The war in Ukraine only had limited direct impact on INDUS companies in 2024.

With their agility as SMEs, the INDUS portfolio companies were able to maintain their positions. Overall, the broad diversification of the INDUS portfolio once again proved to be an important component for stability. Economic risks are distributed across the Group by means of its diversified positioning, so the portfolio is balanced out. Compared with non-diversified holding companies, this gives INDUS a competitive advantage in the long term and also in the event of new exogenous shocks in individual sectors.

Stringent cost management in the companies is also important for the success of the portfolio companies. Globalization is increasingly thrusting SMEs into direct **price competition** with foreign competing companies which, in some cases, are able to produce under economically more favorable conditions. Material, energy, and personnel costs are especially relevant cost variables. Clear differentiation through technological and innovation leadership, market excellence and operational excellence are particularly crucial in this environment; INDUS provides important support to its portfolio companies so they can achieve this.

The labor market has been facing a growing **shortage of specialists** in Germany for several years. Against this backdrop, the importance of bringing on board personnel is markedly increasing, while wage costs are simultaneously rising significantly. INDUS is tackling global competition and rising cost pressures by helping portfolio companies achieve optimized international alignment.

In order to be successful in the long term, companies need to successfully shape the **technological change**. The **digital transformation** currently demands an additional, intense development process from manufacturing companies. Digitalization requires businesses to be flexible, and this comes with noticeably increased investment requirements. Given the high impact of these external factors, INDUS is supporting investment in innovation through the INDUS innovation development bank.

Developments in the capital markets are also important factors for the entrepreneurial success of INDUS, as the situation on the stock exchanges and general interest rate trends determine the terms on which INDUS is able to secure equity and borrowed capital. Owing to its size, broad access to capital markets, and very solid credit rating, the company is well prepared for fluctuations in the capital markets.

Portfolio

44 COMPANIES IN THREE SEGMENTS

The portfolio consisted of 44 portfolio companies on the reporting date. The companies are assigned to three segments: Engineering, Infrastructure and Materials.

BASIC DATA FOR THE SEGMENTS (in EUR million)

	Engineering	Infrastructure	Materials
Sales	596.7	559.5	564.8
Operating income (EBIT)	45.7	52.3	46.1
Portfolio companies	17	14	13
Employees	2,962	2,835	2,925

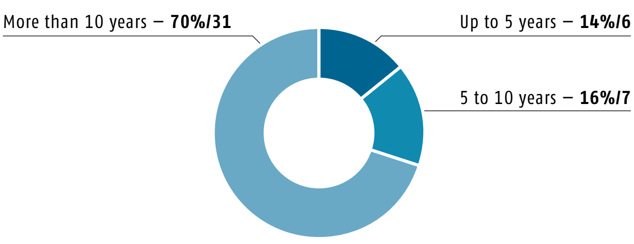
PORTFOLIO STRUCTURE BY NUMBER OF YEARS WITH THE GROUP

26 of the 44 of the portfolio companies (59% of the portfolio companies) have belonged to the INDUS Group for more than 15 years. The Group has held five of the portfolio companies for ten to 15 years. Seven portfolio companies have been in the INDUS portfolio for between five and ten years, and six of the 44 portfolio companies have been acquired in the past five years.

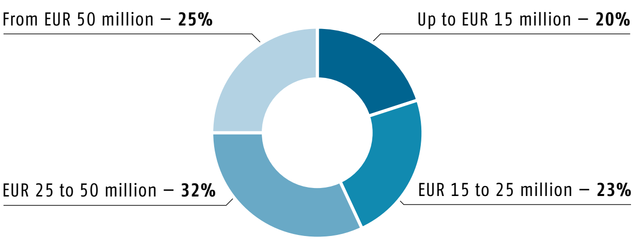
PORTFOLIO STRUCTURE BY SALES

The portfolio companies' annual sales figures range from under EUR 10 million to more than EUR 100 million. 25% of the portfolio companies generate annual sales figures of at least EUR 50 million and an additional 32% generate revenue of between EUR 25 and 50 million. The proportion of portfolio companies with up to EUR 15 million in annual sales is at approx. 20% for 2024.

PORTFOLIO STRUCTURE BY AGE (in %/number of portfolio companies)



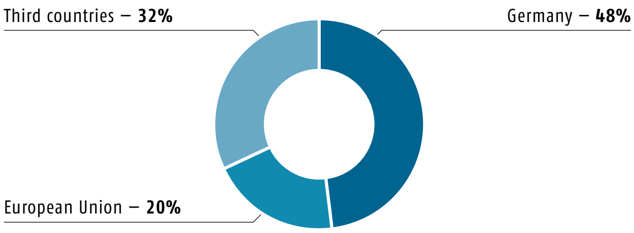
PORTFOLIO STRUCTURE BY SALES (in %)



SELLING MARKETS ON FIVE CONTINENTS

In regional terms, all of the portfolio companies are concentrated in sales territories with a politically and economically stable background. The portfolio companies' largest market for unit sales and thus revenue is Germany at 48%. The companies generate another 20% of their revenue in other EU countries. A further 32% is generated outside the EU.

PORTFOLIO STRUCTURE BY REGION (in %)



PORTFOLIO CHANGES IN 2024

ACQUISITION OF GESTALT AUTOMATION

INDUS Holding AG acquired the business operations of Gestalt Robotics, now trading as GESTALT AUTOMATION, in March 2024. The Berlin-based company develops individual AI-based solutions for industrial automation. The solution portfolio comprises image processing and control technology based on artificial intelligence. This includes solutions such as visual quality assessment and visual asset tracking, autonomous navigation for mobile transport systems, adaptive and collaborative robotics, and assistance systems. The typical fields of application are assembly, mobility and laboratory automation.

GESTALT AUTOMATION joined the INDUS Group on March 1, 2024, and was allocated to the Engineering segment.

ACQUISITION OF DECKMA

On August 28, 2024, INDUS Holding AG acquired 75% of the shares in DECKMA Decksmaschinen und Automation Vertriebsgesellschaft mbH, Rosengarten, Germany. DECKMA is a technical ship equipment systems provider specializing in lighting and fire alarm systems, corrosion protection technology and automation solutions that supplies clients in the shipbuilding and offshore industry, such as manufacturers of cruise ships, commercial vessels and large yachts. With the acquisition of DECKMA, INDUS also indirectly gained a 33% stake in NEXTCORR Ltd. in the UK. The company provides marine growth prevention and corrosion protection systems for ships.

DECKMA joined the INDUS Group on September 1, 2024, and was allocated to the Engineering segment.

ACQUISITION OF THE REMAINING SHARES IN GRIDCOM

On March 11, 2024, HAUFF-TECHNIK GmbH & Co. KG, Hermaringen, acquired the remaining shares in HAUFF-TECHNIK Gridcom GmbH (GRIDCOM), Rosenberg, and is now the sole shareholder of the company. GRIDCOM is a specialist for the development and production of passive components for fiber-optic infrastructure. This includes point of presence (PoP) stations, which act as main distributors and connect central fiber-optic cables with the fiber-optic distributors in the fiber to the curb (FTTC) and fiber to the home (FTTH) areas. GRIDCOM's product portfolio also includes network distributors and fiber-optic distribution boxes required to set up the infrastructure covering the last few meters to the customer.

In 2016, HAUFF-TECHNIK acquired the first 50% of shares in GRIDCOM. GRIDCOM is allocated to the Infrastructure segment. Consolidation will take place from March 1, 2024 onwards.

ACQUISITION OF COLSON X-CEL BY PCL

Pneumatic Components Ltd. (PCL), a subsidiary of the INDUS portfolio company HORNGROUP, bought 100% of the shares in COLSON X-Cel Ltd. (COLSON) in March 2024. The British company, based in Rotherham, South Yorkshire, develops and produces industrial valves for measurement and control engineering, including valves, shut-off units and measuring devices for controlling liquids and gases.

The economic transfer of COLSON took place on June 5, 2024. The initial consolidation took place on June 1, 2024. COLSON has been allocated to the Engineering segment.

ACQUISITION OF REMAINING SHARES IN TECALEMIT INC.

In March 2024, HORNGROUP Holding GmbH & Co. KG acquired the remaining 15% of shares in the US company TECALEMIT Inc., Delaware, from the company's founder. TECALEMIT Inc. has been fully consolidated in the consolidated financial statements since December 2021. TECALEMIT Inc. is allocated to the Engineering segment.

Objectives, Strategies and Dividend Policy

Overarching Objectives

PROFITABLE GROWTH

Our aim is for the INDUS Group to grow organically through the operational success of its portfolio companies and inorganically through acquisitions. A considerable portion of the income earned remains in the portfolio companies and is available to them to finance further growth. Inorganic growth is to be ensured through the continuous acquisition of technology-oriented hidden champions that create industrial added value.

VALUE ENHANCEMENT

The focus on value enhancement of the individual portfolio companies is intended to sustainably increase their profitability and value. Overall, this should result in value development for the entire Group. The aim is to achieve an EBIT margin of 10%+X in the medium term. INDUS actively advises the operationally independent portfolio companies on strategic decisions, shares its methodological expertise, and helps companies build internal and external networks. The portfolio companies are given targeted capital and know-how that they can use for their development.

BALANCED PORTFOLIO STRUCTURE

INDUS Group intends to grow inorganically by acquiring companies whose development is driven by future fields that are relevant to the Group. Candidates of interest for the portfolio are companies that are active in future-oriented industrial niche markets and which occupy leading positions in these markets. Concentrating on companies in future fields is intended to ensure that the investment portfolio continues to have a balanced – and as such stable – structure into the future.

INDUS Strategy PARKOUR perform

For a number of years now, challenging economic conditions have dominated. In this difficult environment, INDUS is focusing all efforts on reaching the overarching objectives with the PARKOUR perform strategy. This strategy is set out until 2025.

Five medium-term goals have been derived for the period up to 2025. These are set out below:

2025 MEDIUM-TERM TARGETS

STRENGTHENING THE PORTFOLIO	SALES SIGNIFICANTLY OVER EUR 2 BILLION	EBIT MARGIN ABOVE 10%	REGULAR DIVIDENDS	STRIVING FOR SUSTAINABILITY
Megatrends and innovations determine the performance of the portfolio companies	Organic growth supported by regular acquisitions	Long-term, reliable target achievement	Up to 50% of profits will be distributed	All portfolio companies will pursue a measurable sustainability agenda

With the implementation of **PARKOUR perform**, the management of portfolio companies is focused at segment level. Each of the three segments – Engineering, Infrastructure and Materials – is managed by a member of the Board of Management who is responsible for the segment (segment management). This member supports the portfolio companies in this segment as a specialist, develops their strategic alignment, and secures their growth, revenue and value enhancement. This member also handles external representation of the segment they manage.

SEGMENT MANAGEMENT

ENTIRE BOARD OF MANAGEMENT

Dr. Johannes Schmidt (CEO), Rudolf Weichert (CFO and Deputy. CEO), Gudrun Degenhart (COO), Dr. Jörn Großmann (COO), Axel Meyer (COO)

SEGMENT MANAGEMENT

COO ENGINEERING	COO INFRASTRUCTURE	COO MATERIALS
Axel Meyer	Dr. Jörn Großmann	Gudrun Degenhart
ENGINEERING segment: 17 portfolio companies	INFRASTRUCTURE segment: 14 portfolio companies	MATERIALS segment: 13 portfolio companies

In order to achieve the medium-term objectives, the Board of Management has implemented four strategic initiatives that are centrally driven from the holding company, with corresponding resources:

— Strengthening the Portfolio Structure
— Driving Innovation
— Improving Performance
— Striving for Sustainability

These are explained below.

STRENGTHENING THE PORTFOLIO STRUCTURE

When it comes to **growth acquisitions** to complement the portfolio, INDUS looks to companies in the industrial technology sector, which have clear technological focus areas. To ensure the appropriate mix of future-oriented companies, there will be active promotion of acquisitions which are clearly aligned with the future topics defined by INDUS. These **future topics** are energy efficiency, energy technology, circular economy and waste management, infrastructure, automation, sensor systems and measurement technology, medical disposables and aids, and agricultural technology. These have been identified based on the megatrends of sustainability, digitalization, mobility and urbanization as well as demography and health.

FOCUS ON FUTURE FIELDS

SUSTAINABILITY	DIGITALIZATION	MOBILITY AND URBANIZATION	DEMOGRAPHICS AND HEALTH
↓	↓	↓	↓
Energy efficiency, energy technology, circular economy and waste management	Infrastructure, automation, Sensor & measuring technology, logistics	Infrastructure (Networks & buildings)	Medical disposables & aids, agricultural technology

As well as growth acquisitions at the first level, the emphasis is also on **complementary additions** being made by individual portfolio companies, in order to strengthen them. In the case of complementary additions, the central consideration of the decision to acquire must be the economic potential that arises from combining the acquired company with the portfolio company that already exists in the INDUS portfolio. As such the complementary addition may offer complementary products or be active in other regions, or a growth cluster occurs from the combination of multiple portfolio companies with the expertise of the complementary addition.

In all acquisitions – growth acquisitions and complementary additions – innovation-oriented business models that are aligned toward sustainability are an important feature.

Possible exit strategies are of no relevance when INDUS makes its buying decisions, because the “hold” principle is a key component of the INDUS DNA. To ensure stable performance and achieve the intended growth targets defined for the individual company and the Group, in exceptional cases there is the possibility of separating from a company – for example, if there has been a substantial change in the original environment and market conditions under which a portfolio company operates, and so a new configuration would make more financial sense for the company and its employees.

INDUS continues to be a home for technology-oriented companies in the industrial SME sector. Family-owned businesses will find a custom-tailored solution here for succession. “Buy, hold & develop” is at the core of how INDUS creates value. We are shaping the future with SMEs.

DRIVING INNOVATION

Competitive positions once established must be repeatedly defended. For this reason, the companies in the INDUS Group must actively embrace future trends, identify opportunities and make use of opportunities to act. With that in mind, the “Driving Innovation” strategic initiative is a key component of the PARKOUR perform strategy program, aimed at promoting the innovative strength of INDUS portfolio companies.

INDUS supports selected innovation projects in the Group with financial subsidies. The development funds cover 50% to 80% of the project volume. The holding company has set aside an annual budget up to 3% of consolidated EBIT for this purpose. The aim is to ensure the portfolio companies’ future viability and open up new production areas and markets. INDUS has maintained the absolute volume of the available development funds.

To increase innovativeness, INDUS offers the portfolio companies strategic support as a sparring partner, and concept-based support in the form of methodological knowledge. Along with developing company-specific innovation strategies, it is particularly important to open up individual innovation search areas and develop company-specific innovation road maps. INDUS also creates networks with other Group companies and external institutions in order to obtain external inputs, collaborate on innovation projects or jointly open up innovation search areas in the network. This is achieved, for example, in the "Hydrogen" or "Sustainable Construction" workgroups, which relate to the defined future topics.

INDUS also actively encourages the use of artificial intelligence within the Group as a central lever for innovation. The holding company started or continued several measures within the Group during 2024 under the banner of "AI Sprint". These include advanced training and potential workshops with Fraunhofer IAIS, as well as a format for internal dialog between portfolio companies within the SIMON Group. Over 100 employees from 36 portfolio companies were involved in total. The holding company also currently supports eight AI pilot projects via the "AI Sprint" program. This option will also be available to portfolio companies in the future.

INDUS funded 20 portfolio company projects through the traditional innovation development bank with a total volume of EUR 5.9 million in 2024. EUR 2.1 million was paid in innovation development in 2024.

IMPROVING PERFORMANCE

INDUS is responding to growing global competition and increasing margin pressure with the "Improving Performance" strategic initiative, which has two areas of focus: Market excellence and operational excellence. INDUS assists its portfolio companies with optimizing value-adding core processes, from order entry to order conclusion. The market excellence objective is geared toward making optimal use of market potential. Operational excellence is all about implementing the principles of lean management; in all activities, it is necessary to avoid waste and concentrate on the actual added value.

On the **market excellence** side, INDUS advises on strategy and business development, strategic marketing, sales, and pricing. It supports portfolio companies' processes from strategic market cultivation right through to securing contracts. The support on offer also includes sharing methodological expertise, for instance with regard to market, potential, and competition analyses, and improving pricing for products and services. Another significant aspect is providing advice on choosing sales channels, designing sales organizations, and conducting specific sales training.

In relation to **operational excellence**, INDUS assists the portfolio companies in realizing productivity potentials in the operational areas of procurement, production, and logistics. The approach is to support the optimization and digitalization of order processing. Among other aspects this involves an overarching training program on the topics of lean management and shop-floor management, various implementation formats for sharing best practices in the INDUS Group, and individual workshops with the portfolio companies for imparting specific methodological knowledge. Individual optimization projects in the portfolio companies are coordinated by the companies themselves with support from INDUS, or accompanied by external partners.

STRIVING FOR SUSTAINABILITY

INDUS has been constantly building the professionalization of its sustainability commitment in recent years. Sustainable practices for INDUS means treating economic, social and ecological objectives equally over the long term: we want to create lasting values, enable quality work by doing so, and protect the world and people at the same time.

In order to ensure long-term entrepreneurial success, INDUS follows clear guidelines with respect to sustainable practices:

— Economically sustainable conduct ensures future success.
— Social fairness is a fundamental SME principle and one which encourages cooperation.
— Considering environmental factors prevents subsequent costs and improves process efficiency.
— Compliance with agreements and rules strengthens trust.

To **ensure profitability**, INDUS uses traditional economic key figures. This secures long-term entrepreneurial success in the interests of the Group, the shareholders, and other stakeholders. The holding company ensures a stable balance sheet, adequate liquidity buffer, and a flexible financing basis.

In terms of their **social** orientation, all the companies in the INDUS Group are aligned with SME values. Central to these is the principle of responsibility – for the survival of the company, but first and foremost for the people who make it happen. This is expressed in company-specific codes of conduct that cover the continuous development of occupational health and safety and support for trainees, as well as development of employees. Social responsibility is expressed through support for non-profit initiatives, particularly in the portfolio companies' respective local regions.

With respect to the **environment**, INDUS supports the portfolio companies with their efforts to conserve resources and avoid greenhouse gas emissions. The portfolio companies enact their environmental responsibility in particular by installing photovoltaic systems, switching to more climate-friendly heating systems and “green power”, converting their fleets to vehicles with alternative drive systems and setting up employer-backed bike-leasing initiatives for employees.

INDUS provides **economic** support through the sustainability development bank, enabling investment projects relating to energy efficiency, the circular economy, recycling and resource organization to be carried out. Typical examples include photovoltaic equipment, water circulation systems, and raw material processing equipment. The innovation development bank provides development funds for sustainable product innovations in the future field of green tech (energy and environmental technology as well as products with an improved energy-efficiency profile).

The Board of Management and the Supervisory Board have always been committed to responsible, transparent and sustainable **corporate governance**; as such they fully comply with the recommendations of the German Corporate Governance Code, and thereby document the importance of the rules on good corporate governance and monitoring. A Group-wide whistleblowing system has also been introduced. This can be used on a decentralized basis by the portfolio companies and as such it satisfies the corresponding statutory obligations and the recommendations of the German Corporate Governance Code. A system for implementing German supply chain due diligence law Group-wide was introduced in 2023.

INDUS will again publish a non-financial report for the INDUS Group for the period to December 31, 2024. This was completely revised and prepared in accordance with ESRS (European Sustainability Reporting Standards). The report will be published as part of this management report for the first time and has been subject to a limited assurance audit.

INDUS also published its SUSTA[IN] magazine for the fourth time in summer 2024.

The key elements of the three strategic initiatives – “Driving Innovation”, “Improving Performance” and “Striving for Sustainability” – are illustrated below:

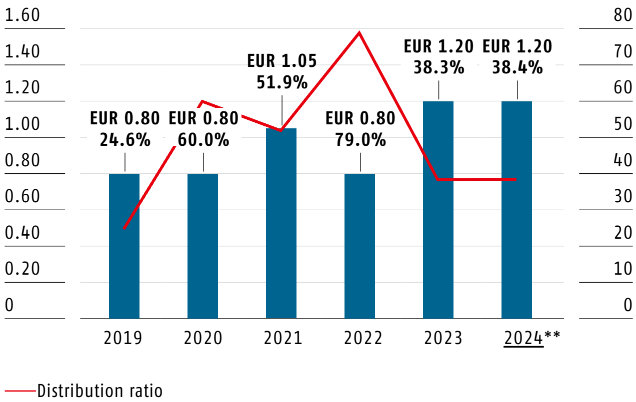
STRATEGIC INITIATIVES

DRIVING INNOVATION	IMPROVING PERFORMANCE MARKET EXCELLENCE | OPERATIONAL EXCELLENCE	STRIVING FOR SUSTAINABILITY
KNOWLEDGE Market, trend and potential analysis; technical workshops and best practice days; knowledge transfer		
STATUS CHECK Innovation fitness	**STATUS CHECK** Group-wide status checks; derivation of specific recommendations for action; institutionalized management of measures	**STATUS CHECK** Emission-reduction plan
DEVELOPMENT BANK Promotion of innovation projects (with max. 80% of the project volume)		**DEVELOPMENT BANK** Promoting measures that make a significant contribution to reducing emissions and conserving resources
WORKING GROUPS Working groups covering important future fields	**IMPLEMENTATION** Support for transformation and optimization projects	**IMPLEMENTATION** Support for sustainability projects
NETWORK Experience and knowledge transfer across groups; expert recruiting; collaboration with research institutes		
STRATEGIC PROJECTS Creation of relevant strategies		

Continual Dividend Policy

As owners, the shareholders are entitled to share in the success of their company through predictable profit distributions. That is why INDUS regularly pays a dividend. On an average of several years, between 40% and 50% of the balance sheet profit of INDUS Holding AG should be distributed via dividends; the remainder of the balance sheet profit should be reinvested to secure profitable growth in the future. The Board of Management of INDUS Holding AG has decided to propose a dividend of EUR 1.20 per share to the Annual Shareholders' Meeting. This corresponds to a dividend rate of 38.4% of the balance sheet profit of INDUS Holding AG.

DIVIDEND PER SHARE* AND DIVIDEND YIELD 2019 TO 2024 (in EUR/%)



* Dividend payment for the respective financial year
** Subject to approval at Annual Shareholders' Meeting on May 27, 2025

Management Control

Planning and Strategy Processes

PARKOUR perform has changed management control in vital areas. The implementation was launched at the beginning of the 2023 financial year.

The management and planning process has two stages. Initially, the full Board of Management sets out the objectives (for the key control variables) at holding company and segment level. The full Board of Management decides a preliminary allocation of these funds to the segments, based on a preliminary assessment of the funds expected to be available for investment in the budget year. Then, together with the portfolio company management control department, the member of the Management Board responsible for the segment (COO) applies an allocation to the portfolio companies in a segment. Segment management enters into dialog with the management of the portfolio companies concerning coordination of the strategy, the objectives and the investment budget for individual portfolio companies, within the framework of the constraints specified by the full Board of Management . From this strategic foundation, the portfolio companies then plan their business development, necessary investments and the general development of their financial position and financial performance usually for three planning years, though in justified exceptional cases for five planning years for certain portfolio companies. Individual plans are finalized between segment management and the management teams of the portfolio companies within the framework of a structured discussion on business planning and the resulting opportunities and risks. Segment management derives segment planning from this. Segment plans are ultimately consolidated to form consolidated planning at INDUS level. The overall plan is supplemented in particular by assumptions concerning dividend payment and acquisitions, and overall financial planning and forecast of important KPIs are derived from this. The results are critically assessed and adopted by the overall Board of Management.

STRATEGIC CONTROL – ACQUISITIONS AND INVESTMENTS

	GROWTH ACQUISITIONS	EXPANSION ACQUISITIONS	INVESTMENTS
ENTIRE BOARD OF MANAGEMENT	makes decisions about acquisitions	makes decisions about expansion acquisitions	makes decisions about total investment volume and allocation to the segments
SEGMENT MANAGEMENT	makes suggestions for segment acquisitions	makes suggestions for segment expansion acquisitions	makes decisions about distribution of segment investments to portfolio companies
MANAGERS OF THE PORTFOLIO COMPANIES		make suggestions for growth acquisitions	apply to segment management for investment volume for their portfolio companies

The Group's budget planning (in particular investment and financing) is submitted to the Supervisory Board for approval.

The planning process also gives particular attention to sustainability projects in the portfolio companies. The portfolio companies' individual sustainability objectives, and the portfolio companies' measures derived from these, are presented. In respect of the objectives set out by INDUS in relation to carbon reduction and activities in the area of "employee concerns" and "social measures", the local measures are presented and coordinated.

Key Control Variables

The economic parameters used in the holding company to assess the economic position of the Group overall and the portfolio companies individually correspond to **operational financial** performance indicators that are standard for manufacturing companies. In addition, **strategic financial performance** indicators are used when making decisions on direct investment. Greenhouse emissions (GHG emissions, Scope 1 + 2) are used for information and management as **non-financial** performance indicators.

There are no deviating key control variables for the individual financial statements of INDUS Holding AG.

PARKOUR perform has introduced free cash flow as a new key control variable, in order to also link management control to a cash-flow-oriented factor.

Free cash flow indicates the INDUS funds available for new acquisitions, dividends and payments to creditors (interest, repayment of leasing obligations and reduction of net debt).

KEY CONTROL VARIABLES

GROUP

Sustainable, profitable growth

Portfolio acquisitions	Sales	EBIT and EBIT margin	Free cash flow	Investments	GHG Scope 1+2

Supplementary financial guidelines: net debt/EBITDA and equity ratio

SEGMENT

Sustainable, profitable growth

Portfolio acquisitions	Sales	EBIT and EBIT margin	Free cash flow	Investments	GHG Scope 1+2

Supplementary: working capital, incoming orders, order backlog

The target performance comparison results obtained by INDUS as part of its regular financial reporting for the last financial year can be found in the Report on the Economic Situation.

Interim Reporting

The portfolio companies keep INDUS informed about the financial performance of the companies on an ongoing basis. In addition, the companies report monthly on their financial situation to segment management in the holding company. Segment management also receives targeted information on specific topics. This gives segment management in the holding company constant oversight of the holding companies' situation and reports on this to the Board of Management. This body therefore always has an overview of the Group's overall situation.

Segment management monitors the companies' development in comparison with the relevant budget, based on the monthly figures. The portfolio companies update their forecast for the current financial year three times within the financial year. As part of segment management, the portfolio company management control department in the holding company supplies information about divergences from the plans at an early stage. The subsidiaries also employ individual control mechanisms and, due to their different natures, individual key figures. The management teams of the portfolio companies observe and analyze their respective markets and specific competitive environment, and report any material changes back to INDUS.

Regular Management Dialog

In parallel to the obligatory information flows for financial reporting, the members of the Board of Management responsible for the segments also regularly and informally exchange information about development in the portfolio companies with the management team allocated to their segment. INDUS proactively pursues its interests as owner by providing advice and supporting the portfolio companies' development.

Non-financial Performance Indicators

Sustainability

"Striving for Sustainability" is anchored in **PARKOUR perform** as a distinct strategic initiative. Including it as a standalone strategy component means that relevant content from ESG topics form part of the non-financial management of INDUS. INDUS implemented the requirements of the European Sustainability Reporting Standards (ESRS) in the reporting year. The key figures set including process definitions and objectives, in particular in the social area, have been materially expanded since January 1, 2024.

ENVIRONMENTAL PROTECTION

For the coming year, there is a particular focus on the implementation of greenhouse gas reduction targets as specified in climate protection law. There are two ways of reducing greenhouse gases (GHG emissions): One is to use low-emission energy sources, while the other is to increase energy efficiency – which is also very relevant from an economic point of view.

A reduction in Scope 1 and 2 greenhouse gas emissions (GHG emissions) was defined as the performance indicator for management control purposes at INDUS. Scope 1 comprises stationary combustion, mobile combustion and fluid emissions. Greenhouse gas emissions in Scope 2 currently comprise power and district heating. Emission intensity is calculated and presented in tons of CO_2 per million euros of revenue.

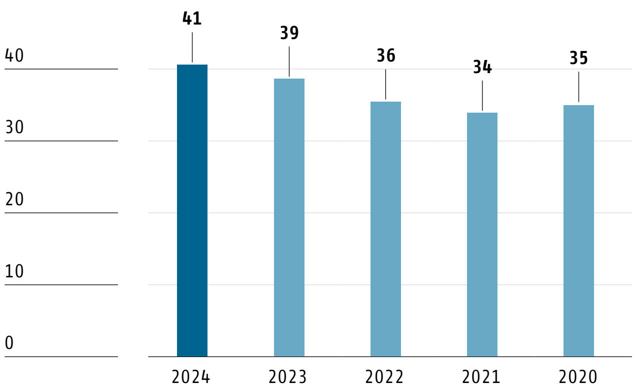
EMPLOYEES

Employees are of central importance to INDUS Group. The Group makes protecting the health of all employees a top priority. .

IN THE HOLDING COMPANY: A TEAM OF SPECIALISTS FOR EFFECTIVE SUPPORT OF PORTFOLIO COMPANIES

In the 2024 financial year, the holding company had an average of 41 employees excluding members of the Board of Management (previous year: 39). It is in the interest of INDUS to boost the productivity of its employees and to encourage their long-term loyalty to the company. To that end, INDUS offers its employees the overall conditions of a modern, attractive employer in terms of healthcare, development opportunities, and income.

EMPLOYEES IN THE HOLDING COMPANY (number)

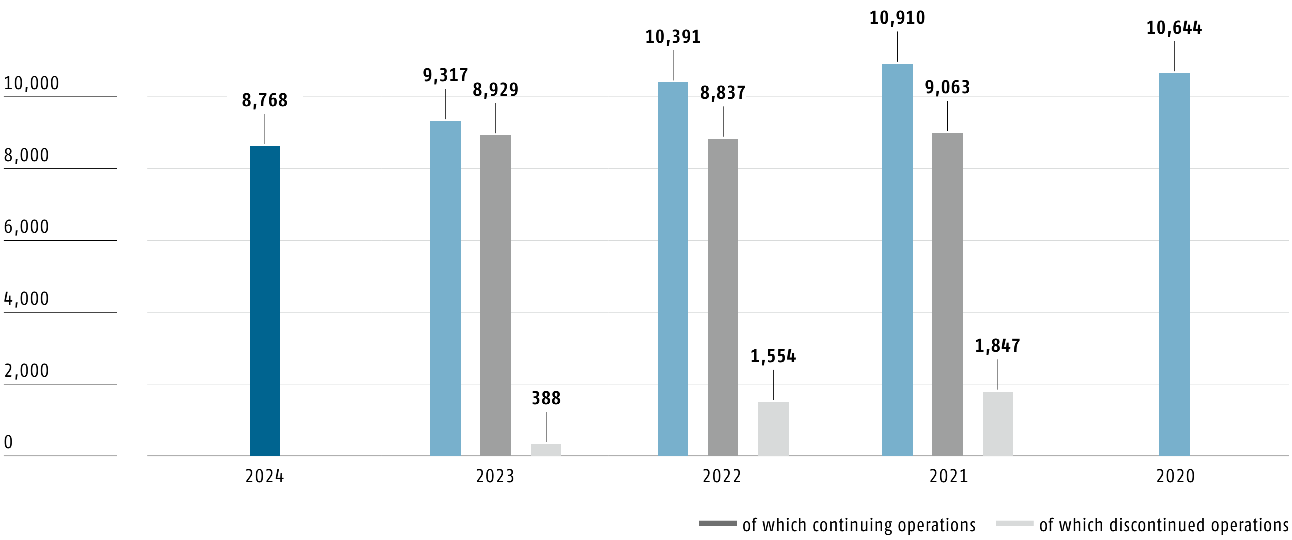


IN THE GROUP: CULTIVATING AN SME-APPROPRIATE CULTURE

On average, 8,768 people were employed in the INDUS Group during the reporting year (previous year: 9,317). In the past financial year, 8,929 employees were employed in continuing operations and 388 in discontinued operations. There are no discontinued operations in the current financial year. The management of people employed in the portfolio companies is the responsibility of their management teams. Accordingly, the portfolio companies direct their own human resources work, in both quantitative and qualitative terms.

Basic and advanced training is particularly important in the INDUS Group. SMEs take on a great deal of responsibility in the area of training. A total of 322 trainees were employed throughout the Group in 2024 (previous year: 314); this equates to a trainee ratio of 3.7% (previous year: 3.4%). Advanced training is undertaken on an individual basis, based on company requirements and those of the employees.

EMPLOYEES OF THE INDUS GROUP (number)



02 |

Corporate Governance

Declaration on Corporate Governance

The Board of Management and Supervisory Board of INDUS have committed themselves to thorough observance of the principles of good corporate governance. The management body and supervisory body therefore issue the appropriate "Declaration on Corporate Governance" on an annual basis. The current full declaration is available on the INDUS website under www.indus.eu/investors/#corporate-governance.

The annual Declaration of Conformity pursuant to Section 161, German Stock Corporation Act (AktG) constitutes a part of the Declaration on Corporate Governance. This was issued by the Board of Management and the Supervisory Board on December 4, 2024. In it they state that INDUS Holding AG complied with all the recommendations made by the government commission and in the German Corporate Governance Code version dated April 28, 2022. The full Declaration of Conformity can be viewed on the INDUS website in the www.indus.eu/investors/#corporate-governance.

Development and Innovation

R&D SUPPORT FOR PORTFOLIO COMPANIES

As a holding company, INDUS does not engage in research and development work in the traditional sense. All such activities are in the hands of the portfolio companies themselves, along with responsibility for ensuring that their products are technologically up-to-date and that they are strategically well positioned in their markets.

That said, INDUS also has a considerable interest in the long-term economic success of its portfolio companies. The INDUS Board of Management therefore regards the subject of innovation as a central key to the healthy development of the companies. In recent years the Board of Management has introduced new offerings for portfolio companies with this in mind. These are:

Funds for innovations in future fields: INDUS budgets up to 3% of annual consolidated EBIT for its portfolio companies as part of the "driving innovation" strategic initiative to advance suitable innovation projects. Decreasing order receipts during the coronavirus years of 2020 and 2021 led to declining development volume by the innovation development bank. Between 2022 and 2024, new applications submitted and approved were on a par with the years before the coronavirus epidemic, resulting in a slight increase in 2023 followed by a sharp increase in 2024. A constant increase in the volume of development funds is also expected in 2025. This enables INDUS to specifically promote activities and projects that feature a significant level of innovation and are in predefined future fields which, from the INDUS perspective, offer outstanding long-term development potential but are also associated with higher risks. It additionally supports projects that contribute to building competition-relevant knowhow or personnel in the course of their development.

Methodological support: INDUS focuses in particular on promoting innovation. It supports its portfolio companies in innovation and technology management in order to improve their strategic position and thus optimize the focus and effectiveness of the development work. The portfolio companies are provided with methodological support for deriving innovation strategies, identifying innovation potential, generating and selecting ideas, and project management during the innovation process.

Networking and raising awareness: The management of the holding company watches the trends and developments in the markets across sectors, and transfers the resulting knowledge to the portfolio companies through active dialog with their managements. INDUS also supports information exchange between the portfolio companies to allow innovation to flourish through changes in perspective. INDUS also helps set up connections between its portfolio companies and external partners and institutions and looks for opportunities to collaborate in the fields of science, research, and economics. Especially on the on-trend topic of artificial intelligence, advanced training courses have been created on a target basis that enable professional access and the systematic opening up of potentials offered by this technology.

INNOVATION ACTIVITIES UP AGAIN AT THE PORTFOLIO COMPANIES

The expenses for R&D activities recognized in the INDUS Group's consolidated financial statements for 2024 amounted to EUR 23.8 million (previous year: EUR 22.9 million). This was an increase in research and development funding of EUR 0.9 million (3.9%).

The aim is to achieve an increasing degree of in-house individual R&D capability and innovation effectiveness at the portfolio companies. The relevance to customers is a top priority in development work: successful development partnerships are in place with both customers and suppliers.

The INDUS Group works in successful collaborations with research institutions and universities in connection with the portfolio companies' development activities. Portfolio companies already collaborate with research organizations – for instance, in the context of product innovations or innovation-related market analyses. Forms of cooperation range from traditional customer-supplier relationships to contract research and participation by individual companies in publicly funded research projects.

Report on the Economic Situation

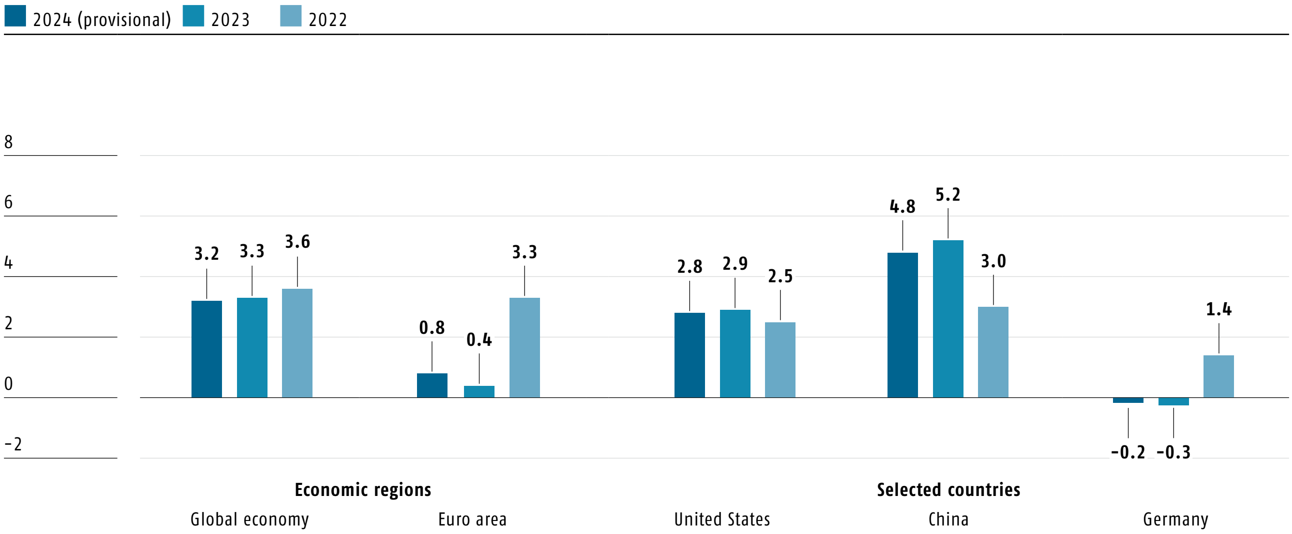
Despite a difficult economic situation, the INDUS Group achieved solid business figures in the year under review. Group sales came to EUR 1.72 billion (previous year: EUR 1.80 billion). The INDUS Group's operating result (EBIT) was EUR 126.7 million, compared to EUR 149.6 million in the previous year. The EBIT margin fell from 8.3% to 7.4%. Free cash flow of EUR 135.4 million was generated (previous year: EUR 198.9 million).

Changes in the Economic Environment

Macroeconomic Development: German Industry Continues to Struggle in 2024

The German economy remained weak in 2024. Overall, the year was characterized by economic uncertainty, weak domestic and foreign demand, and persistent high financing costs. Gross domestic product (GDP) shrank 0.2% compared with the previous year. Industrial manufacturing in particular declined, contracting 4.5% over the course of the year when adjusted for seasonal effects. The order situation remained weak, despite faint indications of stabilization towards the end of the year. Incoming orders were down 3.0% against the previous year in the manufacturing sector in 2024 when adjusted for seasonal effects. With a drop of 6.6%, the mechanical engineering sector suffered especially. These decreases reflect companies' reluctance to invest and the weak domestic demand. Foreign demand was also stagnant: exports were down 1.0% in real terms against the previous year for the whole of 2024. The service sector was unable to fully compensate for the weak industrial performance, although it was stable overall. In light of the falling energy prices in particular, the inflation rate normalized against the previous year with an annual average of 2.2%, however services especially continued to be impacted by the above-average price increases. The tendency to save remained high, despite an increase in real income, which dampened private consumer spending. Following a recovery trend at the beginning of the year, the GfK consumer index has been stagnant since mid-2024. The geopolitical situation was dominated by considerable uncertainty in 2024: the ongoing war in Ukraine and the escalation in the Middle East fed further uncertainty around the world. The U.S. Presidential elections also led to unrest in global trade relationships, especially in light of potential new trade tariffs between the United States and China and the EU. Despite this international uncertainty, the global economy expanded once more in 2024, albeit less than in previous years: the International Monetary Fund forecasts growth of 3.2%.

ANNUAL ECONOMIC GROWTH (in %)



Source: International Monetary Fund, World Economic Outlook (as of January 2025, for 2022 October 2024)

Changes in the Industrial Environment

ENGINEERING: DIFFICULT YEAR FOR GERMAN ENGINEERING

2024 was a year of challenges for the engineering-related industries in Germany: weak demand for industrial goods in particular impacted the sector. Production in the engineering sector declined by 7.5% in real terms over the whole of 2024. The buffering effect of orders also declined further over the course of the year, with incoming orders falling 8% over the full year. Domestic orders declined by 13% and foreign orders by 5%. The eurozone was hit particularly hard with a decrease of 9%. This pushed many companies into underutilization. Adjusted for prices, engineering exports also shrank 7.6% compared with the previous year between January and November 2024. Looking at the individual export regions, exports to the United States only declined slightly (-1.8%), while exports to China (-4.6%) and EU states (-9.9%) tumbled. Only exports to smaller markets in the Middle East (+11.5%) and Latin America (+1.2%) developed positively. This had the corresponding impact on overall sales: in the first eleven months of 2024, sales for the German engineering sector declined by 5.6% in real terms.

INFRASTRUCTURE: CONSTRUCTION INDUSTRY UNDER PRESSURE

The German construction industry suffered from a persistently weak economy in 2024. Ongoing high financing costs and further rising prices are impacting demand, putting the construction costs for new residential buildings in November 2024 3.1% higher than in the previous year. In the first eleven months of 2024, sales in the main construction sector declined 1.2% in real terms as compared to the previous year. Although a positive trend could be observed in the second half of the year, with the decline at 2.3% in the first six months of the year. Overground engineering (-7.0%) and residential construction in particular (-11.9%) saw sharp drops in sales between January and November 2024, while underground construction was stable (+5.6%). The weakness of the residential construction sector was reflected in the number of building permits: Between January and November 2024, 18.9% less approvals were granted than in the same period of the previous year. For single-family homes, the decrease was even higher at 22.1%. Incoming orders in the main construction sector dropped 0.5% in real terms for the whole of 2024. But there may be light at the end of the tunnel as incoming orders climbed towards the end of the year and increased by 16.6% in November 2024 in real terms against the previous month. The construction industry remains under pressure: 44% of the companies surveyed by the ifo Institute in January 2025 reported that their construction activities were hampered by a lack of orders. In the residential construction sector the figure was 57%.

MATERIALS: ECONOMY REMAINS WEAK

The material-producing and processing industry struggled with declining investment and a deterioration in its international competitiveness in 2024. According to Gesamtmetall, manufacturing declined 6.6% for the full year – the fourth quarter of 2024 was the seventh consecutive quarter to record a recession. Sales were down 5.7% in real terms against the previous year, while international sales declined by 4.5%. Incoming orders declined by around 4% for the full year, with virtually all mechanical and engineering sectors recording declines. The order backlog at the beginning of 2025 is deemed worse than during the coronavirus crisis by the companies. In addition to the economy in the metals sector, the economic situation in the construction and agricultural machinery sector is a central driving force for the Materials segment. These sectors suffered from particularly weak demand in 2024. Sales of construction machinery collapsed, falling 31%, in 2024 – the biggest decline since 2009. Machinery exports from the construction machinery group within the trade association Verband Deutscher Maschinen- und Anlagenbau e. V. (VDMA) fell 15.3% in the first eleven months, agricultural technology exports decreased by 21.7%.

Government subsidies coming to an end, rising interest rates and delayed effects from supply chain difficulties that led to high inventory levels all had further negative impacts on the industry, plus high figures in prior years led to a base-year effect.

Medical disposables and aids faced increasing cost pressures and regulatory requirements in 2024. While domestic sales were just above zero according to SPECTARIS, foreign business did pick up slightly. The trade association anticipates nominal growth in sales of 1% for the whole of 2024. BVMed members anticipate an increase in sales of 1.2% according to their fall survey. However, these growth rates are below the increases seen in prior years and do not cover the high rises in costs.

Performance of the INDUS Group

The Board of Management's Overall Assessment

ACQUISITION OF NEW FUTURE-ORIENTED COMPANIES

In a difficult economic environment, sales amounted to EUR 1.72 billion in 2024, decreasing EUR 80 million as compared with the previous year. Sales fell in all three segments. The Engineering segment saw a decline in sales of 0.5%, while sales in the Infrastructure and Materials segments declined by 3.9% and 8.9% respectively. The Group was therefore unable to achieve the targets set out in the original forecast, which anticipated an economic uptick in the second half of 2024 and sales of EUR 1.85 billion to EUR 1.95 billion.

The operating income (EBIT) amounted to EUR 126.7 million and was therefore below the original forecast range of EUR 145 million to EUR 165 million. This includes impairments of EUR 6.7 million. Adjusted EBITA amounted to EUR 153.7 million (previous year: EUR 188.1 million). The EBIT margin came to 7.4%, slightly below our original forecast of 7.5% to 8.5%, but within the forecast adjusted in July 2024 and confirmed in November 2024 of 7.0% to 8.0%.

At EUR 171.3 million, operating cash flow was EUR 68.8 million down on the previous year's figure of EUR 240.1 million. This decline is primarily due to lower operating income. The marked depletion of working capital in the previous year had a significant impact on operating cash flow in the previous year. Working capital rose slightly in line with expectations and amounted to EUR 470.7 million as of December 31, 2024 (previous year: EUR 466.9 million).

For 2024, the INDUS Group has again achieved a high level of free cash flow at EUR 135.4 million. The target of free cash flow above EUR 110.0 million for the full year was thus exceeded.

INDUS acquired four companies in 2024: two new portfolio companies and two complementary additions. GESTALT AUTOMATION's business was acquired in March. The company develops AI-based solutions for industrial automation. In August, we acquired 75% of the shares in DECKMA Decksmaschinen und Automation Vertriebsgesellschaft, Rosengarten, Germany. DECKMA is a systems provider for technical ship equipment, specializing in lighting and telecommunications systems. The remaining shares in HAUFF-TECHNIK Gridcom (GRIDCOM) were acquired in March as a complementary addition. GRIDCOM is a specialist for the development and production of passive components for fiber-optic infrastructure. HORNGROUP also acquired 100% of the shares in COLSON X-Cel Ltd. (COLSON) in March. COLSON develops and produces industrial fittings for measurement and control engineering, such as valves, shut-off units and measurement equipment for monitoring liquids and gases. We have achieved our target of acquiring two growth acquisitions and additional complementary additions in 2024.

Investments in property, plant and equipment and intangible assets in continuing operations amounted to EUR 50.9 million (previous year: EUR 61.9 million).

The Group's equity ratio rose slightly to 38.7% (previous year: 37.3%). Adjusted for the treasury shares acquired in the reporting year, the equity ratio is 40.1% and thus above the target of 40%.

The repayment term, the ratio of net debt to EBITDA, is 2.4 years (previous years: 2.0 years) and is therefore in line with the forecast figure of around 2.3 years. The repayment term is within the target range of 2.0 to 2.5 years.

INDUS uses greenhouse gas emission intensity (GHG emissions Scope 1 and 2) as a key control variable at Group level. In 2023, 20.9 t CO_2/ EUR million in sales (Scope 1 and 2) was achieved. In the 2024 financial year, the net emissions intensity (Scope 1 and 2) was around 15.9 t CO_2/EUR million in sales. This meant that the target of reducing greenhouse gas emission intensity by at least 6% was exceeded.

TARGET PERFORMANCE COMPARISON

GROUP	ACTUAL 2023	PLAN 2024/LATEST FORECAST	ACTUAL 2024	LEVEL OF ACHIEVEMENT
Key control variables				
Acquisitions	1 complementary addition	2 growth acquisitions, other complementary additions	2 growth acquisitions 2 complementary additions	achieved
Sales	EUR 1.80 billion	EUR 1.85 to 1.95 billion / EUR 1.70 to 1.80 billion	EUR 1.72 billion	not achieved / achieved
EBIT	EUR 149.6 million	EUR 145 to 165 million / EUR 115 to 125 million	EUR 126.7 million	not achieved / achieved
EBIT margin	8.3%	7.5% to 8.5% 7.0% to 8.0%	7.4%	not achieved / achieved
Free cash flow	EUR 198.9 million	> EUR 110 million	EUR 135.4 million	achieved
Investments in property, plant, and equipment, and intangible assets	EUR 61.9 million	EUR 75 to 85 million	EUR 50.9 million	not achieved
Greenhouse gas emissions (GHG emissions Scope 1+2)*	20.9 t CO_2/million EUR sales	Reduction by at least 6%	15.9 t CO_2/million EUR sales	achieved
Supplementary management variables				
Equity ratio	37.3%	higher than previous year, around 39%	38.7%	achieved
Net debt/EBITDA	2.0 years	around 2.3 years	2.4 years	achieved
Working capital	EUR 466.9 million	slightly increasing	EUR 470.7 million	achieved
SEGMENTS				
Engineering				
Sales	EUR 599.6 million	slightly increasing sales / slightly decreasing sales	EUR 596.7 million	not achieved / achieved
EBIT	EUR 57.0 million	decreasing income / strongly decreasing income	EUR 45.7 million	not achieved / achieved
EBIT margin	9.5%	8% to 10% / 6.5% to 8.5%	7.6%	not achieved / achieved
Infrastructure				
Sales	EUR 582.2 million	slightly increasing sales / slightly decreasing sales	EUR 559.5 million	not achieved / achieved
EBIT	EUR 49.3 million	strongly increasing income / slightly increasing income	EUR 52.3 million	not achieved / achieved
EBIT margin	8.5%	10% to 12% 9% to 11%	9.3%	not achieved / achieved
Materials				
Sales	EUR 619.9 million	slightly decreasing sales / decreasing sales	EUR 564.8 million	not achieved / achieved
EBIT	EUR 57.3 million	decreasing income / strongly decreasing income	EUR 46.1 million	not achieved / achieved
EBIT margin	9.2%	7% to 9%	8.2%	achieved

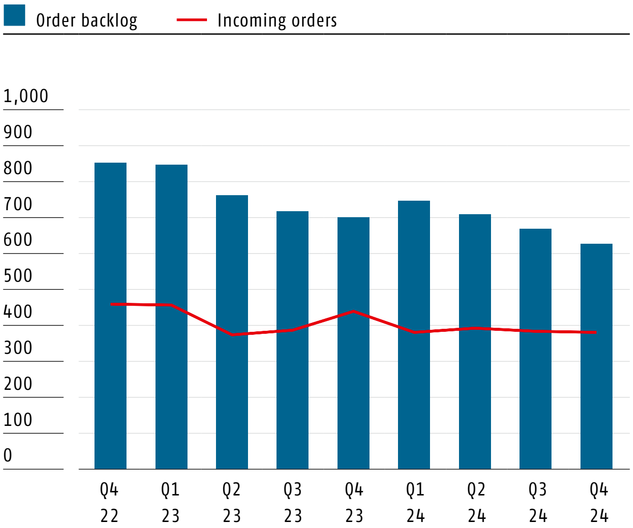
* Net emissions intensity related to Group sales

Order Situation

INCOMING ORDERS AND ORDER BACKLOG (in EUR million)

	Engineering	Infrastructure	Materials	Group
2024				
Incoming orders	525.9	552.4	533.0	**1,611.3**
December 31, 2024				
Order backlog	350.7	165.7	120.2	**636.6**
2023				
Incoming orders	554.1	558.9	560.2	**1,673.2**
December 31, 2023				
Order backlog	385.4	172.1	153.3	**710.8**

ORDER SITUATION (in EUR million)



In 2024, **incoming orders** amounted to EUR 1,611.3 million and were therefore 3.7% lower than the previous year's figure (EUR 1,673.2 million). None of the three segments were able to reach the level of incoming orders of the previous year. Incoming orders fell by 5.1% in the Engineering segment, 1.2% in the Infrastructure segment and 4.9% in the Materials segment. Looking at the trends over the individual quarters, incoming orders were highest in the first quarter of 2024 and then remained somewhat lower in the following three quarters. This was due to a persistently weak economy.

The **order backlog** as of December 31, 2024, amounted to EUR 636.6 million and was therefore 10.4% lower than in the previous year (EUR 710.8 million). The order backlog declined by 9.0% year-over-year in the Engineering segment, 3.7% in the Infrastructure segment, and 21.6% in the Materials segment. Looking at the trends over the individual quarters of 2024, there has been a slight, but continuous, decline in the order backlog.

Group Earnings Performance

CONSOLIDATED STATEMENT OF INCOME

(in EUR million)

				Difference 2024 to 2023	
	2024	**2023**	**2022**	**absolute**	**in %**
Sales	**1,721.8**	**1,802.4**	**1,804.1**	**-80.6**	**-4.5**
Other operating income	27.8	20.6	25.1	7.2	35.0
Own work capitalized	4.0	5.4	3.5	-1.4	-25.9
Change in inventories	-7.3	-17.1	30.0	9.8	57.3
Overall performance	**1,746.3**	**1,811.3**	**1,862.7**	**-65.0**	**-3.6**
Cost of materials	-757.0	-801.4	-872.2	44.4	5.5
Personnel expenses	-536.9	-521.5	-494.6	-15.4	-3.0
Other operating expenses	-226.3	-230.3	-233.4	4.0	1.7
EBITDA	**226.1**	**258.1**	**262.5**	**-32.0**	**-12.4**
in % of sales	13.1	14.3	14.6	-1.2 pp	–
Depreciation/amortization	-99.4	-108.5	-128.8	9.1	8.4
of which PPA depreciation*	-20.3	-19.2	-17.8	-1.1	-5.7
of which impairment	-6.7	-19.3	-42.8	12.6	65.3
Adjusted EBITA**	153.7	188.1	194.3	-34.4	-18.3
in % of sales	8.9	10.4	10.8	-1.5 pp	–
Operating income (EBIT)	**126.7**	**149.6**	**133.7**	**-22.9**	**-15.3**
in % of sales	7.4	8.3	7.4	-0.9 pp	–
Financial income	-30.6	-9.9	-17.8	-20.7	<-100
Earnings before taxes from continuing operations (EBT)	**96.1**	**139.7**	**115.9**	**-43.6**	**-31.2**
Income taxes	-41.4	-55.8	-33.4	14.4	25.8
Earnings from discontinued operations	0.0	-27.8	-123.9	27.8	100.0
Earnings after taxes	**54.7**	**56.1**	**-41.4**	**-1.4**	**-2.5**
of which interests attributable to non-controlling shareholders	1.0	0.7	0.8	0.3	42.9
of which interests attributable to INDUS shareholders	53.7	55.4	-42.2	-1.7	-3.1
Earnings per share from continuing operations (in EUR)	**2.07**	**3.10**	**3.04**	**-1.03**	**-33.2**
Earnings per share from discontinued operations (in EUR)	**0.00**	**-1.04**	**-4.61**	**1.04**	**100.0**
Earnings per share from continuing and discontinued operations (in EUR)	**2.07**	**2.06**	**-1.57**	**0.01**	**0.5**

* The term PPA depreciation includes depreciation on assets from purchase price allocations.
** The term EBITA (adjusted) includes the operating income (EBIT) plus PPA depreciation and impairments.

SALES BELOW PREVIOUS DUE TO ECONOMY

INDUS portfolio companies generated sales of EUR 1,721.8 million in 2024. This was 4.5% (EUR 80.6 million) less than in the previous year.

All three segments have been affected by the decline in sales, which is primarily the result of economic factors. Price pressure from customers also had a negative impact on the Materials segment. Inorganic growth of 1.1% was achieved, however, as a result of the acquisitions of GESTALT AUTOMATION, DECKMA, GRIDCOM, and COLSON during this reporting year, as well as QUICK in the previous year. Organic decrease in sales was 5.6%.

Other operating income rose by EUR 7.2 million to EUR 27.8 million and contains a unique one-time effect from the sale of a non-controlling interest in BETOMAX for EUR 2.6 million, which was no longer considered strategic.

Taking into account own work capitalized (EUR -1.4 million in comparison with the previous year) and the change in inventories (EUR 9.8 million in comparison with the previous year), **overall performance** came to EUR 1,746.3 million as against EUR 1,811.3 million in the previous year. The decline equates to EUR 65.0 million or 3.6%.

The **cost of materials** fell disproportionately from EUR 801.4 million to EUR 757.0 million (-5.5%). As a result, the **cost-of-materials ratio** fell from 44.5% to 44.0%. Taking into account the change in inventories, the adjusted ratio in proportion to sales amounted to 44.4% compared to 45.4% in the previous year.

Personnel expenses increased from EUR 521.5 million to EUR 536.9 million, despite a drop in operating activities and 161 fewer people in the number of employees. The 3.0% increase in personnel expenses was expected as a result of considerable wage and salary adjustments. The **personnel expense ratio** is 31.2% (previous year: 28.9%).

Other operating expenses decreased by EUR 4.0 million to EUR 226.3 million.

This resulted in **EBITDA** of EUR 226.1 million (previous year: EUR 258.1 million).

At EUR 99.4 million **depreciation and amortization** was down EUR 9.1 million on the previous year (EUR 108.5 million). The depreciation and amortization line includes depreciation, amortization, impairment and PPA depreciation. Impairments totaled EUR 6.7 million (previous year: EUR 19.3 million). Impairment was determined on goodwill and intangible assets during annual impairment testing in the reporting year. This was due to lower earnings prospects for two portfolio companies. One portfolio company in the Infrastructure segment and one portfolio company in the Materials segment were affected (previous year: portfolio companies in all segments). PPA depreciation of EUR 20.3 million (previous year: EUR 19.2 million) comprises the depreciation and amortization of property plant, and equipment and intangible assets resulting from the purchase price allocation of new acquisitions.

EARNINGS AFFECTED BY ECONOMIC DEVELOPMENTS

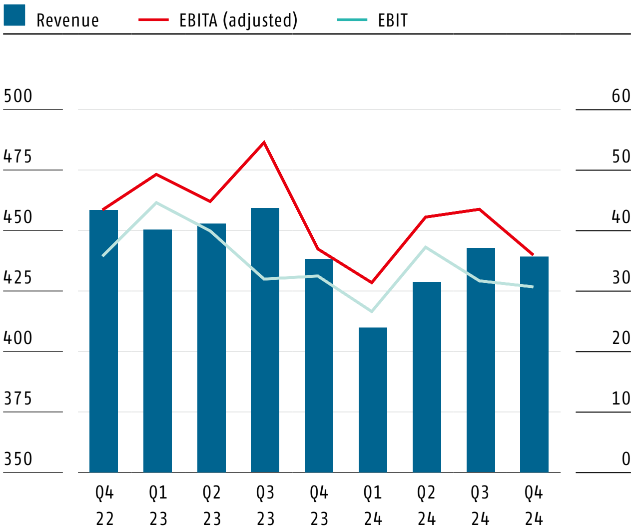
Adjusted EBITA was EUR 153.7 million in the 2024 financial year, compared with EUR 188.1 million the previous year. Adjusted EBITA is calculated from operating income (EBIT) plus impairments and PPA depreciation. In as far as reversals are posted, these must be deducted. The margin of adjusted EBITA was 8.9% and therefore 1.5 percentage points below that of the previous year. The lower EBITA reflects the difficult economic conditions.

Operating income (EBIT) totaled EUR 126.7 million, following EUR 149.6 million in the previous year. This corresponds to a reduction of EUR 22.9 million. The **EBIT margin** came in at 7.4% in the reporting period, following 8.3% in the previous year.

SALES, EBIT AND ADJUSTED EBITA OVER THE COURSE OF THE YEAR

Both sales and earnings (in relation to adjusted EBITA) improved in the INDUS Group in the second half of 2024 in comparison with the first six months of the year. The start of the first quarter in particular was weak. A considerable improvement was noted in the second quarter. In the third and fourth quarters, sales, operating income and adjusted EBITA were on a par with the last quarter of 2023.

SALES AND EARNINGS PERFORMANCE OF THE INDUS GROUP (in EUR million)



02 |

Financial income amounted to EUR -30.6 million, compared with EUR -9.9 million the previous year. The year-over-year change of EUR -20.7 million was primarily due to the call/put options on interests attributable to non-controlling shareholders measured at fair value. Impairment of option liabilities had a positive impact in the previous year. Due to better budgetary expectations, the measurement of the liabilities increased once more in the reporting year, resulting in the recognition of a change against the previous year of EUR -13.1 million. A Turkish portfolio company recognized a positive exchange rate effect from the hyperinflation in Turkey, which was considerably lower and slightly negative this year (change EUR -3.9 million). As expected, revolving financing activities resulted in higher interest expense (EUR -1.8 million). Earnings accounted for using the equity method declined accordingly due to the acquisition of the remaining shares in Hauff-Gridcom, which is now fully consolidated (EUR -1.5 million).

At EUR 96.1 million, earnings before taxes **(EBT)** from continuing operations were EUR 43.6 million lower than the previous year's figure (EUR 139.7 million). Income tax expenses fell to EUR 41.4 million as against EUR 55.8 million in the previous year. The tax ratio came to 43.1% in the reporting period, following 39.9% in the previous year.

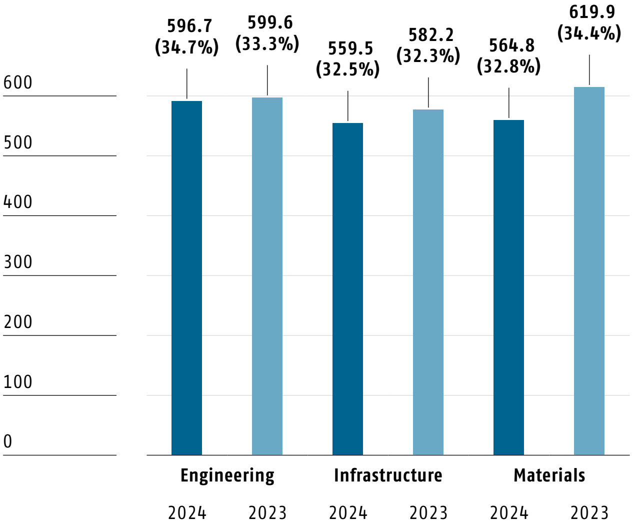
The SELZER and SCHÄFER portfolio companies, which were deconsolidated in the third quarter of the previous year, constitute discontinued operations within the meaning of IFRS 5. There were no discontinued operations or subsequent expenses in the financial year. The profit/loss for the year from discontinued operations amounted to EUR -27.8 million in the same period of the previous year.

Earnings after taxes amounted to EUR 54.7 million and were down EUR 1.4 million against the previous year's figure (EUR 56.1 million). **Earnings per share** for continuing operations came to EUR 2.07 (previous year: EUR 3.10). Earnings per share for continuing and discontinued operations are also EUR 2.07 (previous year: EUR 2.06).

SALES AND INCOME ARE DISTRIBUTED RELATIVELY EVENLY ACROSS THE SEGMENTS.

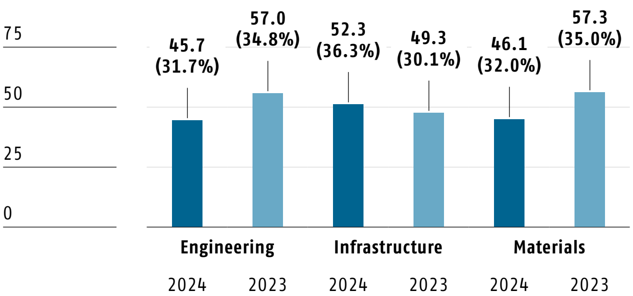
Sales for the Engineering, Infrastructure and Materials segments are relatively evenly distributed. The **Engineering** segment achieved the largest share of sales in the reporting year at 34.7%. In the previous year it had a share of 33.3%. The **Infrastructure** segment contributed a proportion of sales of around 32% (32.5%), which is almost unchanged. In the Materials segment, the sales proportion decreased from 34.4% in the previous year to 32.8% in the reporting year.

SALES BREAKDOWN BY SEGMENT (in EUR million)



In terms of distribution of the operating income (EBIT), there are also no major differences between the segments. The Engineering segment's contribution to earnings was 31.7% after 34.8% in the previous year. The Infrastructure segment achieved the highest proportion of earnings, at 36.3% (previous year: 30.1%). In the Materials segment, the EBIT proportion reduced from 35.0% in the previous year to 32.0% in the reporting year.

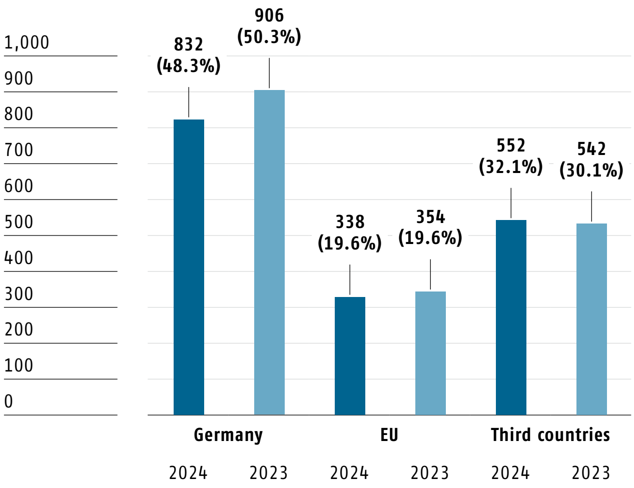
EBIT BREAKDOWN BY SEGMENT (in EUR million)



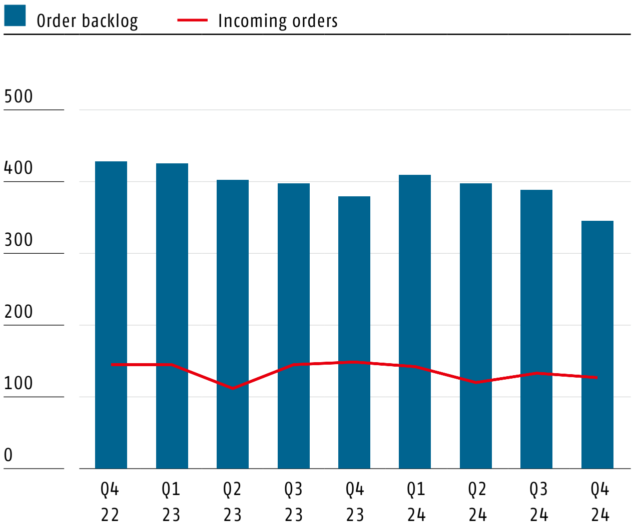
CONTRIBUTION TO SALES BY REGION

INDUS Group sales in third countries rose 1.8% compared with the previous year to EUR 552 million; sales within the EU declined 4.5% and within Germany 8.2%. The share of sales in third countries increased by 2.0 percentage points; the domestic share of sales decreased correspondingly by 2.0 percentage points against the previous year to 48.3% (previous year: 50.3%).

SALES 2023–2024 BY REGION (in EUR million)



ORDER SITUATION FOR ENGINEERING (in EUR million)



Earnings Trends in the Segments

ENGINEERING

SEGMENT DESCRIPTION

The Engineering segment is home to companies that are future-oriented with their technological expertise. When it comes to technological developments, or the optimization of work and production processes – engineering forms the foundation for successful change. Dovetailing production with the latest information and communication technology lays the foundation for new growth models. The megatrends of digitalization and sustainability are the growth drivers behind this development. The INDUS Engineering segment consists of companies that already support the manufacturing industry with a broad range of services. These companies are well established on the market for specialized mechanical engineering and equipment manufacturing, and as niche providers for automation/robotics, sensor technology, measurement and control engineering, and fluid technology.

The portfolio includes complex conveyor systems, robotic gripping systems, valve technology, automation components for vehicle assembly, inert gas systems, metal detection equipment, integrated control rooms, electric heat tracing systems, testing and measurement solutions for the aerospace industry and the automotive industry.

The INDUS Engineering segment comprises 17 portfolio companies.

INCOMING ORDERS AND ORDER BACKLOG BEHIND PREVIOUS YEAR

Incoming orders in the Engineering segment amounted to EUR 525.9 million in 2024 compared to EUR 554.1 million in the previous year. This equates to a 5.1% or EUR 28.2 million decline. The order backlog as of December 31, 2024, came to EUR 350.7 million, and was thus down 9.0% as of December 31, 2023.

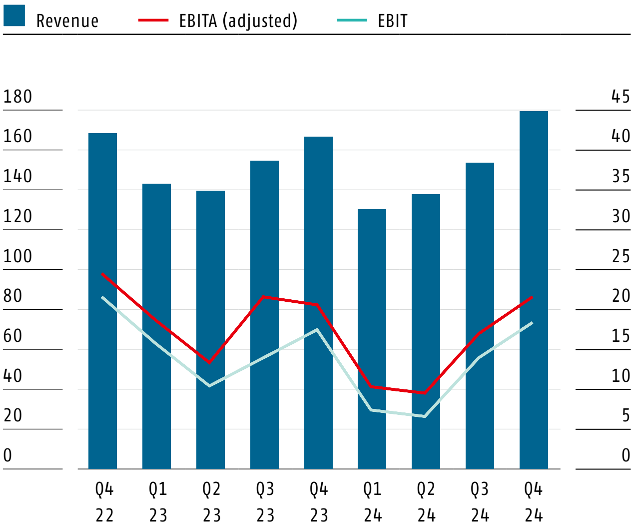
FUTURE-PROOF POSITIONING WITH THREE NEW ACQUISITIONS

The portfolio companies in the Engineering segment generated sales of EUR 596.7 million in the 2024 financial year (previous year: EUR 599.6 million). As compared to the previous year, sales fell by EUR 2.9 million (-0.5%). This includes inorganic growth of 1.3% from the acquisition of GESTALT AUTOMATION, COLSON, and DECKMA, and an organic decrease of 1.8%. The organic decline in sales was primarily due to weaker business in the sorting plants, high-precision mechanical engineering and automation business compared to the previous year.

Adjusted EBITA was EUR 57.7 million, compared with EUR 73.5 million the previous year. A fall of EUR 15.8 million (21.5%) is largely due to changes in the product mix and lower overall margins in an extremely competitive market environment. The margin of the adjusted EBITA is 9.7% (previous year: 12.3%). At EUR 12.0 million, depreciation on purchase price allocations (PPA depreciation) was higher than in the previous year (EUR 11.4 million). The increase results from the new acquisitions in the current financial year (GESTALT AUTOMATION, DECKMA, COLSON).

Operating income (EBIT) came to EUR 45.7 million, following EUR 57.0 million in the previous year. The EBIT margin was 7.6% (previous year: 9.5%) and was therefore 1.9 percentage points lower than the previous year. Lower contributions to income in comparison with the previous year are largely due to economic factors. At EUR 249.3 million, the cost of materials was almost unchanged from the previous year's figure of EUR 248.3 million. After EUR 188.0 million in the previous year, personnel expenses increased to EUR 200.4 million in the reporting year.

EARNINGS PERFORMANCE FOR ENGINEERING (in EUR million)



Looking at the quarters in 2024 individually, both the highest contribution to sales and the highest contribution to income were generated in the fourth quarter. At EUR 18.2 million, EBIT in the fourth quarter is higher than EBIT in the other quarters of 2024 and all the quarters of 2023. Orders in the second quarter were fulfilled with significantly better margins.

INDUS acquired GESTALT AUTOMATION in March 2024. GESTALT AUTOMATION develops AI-based solutions for industrial automation and complements the INDUS portfolio in the Automation & Assembly Technology division. The company has been part of the INDUS Group since March 1, 2024. Due to strategic repositioning, GESTALT AUTOMATION made a clearly negative contribution to income in the 2024 financial year.

On August 28, 2024, INDUS Holding AG acquired 75% of the shares in DECKMA Decksmaschinen und Automation Vertriebsgesellschaft mbH, Rosengarten, Germany. The initial consolidation took place on September 1, 2024. DECKMA is a technical ship equipment systems provider specializing in lighting and fire alarm systems, corrosion protection technology and automation solutions for ships.

PCL, a subsidiary of the INDUS portfolio company HORNGROUP, bought 100% of the shares in COLSON X-Cel Ltd. (COLSON) in March 2024. The British company develops and produces industrial fittings for measurement and control engineering, such as valves, shut-off units and measurement equipment for monitoring liquids and gases. The economic transfer of COLSON took place on June 5, 2024; initial consolidation took place on June 1, 2024.

The investments of EUR 41.4 million made during the reporting period relate to the acquisitions of GESTALT AUTOMATION, DECKMA and COLSON as well as property, plant and equipment. Investments in property, plant and equipment of EUR 17.4 million are up EUR 5.3 million against the previous year (EUR 12.1 million).

KEY FIGURES FOR ENGINEERING (in EUR million)

			Difference 2024 to 2023	
	2024	2023	absolute	in %
Revenue with external third parties	596.7	599.6	-2.9	-0.5
EBITDA	80.2	94.5	-14.3	-15.1
in % of sales	13.4	15.8	-2.4 pp	–
Depreciation/amortization	-34.5	-37.5	3.0	8.0
of which PPA depreciation*	-12.0	-11.4	-0.6	-5.3
of which impairment	0.0	-5.1	5.1	100.0
EBITA (adjusted)**	57.7	73.5	-15.8	-21.5
in % of sales	9.7	12.3	-2.6 pp	–
EBIT	45.7	57.0	-11.3	-19.8
in % of sales	7.6	9.5	-1.9 pp	–
Investments	41.4	12.1	29.3	>100
Employees	2,962	2,842	120	4.2

* The term PPA depreciation includes depreciation on assets from purchase price allocations.
** The term EBITA (adjusted) includes the operating income (EBIT) plus PPA depreciation and impairments.

INFRASTRUCTURE

SEGMENT DESCRIPTION

Public investment in infrastructure for the maintenance and expansion of transport routes, high capacity demand in residential construction, and energy-efficiency renovations are driving demand for the segment. Construction and building technology are receiving new momentum from the social demand for sustainable construction. Modern technologies enable the development of intelligent infrastructure and supply networks – in telecommunications and in energy supply.

The companies in the INDUS Infrastructure segment are using their solid positioning to develop their range of offers with a clear focus on this demand – in the field of construction and building technology, telecommunications infrastructure, and air-conditioning technology. Products include reinforcement of ferroconcrete, construction materials, network and cable laying, air-conditioning and heating technology for stationary and mobile applications, accessories for private homebuilding, and window construction.

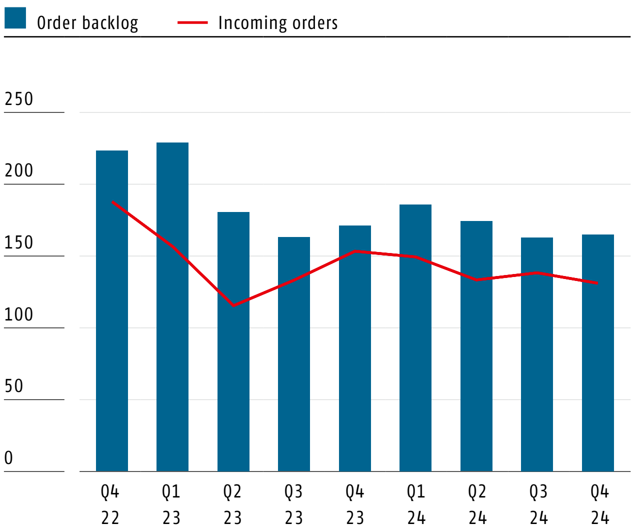
The sub-subsidiary GRIDCOM was acquired in the reporting year.

The Infrastructure segment contains 14 portfolio groups.

INCOMING ORDERS AND ORDER BACKLOG

Incoming orders in the Infrastructure segment amounted to EUR 552.4 million in 2024, following EUR 558.9 million in the previous year. This corresponds to a decrease in incoming orders of EUR 6.5 million, or 1.2%. The order backlog amounted to EUR 165.7 million as of December 31, 2024, dropping EUR 6.4 million (3.7%) against the backlog as of December 31, 2023 of EUR 172.1 million.

ORDER SITUATION FOR INFRASTRUCTURE (in EUR million)



EBIT AND EBIT MARGIN IMPROVED COMPARED WITH PREVIOUS YEAR

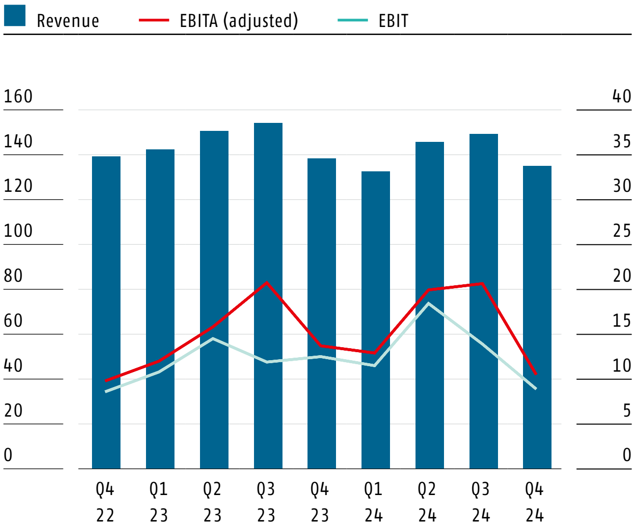
In the Infrastructure segment, sales in the 2024 financial year amounted to EUR 559.5 million (previous year: EUR 582.2 million); the segment sales therefore declined by EUR 22.7 million or 3.9% compared to the previous year. The new acquisition of QUICK in the previous year and GRIDCOM in the reporting period led to inorganic growth of 2.0% in the reporting period. This was offset by an organic decline in sales of 5.9%. This organic decline in sales primarily affected companies that had recorded dynamic business in the previous year and, of these, suppliers to the residential construction industry in particular. Further declines were reported in the heat pump and air conditioning business for buildings. The summer, with only brief periods of hot weather, saw demand fall for air conditioners for the construction industry. In the heat pump sector, consumer reluctance to invest led to a significant drop in sales due to the lack of transparency and complexity of heat pump subsidy regulations.

At EUR 63.6 million, the adjusted EBITA was therefore up by EUR 1.8 million on the previous year's figure (EUR 61.8 million). The adjusted EBITA margin was 11.4% and was therefore 0.8 percentage points above that of the previous year (previous year: 10.6%).

During the annual impairment test, impairment losses of EUR 5.2 million (previous year: EUR 7.5 million) were recognized. These relate exclusively to goodwill. At EUR 6.1 million, depreciation on purchase price allocations (PPA depreciation) was higher than in the previous year (EUR 5.0 million). The increase results from the new acquisition of the current financial year (GRIDCOM).

Operating income (EBIT) for the financial year amounted to EUR 52.3 million (previous year: EUR 49.3 million) and was EUR 3.0 million above the previous year (6.1%). The EBIT margin came in at 9.3% (previous year: 8.5%) Measures to control costs in particular have a had a positive impact on the earnings situation. The cost of materials thus fell by EUR 18.7 million from EUR 252.6 million to EUR 233.9 million. Personnel expenses had a slightly offsetting effect, increasing by EUR 5.2 million from EUR 164.8 million in the previous year to EUR 170.0 million in the reporting year. A unique one-time effect from the sale of a non-controlling interest in BETOMAX for EUR 2.6 million, which was no longer considered strategic, also had a positive impact. The insolvency of a major client in the mobile air-conditioning devices sector had a negative impact.

EARNINGS PERFORMANCE FOR INFRASTRUCTURE (in EUR million)



Looking at the quarters of 2024 individually, the portfolio companies in the Infrastructure segment had a weak start to the year, both in terms of sales as well as earnings. A clear uptick has been visible in sales and earnings since the third quarter.

Hauff-Technik GmbH & Co. KG, Hermaringen, Germany, acquired the remaining shares in Hauff-Technik Gridcom GmbH (GRIDCOM), Rosenberg, Germany, in March of the 2024 financial year. GRIDCOM is a specialist for the development and production of passive components for fiber-optic infrastructure. GRIDCOM has been fully included in the INDUS consolidated financial statements since March 1, 2024.

Investments of EUR 23.8 million in the reporting year related primarily to the acquisition of GRIDCOM and property, plant and equipment. The previous year's figure includes the acquisition of QUICK.

KEY FIGURES FOR INFRASTRUCTURE (in EUR million)

			Difference 2024 to 2023	
	2024	2023	absolute	in %
Revenue with external third parties	559.5	582.2	-22.7	-3.9
EBITDA	86.0	83.0	3.0	3.6
in % of sales	15.4	14.3	1.1 pp	–
Depreciation/amortization	-33.7	-33.7	0.0	0.0
of which PPA depreciation*	-6.1	-5.0	-1.1	-22.0
of which impairment	-5.2	-7.5	2.3	30.7
EBITA (adjusted)**	63.6	61.8	1.8	2.9
in % of sales	11.4	10.6	0.8 pp	–
EBIT	52.3	49.3	3.0	6.1
in % of sales	9.3	8.5	0.8 pp	–
Investments	23.8	35.2	-11.4	-32.4
Employees	2,835	2,934	-99	-3.4

* The term PPA depreciation includes depreciation on assets from purchase price allocations.
** The term EBITA (adjusted) includes the operating income (EBIT) plus PPA depreciation and impairments.

MATERIALS

SEGMENT DESCRIPTION

The companies in the Materials segment have a high level of expertise in the field of materials as well as their creation and processing. They specialize in metals technology (carbide tools and wear technology, component and assembly production, surface and housing technology) and medical and rehabilitation products. They use the knowledge they have gained and constantly transfer it to new and improved application options using new technology.

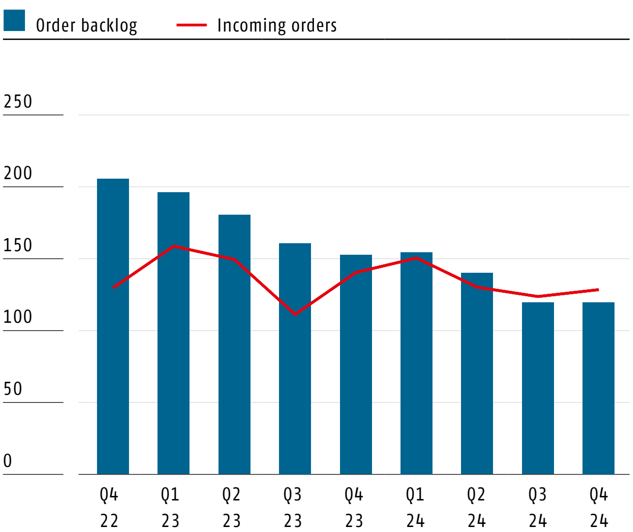
The INDUS Materials segment comprises 13 portfolio groups.

ORDER SITUATION: MATERIALS

Incoming orders in the Materials segment amounted to EUR 533.0 million in the 2024 financial year, 4.9% below incoming orders in 2023 (EUR 560.2 million).

The order backlog amounted to EUR 120.2 million as of December 31, 2024. In the previous year, the order backlog was EUR 33.1 million higher at EUR 153.3 million. Order volumes declined in the Materials segment in the financial year, however orders come in at short-notice and call-offs from framework agreements are more common in this sector.

ORDER SITUATION FOR MATERIALS (in EUR million)



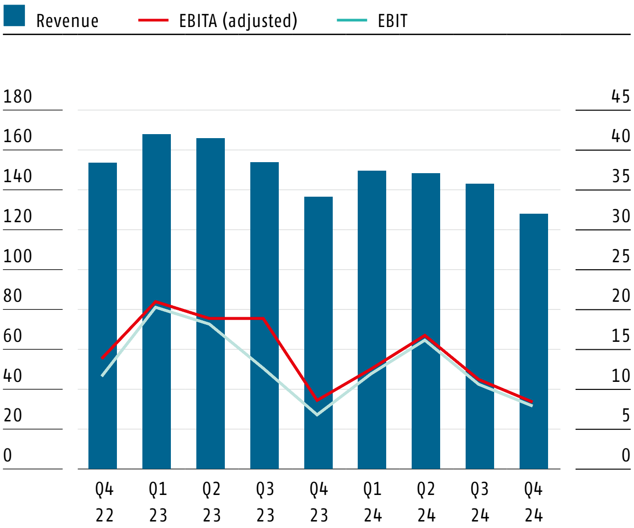
PORTFOLIO COMPANIES IN METAL MACHINING UNDER PRICE AND COST PRESSURE

In the Materials segment, sales of EUR 564.8 million (previous year: EUR 619.9 million) were generated in 2024. Sales declined by EUR 55.1 million (-8.9%), which reflects the reluctance among customers to buy due to the metals sector's weak economy. Higher competitive and price pressure also had an impact. Suppliers of agricultural and construction technology in particular are facing low demand currently, in line with general market trends. The general order situation in Metals Technology was still strong in the first half of the previous year and both prices and earnings were better. A downturn was noticeable from the third quarter of 2023. Due to demand, medical and rehabilitation products offset these developments somewhat, although here too price pressure is increasingly common due to strained budgets.

The EBITA (adjusted) amounted to EUR 49.9 million, and was therefore EUR 16.8 million lower than in the previous year. The adjusted EBITA margin was 8.8% after 10.8% in the previous year. The decline in volumes and somewhat weaker prices had a noticeable impact in this area. Cost-lowering measures meant that part of the decline in sales could be compensated. The negative impacts of the discontinuation of imeco GmbH & Co. KG were kept lower than planned due to optimized production and the successful utilization of fixed assets and current assets. Both the cost of materials (EUR -26.8 million) and personnel expenses (EUR -3.2 million) were reduced in the reporting year. Cost of materials of EUR 275.5 million and personnel expenses of EUR 157.6 million were recognized for 2024. After deducting PPA depreciation of EUR 2.3 million (previous year: EUR 2.7 million) and impairments resulting from the annual impairment testing as of September 30, 2024, of EUR 1.5 million (previous year: EUR 6.7 million) EBIT came to EUR 46.1 million (previous year: EUR 57.3 million). The EBIT margin came in at 8.2% (previous year: 9.2%).

EARNINGS PERFORMANCE FOR MATERIALS

(in EUR million)



Looking at the individual quarters in 2024, business was more dynamic at the beginning of the year than at the end of the year. The best figures were achieved in the second quarter of the 2024 financial year.

At EUR 15.1 million, investments were EUR 6.9 million below the previous year's figure of EUR 22.0 million, and exclusively related to investments in fixed assets.

KEY FIGURES FOR MATERIALS

(in EUR million)

			Difference 2024 to 2023	
	2024	**2023**	**absolute**	**in %**
Revenue with external third parties	564.8	619.9	-55.1	-8.9
EBITDA	76.2	93.7	-17.5	-18.7
in % of sales	13.5	15.1	1.6 pp	–
Depreciation/amortization	-30.1	-36.4	6.3	17.3
of which PPA depreciation*	-2.3	-2.7	0.4	14.8
of which impairment	-1.5	-6.7	5.2	77.6
EBITA (adjusted)**	49.9	66.7	-16.8	-25.2
in % of sales	8.8	10.8	2.0 pp	–
EBIT	46.1	57.3	-11.2	-19.5
in % of sales	8.2	9.2	1.0 pp	–
Investments	15.1	22.0	-6.9	-31.4
Employees	2,925	3,107	-182	-5.9

* The term PPA depreciation includes depreciation on assets from purchase price allocations.
** The term EBITA (adjusted) includes the operating income (EBIT) plus PPA depreciation and impairments.

Financial Position

Financial and Liquidity Management

PRINCIPLES AND OBJECTIVES

Financial and liquidity management at INDUS Holding AG consists of managing equity and borrowings and managing interest rate and currency risks. It pursues three objectives: securing sufficient liquidity, risk limitation, and earnings and cost optimization. Securing liquidity assumes special importance since it not only enables INDUS to meet its payment obligations at all times but also to exploit acquisition opportunities at any time with no dependence on banks.

INDUS can invest flexibly at any time owing to its comfortable liquidity base in combination with financing commitments from banks. INDUS relies on its long-term ties with a number of German financial institutions as partners. Factors stabilizing its long-term financing needs include broad diversification of the loan volume and a balanced redemption structure. Alternative financing instruments are less important, but are used occasionally at the level of the overall portfolio.

To manage financing risks, the Group employs interest rate and currency derivatives where needed. These are used exclusively for risk-hedging purposes.

The risk-limiting activities focus primarily on hedging against financial risks that might jeopardize the continued existence of INDUS. The most important financing source is cash flow from current operating activities (operating cash flow). The treasury department carefully monitors the use of funds by the portfolio companies, and the investing of cash and cash equivalents.

Management of the working capital is of particular importance for the Group's liquidity needs. INDUS monitors and supports companies with respect to their respective management of working capital.

FINANCING ANALYSIS FOR 2024

Part of the operating cash flow and cash and cash equivalents were used to repay credit that was due in 2024. A very small volume of new credit was taken out resulting in a reduction in financial liabilities. Leasing financing of EUR 35.0 million was concluded. Credit lines were also used on a temporary basis to cover short-term liquidity needs. Liabilities to banks amounted to EUR 279.3 million as of the reporting date (previous year: EUR 340.6 million); these are primarily (99.8%) denominated in euros. Promissory note loans amounted to EUR 315.1 million (previous year: EUR 354.4 million). INDUS also has unused credit lines totaling EUR 97.2 million (previous year: EUR 94.5 million).

Pursuant to loan agreements, INDUS entered into obligations to maintain a minimum equity ratio for the holding company. The required ratio was considerably exceeded again in the last financial year. The lenders have extraordinary termination rights in the event of a change of control.

Financial Position

CONSOLIDATED STATEMENT OF CASH FLOWS, CONDENSED

(in EUR million)

			Difference 2024 to 2023	
	2024	2023	absolute	in %
Earnings after taxes	**54.7**	**84.0**	-29.3	**-34.9**
Depreciation/amortization	99.4	108.6	-9.2	-8.5
Other non-cash-effective changes	70.7	67.2	3.5	5.2
Cash-effective change in working capital	6.9	33.4	-26.5	-79.3
Change in other balance sheet items	-11.8	-5.0	-6.8	<-100.0
Tax payments	-50.1	-48.1	-2.0	-4.2
Dividends received	1.5	0	1.5	–
Operating cash flow	**171.3**	**240.1**	**-68.8**	**-28.7**
Interest	-27.6	-22.5	-5.1	-22.7
Cash flow from operating activities	**143.7**	**217.6**	**-73.9**	**-34.0**
Cash outflow for investments and acquisitions	-81.1	-71.4	-9.7	-13.6
Cash inflow from the disposal of assets	15.8	21.3	-5.5	-25.8
Cash flow from investing activities	**-65.3**	**-50.1**	**-15.2**	**-30.3**
Acquisition of treasury shares	-41.7	0.0	-41.7	–
Payments for transactions with non-controlling interests	-0.1	0.0	-0.1	–
Dividend payment	-31.0	-21.5	-9.5	-44.2
Dividends paid to minority shareholders	-0.5	-0.9	0.4	44.4
Cash outflow from the repayment of contingent purchase price commitments	-5.1	0.0	-5.1	–
Cash inflow from the raising of loans	35.2	168.7	-133.5	-79.1
Cash outflow from the repayment of loans	-135.0	-126.6	-8.4	-6.6
Cash outflow from the repayment of lease liabilities	-21.7	-20.2	-1.5	-7.4
Cash flow from financing activities	**-199.9**	**-0.5**	**-199.4**	**<-100**
Net changes in cash and cash equivalents from continuing operations	-121.5	167.0	-288.5	<-100
Net changes in cash and cash equivalents from discontinued operations	0.0	-24.6	24.6	100.0
Exchange-rate-related change to cash and cash equivalents from continuing operations	0.9	-0.7	1.6	>100
Changes in cash in connection with discontinued operations	0.0	-3.7	3.7	100.0
Cash and cash equivalents at the beginning of the period	265.8	127.8	138.0	>100
Cash and cash equivalents at the end of the period	**145.2**	**265.8**	**-120.6**	**-45.4**

STATEMENT OF CASH FLOWS: HIGH PAYMENTS TO SHAREHOLDERS FOR DIVIDENDS AND SHARE BUYBACKS AMOUNTING TO EUR 72.7 MILLION

Operating cash flow came to EUR 171.3 million in 2024 compared with EUR 240.1 million in the previous year and was thus EUR 68.8 million lower year-over-year. Earnings after taxes plus depreciation and amortization was already EUR 38.5 million lower than in the previous year. In addition, the cash-effective change in working capital was EUR 26.5 million lower. This was primarily due to the clear decrease in advance payments received in relation to contract liabilities.

Taking into account interest payments in the amount of EUR 27.6 million (previous year: EUR 22.5 million), cash flow from operating activities amounted to EUR 143.7 million (previous year: EUR 217.6 million) and was thus EUR 73.9 million lower than in the previous year.

At EUR 50.9 million, the cash outflow for investments in intangible assets and in property, plant and equipment was EUR 11.0 million lower than in the previous year (EUR 61.9 million). Cash outflow for investment in shares in fully consolidated companies amounted to EUR 29.4 million in respect of the acquisitions of GESTALT AUTOMATION and GRIDCOM, COLSON Ltd., and DECKMA. The acquisition of QUICK took place during the previous year (EUR 8.9 million). Cash outflow for investments in financial investments and shares measured according to the equity method amounted to EUR 0.8 million (previous year: EUR 0.6 million). At EUR 15.8 million, cash inflow from the disposal of assets was lower than in the previous year. The previous year's figures contain the sales proceeds for a building that is no longer required, amounting to EUR 14.4 million. The current year's figures include the sale of another portfolio company, BETOMAX, for EUR 4.8 million and the sale of a property for EUR 4.6 million. Cash flow from investing activities totaled EUR -65.3 million, compared with EUR -50.1 million in the previous year.

At EUR -199.9 million, cash flow from financing activities was down by EUR -199.4 million on the same period of the previous year (EUR -0.5 million). The main reason for this was a significant net loan repayment compared to net borrowing in the previous year. Compared to the previous year, this led to a EUR 141.9 million decrease in cash flow from financing activities. Payments of EUR 41.7 million were made for the acquisition of treasury shares from two share buyback programs. The dividend paid was EUR 9.5 million higher than in the previous year (EUR 1.20/share compared to EUR 0.80/share in the previous year). In addition, there were higher payments for contingent purchase price liabilities of EUR 5.1 million (previous year: EUR 0.0 million).

Net changes in cash and cash equivalents from continuing operations totaled EUR -121.5 million after EUR 167.0 million in the previous year. In the previous year, the discontinued operations accounted for net changes in cash and cash equivalents of EUR -24.6 million. Starting with an opening balance at the beginning of the year of EUR 265.8 million, cash and cash equivalents as of December 31, 2024, stood at EUR 145.2 million.

FREE CASH FLOW ABOVE EUR 135 MILLION

Free cash flow is the sum of operating cash flow and cash flow from investing activities less cash outflow for investments in fully consolidated companies.

Free cash flow indicates the INDUS funds available for new acquisitions, dividends and payments to creditors (interest, repayment of leasing obligations and reduction of net debt).

FREE CASH FLOW (in EUR million)

			Difference 2024 to 2023	
	2024	2023	absolute	in %
Operating cash flow from continuing operations	171.3	240.1	-68.8	-28.7
Cash flow from investing activities from continuing operations	-65.3	-50.1	-15.2	-30.3
Cash outflow for investments for shares in fully consolidated companies	29.4	8.9	20.5	>100
Free cash flow	**135.4**	**198.9**	**-63.5**	**-31.9**

In the 2024 financial year, the INDUS Group generated free cash flow of EUR 135.4 million (previous year: EUR 198.9 million).

Interest payments (EUR 27.6 million), the dividend payment (EUR 31.0 million), the new acquisitions (EUR 29.4 million), and lease liability repayments (EUR 21.7 million) were all financed from free cash flow.

Net Assets

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONDENSED (in EUR million)

	December 31, 2024	December 31, 2023	Difference 2024 to 2023 absolute	in %
ASSETS				
Non-current assets	**1,036.9**	**1,029.2**	**7.7**	**0.7**
Fixed assets	1,020.3	1,005.3	15.0	1.5
Receivables and other assets	16.6	23.9	-7.3	-30.5
Current assets	**769.9**	**899.6**	**-129.7**	**-14.4**
Inventories	410.5	429.3	-18.8	-4.4
Receivables and other assets	214.2	204.5	9.7	4.7
Cash and cash equivalents	145.2	265.8	-120.6	-45.4
Total assets	**1,806.8**	**1,928.8**	**-122.0**	**-6.3**
EQUITY AND LIABILITIES				
Non-current financial instruments	**1,341.8**	**1,468.9**	**-127.1**	**-8.7**
Equity	700.0	719.7	-19.7	-2.7
Borrowings	641.8	749.2	-107.4	-14.3
of which provisions	28.6	27.6	1.0	3.6
of which payables and deferred taxes	613.2	721.6	-108.4	-15.0
Current financial instruments	**465.0**	**459.9**	**5.1**	**1.1**
of which provisions	42.4	41.7	0.7	1.7
of which liabilities	422.6	418.2	4.4	1.1
Total equity and liabilities	**1,806.8**	**1,928.8**	**-122.0**	**-6.3**

ASSETS: CLEAR DECREASE IN CASH AND CASH EQUIVALENTS

As of the reporting date, total assets of the INDUS Group amounted to EUR 1,806.8 million, a EUR 122.0 million decrease from the previous year's reporting date. The decline in total assets is the result of the utilization of cash and cash equivalents (EUR -120.6 million) for the share buyback program (EUR -41.7 million), the dividend payment (EUR -31.0 million), and the decrease in borrowings (EUR -85.4 million). The increase in fixed assets due to the new acquisitions of GESTALT AUTOMATION, GRIDCOM, DECKMA and COLSON in the financial year had the opposite effect.

As compared to the previous reporting date, **non-current assets** rose by EUR 7.7 million, or 0.7%, to EUR 1,036.9 million. Goodwill rose by EUR 9.5 million as the additions from the new acquisitions of EUR 14.7 million were only offset by impairment of EUR 5.2 million. Right-of-use assets from leasing/rent increased from EUR 73.9 million to EUR 89.1 million. The reason for this increase is additions in the area of land and buildings, technical equipment and machinery, and vehicles. The increase of EUR 3.2 million in other intangible assets is mainly due to the new acquisitions. The EUR 3.4 million decrease in property, plant and equipment is due to depreciation and impairment. One investment property was sold. This balance sheet item was thus EUR 1.7 million lower than in the same period of the previous year. The acquisition of the remaining shares in GRIDCOM resulted in the disposal of the shares accounted for using the equity method and all GRIDCOM assets and liabilities were assigned to the various balance sheet items.

Compared to the previous reporting date, **current assets** decreased by EUR 129.7 million to EUR 769.6 million. This is in particular attributable to the decreased stock of cash and cash equivalents (EUR +120.6 million). Inventories and receivables declined by EUR 9.1 million in total.

EQUITY AND LIABILITIES: HIGHER EQUITY RATIO

Equity declined by EUR 19.7 million to EUR 700.0 million. The increase in equity of EUR 54.7 million due to the profits generated was more than offset by the purchase of treasury shares (EUR -41.7 million) as well as dividends paid to shareholders (EUR -31.0 million) and the changes in other comprehensive income recognized directly in equity (EUR -1.1 million). The equity ratio rose slightly year-over-year again, from 37.3% to 38.7% as of the reporting date. In the medium term, the equity should again be above the target of 40%.

At EUR 641.8 million, **non-current borrowings** were EUR 107.4 million lower than in the previous year. This was primarily due to the reduction of non-current financial liabilities (EUR -77.5 million).

Current financing instruments went up by EUR 5.1 million to EUR 465.0 million. The increase stemmed from higher trade payables (EUR +11.2 million) and other current liabilities (EUR +5.5 million). The reduction in current financial liabilities (EUR -7.9 million) current income taxes (EUR -4.5 million) in particular had an offsetting effect.

WORKING CAPITAL

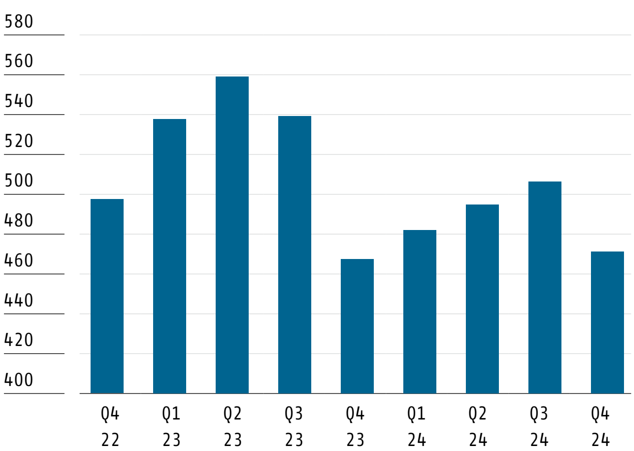
(in EUR million)

			Difference 2024 to 2023	
	December 31, 2024	December 31, 2023	absolute	in %
Inventories	410.5	429.3	-18.8	-4.4
Trade receivables	185.2	181.3	3.9	2.2
Trade payables	-74.9	-63.7	-11.2	-17.6
Advance payments received	-26.5	-23.3	-3.2	-13.7
Contract liabilities	-23.6	-56.7	33.1	58.4
Working capital	**470.7**	**466.9**	**3.8**	**0.8**

INDUS calculates **working capital** by adding trade receivables to inventories and deducting trade payables along with advance payments received and contract liabilities. As of December 31, 2024, working capital stood at EUR 470.7 million. This represents an increase of EUR 3.8 million, or 0.8%.

WORKING CAPITAL

(in EUR million)



NET FINANCIAL LIABILITIES

(in EUR million)

	December 31, 2024	December 31, 2023	Difference 2024 to 2023 absolute	Difference 2024 to 2023 in %
Non-current financial liabilities	540.6	618.2	-77.6	-12.6
Current financial liabilities	146.0	153.8	-7.8	-5.1
Cash and cash equivalents	-145.2	-265.8	120.6	45.4
Net financial liabilities	**541.4**	**506.2**	**35.2**	**7.0**

INDUS calculates **net debt** (net financial liabilities) as the sum of current and non-current financial liabilities less cash and cash equivalents. As of December 31, 2024, it amounted to EUR 541.4 million, which equates to an increase of 7.0% as compared to the previous year's reporting date. This is attributable to cash and cash equivalents decreasing by EUR 120.6 million. In counterpoint to this there was a decrease in financial liabilities from EUR 772.0 million to EUR 686.6 million.

The ratio of net debt/EBITDA (for continuing operations) is 2.4 years (previous year: 2.0 years). The repayment term is therefore within the long-term target range of 2.0 to 2.5 years and offers scope for additional company acquisitions. The ratio of net debt to equity (gearing) is 77% (previous year: 70%).

INVESTMENTS AND DEPRECIATION/AMORTIZATION

(in EUR million)

	2024	2023	Difference 2024 to 2023 absolute	Difference 2024 to 2023 in %
Investments	**80.3**	**70.8**	**9.5**	**13.4**
of which in:				
Company acquisitions	**29.4**	**8.9**	**20.5**	**>100**
Intangible assets	**10.6**	**10.8**	**-0.2**	**-1.9**
Property, plant and equipment	**40.3**	**51.1**	**-10.8**	**-21.1**
of which in:				
Land and buildings	4.8	9.7	-4.9	-50.5
Technical equipment and machinery	7.8	12.0	-4.2	-35.0
Other equipment, factory and office equipment	12.8	15.2	-2.4	-15.8
Advance payments and facilities under construction	14.9	14.2	0.7	4.9
Investment property	**8.3**	**10.0**	**-1.7**	**-17.0**
Depreciation/amortization (without right-of-use assets/leases)*	**-77.9**	**-88.9**	**11.0**	**12.4**

* This table does not include amortization of right-of-use assets/leases totaling EUR 21.6 million (previous year: EUR 19.7 million)

Investments in the reporting year were EUR 9.5 million higher than in the previous year and amounted to EUR 80.3 million. EUR 29.4 million was for company acquisitions; EUR 40.3 million for property, plant and equipment (-21.1%); and EUR 10.6 million for intangible fixed assets (-1.9%).

Investments in **intangible assets** in the amount of EUR 10.6 million relate to the capitalization of development costs, EDP systems and advance payments.

The focus of **investments in property, plant and equipment** was technical equipment and machinery as well as operating equipment. Land and buildings in the previous year included the addition of an operating property at a portfolio company in the Infrastructure segment in the amount of EUR 7.6 million.

The funds used by the portfolio companies are intended to improve the portfolio companies' value-added processes and thus strengthen the companies' competitive position. The investment projects include a high number of individual measures.

Advance payments increased to EUR 14.9 million. **Depreciation/amortization** amounted to EUR 77.9 million, compared with EUR 88.9 million the previous year. Depreciation/amortization also includes impairments of EUR 6.7 million (previous year: EUR 19.3 million).

Financial Performance of INDUS Holding AG

INDUS Holding AG's annual financial statements comply with the accounting standards of the German Commercial Code (HGB) and with the accounting standards of the German Stock Corporation Act (AktG) specific to the legal form and are summarized in the following tables. The complete annual financial statements are available separately.

STATEMENT OF INCOME FOR INDUS HOLDING AG (in EUR million)

			Difference 2024 to 2023	
	2024	2023	absolute	in %
Sales	**5.9**	**6.1**	**-0.2**	**-3.3**
Other operating income	5.6	57.7	-52.1	-90.3
Personnel expenses	-9.1	-8.0	-1.1	-13.8
Other operating expenses	-16.9	-57.6	40.7	70.7
Income from investments	106.0	90.7	15.3	16.9
Income from loans of financial assets	40.8	42.3	-1.5	-3.5
Other interest and similar income	21.5	20.9	0.6	2.9
Depreciation and amortization of property plant, and equipment and intangible assets	-0.4	-0.6	0.2	33.3
Impairment of financial investments	-32.2	-32.5	0.3	0.9
Expenses from loss absorption	-10.8	-4.1	-6.7	<-100
Interest and similar expenses	-23.0	-17.6	-5.4	-30.7
Earnings before taxes	**87.4**	**97.3**	**-9.9**	**-10.2**
Taxes	-11.4	-18.2	6.8	37.4
Net income / net shortfall	**76.0**	**79.1**	**-3.1**	**-3.9**
Profit carried forward	1.9	1.7	0.2	11.8
Balance sheet profit / balance sheet loss	**77.9**	**80.8**	**-2.9**	**-3.6**

As well as being influenced by the business operations of the holding company, INDUS Holding AG's income is largely influenced by income and expenses from the portfolio companies. The income comprises income from investments and income from loans of financial assets, income from interest charged on, and appreciation of financial investments. The expenses include expenses from loss absorption, impairments of financial investments and impairments of loans and receivables.

Revenues comprise the services provided by the company for portfolio companies. At EUR 5.9 million, they were down slightly on the previous year's level (EUR 6.1 million).

Other operating income decreased by EUR 52.1 million to EUR 5.6 million. This includes EUR 3.3 million in write-ups on financial assets (previous year: EUR 53.2 million). The appreciation related to reversals of depreciation of financial assets in previous years. These are permitted up to the level of the original acquisition cost but not beyond this.

Personnel expenses increased by EUR 8.0 million to EUR 9.1 million. The reduction in other operating expenses from EUR 57.6 million to EUR 16.9 million is attributable to the individual valuation allowances on receivables in the previous year in the amount of EUR 40.3 million. These related exclusively to the now sold automotive series production suppliers. Schäfer GmbH & Co. KG was sold in July 2023, including subsidiaries and shares in a portfolio company. The sale of Selzer Fertigungstechnik and its portfolio company was effective August 31, 2023. In the current reporting year, write-downs of EUR 1.7 million were again recognized on (remaining) receivables.

Income from investments and income from loans of financial assets concerned a total of EUR 146.8 million after EUR 133.0 million in the previous year.

Interest income arises largely from interest charged on by the holding company to the portfolio companies and, at EUR 21.5 million, was EUR 0.6 million higher than the previous year.

Impairments of financial investments relate to depreciation/amortization of shares in affiliated companies amounting to EUR 32.2 million and are based on valuation allowances resulting from impairment testing of the carrying amounts of the investments as of the reporting date. The highest write-down of an investment relates to a portfolio company that ceased operations in the reporting year. In the previous year, depreciation/amortization of shares in affiliated companies amounting to EUR 32.5 million was recognized. After valuation allowance, the carrying amounts of the investments plus the loans were EUR 1.24 billion, following EUR 1.16 billion in the previous year.

Due to higher interest rates, interest expense increased by EUR 5.4 million to EUR 23.0 million. In total, earnings before taxes were thus EUR 87.4 million, which was EUR 9.9 million below the previous year's level.

At EUR 11.4 million, tax expenses for the financial year were EUR 6.8 million down on the previous year's figure (EUR 18.2 million). Net income accordingly amounted to EUR 76.0 million as against EUR 79.1 million in the previous year. The balance sheet profit is EUR 77.9 million.

STATEMENT OF FINANCIAL POSITION OF INDUS HOLDING AG (in EUR million)

	Dec. 31, 2024	Dec. 31, 2023
ASSETS		
Property, plant and equipment	7.8	8.2
Financial investments	1,240.4	1,163.0
Fixed assets	**1,248.2**	**1,171.2**
Receivables and other assets	284.0	343.0
Cash on hand and bank balances	36.4	141.2
Current assets	**320.4**	**484.2**
Prepaid expenses	0.7	0.8
Total assets	**1,569.3**	**1,656.2**
EQUITY AND LIABILITIES		
Equity	882.7	879.3
Provisions	7.9	10.4
Liabilities	639.1	735.6
Deferred tax liabilities	39.6	30.9
Total equity and liabilities	**1,569.3**	**1,656.2**

The holding company's statement of financial position reflects, on the asset side, the carrying amounts of the portfolio companies along with long- and short-term loans to the portfolio companies. Financial assets amounted to EUR 1,240.4 million as at December 31, an increase of EUR 77.4 million compared to the previous year. The increase is mainly due to higher loans to affiliates.

The cash and cash equivalents have significantly decreased as at the reporting date. The cause of the high level in the previous year was reserve liquidity for an acquisition that was not executed.

Primarily due to the decrease in cash and cash equivalents, the total assets of INDUS Holding AG decreased by EUR 86.9 million during the financial year and amounted to EUR 1,569.3 million as of December 31, 2024.

The equity of INDUS Holding AG increased in the reporting period by EUR 3.4 million, from EUR 879.3 million to EUR 882.7 million. The increase in equity resulted from the net income of EUR 76.0 million that was generated. The dividend payment to INDUS shareholders of EUR 31.0 million and the share buyback program totaling EUR 41.7 million had the effect of reducing equity. The equity ratio as of December 31, 2024, improved significantly amounting to 56.2% following 53.1% in the previous year. The increase in the equity ratio is due to the lower total assets and higher equity.

Liabilities amounted to EUR 639.1 million as of December 31, 2024, and thus fell by EUR 96.5 million compared to December 31, 2023. These primarily relate to liabilities to banks. The decrease is connected to the considerable drop in liquidity.

In the 2024 financial year, INDUS Holding AG employed on average 41 employees excluding the Board of Management (previous year: 39 employees).

Further Legal Information

Acquisition-related Disclosures

Disclosures in Accordance with Sections 289a (1) and 315a (1) German Commercial Code HGB: Capital Stock, Voting Rights, and Transfer of Shares

As of December 31, 2024, the capital stock of INDUS Holding AG amounted in total to EUR 69,928,453.64. This is divided into 26,895,559 no-par-value shares. Each individual no-par-value share entitles its holder to one vote. There are no different share classes. All shares carry the same rights and obligations. The rights and obligations are derived from provisions of law.

Interests of More Than 10%

According to the information INDUS currently has, the insurer Versicherungskammer Bayern, Versicherungskammer des öffentlichen Rechts, Munich, held 12.4% of INDUS shares as of the reporting date.

Privileges and Voting Rights Control

There are no shares with privileges conferring control rights. The Board of Management is not aware of any voting rights control in cases where employees hold shares of INDUS Holding AG without exercising their own control rights directly.

Appointment and Dismissal of Members of the Board of Management

Members of the Board of Management are appointed and dismissed in accordance with the provisions of Sections 84 and 85 of the German Stock Corporation Act (AktG). The Articles of Incorporation do not contain any special rules in this regard. The Supervisory Board appoints members of the Board of Management for a maximum term of five years; repeat appointments by the Supervisory Board are permitted. In accordance with Section 8.1 of the Articles of Incorporation, the Board of Management consists of at least two individuals. Pursuant to Section 8.3 of the Articles of Incorporation, the Supervisory Board may appoint one member of the Board of Management as chair or spokesperson, and another as deputy chair.

Material Agreements in the Event of a Change of Control

In the event of a material change in the composition of the Supervisory Board (change of control), implying a serious change to the current long-term focus of the corporate strategy, 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 the 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 member of the Board of Management is also entitled to terminate their employment contract without notice. If a member of the Board of Management exercises their termination right, the company pays the member a severance payment amounting to their fixed salary for two years, but not more than the fixed salary that the member of the Board of Management would have received from the effective date of their own termination until the regular end of their contract. The severance payment is based on the fixed salary for the year in which the special right to terminate is exercised or the member is dismissed.

Amendments to the Articles of Incorporation

Amendments to the Articles of Incorporation are made in accordance with Section 179 of the German Stock Corporation Act (AktG) by resolution at the Annual Shareholders' Meeting. Amendments to the Articles of Incorporation are subject to approval by at least three-quarters of the capital stock represented in the voting. Pursuant to Section 17 of the Articles of Incorporation, the Supervisory Board is authorized to adopt purely editorial amendments to the Articles of Incorporation and, pursuant to Section 6.4, change wording to reflect the use of authorized capital.

The INDUS Articles of Incorporation can be viewed at: www.indus.eu/investors/#corporate-governance.

Share Issuance and Buyback Powers of the Board of Management

AUTHORIZED CAPITAL

The Board of Management is authorized by Section 6.1 of the Articles of Incorporation, 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, including with retroactive effect from a financial year that has already passed insofar as no resolution has yet been passed on the profit for that completed financial year. Shareholders will generally be given subscription rights. The new shares may also be issued to one or more financial institutions or other entities mentioned in Section 186 (5) sentence 1 AktG with the obligation to offer them to the shareholders (indirect subscription right), or partly by way of a direct subscription right (e.g. to shareholders who have previously signed 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 were sold or issued, or are to 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 excluding subscription rights, shall count towards this limit;
- in 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; and
- 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 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, which serves to grant shares in the case of option and respectively conversion rights being exercised, or in the case of the fulfillment of option or conversion obligations to the owners of bonds, which are issued based on the issued authorization (Contingent Capital 2023).

The implementation of the conditional capital increase is conditional upon:

- 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 Management Board 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 in accordance with the respective use of the Contingent Capital 2023 and after all option or conversion deadlines have expired, as well as to undertake all other associated adjustments to the Articles of Incorporation that only concern the wording.

SHARE BUYBACKS

The Annual Shareholders' Meeting on August 13, 2020, also authorized the Board of Management, with the Supervisory Board's approval, to buy back treasury shares of up to 10% of the company's capital stock existing at the time of the resolution. The authorization took effect at the end of the Annual Shareholders' Meeting on August 13, 2020, and applies until August 12, 2025. The authorization may be exercised in full or in part one or more times.

No more than 10% of the company's capital stock may be bought back under this authorization, including treasury shares already owned by the company and shares attributable to the company according to Sections 71a et seq. of the German Stock Corporation Act (AktG). The company may not exploit this authorization for the purpose of trading in treasury shares.

The acquisition may take place in accordance with the following provisions over the stock exchange or by means of a public offer addressed to all shareholders:

— If the company's treasury shares are acquired over the stock exchange, then the equivalent paid per share by the company (less incidental acquisition costs) may not exceed or be less than the arithmetical average value of the share prices (closing auction prices in Deutsche Börse AG's XETRA trading in Frankfurt or in a comparable successor system) by more than 10% during the last ten trading days before the commitment-to-acquire transaction is concluded.
— If the acquisition takes place through a public buy offer to all of the company's shareholders, the offered purchase price or the limits of the offered price margin per share (excluding incidental acquisition costs) may not exceed or be less than 10% of the arithmetical average share price (closing auction prices in the Deutsche Börse AG's XETRA trading in Frankfurt or in a comparable successor system) during the last ten trading days before the day on which the decision to make the public buy offer is published. If, after a public buy offer is published, the share price deviates considerably from the purchase price offered or from the limits of the price margin offered, the offer can be adjusted with the approval of the Supervisory Board. In such cases, the relevant amount will be determined based on the corresponding share price on the last trading day before the adjustment is published; the 10% limit for exceeding or falling below this amount is to be applied to this amount. The volume of the offer may be limited. Should the total subscription for the offer exceed this volume, the offer must be accepted in relation to the offered shares. The preferential acceptance of lower volumes of up to 50 company shares offered for sale per shareholder as well as rounding according to commercial principles is acceptable to avoid remainder amounts. Any further right of the shareholders to tender is excluded.

The Board of Management is authorized to use the shares in the company acquired on the basis of the present authorization or of an authorization granted earlier, with the Supervisory Board's approval, in whole or in fractional amounts, one or several times, on the basis of one or several authorizations, with exclusion of the shareholders' subscription rights, as follows:

— to dispose of acquired shares otherwise than over the stock exchange or by public offer addressed to all shareholders, if it is done in exchange for payment in kind and serves the purpose of acquiring companies, company divisions or interests in companies (including increasing existing interests) or to complete business combinations;
— to dispose of acquired shares otherwise than over the stock exchange or by public offer addressed to all shareholders in exchange for cash if the purchase price is not significantly less than the exchange price of the shares at the time of their disposal.

This authorization is, however, subject to the proviso that the shares in the company sold subject to the exclusion of subscription rights pursuant to Section 186 (3) Sentence 4 AktG do not exceed 10% of the company's capital stock in total, either at the time at which this authorization takes effect or at the time at which this authorization is exercised, whichever value is lower. The shares that are issued during the term of this authorization up until the sale of treasury shares from authorized capital without subscription rights in accordance with Section 186 (3) Sentence 4 AktG under exclusion of subscription rights in accordance with Section 186 (3) Sentence 4 AktG count toward this limit of 10% of the capital stock. Furthermore, those shares which have been, or are to be, issued to service option and/or conversion rights and/or conversion obligations also count toward this limit of 10% of capital stock, provided that the bonds were issued during the term of this authorization in analogous application of Section 186 (3) Sentence 4 AktG under exclusion of subscription rights.

The price at which shares are issued to third parties under this authorization may not be more than 5% less than the arithmetic average of the share prices (closing auction prices in Deutsche Börse AG's XETRA trading in Frankfurt am Main or in a comparable successor system) on the last ten trading days before the obligation to sell was created:

- to issue shares to employees and members of the company's Board of Management or to employees and members of management of companies affiliated with the company if they are to be used to satisfy option or acquisition rights or acquisition duties in respect of shares in the company that have been granted to employees or members of the company's Board of Management or to employees or members of management of companies affiliated with the company;
- to meet obligations from security loans taken for the purpose of issuing shares to employees and members of the company's Board of Management or to employees and members of the management of companies affiliated with the company in accordance with the regulation above;
- to satisfy exchange rights or duties arising from convertible, option and/or income bonds or certificates issued by the company or companies affiliated with the company; and/or to grant a subscription right to treasury shares for holders or creditors of convertible bonds or option bonds issued by the company or its Group companies to the extent to which they as shareholders would be entitled to them, after exercising the option or conversion rights granted to them and in accordance with the more detailed loan or option terms, and to the extent to which it can be offered to them for the purpose of protection against dilution;
- for fractional amounts in the case of a disposal of treasury shares pursuant to a sale offer addressed to all shareholders.

The Board of Management also has the authority to redeem all or part of the company's treasury shares, with the Supervisory Board's approval, without requiring a resolution from the Annual Shareholders' Meeting for the redemption or the performance of such. The redemption authorization can be used several times. Treasury shares can be recalled also in a simplified process without a capital reduction by adjusting the proportionate share of capital stock attributable to each share in accordance with Section 237 (3) No. 3 AktG. In this case, the Board of Management is authorized to adjust the number of no-par-value shares in the Articles of Incorporation. The recall can also be combined with a capital reduction. In such cases, the Board of Management is authorized to reduce the capital stock by the proportionate amount of the capital stock attributable to all or some of the shares recalled and to adjust the number of shares and the capital stock set out in the Articles of Incorporation accordingly.

Opportunities and Risks

INDUS employs a centrally steered opportunity and risk management system. It helps the management of INDUS achieve its corporate goals. Its core task is to discover opportunities early on and to enable their use following an appropriate opportunity/risk assessment. At the same time, risks should be identified and assessed at an early stage so that the company is able to respond appropriately and confidently. Risks sometimes need to be deliberately taken in order to be able to take advantage of opportunities at all. Risks may also arise from missed opportunities. The opportunity and risk management is a systematic process that accompanies entrepreneurial decisions to achieve targets.

Opportunity Management

Strengthening the Portfolio Structure

GROWTH ACQUISITIONS

The core task of INDUS is the goal-oriented development of a diversified SME portfolio. INDUS Holding AG's Board of Management regularly discusses market and technology trends and has defined future topics for the strategic development of the segments. The regular dialog with the portfolio companies' managing directors yields further insights about market and technology opportunities. Opportunities to strengthen the portfolio structure are continuously analyzed and can be quickly implemented by the in-house M&A team on the basis of secured funding and the Group's stable financial position.

COMPLEMENTARY ADDITIONS

Opportunities for the inorganic development of a portfolio company as part of the individual strategic alignment are taken by acquiring complementary additions. Continuous exchange takes place between segment management and the managing directors of the portfolio companies on this subject, in the framework of the strategic dialog and with a view to systematically analyzing and actively pursuing opportunities. The holding company's own M&A team supports the managing directors in assessing opportunities. Additional opportunities from complementary additions also arise in view of the increased internationalization of the portfolio companies. The focus here is on the markets in Asia and North America in particular, in addition to Europe.

Driving Innovation

Opportunities emerge for the Group companies especially from the steady development of new products or processes. Innovations help the companies maintain and enhance their market positions. By anchoring this in the corprate strategy, INDUS supports the use of opportunities from innovations and measures derived from these. The "innovation development bank" supports portfolio companies' innovation projects with financial subsidies. INDUS supports the portfolio companies with methodological knowledge when they are developing innovation strategies and connects institutions and specialist bodies with the Group companies. INDUS also actively encourages the use of artificial intelligence within the Group as a central lever for innovation. These include advanced training and potential workshops with Fraunhofer IAIS, as well as a format for internal dialogue between portfolio companies. Over 100 employees from 36 portfolio companies were involved in total.

Improving Performance

The aim of the "Improving Performance" strategic initiative as part of the **PARKOUR perform** strategy program is the increased use of opportunities in operating activities. Under the "Market Excellence" heading, INDUS specifically promotes activities in the areas of business development, strategic marketing, sales, and pricing and provides help and support for the portfolio companies' processes. The "Operational Excellence" area focuses primarily on opportunities to realize productivity gains in the value-added processes (production, supply chain). There is a wide range of support services for the portfolio companies, particularly for the implementation of lean management plans.

Striving for Sustainability

The sustainability strategy is established as an independent strategy initiative within the **PARKOUR perform** strategy program. INDUS sees significant opportunities in promoting sustainable entrepreneurial initiatives. Future key technologies are based on innovations that make an important contribution to achieving climate and sustainability targets. The portfolio companies are given targeted support by INDUS in this respect via the innovation and sustainability development bank.

More sustainable products and processes may bring about an increase in sales or offset an impending loss of sales. Differentiating features can include the implementation of renewable or recycled raw materials in the current product range, or even the use of new technologies that minimize the consumption of resources during production. Some portfolio companies have already implemented initiatives in this area. For example, a new product line that uses recycled plastics has been launched on the market. INDUS expects that this value driver will become even more important in future, and therefore that additional sales opportunities will be generated via corresponding differentiating features.

On the personnel side, the Group's clear commitment to sustainability, in conjunction with the corresponding implementation of sustainability initiatives, addresses the personal importance of environment-related topics to many employees of INDUS Group, with the result that opportunities in the competition for skilled workers are also increased in this respect.

The clear sustainability strategy offers opportunities in the framework of business financing. INDUS has associated its sustainability rating with promissory note issues since 2020. A rating improvement results in an interest advantage, while a worsening causes an interest disadvantage. The ISS ESG rating was maintained at prime status (C+).

The Portfolio Companies' Opportunities

Alongside the opportunities from product and process innovation, the opportunities of the portfolio companies are derived from the development of the market and competitive environment. In this process, the portfolio companies can benefit from positive economic development in their respective markets and from future fields that are derived from megatrends.

Opportunities for portfolio companies in the Engineering segment arise in particular from the megatrends of digitalization and sustainability. Important future fields here are automation and robotics, sensors and measurement technology, energy technology and logistics.

In the Infrastructure segment, there are strategic opportunities from the megatrends of mobility, urbanization, digitalization and sustainability (e.g. sustainable construction). Particular relevant future fields are infrastructure networks, infrastructure buildings and energy efficiency.

In the Materials segment, the opportunities are in a high level of expertise in materials. Opportunities exist in particular in the future fields of circular economy and waste management, agriculture and food industries, and in energy-efficient and sustainable production processes. Long-term growth opportunities for the portfolio companies in the medical disposables and aids segment arise from the demography and health megatrend. Increasing regulatory requirements, particularly from the new European Medical Devices Regulation, offer opportunities for companies that are able to meet these requirements consistently.

Risk Management

Structure and Instruments

INDUS Holding AG and its portfolio companies are exposed to a multiplicity of risks as a result of their activities. The occurrence of risks can have a negative impact on business activities, as well as financial position and financial performance and target achievement. Thus, in compliance with industry standards and legal regulations, INDUS Holding AG has established a risk management system to identify potential risks and observe and assess these across all functional areas. This risk management system also takes into consideration the risk estimates provided by the managing directors of the individual portfolio companies after working closely with INDUS.

This risk management system is embedded in the information and communication system of INDUS Holding AG as part of its business, planning, accounting, and management control processes. The structuring of the risk management system is the responsibility of the Board of Management, which ensures that risks are managed actively. The INDUS Holding AG risk management system is documented in the company's risk management manual. Risk reporting encompasses INDUS Holding AG and all fully consolidated subsidiaries of the Group.

The INDUS portfolio company management control department plays a key role in risk management. Opportunities and risks are worked out in collaboration between the divisions and senior management of the portfolio companies and the portfolio company management control department and agreed with the Board of Management as part of planning. The portfolio companies' deviation from planned figures is analyzed each month by the portfolio company management control department, with detected risks reported to the responsible member of the Board of Management. At the Board of Management's regular, weekly meetings, significant changes in the risk situation are discussed as the need arises and measures are introduced where necessary. The Supervisory Board is informed about the economic position of the Group and discrepancies between planned and actual figures and other significant risks in regular Supervisory Board meetings.

The holding company's risk manager functionally administers the risk management IT system, regularly conducts training sessions for users, analyzes the portfolio companies' reported risks with Portfolio Company Management Control on a needs-based basis, and ensures superordinate systematic representation and assessment. The function of the risk manager is assigned directly to the Board of Management.

The core process of "acquisition of companies" is closely interconnected with risk management. The holding company's M&A team analyzes the opportunities and risks of an acquisition company on the basis of due diligence audits and prepares the decision paper for the Board of Management. The Board of Management decides on an acquisition only after a detailed analysis of the opportunities and risks, in consideration of the risk-bearing capacity. In the case of company acquisitions that require approval, the Supervisory Board then receives a decision paper from the Board of Management including a representation of the opportunities and risks for approval of the acquisition.

The objective of the risk management system is to identify, assess, manage, and monitor risks systematically. There are thresholds in place for reporting the risks, which take account of the structure of the investment portfolio. The Board of Management regularly, and as required by events, examines and revises the Group's risk portfolio. On this basis, the necessary risk control measures are defined and documented and their effectiveness is monitored. The Supervisory Board is regularly informed about the risk position of INDUS Holding AG and INDUS Group.

The Board of Management and Internal Audit subjects the risk management system's structure and functional method to internal audits on a scheduled basis and as required. The results of these audits, together with the remarks made by the external auditor within the scope of the audit of the annual financial statements, then flow into the systematic optimization of the risk management system. The monitoring of the risk position over the course of the year, the assessment of the effectiveness of the risk management system, and measures implemented to improve it are all documented once a year in the company's annual risk management report.

Internal Control and Risk Management System

REPORT IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE*

The internal control system (ICS) of INDUS is a systematic set of rules, procedures and responsibilities implemented by the management team that targets the proper performance of the company's business activities and controlling risks in the business processes. To ensure this comprehensive task is performed properly, we operate the following integrated management systems.

— INDUS Corporate Governance System
— Risk Management System (RMS)
— Compliance Management System (CMS)
— Sustainability Management System
— Accounting System

The design of these systems includes uniformly specified system and process elements that ensure that the systems are correct and functional. In the framework of the system design and on the basis of a risk analysis, roles and responsibilities are defined, guidelines and rules are communicated, and internal training sessions and programs are implemented. Among other aspects, ongoing operation includes proper provision of resources (e.g. whistleblower/complaints system). The efficacy of the systems is monitored by means of controls that are integrated into the system, self-assessments and external checks (e.g. reviews of IT security in the framework of risk management). Progress is overseen through monitoring processes. The managing directors of the portfolio companies confirm once a year that the specifications in the compliance management system are complied with, in particular the INDUS Code of Conduct and the associated policy statement on observing human rights. Independent of processes, Internal Audit reviews compliance with rules, procedures and responsibilities as the third line. With effect from January 1, 2023 Internal Audit was reorganized and markedly expanded in connection with the amended management structure. For the reporting year, Internal Audit's audit plan comprised audits at 40 subsidiaries. One audit can consist of the audit of various audit areas of a company. The audit plan is updated on a rolling basis. Audit findings are entered into the planning for the subsequent year. This guarantees dynamic risk orientation. Progress of agreed measures is also monitored here in order to remedy vulnerabilities by means of follow-up deadlines.

* not part of the audit

All portfolio companies are part of our ICS. The scope of activities to be carried out by each unit differs, and depends on factors including the materiality of the unit for the consolidated financial statements and the specific risks that are associated with the unit. The management team of each unit is required, in their area of responsibility and taking into account the specifications that are mandatory Group-wide, to implement an appropriate and effective ICS and RMS.

The Audit Committee is systematically included in the monitoring of the ICS and RMS. In particular it monitors accounting and the accounting process as well as the suitability and effectiveness of the ICS, the RMS and the internal audit system. As per the recommendations of the German Corporate Governance Code 2022, the Board of Management has engaged with the suitability and efficacy of the risk management system and internal control system, and not found any material objections.

REPORT IN ACCORDANCE WITH SECTIONS 289 (4) AND 315 (4) HGB

The scope and form of INDUS Holding AG's accounting-related internal control system (aICS) are at the discretion of and the responsibility of the Board of Management. The Supervisory Board monitors the accounting process and the effectiveness of the aICS. The viability and effectiveness of the aICS at the portfolio companies is also assessed by Internal Audit and auditors of Group companies' financial statements. The viability and effectiveness of the ICS for INDUS Holding AG itself are assessed by the Board of Management.

The accounting-related ICS is a set of principles, procedures, and measures aimed at ensuring proper accounting, which undergoes continuous optimization. The aICS is structured in such a way that the consolidated financial statements of INDUS Holding AG are prepared in lawful accordance with International Financial Reporting Standards (IFRS) as applicable in the European Union (EU), and with the commercial code provisions as per Section 315e (1) of the German Commercial Code (HGB), which must additionally be observed. The annual financial statements are prepared in accordance with the German Commercial Code (HGB). Regardless of its structuring, however, the aICS cannot provide absolute assurance of the avoidance or identification of accounting errors.

The consolidated accounting (hereinafter abbreviated as "accounting") and management report drafting processes are managed by the responsible employees in the consolidated accounting and management control departments of INDUS Holding AG. Changes in the law, accounting standards, and other official acts are assessed for their relevance to and impact on the accounting process. Any resultant changes in the accounting processes are incorporated into centrally available procedural instructions and systems used for accounting purposes. The Group's current accounting policy is communicated to all employees of INDUS Holding AG and the portfolio companies who are involved in the accounting process. These elements, together with the financial statements calendar that is applicable Group-wide and the data collection maps relating to regular reporting that are uniform across the Group, constitute the basis of the financial statement preparation process.

The portfolio companies prepare their financial statements for consolidation purposes (reporting packages) pursuant to the requirements of the Group accounting guidelines. Reporting and consolidation processes are carried out at all portfolio companies by means of a standardized IT system, which is made available by INDUS Holding AG via a centralized procedure. This process for uniform, proper Group accounting is supported by procedural instructions and standardized consolidated accounting. For the assessment of pension obligations, assessment of real estate or the determination of segment-specific capital costs, external service providers are additionally commissioned in some cases.

To avoid risks in the accounting process, the aICS involves preventative and investigative internal control procedures. These include in particular automated and manual reconciliation, separation of responsibilities, and dual review. These controls and instruments are continually optimized whenever weaknesses are identified, to eliminate potential risks.

The management control and consolidated accounting departments of INDUS Holding AG ensure, through the appropriate processes, that the provisions of the consolidated accounting guidelines are complied with. Employees involved in the accounting process receive regular training. The portfolio companies are supported by central contact individuals throughout the entire accounting process.

The Board of Management of INDUS Holding AG and the managing directors of the portfolio companies are responsible for compliance with the pertinent guidelines and accounting procedures. They also ensure that their accounting processes and systems run properly and on time.

Description of Individual and Aggregate Risks

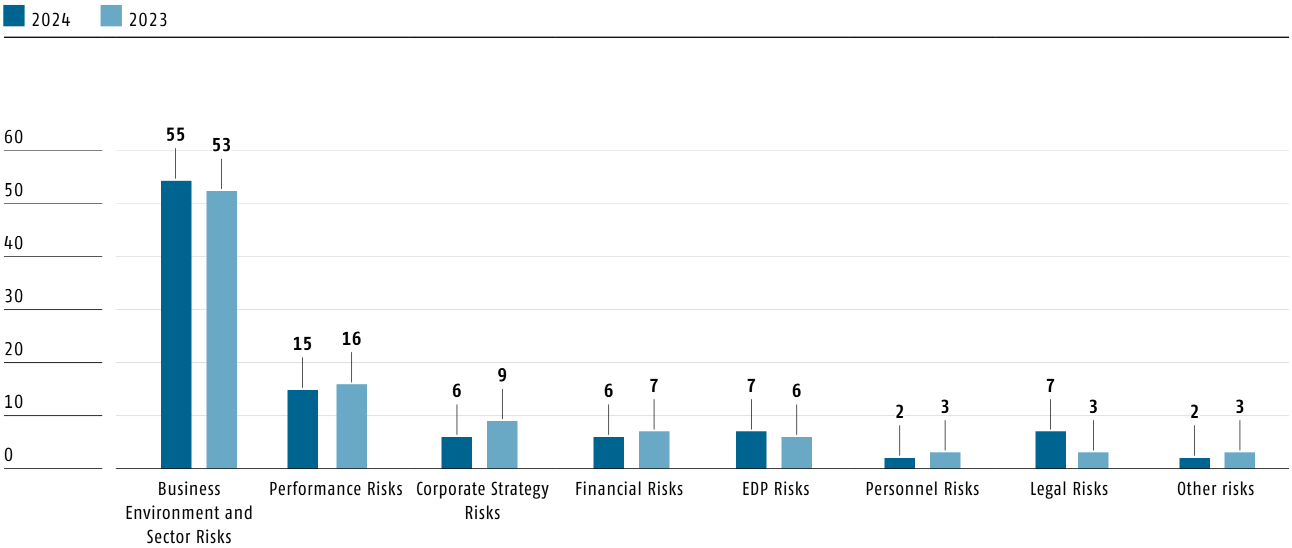
As in the previous year, the portfolio companies and INDUS Holding AG initially identify and assess risks by means of a decentralized bottom-up approach. This process is performed twice a year, and is supported by the risk manager of INDUS Holding AG. The risks are assessed on the basis of their potential effects and the probability of their occurrence. The probability of their occurrence relates to the period of one year. A potential risk impact (damage) may vary in its severity should it occur and can therefore be presented through scenarios that outline the damage in the best, medium and worst case. The following description of individual risks is based on the risks identified by the portfolio companies and INDUS Holding AG by the reporting date.

The Group's overall risk exposure is assessed by means of a risk metric calculated using a Monte Carlo simulation of all the risks identified and measured. The Monte Carlo simulation simulates and aggregates the losses. Opportunities are not taken into account in this process. With an underlying confidence level of 98%, the measure of risk calculated for the INDUS Group amounts to approx. EUR 69 million (previous year: EUR 72 million). There is a 98% probability that the financial burden from the materialization of risks will not exceed this amount. The estimate of the probabilities of occurrence and the amount of the loss in each case is subject to a great deal of discretionary judgment and may differ from the actual amount of the loss. The risk metric determined on the basis of the risk management system is nevertheless a guide to the risk-bearing capacity and financial stability of the Group. Not taking opportunities into account in the Monte Carlo simulation results in an additional degree of certainty of planning. The ability to bear the risk is considered positive if the potential burden on liquidity can be borne at the level of the risk, taking into consideration defined measures (e.g. refraining from acquisitions). The Board of Management considers that the Group can bear the risk of the exposure as calculated and that its continued existence is not threatened.

The graph below shows the respective proportion of the risk metric accounted for by the individual risk categories:

02 |

PROPORTION OF THE RISK METRIC ACCOUNTED FOR BY THE RISK CATEGORIES (in %)



Business Environment and Sector Risks

The business performance of the portfolio companies is closely related to developments in the economy as a whole. Current geopolitical developments are resulting in overarching risks. The war in Ukraine and tensions between the United States and China are the main geopolitical challenges to be faced. These conflicts have far-reaching consequences on global alliances and trade relationships. Sanctions against countries such as Russia have led to considerable economic upheaval. These measures are not just having an impact on the affected countries but also on global supply chains and energy prices. Protectionist tendencies are observable around the world. This is leading to a deterioration in international trade links and increasing economic risks. Geopolitical conflicts are also increasingly moving to the digital arena. Cyber attacks on critical infrastructure and companies initiated by the state are on the rise and pose a serious threat. The ongoing conflicts, particularly between Israel and the Palestinian areas, are causing violence to escalate. This is destabilizing the entire region and may lead to further military conflict. The Middle East is an essential actor in global energy supplies. Conflicts in this region can impact oil and gas prices around the world and lead to economic uncertainty.

The impact of geopolitical risks and the resulting economic risks are not foreseeable. INDUS faces these risks through its diversified portfolio and a wide distribution of international activities, meaning individual dependencies are minimized, while lean organizations enable swift and agile adaptation to changing conditions.

INDUS avoids disproportionately high dependency on individual sectors by means of a well-balanced investment portfolio. The portfolio companies' high degree of specialization and strong positions within mostly attractive market niches reduce both their industry risk and general economic risk. However, by virtue of its nature, fundamental risk arising from economic and sector-specific factors cannot be avoided.

The automotive industry is also undergoing an enormous structural shift towards e-mobility, with high risks for direct and indirect sub-supplier industries. INDUS has significantly reduced these risks by discontinuing and selling series suppliers from the automotive technology area.

Corporate Strategy Risks

Corporate strategy risks arise mainly from incorrect evaluation of the future market and business development of existing portfolio companies and new additions. The company's long-term success depends principally on careful analysis of acquisition targets, and on the holding company's development of its investment portfolio. To minimize corporate strategy risks, INDUS employs an extensive analysis of the market in every industry, as well as its own analysis, for new acquisitions. These in-house analyses are subject to additional independent external opinions as required. The Board of Management decides on all new acquisitions following extensive review, with a unanimous vote being required, and they are then approved by the Supervisory Board.

INDUS counters potential risks associated with inaccurate assessment of the portfolio companies' strategic positioning through its own close monitoring of markets and competitors, strategic and operational controlling of the portfolio companies, and regular communication with the portfolio companies' managing directors. All portfolio companies submit monthly data reports on their current business results and individual risk situation. The short- and medium-term projections for each of the portfolio companies are aggregated at the holding company level. This ensures that INDUS has a comprehensive overview at all times of the risk situation of both the individual company and of the Group.

Performance Risks

In addition to the risks associated with corporate strategy, there are performance risks to which INDUS and its portfolio companies are exposed. These consist primarily of procurement risks, production risks, and sales risks.

The portfolio companies need raw materials and supplies sourced from various suppliers to manufacture products. Given the wide diversification of the INDUS Group's overall portfolio, procurement risks are however limited with respect to effects on the Group as a whole, as has been evident in recent years in particular. There is the risk that supply with primary products or primary materials is not always ensured. A few primary products (such as semiconductors) were either impossible or difficult to procure in previous years.

There is an increasing focus on risks in the supply chain arising from a lack of transparency or non-compliance, for example with the protected legal positions anchored in the German Supply Chain Act (Law on Entrepreneurial Duties of Care to Avoid Human Rights Breaches in Supply Chains). INDUS has performed a risk analysis of its own operations and direct suppliers, and assessed the risk situation. Risk identification and assessment of measures, e.g. in the Code of Conduct for suppliers and subcontractors, self-assessments, existing certifications, training or supplier audits, are refined in the framework of a continual improvement process. Risks arising from these areas, such as sanctions from regulatory authorities, are classified as legal risks (see below).

Performance risks may also result from climate change. For the Group's portfolio companies with activities in conformity with EU taxonomy, a climate risk and vulnerability assessment has been carried out at location level. The assessment found that the locations are only affected by very few climate risks and that, in the case of their materialization, they should be assessed as not at risk in terms of the performance of their business activities. In addition, adjustment measures have been identified that attenuate the effects of the risks.

Purchase prices of raw materials and energy sources can vary considerably. Depending on the prevailing market situation, it may not always be possible for portfolio companies to pass the resulting costs on to customers quickly and in full. Operations managers stay in constant contact with suppliers and customers. This enables them to react promptly to any price or volume risks which may arise. Where necessary, the portfolio companies also employ raw material hedges to limit risks. Given the wide diversification of the INDUS Group's overall portfolio, production and sales risks are limited in terms of their effects on the Group. INDUS regularly analyzes the customer structure in the Group; there are no individual product or service groups and no individual customers that account for more than 10% of sales.

Business performance risks also exist in connection with wage settlements with unions, as these costs generally cannot be passed on in full to customers, and can only be offset by productivity increases.

Personnel Risks

The long-term success of INDUS Holding AG depends largely on the expertise and commitment of its employees. Potential risks arise primarily in connection with recruitment and development of staff and employee turnover in key positions. INDUS Holding AG contains these risks by means of targeted basic and advanced training measures and appropriate remuneration. Employees appreciate this positive corporate culture. This is reflected in low fluctuation. All these measures make the company an attractive employer, providing proactive mitigation of risks associated with employee turnover, demographic trends, and skill drain.

The companies of the INDUS Group conduct their human resources work independently. They are located in many different industries and regions, so the risks in respect of recruitment and human resources development are highly diverse. Qualified employees are a vital factor in the success of every portfolio company. Given the demographic development, the risk of a shortage of experts continues to be at a high level internationally.

EDP Risks

Increased networking between different EDP systems and the need for these to be constantly available places high demands on the information technologies used. The company mitigates risks associated with computer crashes, network failure, unauthorized access to data, and data abuse by regularly investing in hardware and software, deploying virus scanners and firewall systems, and by using effective access controls. These measures are continuously monitored by internal and external experts.

For the Group's companies, the possible failure of information technology represents a significant operational and financial risk. The companies in the Group are increasingly dependent on the functionality and stability of the various individual EDP systems. The loss of data or know-how and data manipulation pose further risks. There is an increasing tendency towards cyber attacks. The companies in the Group employ a range of instruments to control risk, depending on their individual risk exposure. These range from emergency and data backup processes, the use of advanced anti-virus and firewall software and hardware, physical and digital access controls and other preventive protective measures such as raising employee awareness through their Group-wide training by means of e-learning programs on the subjects of IT security and data protection. Measures to prevent, discover, and deal with cyber attacks continue to be highly relevant. Work is currently underway to implement the EU NIS 2 Directive (EU guideline on network and information security), which is relevant for certain sectors, in the Group in order to increase resilience against attacks. Risks are partly reinsured by means of cyber insurance. As a material further measure, an external service provider regularly performs pen tests and needs-related tests at the Group companies to enable the protective measures implemented in the companies to be assessed from an independent perspective.

Financial Risks

Financial risks primarily include liquidity risk, interest rate risk, currency risk and default risk on receivables from customers. Individual portfolio companies fundamentally finance themselves via their own operating income. Depending on the liquidity situation, INDUS Holding AG supports the portfolio companies with financing and makes funds available where necessary. The holding company keeps a suitable level of liquidity reserves and credit lines to allow it to take action at any time, ensuring adequate financing for the portfolio companies.

A widely diversified financing structure, which is spread over eight (previous year: eight) core banks, keeps the company from being dependent on individual lenders, so the risk of losing banks as lenders is currently considered to be low. The portfolio of companies, which is intended to be long-term in nature, is financed by the holding company via a revolving long-term loan. Credit collateralizations exist only in isolated cases and to a non-material extent at subsidiary level – primarily through the acquisition of liabilities previously backed by the previous owner, in the framework of an acquisition. There are no financial covenants at Group level. INDUS Holding AG's agreed equity ratio of 40% poses no economic risk from the current point of view. A deterioration in key financial ratios could lead to higher financing terms as a result of changed rating assessments. INDUS relies on a mix of fixed-rate and variable loans for its funding requirements, the latter of which are hedged with interest rate swaps. Due to the interest rate hedges, a change in interest rates would not impact financial position during the term of any particular loan.

Customer default risk is substantially limited by the widely diversified portfolio and the autonomy of the portfolio companies, which focus their activities on selling a variety of products in diverse markets. The portfolio companies also maintain their own effective systems for monitoring customer-related risks, take out trade credit insurance at their own discretion, and report any such risks to the holding company on a monthly basis.

There are foreign currency risks as a result of the individual portfolio companies' international activities. INDUS counters these in a need- and risk-oriented manner by hedging transactions through forward exchange contracts. Further explanation of financing matters may be found in the Notes under "Information on the Significance of Financial Instruments."

Legal Risks

INDUS Holding AG and its portfolio companies are exposed to numerous legal risks. These exist primarily in the areas of competition, antitrust, foreign trade, customs, and tax law. Risks also arise from the individual portfolio companies' operating activities in respect of warranty and product liability claims. Effective contract and quality management reduces this risk, but it cannot be eliminated completely. By means of guidelines, training courses and information on compliance, the holding company provides the portfolio companies with support on competition and antitrust law, preventing corruption and money-laundering, foreign trade law and customs law. The companies are included in a control cycle for monitoring, that is executed with support from specialist lawyers. As flanking measures to raise awareness, these risk areas are supported by training given by specialist lawyers as well as by the implemented e-learning program. INDUS also has a whistleblower/complaints system in place that allows anonymous reporting; these reports may allow the Group to detect potential risks at an early stage so they may be completely avoided or mitigated.

Legal risks can arise from claims and suits against INDUS and/or portfolio companies (in particular concerning warranties and product liability) as well as official procedures. Claims asserted by third parties are carefully and independently examined on their merits by INDUS or the relevant portfolio company. Where necessary, external lawyers are commissioned for judicial and extra-judicial proceedings. The individual risks in this area are classed as low to medium. INDUS forms provisions if payment obligations seem likely and the corresponding amount can be reliably estimated.

There is a general trend of the scope and complexity of legal requirements increasing, while the time to prepare for implementation is getting shorter and shorter; this affects SMEs in particular. At the same time, laws and regulations are increasingly and regularly sanctioned in a way that includes a portion of the sales generated as the basis.

Other Risks

Other risks essentially includes risks of force majeure, i.e. in particular for elemental damage or a pandemic. The net risk of these exposures is low either because these losses are usually adequately insured (elemental damage) or, because of the previous COVID situation, sufficient preparation for a similar situation is guaranteed.

Sustainability Risks

In the INDUS Group non-financial report, INDUS reports on the material impacts, risks and opportunities arising from climate change. These include energy, climate change mitigation and climate change adaptation. An evaluation using a climate risk and resilience analysis has shown that there are no material physical and transitory climate risks. Resilience against transitory risks was evaluated using the Task Force on Climate-related Financial Disclosures (TCFD) risk categories. The resilience of the strategy and business model is uniformly classified as high. No high probability of occurrence or high potential damage was determined for operating activities or assets for any of the climate risk impacts identified.

Risks Arising from Reported Goodwill

Based on its corporate strategy of pressing ahead with diversification by continuously enlarging its investment portfolio, the Group recognized EUR 405.3 million in goodwill (previous year: EUR 395.8 million). According to IAS 36, this must be subjected to an impairment test at least once a year. In addition, the impairment test is performed for indicators of possible impairment that occur during the year (triggering events). If the recoverable amount is less than the carrying amount then goodwill is subject to impairment.

The goodwill recognized is spread across 44 (previous year: 44) cash-generating units (CGUs) from all segments. No individual component of goodwill is larger than 10% of total goodwill. Any impairment does not have any immediate negative impact on liquidity. Indirect effects – for example, as a result of rising interest rates due to a deterioration in company key figures (rating) – are possible and are looked at as part of risk management.

The Board of Management's Overall Assessment

INDUS has significantly reduced the environmental and industry risks resulting from the enormous structural shift towards e-mobility by discontinuing and selling the series suppliers in the Automotive Technology segment in the last fiscal year. On the risk side, however, high levels of macroeconomic and political uncertainty persist. The war in Ukraine and tensions between the United States and China are the main geopolitical challenges to be faced. These conflicts have far-reaching effects on global alliances and trade relations and influence not only the countries affected, but also global supply chains and energy prices. Protectionist tendencies are observable around the world. This is leading to a deterioration in international trade links and increasing economic risks. Geopolitical conflicts are also increasingly moving to the digital arena.

INDUS faces these risks through its diversified portfolio and a wide distribution of international activities, meaning individual dependencies are minimized, while lean organizations enable swift and agile adaptation to changing conditions. INDUS avoids disproportionately high dependency on individual sectors by means of a broad investment portfolio. The portfolio companies' high degree of specialization and strong positions within mostly attractive market niches reduce both their industry risk and general economic risk. However, by virtue of its nature, fundamental risk arising from economic and sector-specific factors cannot be avoided.

The current upheavals not only pose risks, but also offer numerous opportunities. Targeted innovation development, for example the use of AI applications by portfolio companies, significantly increases the opportunities for product and process innovations. Strengthened measures to improve market excellence and operational excellence increase the portfolio companies' competitiveness. In addition, structural change related to climate protection and climate-neutral technologies opens up new market opportunities for the companies. Solid and reliable financing enables INDUS to take advantage of acquisition opportunities that arise in a volatile environment at any time.

The Board of Management has closely examined the opportunities and risks and the risk-bearing capacity by taking mitigating measures into account. In the financial year ended, and from a current perspective for the ongoing financial year, the Board of Management has identified no risks that could jeopardize the continued existence of the Group as a going concern.

Forecast Report

The INDUS Group expects sales totaling EUR 1.75 to 1.85 billion and an adjusted EBITA of EUR 150 to 175 million for 2025. The adjusted EBIT margin is expected to be within a range of 8.5% to 10.0%. A further reduction in greenhouse gas emission intensity is planned for 2025.

Forecast Economic Outlook

The economic recovery is again expected to remain fragile in Germany in 2025. Economic institutes' forecasts for economic growth in 2025 range from 0.0% to 0.7%. This makes Germany the weakest among the industrial nations. In light of the weak economy, the ECB is expected to loosen fiscal policy further, as long as inflation remains stable. Inflation is expected to amount to 2.3% in January 2025, while inflation of just over the 2% target is anticipated for the full year. Slightly positive signs at the end of the year are feeding hopes that the worst is over: incoming orders rose 6.9% compared to the previous month in the manufacturing sector in December 2024. Exports also climbed 2.9% in December. Early indicators are giving mixed signals: the ifo Business Climate Index rose to 85.1 points in January, whereby this increase was primarily driven by improved assessments of the situation. The Purchasing Mangers' Index (PMI) for Germany hit an eight-month high at 45.0 points, but remained below the growth threshold. Exports stagnated with a PMI of 50.0 points, showing no significant stimulus for growth. Consumer sentiment also dropped off at the beginning of the year. Overall, the structural challenges persist for the German economy: competitiveness is still hamstrung by weak domestic demand and an uncertain economic policy situation combined with rampant expansion of bureaucracy, high labor costs, shortage of skilled workers, and above-average energy and materials costs. The impact of trade tariffs potentially being levied by the United States and counter-measures from other states are not yet foreseeable. The ongoing wars in both Ukraine and the Middle East remain high risk factors. IMF forecasts global economic growth of 3.3% for 2025 and 2026.

ECONOMIC GROWTH (in %)

	2024 (preliminary)	2025 (forecast)	2026 (forecast)
Economic regions			
Global economy	3.2	3.3	3.3
Euro area	0.8	1.0	1.4
Selected countries			
United States	2.8	2.7	2.1
China	4.8	4.6	4.5
Germany	-0.2	0.3	1.1

Source: International Monetary Fund, World Economic Outlook (as of January 2025)

Engineering Sector: Gloomy Outlook

The framework conditions for the German engineering sector remained difficult in 2025. The trade association Verband Deutscher Maschinen- und Anlagenbau e. V. (VDMA) economists forecast a real decline in production of 2%. This forecast is based on a persistent lack of orders and a high level of uncertainty due to political and economic circumstances. Incoming orders vary by sector: while thermal processing technology and textile care reported significant growth in the fourth quarter of 2024, orders for robotics, process technology, and plastic and rubber machinery among others dropped sharply by 20% or more. The ifo Business Climate Index declined further for the engineering sector in January 2025. The sector looks to North America for business opportunities: 72% of the companies surveyed by VDMA would like to expand their business activities in the United States in the next five years. 85% of engineers believe that their competitiveness will remain stable or improve on the American market in the next twelve months. Increasing protectionism could dash hopes here, however. The ongoing worker shortages and persistently high cost of financing are hampering investment.

Infrastructure: Faint Signs of Recovery on a Weak Foundation

The construction sector remains under pressure in 2025, although there are cautious signs of stabilization. The HCOB Construction Index (PMI) achieved a 20-month h in January 2025 at 42.5 points, but remained below the growth threshold. The ifo Business Climate Index for the main construction sector deteriorated further in January 2025, but the current situation was deemed to be slightly more positive. The Hauptverband der Deutschen Bauindustrie (HDI) forecasts a real decline in sales of 1.4%, which is an improvement on the decline of around 3.5% in 2024. The DIW is slightly more optimistic, anticipating a downturn in investment in construction of 0.9%. Experts forecast that the downward trend in residential construction will slow, and even expect growth in commercial construction. The EU Commission sees growth for the German construction industry as early as the beginning of 2025 in its fall forecast. This growth is to be supported by a recovery in demand for residential buildings and infrastructure. As of January 2025, however, capacity utilization in the main construction sector remains low at 65.5%.

Materials: Weak Forecasts, First Positive Signs

The Gesamtmetall employer association's outlook for 2025 is subdued: the domestic investment crisis and negative export plans are expected to continue having a negative impact on the M+E industry. The ifo Business Climate Index for material manufacturing and processing rose in January 2025 but remained deep in recession. Rising expectations for exports and production plans could point to a new foundation. A similar tendency was observed at metal production manufacturers. The order backlog situation in both areas continued to deteriorate however. The construction and agriculture machinery forecast showed consolidation: the VDMA anticipates a positive trend in the second half of 2025. German sales are expected to climb 5% in 2025. By 2027, sales in the European construction machinery industry should be back on a par with 2022. The impacts of potential tariffs are not yet foreseeable.

The economic situation for companies from the area of medical and rehabilitation products remains mixed. According to the January 2025 ifo economic review, around 20% of the wholesalers of medical products have a pessimistic opinion of their business prospects, however, only slightly less wholesalers are more confident about business prospects in the next six months. The trade association SPECTARIS anticipates growth in sales of approximately 3% in 2025, LBBW expects growth of +5.5%. In general, however, regulatory requirements relating to EHDS, MDR, the AI Act and the potential PFAS prohibition are on the rise. The impacts of a potentially upcoming hospital reform or possible tariffs for the American market are not yet quantifiable. The international markets still offer growth opportunities though: the global market for medical technology is expected to expand 6.4% each year until 2028.

Expected Group Performance

"EMPOWERING MITTELSTAND" – New Momentum for the Years Leading Up to 2030

The publication of this report is the starting point for the implementation and communication of our EMPOWERING MITTELSTAND growth strategy. Following the reorganization of our portfolio by withdrawing from the automotive series supplier business, we have already laid important new foundations for the future with the new segment structure and segment management reshuffle. EMPOWERING MITTELSTAND clears the path to growth prospects until 2030. We will be advancing our portfolio with new drive.

WHAT REMAINS: SUCCESSION SOLUTIONS FOR THE SME INDUSTRY

Our decades of experience in delivering succession solutions for SMEs remains the heart of our business. By selling to INDUS, owners of family-run businesses give their companies a chance at a more dynamic future. Our skills in international expansion and developing business models along with our in-depth technical expertise sets us apart from other potential buyers.

As a result of our technical expertise, innovative industrial technology remains the focus of our acquisition policy. Our portfolio companies are active in fascinating niche markets, which enables them to stand out from the competition and secure good income.

As in the past, we will continue to offer owners of family-run businesses the opportunity to continue shaping the development of their company's future as co-shareholders after they sell a majority to INDUS.

We are firm believers in the potential of SMEs, especially in these challenging times. The entrepreneurial attitude found especially in the SME industry has shaped our culture and will continue to determine our conduct in the future.

GROWTH FOR THE INDUS GROUP

Successfully implementing EMPOWERING MITTELSTAND will lead to considerable inorganic growth through acquisitions and lasting organic growth in the existing portfolio. We have identified three key levers to achieving this objective: acquisitions, technological expertise and internationalization.

1. GROWTH DRIVER: ACQUISITION CAMPAIGN

In line with EMPOWERING MITTELSTAND, our growth will be driven in particular by an **ambitious acquisition program**. Starting with a cash out for the acquisition of companies of EUR 50 million in 2025, we plan to increase this expenditure to over EUR 100 million in 2030; in total, we will invest more than EUR 500 million over this period and generate annual sales of more than EUR 600 million by 2030.

As part of this growth program, we intend to concentrate on **larger targets** in our growth acquisitions (portfolio-level acquisitions). They should have the potential to strategically supplement existing technology areas or form the nucleus of a new field. Growth acquisitions should be able to contribute at least EUR 4 million adjusted EBITA to the Group's operating result in the future.

We will expand personnel in our M&A organization to implement the program, and expand our M&A marketing internationally with potential sellers and intermediaries. An active and purposeful search for targets focused on the segment management's growth plans will round off our M&A activities.

2. GROWTH DRIVER: TECHNOLOGY AND INNOVATION

Identifying innovative technology and investing in this technology is an essential prerequisite for the future success and growth of our Group.

A decisive factor in the coming years will be closely supporting our portfolio companies on their path to the digital future.

— We believe that our portfolio companies using **artificial intelligence** methods will be a decisive factor in whether they are successful or not. This not only includes applications to optimize processes in the administrative field, but we also especially believe that there is a lot of potential to optimize added value processes in our portfolio companies. As part of EMPOWERING MITTELSTAND, we will create new organizational and personnel frameworks using our positive AI sprint experiences to help our portfolio companies along this path.

— Digitalization creates new opportunities to **expand** our portfolio companies' **business models**; the digitalization of sales channels or the introduction of pay-per-use models are good examples in this regard. Through the holding company's market excellence department, we will help our portfolio companies to prepare corresponding models and support them with the implementation phase. With our established range of support offers in the operational excellence department, we support portfolio companies with selecting and implementing IT system landscapes, thereby advancing the **digitalization of business processes**.

Our portfolio companies' systematic search for product and service offer expansion is vital for their success. Collaborating with start-ups may also be an important building block in order to test developments under real circumstances and to improve them together. As part of EMPOWERING MITTELSTAND, we intend to establish a venture client program for our portfolio companies.

3. GROWTH DRIVER: INTERNATIONAL EXPANSION

With EMPOWERING MITTELSTAND, we are putting international growth at the heart of what we do in the coming years. We have determined three fields of action for our global growth:

— We are expanding our search for **growth acquisitions** (portfolio-level acquisitions) to Europe.

— We will be open to worldwide prospects for **complementary additions** (portfolio company-level acquisitions). Portfolio companies and segment management will be the drivers of complementary additions. Forming technology fields in the segments will focus our search on regional and product-specific growth opportunities that can be acquired with the right complementary additions.

— For the **organic growth** of our existing portfolio companies we will be concentrating on further international growth and will invest accordingly. The establishment of production sites abroad plays an important role in an environment that is increasingly dominated by protectionist tendencies. Our portfolio companies will support one another with the experiences they have gained and on site.

North America will also be a focal point for international growth. We want to participate in the clearly recognizable potential for growth and increase our Group's resilience against protectionism by adding value locally.

SEGMENT MANAGEMENT ENABLES GROWTH

Our current segment structure and the new segment management introduced at the beginning of 2023 are bearing fruit. The members of the Board of Management responsible for the segments are actively developing the segments and closely involved in the acquisition activities. Segment management thus plays a decisive role in the successful implementation of EMPOWERING MITTELSTAND.

Within their segments, the responsible members of the Board of Management are forming **technology fields** that bring together several segment companies. They are the seeds of growth within the segments. The collaboration between the companies in such fields leads to new products and enables the companies to tap into new markets. Targeted complementary additions will strengthen the impact of these fields further.

The core task of segment management is to carry out regular portfolio assessments. We will **divest** from segment companies that cannot fulfill our growth expectations in the medium term or consistently do not live up to our profitability expectations. Proceeds from such sales will be invested in the acquisition of new companies.

We will restructure and strengthen the Materials segment in the coming years. We will acquire companies that manufacture own-brand products and components with an in-depth understanding of their customers' sectors or with differentiated manufacturing or process expertise. These companies may be using a variety of materials, such as composite materials, technical plastics, technical textiles, ceramics or metals. In order to document this reorganization externally, the segment will be renamed to **Materials Solutions**.

STRIVING FOR SUSTAINABILITY

We established our aim of striving for sustainability a number of years ago as its own department in our organization. Our efforts to reduce greenhouse gas emissions have been successful and we are continuing to reduce emissions as planned. We will continue with our sustainability management activities as before.

GROWTH REQUIRES CAPITAL

Implementing EMPOWERING MITTELSTAND and the resulting growth will require a significant amount of capital in the coming years. Our growth model shows that we can finance this growth without capital increases from cash flow and additional borrowings. We will of course stick to our **financial principles** – the repayment term (net debt/EBITDA) will be below 2.5 and our Group equity ratio will be above 40%. This will keep us on track for an investment grade rating. As always, we will not encumber acquired companies with debt to finance the purchase price, but rather finance purchase prices from the holding company.

NO CHANGE TO THE DIVIDEND POLICY

We will continue to share our success with our shareholders with a regular dividend distribution. The dividend payment is fundamentally based on the holding company's success in the year. The dividend policy provides that at least half of profits are to be reinvested in the company and up to 50% distributed.

AMENDMENTS TO THE KEY CONTROL VARIABLES

Adjusted EBITA and the adjusted EBITA margin will be introduced as new key control variables for the Group and segments from the beginning of the 2025 financial year. These are already reported, but will now replace the former key control variables EBIT and EBIT margin. These figures eliminate the impact of depreciation/amortization and impairments on intangible assets and goodwill from purchase price allocations and, in the management's opinion, are more suitable for presenting the Group's core operating performance. This will also improve the ability to compare segment earnings.

Instead of the previously used number of acquisitions, in future the annualized adjusted EBITA acquired with the acquisitions in the reporting period will be used as the key control variable for acquisitions. This key control variable enables a good assessment of the future earnings contribution of the acquisitions.

The other key control variables of sales, free cash flow, investment, and Scope 1 and 2 GHG emissions will remain unchanged.

LONG-TERM AMBITIONS

Successfully implementing EMPOWERING MITTELSTAND will lead to lasting organic growth in the existing portfolio and considerable inorganic growth through acquisitions. Our ambitions for 2030 include

— group sales of around EUR 3 billion,
— an adjusted EBITA of more than EUR 330 million,
— and earnings per share of more than EUR 4.50.

Expectations for the Financial Year 2025

The following forecast report is based on the business plan adopted by the Management Board and Supervisory Board. Assessments for macroeconomic development in the coming year are subdued. There is also a considerable amount of uncertainty surrounding the economic impact of the new U.S. President's policies and the recent election in Germany. The scope and extent of the effects of these risks on INDUS Group are currently neither foreseeable nor quantifiable.

Adjusted EBITA will be used as the earnings figure and key control variable for 2025 planning for the first time. This figure eliminates the impact of depreciation/amortization and impairments on intangible assets and goodwill from purchase price allocations and, in the management's opinion, the best suited to present the Group's core operating performance.

Companies in the **Engineering** segment are expecting a slight rise in sales and a moderately increasing adjusted EBITA in the year ahead. The increase in sales is mainly due to rising prices, which are offset by increases in personnel and material costs. Adjusted EBITA will increase moderately in 2025 due to a change in the product mix. The companies in the **Infrastructure** segment expect a slight increase in sales and moderately increasing adjusted EBITA. Volumes and price increases are expected to move laterally due to increases in the cost of personnel and materials. The companies in the **Materials** segment expect a slight increase in sales and a slight decline in adjusted EBITA for 2025. Despite planned efficiency and cost measures, negative special effects are expected, meaning that adjusted EBITA will fall slightly.

The INDUS Group investment budget for 2025 was set in the course of the planning process and totals around EUR 75 million to EUR 85 million (excluding acquisitions). Investments relate to the Infrastructure and Engineering segment slightly more than the Materials segment, as the former segments have plans to construct or acquire operating real estate. The plan budgets cash out of EUR 50 million for acquisitions of companies for 2025.

Including the planned acquisitions, the forecasts for 2025 predict that sales will rise to between EUR 1.75 billion and EUR 1.85 billion. Adjusted EBITA is expected to be in a range of EUR 150 million to EUR 175 million. The adjusted EBITA margin is expected to be between 8.5% and 10.0%. These forecasts have been created against the background of the uncertain framework conditions described above.

The INDUS Group equity ratio of 38.7% was below the target of 40% in 2024. A figure of around 39% is forecast for year-end 2025. In the medium term, the target is still to maintain a stable equity ratio of more than 40%. Under its revolving financing program, INDUS also expects to borrow in the form of loans and promissory note loans in 2025. In such financing matters, INDUS can rely on its tried-and-tested bank partners of many years, with whom the holding company is in constant contact. On the basis of the current financial planning, the Board of Management once again assumes a slight increase in net financial liabilities in 2025. The repayment term for continuing operations on an EBITDA basis was 2.4 years for 2024. For 2025, we assume a repayment term of around 2.5 years. It is important that in the long term we remain in the target range of 2.0 to 2.5 years.

From 2025, INDUS will use gross emissions intensity (in t CO_2/EUR million in sales) as a key performance indicator for emissions intensity. The net emission intensity was previously used in this case. Gross emissions intensity has been used as the basis for the compensation paid to the Board of Management (STI) for several years.

FINANCIAL POSITION: INCREASING SALES AND ADJUSTED EBITA IN THE AMOUNT OF EUR 150 TO 175 MILLION PLANNED

TARGET PERFORMANCE COMPARISON

GROUP	ACTUAL 2024	TARGET 2025
Key control variables		
Sales	EUR 1.72 billion	EUR 1.75 to 1.85 billion
adjusted EBITA	153.7	EUR 150 to 175 million
adjusted EBITA margin	8.9%	8.5% to 10.0%
Free cash flow	EUR 135.4 million	above EUR 90 million
Annualized adjusted EBITA acquired through acquisitions		EUR 8 to 9 million
Investments in property, plant, and equipment, and intangible assets	EUR 50.9 million	EUR 75 to 85 million
Greenhouse emissions (GHG emissions Scope 1+2)*	17.4 t CO_2	Reduction by at least 6%
Supplementary management variables		
Equity ratio	38.7%	around 39%
Net debt/EBITDA	2.4 years	around 2.5 years
Working capital	EUR 470.7 million	rise
SEGMENTS		
Engineering		
Sales	EUR 596.7 million	slightly increasing sales
adjusted EBITA	EUR 57.7 million	moderately increasing income
adjusted EBITA margin	9.7%	9% to 11%
Infrastructure		
Sales	EUR 559.5 million	slightly increasing sales
adjusted EBITA	EUR 63.6 million	moderately increasing income
adjusted EBITA margin	11.4%	10% to 12%
Materials		
Sales	EUR 564.8 million	slightly increasing sales
adjusted EBITA	EUR 49.9 million	Slight fall in income
adjusted EBITA margin	8.8%	7% to 9%

* Gross emissions intensity related to Group sales

Post-balance-sheet Events

After the reporting date, INDUS acquired 145,480 shares by the end of the share buyback program on March 5, 2025. INDUS thus holds a total of 2,000,000 treasury shares.

On March 5, 2025, the Supervisory Board of INDUS Holding AG resolved to redeem 1,095,559 of these shares. The shares will be recalled in a simplified process without a capital reduction pursuant to Section 237 (3) no. 3 of the German Stock Corporation Act (AktG). This increases the proportionate amount of the capital stock attributable to the individual remaining shares in accordance with Section 8 (3) AktG accordingly.

When the redemption takes effect, the number of shares will change from 26,895,559 to 25,800,000 shares (no-par value shares). Of the 25,800,000 shares, INDUS still holds 904,441 treasury shares after redemption.

Sustainability Report

General Disclosures

General Disclosures on the Preparation of the Sustainability Report in Accordance with the CSRD

ESRS 2 BP-1 GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT

INDUS Holding AG prepares this Sustainability Report in accordance with the EU Corporate Sustainability Reporting Directive (CSRD), which was adopted on December 14, 2022 and came into force on January 5, 2023. The report is consistent with the European Sustainability Reporting Standards (ESRS) published by the European Financial Reporting Advisory Group (EFRAG). At the same time, the report fulfills the non-financial reporting requirements pursuant to Sections 315b to 315c of the German Commercial Code (HGB) (non-financial Group statement). In this Sustainability Report, the European Sustainability Reporting Standards (ESRS) are used for the first time and in full as a framework in accordance with Sections 315c (3) in conjunction with 289d HGB. The aspects of environmental concerns, employee concerns, social concerns, respect for human rights and anti-corruption and anti-bribery required by Section 289c HGB are covered by the reported ESRS standards E1, S1 and G1.

By publishing this Sustainability Report, INDUS Holding AG also complies with the requirements set out in Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (hereinafter referred to as the EU Taxonomy Regulation) (see chapter: Disclosures According to Article 8 of EU Regulation 2020/852 (Taxonomy Regulation)).

The information in this Sustainability Report generally applies to INDUS Holding AG and all of its fully consolidated subsidiaries (INDUS Group). The Group has also not made use of the exemption under Article 19a (3) and Article 29a (3) of Directive 2013/34/EU on exemptions from disclosing information on impending developments or matters in the course of negotiation. Similarly, no specific information relating to intellectual property, know-how or the results of innovations has been omitted.

The content to be reported was determined based on a materiality assessment using the double materiality approach. Further information on the double materiality assessment can be found in the chapter "Double Materiality Assessment".

No key figures in this report were audited by external bodies beyond the required limited assurance engagement. Key figures that can be derived from INDUS' key financial ratios have been audited by the external auditor and have not been subject to any further external audit. The most significant non-financial key performance indicator for INDUS is the intensity of greenhouse gas emissions (GHG-E Scope 1 + 2). This is also presented in the report on the economic situation in the chapter "The Board of Management's Overall Assessment" and in the forecast report in the chapter "Expected Group Performance".

INDUS Holding AG is a long-term investor with more than 40 portfolio companies operating in three segments: Engineering, Infrastructure and Materials. The investment portfolio is characterized by very different business models, products and markets. This makes the Group as a whole inherently resilient to crises and cyclical fluctuations. This diversification also plays a key role in assessing materiality and only results in reliance on specific markets, products, customers or suppliers in a small number of cases.

This Sustainability Report provides information on the scope of consolidation, as well as the upstream and downstream value chain, for the individual disclosure requirements, insofar as these are associated with material impacts, risks or opportunities. As far as the upstream and downstream value chain is concerned, the double materiality assessment has shown that reporting on impacts, risks and opportunities can essentially be limited to the INDUS Group. While the upstream and downstream value chain (excluding product use and end of life) was also included in the scenario analysis for climate risks, no significant aspects were identified. In individual cases – for example in the case of Scope 3 emissions – it is also important to include the upstream and downstream value chain. In these cases, information is reported both for the scope of consolidation and for the upstream and downstream value chain. Reporting on policies, actions and targets is material for the INDUS scope of consolidation. The upstream value chain (suppliers and subcontractors) is also material with regard to compliance with the requirements set out in the German Supply Chain Due Diligence Act (LkSG) to prevent human rights violations in supply chains. The collection of data on quantitative parameters relates to the INDUS Group. Only the key figures for Scope 3 greenhouse gas emissions relate to emissions from the upstream and downstream value chain.

ESRS 2 BP-2 DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

This report is the first sustainability report published by INDUS Holding AG. Prior-year figures have not been included. The exemptions set out in the ESRS to simplify reporting in the first year have been utilized in full. Information from the EU Taxonomy Regulation and the German Commercial Code (HGB) is included in this report.

There are no material risks resulting from the company's own operations or from business relationships, products and services that are highly likely to cause serious adverse impacts on non-financial aspects in accordance with Section 289c HGB.

If disclosures were calculated using estimates or are subject to measurement uncertainties, this has been indicated in the relevant sections. This concerns estimates regarding data from the value chain for all significant Scope 3 emissions (ESRS E1-6), estimates for own operations and employee turnover (ESRS S1-6) and information on training for functions-at-risk (ESRS G1-3).

ESRS 2 GOV-1 THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES (INCL. G1) AND GOV-2 INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES.

ANNUAL SHAREHOLDERS' MEETING AND SHAREHOLDERS

INDUS has been listed on the stock marked since 1995 and INDUS shares are traded in the SDAX stock market index. Versicherungskammer Bayern is INDUS' main shareholder with a stake of 12.4% (as of December 31, 2024). The Annual Shareholders' Meeting is the supreme governing body of INDUS Holding AG. The last ordinary Annual Shareholders' Meeting was held on May 22, 2024, as an in-person event at the Koelnmesse Congress Center.

The Annual Shareholders' Meeting elects six members to the Supervisory Board (shareholder representatives) for a maximum period of five years.

DUAL MANAGEMENT SYSTEM

As a German stock corporation, INDUS has a dual management system. This system is characterized by strict separation of the staff members on the Board of Management, as the management body, and the Supervisory Board, as the advisory and monitoring body. Both bodies work together constructively and in the spirit of trust in the interests of the company and the Group.

SUPERVISORY BOARD

COMPOSITION OF THE SUPERVISORY BOARD

The Supervisory Board of INDUS Holding AG consists of twelve members with Mr. Jürgen Abromeit as Chairman and Mr. Wolfgang Lemb as Deputy Chairman. In accordance with the German Co-Determination Act (MitbestG), it is composed of an equal number of shareholder and workers' representatives. The Supervisory Board members who are not elected by the shareholders are elected by the INDUS Group's employees in Germany.

The members of the Supervisory Board demonstrate the expertise in the subject areas and fields relevant to INDUS that is required for them to perform their duties in a due and proper manner. This ranges from academic expertise, to skills of entrepreneurs in the SME sector and members of a sector-specific industry association (VDMA), legal or financial expertise and experience on works councils of INDUS portfolio companies.

The Supervisory Board has defined basic individual suitability criteria, such as age, education and professional background, as well as requirements related to personality. It has also adopted a diversity policy for the Supervisory Board as a whole. In addition, the Supervisory Board has defined concrete targets for its composition as well as a profile of skills and expertise for the full Supervisory Board.

The Nomination Committee ensures that the targets regarding its composition and the requirements of the German Stock Corporation Act and the German Corporate Governance Code regarding the composition of the Supervisory Board are observed for the shareholder representatives on the Supervisory Board. The Supervisory Board's Nomination Committee discusses suitable candidates for the election of new shareholders to the Supervisory Board by the Annual Shareholders' Meeting. In addition to the profile of skills and expertise, the objectives defined by the Supervisory Board with regard to its composition are also taken into account.

SKILLS SETS RELATED TO SUSTAINABILITY

The requirements governing the skills of Supervisory Board members with regard to sustainability and ESG consist of experience in, and knowledge of, sustainable corporate governance, resource conservation and the promotion of environmental efficiency measures, as well as sustainability reporting.

All of the current Supervisory Board members have expertise in the area of sustainability. The skills matrix presented below shows experience and knowledge in sustainable corporate governance, resource conservation and the promotion of environmental measures, as well as in sustainability reporting, in the "Sustainability and ESG" specialist area. The "Human Resources & Social Affairs" specialist area encompass experience in staff leadership and development as well as in the areas of co-determination and employee issues. The “Corporate Governance” specialist area is understood to refer to knowledge and experience in the design and monitoring of risk management systems, practical experience in the design and application of performance-based compensation systems as well as basic knowledge of stock market and stock corporation law and financial markets. The “Corporate Management” specialist area covers long-standing successful management experience at management/board level, particularly at SMEs, as well as proven experience in developing corporate strategies and their implementation.

SUPERVISORY BOARD SKILLS MATRIX

SPECIALIST AREAS	Jürgen Abromeit	Wolfgang Lemb	Dr. Dorothee Becker	Dorothee Diehm	Pia Fischinger	Cornelia Holzberger	Gerold Klausmann	Jan Klingelnberg	Stefan Müller	Barbara Schick	Carl Martin Welcker	Prof. Dr. Isabell M. Welpe
Technology & Innovation	✓	✓	✓	–	✓	✓	✓	✓	✓	✓	✓	✓
Mergers & Acquisitions	✓	–	✓	–	–	–	✓	✓	–	✓	✓	✓
Corporate Management (with international experience)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Accounting & Auditing	✓	✓	✓	–	–	–	✓	✓	✓	✓	✓	✓
Corporate Finance	✓	✓	✓	–	–	✓	✓	✓	–	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sustainability & ESG	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Digitalization	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Human Resources & Social Affairs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

The INDUS portfolio companies are located in Germany (41) and Switzerland (3). All members of the Supervisory Board also have their professional focus in Germany and Switzerland. In addition, some members of the Supervisory Board have international experience.

The requirements for the independent and diversity of the Supervisory Board are as follows:

INDEPENDENCE

— At least four members of the shareholder representatives should be independent.
— The Supervisory Board should include no more than two former members of the Board of Management.
— No member of the Supervisory Board performs executive, supervisory or consulting functions for major competitors of INDUS, and no member of the Supervisory Board has a personal relationship with a major competitor.

In the 2024 financial year, no member of the Supervisory Board performed executive, supervisory or consulting functions at any significant competitors of INDUS. What is more, no member of the Supervisory Board had or has a personal relationship with a major competitor. No more than two former members of the Board of Management are members of the Supervisory Board; there is currently one former member of the Board of Management on the Supervisory Board. The Supervisory Board should include at least four independent shareholders. Based on their own assessment, none of the shareholder representatives on the INDUS Supervisory Board are considered to be dependent on the company or the Board of Management. Accordingly, Mr. Jürgen Abromeit, Dr. Dorothee Becker, Mr. Jan Klingelnberg, Ms. Barbara Schick, Mr. Carl Martin Welcker and Prof. Dr. Isabell M. Welpe are independent. All employee representatives also meet the requirements of independence from the company and its Board of Management. Accordingly, Mr. Wolfgang Lemb, Ms. Dorothee Diehm, Ms. Pia Fischinger, Ms. Cornelia Holzberger, Mr. Gerold Klausmann and Mr. Stefan Müller are independent. This means that the INDUS Supervisory Board is 100% independent.

DIVERSITY

— In addition to fundamental suitability criteria such as age, education and professional background as well as requirements related to personality, the Supervisory Board also takes diversity-related aspects into account.
— The members of the Supervisory Board should complement each other in terms of their background, professional experience, knowledge, skills and international experience based on their roots and/or professional activity so that the Supervisory Board can draw on the broadest possible wealth of experience and exploit this experience in its work.
— The Supervisory Board must be composed of at least 30% women and 30% men.

The gender quota has to be fulfilled by the Supervisory Board as a whole by law. Both the shareholder and workers' representatives on the Supervisory Board have objected to this. Consequently, the Supervisory Board had to be made up of at least two women and at least two men on the side of both the shareholder representatives and the workers' representatives.

There are currently three women and three men on the side of the shareholder representatives on the Supervisory Board and three women and three men on the side of the workers' representatives, which means that the statutory gender quota is fulfilled. As a result, the Supervisory Board consisted of 50% women and 50% men in the reporting year. In terms of diversity, INDUS only differentiates on the basis of gender, both on the Supervisory Board and the Board of Management.

STRATEGY AND ESG COMMITTEE

The Supervisory Board establishes committees from among its members, which can call in experts to consult as and when required. It appoints the Personnel Committee, the Audit Committee, the Nomination Committee, the Strategy and ESG Committee and the Mediation Committee as standing committees in accordance with Section 27 (3) of the MitbestG.

The Strategy and ESG Committee comprises the Chairman of the Supervisory Board and two to four other members with proven expertise in strategic planning and sustainability. The Strategy and ESG Committee is chaired by the Chairman of the Supervisory Board. The committee addresses matters related to sustainable business conduct and the company's business activities from an environmental, social and governance (ESG) angle, as well as their impacts, risks and opportunities. The Strategy and ESG Committee was assigned the following tasks with a focus on sustainability:

- Preparing processes for planning, implementing and evaluating business strategy and monitoring the Board of Management's approach to integrating ESG aspects into the corporate strategy
- Advising the Board of Management on sustainability-related and other ESG targets
- Supporting the Audit Committee in the preliminary review of sustainability-related statements as part of the audit of the non-financial statement or the separate non-financial report.
- Supporting the Personnel Committee in setting ESG targets for Board of Management remuneration.

The Strategy and ESG Committee should meet at regular intervals without the Board of Management.

The current members of the Strategy and ESG Committee are the Supervisory Board Chairman, Mr. Jürgen Abromeit (committee chair), Mr. Jan Klingelnberg as an additional shareholder representative and Ms. Cornelia Holzberger and Mr. Wolfgang Lemb as workers' representatives. The members of the Strategy and ESG Committee have proven expertise in the field of strategic planning and/or sustainability. The committee's remit includes, in particular, preparing processes for planning, implementing, evaluating and adapting the company's business strategy, monitoring the Board of Management's approach to integrating ESG aspects (including impacts, risks and opportunities) into the company's corporate strategy and advising the Board of Management on the definition of strategic objectives and sustainability-related and other ESG targets.

The Strategy and ESG Committee met four times in 2024 (on March 14, September 18, November 27 and December 4). At the meeting on December 4, the topic of "fair work" was discussed within the INDUS Group. This involved presenting and discussing the relevant overall conditions at INDUS (Code of Conduct, human rights policy and sustainability strategy).

BOARD OF MANAGEMENT

COMPOSITION OF THE BOARD OF MANAGEMENT

The INDUS Holding AG Board of Management runs the company and manages its business activities. The Board determines the company's strategic orientation, coordinates this with the Supervisory Board, and ensures its implementation. The Board of Management's duties also include preparation of the quarterly, semi-annual, and annual financial statements of INDUS Holding AG and the INDUS Group. The Board of Management is comprised of five members. They are Dr. Johannes Schmidt (Chairman of the Board and Labor Director), Mr. Rudolf Weichert (member of the Board of Management, CFO and Board of Management Deputy Chairman), Ms. Gudrun Degenhart (member of the Board of Management and responsible for the Materials segment), Dr. Jörn Großmann (member of the Board of Management and responsible for the Infrastructure segment) and Mr. Axel Meyer (member of the Board of Management and responsible for the Engineering segment). The age limitation policy adopted by the Supervisory Board for members of the Board of Management, which provides for a termination of the mandate at the age of 67, is complied with.

PROFILE OF SKILLS AND EXPERTISE

The Supervisory Board works with the Board of Management to ensure long-term succession planning. To this end, a process has been set up in which the Chairman of the Supervisory Board and the Chairman of the Board of Management discuss upcoming vacancies on the Board of Management and how to fill them at regular intervals. Succession planning is a fixed item on the agenda of the Supervisory Board's Personnel Committee at least once a year. The Personnel Committee prepares any necessary resolutions to be passed by the Supervisory Board on matters related to the Board of Management and informs the Supervisory Board of what it has discussed. In addition to fundamental suitability criteria used to select candidates for Board of Management roles, such as age, education and professional background as well as requirements related to personality, the Supervisory Board also takes diversity-related aspects into account.

If a Board of Management position becomes vacant, the Supervisory Board defines a requirements, skills and expertise profile (based on preparatory work performed by the Personnel Committee) for the vacant position that complements the existing profiles of the other members of the Board of Management or, in the event that a member of the Board of Management is due to leave, one that replaces that member's profile. The Board of Management should have all the skills and experience that are considered essential for the management of INDUS, also with regard to sustainability matters. The Supervisory Board decides on the specific candidate to be appointed in the interests of the company and taking into account all of the prevailing circumstances.

The members of the Board of Management of INDUS Holding AG have extensive knowledge and experience in the areas of climate change, the company's own workforce and shareholder responsibility, which are material to sustainability reporting. As far as climate change is concerned, they have extensive experience in reducing greenhouse gas emissions, implementing energy efficiency measures and promoting renewable energies. They also have knowledge of sustainability reporting standards such as the Global Reporting Initiative (GRI) and the Carbon Disclosure Project (CDP).

In relation to the company's own workforce, they have experience in promoting employee satisfaction and creating a positive working atmosphere. This has resulted, by way of example, in a low turnover rate within the workforce in recent years. The Board of Management has been confronted with the shortage of skilled workers for years, particularly at the portfolio companies, and has developed various solutions to address the problem. The Board of Management also has experience in employee engagement, diversity and inclusion as well as with collective bargaining and interacting with social partners. It also has knowledge of occupational health and safety and health promotion.

With regard to shareholder responsibility, the members of the Board of Management have extensive experience in designing risk management systems, monitoring compliance processes and dealing with corporate governance issues. They also have knowledge of remuneration management and stock options. In recent years, they have introduced all of the new reporting obligations for INDUS Holding AG, such as the German Act on Corporate Due Diligence Obligations in Supply Chains, the compensation report in accordance with Section 182 AktG, the non-financial report and, most recently, the Sustainability Report in accordance with the CSRD.

The members of the Board of Management of INDUS Holding AG also have experience in integrating sustainability matters into the corporate strategy and in dealing with stakeholders and interest groups. By incorporating "Striving for Sustainability" as the fourth pillar of PARKOUR perform, the Board of Management has emphasized just how important sustainability is for INDUS. With the sustainability development bank as an opportunity to promote sustainability-related projects in the portfolio companies, the Board of Management has refined its focus on sustainability issues throughout the Group and gained a wealth of experience with a wide variety of projects relating to the material impacts, risks and opportunities for INDUS Holding AG. The publication of the sustainability magazine SUSTA[IN] underscores the importance of sustainability in the INDUS Group.

The Board of Management also has access to extensive specialist knowledge and competent experience in the area of sustainability at all times thanks to a salaried sustainability expert who reports directly to the members of the Board of Management. The sustainability expert works closely with the sustainability officers of the portfolio companies and monitors reporting at the individual companies. If particular sustainability issues arise at the companies, these are reported to the Board of Management either via the management teams of the portfolio companies or via the sustainability expert. External training on sustainability topics is used to allow individuals to gain and build on their expertise. INDUS has also been working with an external consultancy firm with a proven focus on sustainability for years now.

DIVERSITY

Since Section 76 (3a) sentence 1 AktG came into force, INDUS, as a listed company subject to co-determination with an equal number of shareholder and employee representatives, has been subject to the binding minimum requirement for the participation of women on the Board of Management stipulated in that provision.

Ms. Gudrun Degenhart has been a member of the Board of Management of INDUS Holding AG since October 2023. She is responsible for the Materials segment. This means that the company meets the minimum participation requirement. The Board of Management is made up of 80% men and 20% women.

SUSTAINABILITY

The ongoing improvement of INDUS' sustainability performance in terms of impacts, risks and opportunities, but also extending beyond that, is managed and further developed by the Board of Management. INDUS recognized at an early stage the importance of acting responsibly and of continuously improving what has been achieved. True corporate success is measured not only in quarterly figures, but also in successful long-term development. Corporate factors not related to financial aspects, such as environmental concerns, employee concerns and shareholder responsibility, are equally important. This is why INDUS established "Striving for Sustainability" as the fourth strategic pillar of its PARKOUR perform strategic program. The content of the fields of action and the resulting impacts, risks and opportunities are reviewed on a regular basis and were recently confirmed by the double materiality assessment.

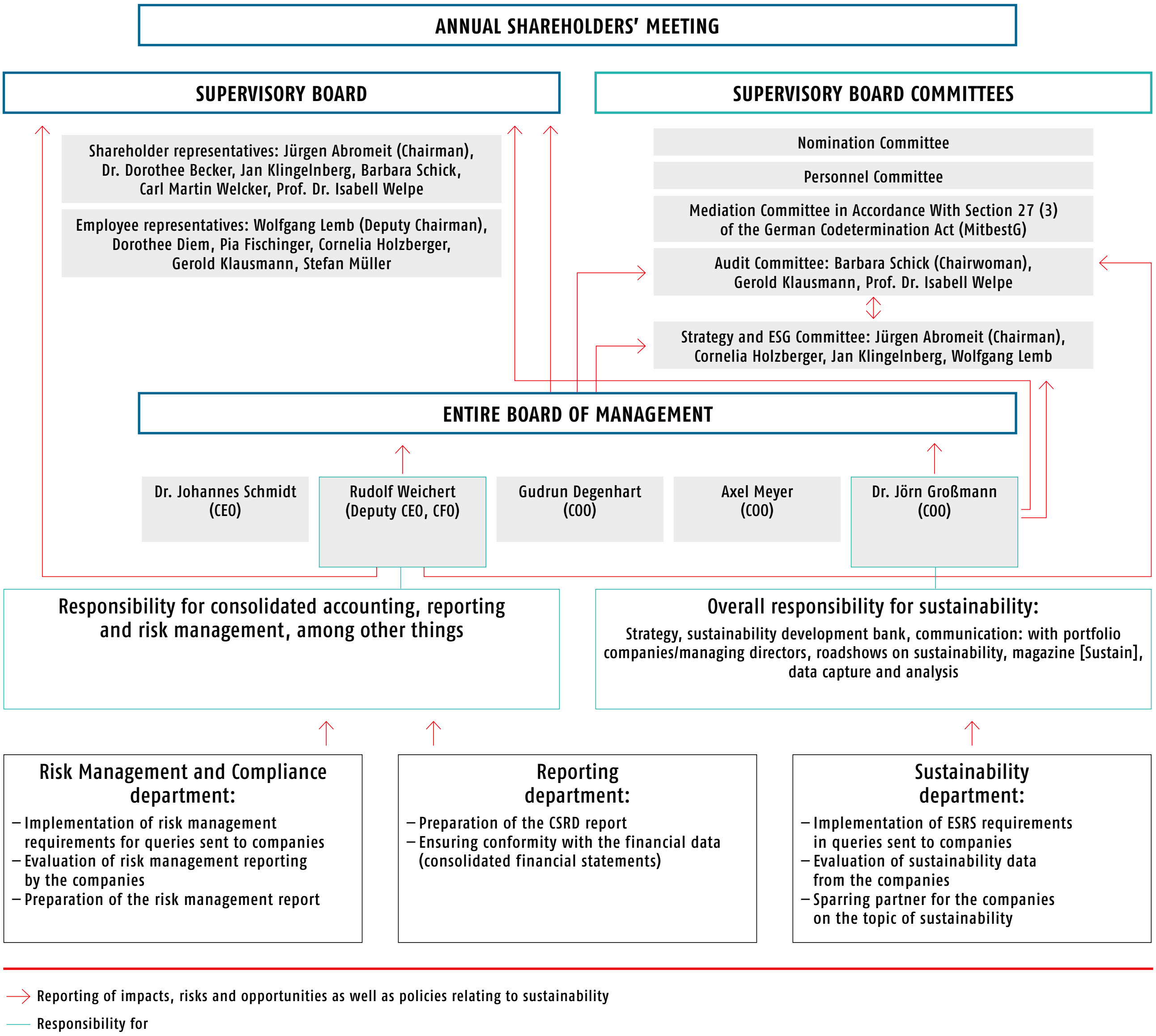
In addition to supporting the portfolio companies, INDUS is primarily active in the acquisition of new companies. The acquisition targets considered in the due diligence process are evaluated for compatibility with the sustainability strategy's action areas. In particular, future trends relating to ESG themes are included in the forecast of financial performance for the acquisition target and the business areas in which the acquisition target operates. This is frequently the case with performance in terms of the future trend of green tech.

In compliance with industry standards and legal regulations, INDUS has established a risk management system to identify potential risks and observe and assess these across all functional areas. As an integral part of business, planning, accounting and controlling processes, the risk management system is integrated into the INDUS Holding AG information and communications system, and is a key element in the management system. The structuring of the risk management system is the responsibility of the Board of Management, which ensures that all risks – including those related to sustainability – are actively managed. The objective of the risk management system is to identify, take stock of, analyze, assess, manage, and monitor risks systematically. The Board of Management regularly, and as required by events, examines and revises the company's risk register.

The dialog between the Board of Management and the management teams of the portfolio companies focuses not only on the achievement of financial targets, but also on relevant sustainability concepts, non-financial performance indicators and the achievement of the objectives the portfolio companies set for themselves. In addition, issues related to corporate social responsibility are highlighted and discussed at INDUS' annual corporate conferences. In 2016, INDUS integrated an incentive for progress achieved in the area of sustainability into the remuneration system of the Board of Management.

Dr. Jörn Großmann is the member of the Board of Management responsible for sustainability. He addresses all key topics and concepts relating to sustainability and is the main point of contact responsible for managing impacts, risks and opportunities associated with sustainability. The list of topics and concepts he is responsible for can be found in chapter SBM-3. These are also addressed in the individual topic-specific chapters. Mr. Rudolf Weichert (CFO) is the member of the Board of Management responsible for risk management. The risks to which the INDUS Group is exposed are reported via the risk management system and broken down into risk groups. Sustainability risks are integrated into INDUS' internal risk management system.

FOCUS OF INDUS CORPORATE BODIES ON SUSTAINABILITY



The annual planning process not only involves projecting financial data, but also gives particular attention to sustainability projects in the portfolio companies. The portfolio companies' individual sustainability objectives, and the portfolio companies' measures derived from these, are presented and discussed with the Board of Management. When it comes to the mandatory topics defined by INDUS, namely reducing greenhouse gases and activities in the area of "employee concerns" and "social measures", the measures taken by the portfolio companies are presented. The portfolio companies can apply for funding from INDUS for sustainable product innovations in the future field of "green tech" (energy and environmental technology as well as technologies and products with an improved energy-efficiency profile) via the sustainability development bank.

Sustainability data from the portfolio companies is reported via the INDUS information and planning tool. The companies report their sustainability data both at the end of the year and at the end of the first half of the year. The Board of Management reserves the right to request additional data if it wishes to introduce new data or improve the quality of existing data. The Board of Management evaluates the data and takes measures if targets are not met or the sustainability data has fallen short of expectations.

Additional reporting as part of the planning process and the process associated with the annual financial statements regarding impacts, risks and opportunities, policies, actions, key figures and targets relating to sustainability and the implementation of due diligence is carried out both on a regular and ad hoc basis. The type of reporting depends on quantitative materiality and qualitative significance and is based on the reporting structures shown in the chart.

GOV-1 G1

CORPORATE GOVERNANCE PRACTICES OF THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD AT INDUS

The Board of Management ensures the implementation of an adequate **Compliance Management System** at the company level. The Board of Management has appointed a compliance officer who reports directly to the Board of Management member responsible for compliance.

Section 91 (3) AktG defines the due diligence obligations incumbent upon management boards of listed companies with regard to the establishment of appropriate and effective internal control systems (ICS) and risk management systems (RMS). This also includes the implementation of an **internal audit** organization.

In accordance with the "three lines of defense" model, the Board of Management has established an Internal Audit department that reports directly to the Chairman of the Board and reviews the effectiveness of the INDUS Group's management systems independently of the departments concerned.

The Supervisory Board advises and supervises the Board of Management in managing the company and is involved in decisions of fundamental importance to the company.

COOPERATION BETWEEN THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

The Board of Management informs the Supervisory Board in a regular, timely, and comprehensive manner of all relevant issues, including particularly those pertaining to the corporate budget, strategic development, earnings and financial position, risk situation, risk management, compliance and internal auditing. Deviations from targets and planning in the company's course of business are also reported, as well as the strategic approach at the company level and the further development of the composition of the portfolio. Information is also shared intensively with the Supervisory Board Chairman. According to the list of transactions requiring approval defined by the Supervisory Board, decisions of material importance for INDUS' business require the Supervisory Board's approval. Specific transactions that the company executes with related parties (related party transactions) also require the approval of the Supervisory Board in accordance with Section 111b AktG. The Board of Management and the Supervisory Board cooperate closely to the benefit of the company. Consultations and discussions between the Board of Management and the Supervisory Board are conducted openly and in an atmosphere of trust.

Members of the Board of Management immediately disclose any conflicts of interest that may arise to the Supervisory Board (via the Supervisory Board Chairman) and the Chairman of the Board of Management, and inform the other members of the Board of Management accordingly.

EXPERTISE OF THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD WITH REGARD TO CORPORATE GOVERNANCE

The expertise of the Board of Management and Supervisory Board of INDUS Holding AG with regard to corporate governance is geared toward ensuring compliance with standards and statutory requirements, promoting transparency and maintaining the trust of the company's stakeholders. In particular, this includes knowledge and experience in the following areas:

CORPORATE GOVERNANCE

The Board of Management and Supervisory Board are familiar with the principles of corporate governance that apply to the management and supervision of listed companies. These include the principles of transparent, responsible and ethical corporate governance. The members of the Supervisory Board are experienced in effectively monitoring and advising the Board of Management and ensure compliance with corporate governance principles. They are responsible for approving key strategic decisions and monitoring their implementation.

COMPLIANCE

The Board of Management and Supervisory Board of INDUS Holding AG have in-depth knowledge of the relevant laws, provisions and standards that apply to listed companies. They include, in particular, the German Stock Corporation Act, the German Securities Trading Act and the German Commercial Code, as well as international regulations such as the International Financial Reporting Standards (IFRS) and the ESRS.

The members of the Board of Management and the Supervisory Board are familiar with the internal compliance systems and control mechanisms designed to ensure that the company fulfills the statutory and regulatory requirements. This also includes monitoring measures to combat corruption, fraud and other illegal activities.

Compliance expertise also includes risk management in order to identify potential compliance violations at an early stage and allow appropriate action to be taken in response to such violations. This includes monitoring internal audits and controls, which comprise both preventive and reactive measures.

REPORTING AND TRANSPARENCY

The Board of Management prepares the annual financial statements in accordance with the German Commercial Code (HGB) and the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The Supervisory Board adopts the annual financial statements and the consolidated financial statements. The Board of Management and the Supervisory Board help to ensure that the company communicates transparently with its stakeholders on a regular basis, particularly with regard to relevant compliance issues and governance matters.

REMUNERATION POLICIES

One key corporate governance topic is the remuneration paid to the Board of Management. The Supervisory Board ensures that the remuneration policy is in line with market standards and promotes the long-term development of the company, while at the same time being transparent and easy to understand.

ESRS 2 GOV-3 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES (INCL. GOV-3 E1)

For the 2024 financial year, the compensation for members of the Board of Management of INDUS Holding AG consisted of basic salary, performance-based variable compensation (short-term incentive program – STI), and a share-based component of the compensation in the form of virtual shares (performance share units – PSUs). The STI consists of two portions: one portion that rewards the achievement of financial targets and one portion that rewards sustainability achievements. This share attributable to non-financial targets makes up 20% of the STI target.

The non-financial part of the STI is based on the achievement of non-financial targets which, following preparation by the Personnel Committee, are developed by the Supervisory Board based on the PARKOUR perform corporate strategy and the company’s sustainability strategy, and are set every year for the following year. Strategy-related targets are consistent with the two strategic initiatives “Driving innovation” and “Improving performance”. In relation to the sustainability strategy, the focus for the coming year will be on implementing the greenhouse gas reduction targets set out in the German Climate Protection Act (Klimaschutzgesetz), setting up an INDUS employee stock ownership program and designing and implementing a talent management program for up-and-coming managers at the portfolio companies.

As with the financial targets, the payout for the non-financial targets is capped at 150% of the target value for this STI component. If the non-financial targets are not achieved, this variable remuneration component is not applied.

Two targets were set for 2024:

Target 1:
Reduce emissions intensity: The gross emissions intensity is to be reduced to a target value of 18.8 t CO_2e/EUR million in sales. The gross emissions were chosen deliberately, because this figure cannot be corrected by the purchase of certificates.

Target 2:
— Implementation of the new set of key figures and development of meaningful target values, particularly for “social” and “governance” aspects
— Restructuring of sustainability reporting (in particular integration into the management report)

These two targets were assigned an 80:20 weighting (target 1: target 2). Sustainability target 1 is an evaluation in line with the GHG emission reduction targets (see information on E1-4).

Target achievement in 2024:

Target 1:
Gross emissions in 2024 came to 17.4 t CO_2e/EUR million in sales. This was below the target value (18.8 t CO_2e/EUR million in sales) and also below the maximum value (18.2 t CO_2e/EUR million in sales), and a bonus factor of 150% was achieved.

Target 2:
— The new set of key figures has been implemented.
— Reporting in accordance with the CSRD has been established and has now been integrated into the management report.

This brings the target achievement level to 100%. The bonus factor for target 2 is 100%.

Overall, this results in a bonus factor of 140% from the non-financial targets.

Measured against the target remuneration for 2024, the short-term variable component (STI) is between 20% and 23%. Sustainability targets account for 20% of the short-term variable remuneration.

PERFORMANCE-RELATED SUSTAINABILITY TARGETS IN SUPERVISORY BOARD REMUNERATION

The remuneration paid to the Supervisory Board consists of fixed remuneration and attendance fees. It does not include any variable components.

INDUS was making use of four ESG-linked loans as of the reporting date. There is a direct link between the interest rate on these loans and the company’s ISS ESG rating. The value of the loans as of December 31, 2024 came to EUR 233 million.

ESRS 2 GOV-4 STATEMENT ON DUE DILIGENCE

The core elements of due diligence with an impact on people and/or the environment are as follows:

STATEMENT ON DUE DILIGENCE

Core Elements of Due Diligence	Reference in Sustainability Report
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2
	ESRS 2 GOV-3
	ESRS 2 SBM-3
	ESRS 2 SBM-3-E1
	ESRS 2 SBM-3-S1
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2
	ESRS 2 SBM-2
	ESRS 2 IRO-1
	ESRS E1-2 “Policies” (MDR-P)
	ESRS S1-1 “Policies” (MDR-P)
	ESRS S1-2
	ESRS G1-1 “Policies” (MDR-P)
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1
	ESRS 2 SBM-3
d) Taking actions to address those adverse impacts	ESRS E1-3 “Actions and Resources” (MDR-A)
	ESRS S1-4 “Actions” (MDR-A)
	ESRS G1-1 “Policies, Targets and Actions Related to Business Conduct” (MDR-A)
e) Tracking the effectiveness of these efforts and communicating	ESRS E1-5 (MDR-M) ESRS E1-6 (MDR-M)
	ESRS S1-6 (MDR-M) ESRS S1-7 (MDR-M) ESRS S1-9 (MDR-M) ESRS S1-13 (MDR-M) ESRS S1-14 (MDR-M) ESRS S1-16 (MDR-M) ESRS S1-17 (MDR-M)
	ESRS G1-3 (MDR-M) ESRS G1-5 (MDR-M) ESRS G1-6 (MDR-M)
	ESRS E1-4 “Targets” (MDR-T)
	ESRS S1-5 “Targets” (MDR-T)
	ESRS G1-1 “Corporate Culture” (MDR-T)

ESRS 2 GOV-5 RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

Sustainability reporting is based on an annual cycle. The impacts, risks and opportunities identified on the basis of the double materiality assessments, as well as the associated data points and key figures, have to be requested from the companies as of the relevant reporting date before being reviewed, verified, consolidated and included in the report.

INDUS is exposed to the risk of incorrect or incomplete data being reported. These risks are equally likely, which is why they are given equal priority at INDUS. The risks have to be considered in particular against the backdrop of the large number of companies with different business models and the variety of different sustainability issues.

INDUS counters these risks by establishing documentation instructions and internal controls in the sustainability reporting process, especially at Group level.

INDUS holds regular (web-based) meetings with the companies in order to draw attention to any changes in statutory requirements and their impact on the companies at an early stage. These meetings are also used to showcase best practice examples from the portfolio companies and to address current reporting topics. In particular, the specific effects on data collection at the companies are discussed in detail. Instructions, guides and guidelines for the implementation of data collection are also made available to the companies in writing. This information is also communicated to all companies at annual entrepreneurs’ conferences (Unternehmertagungen), commercial management conferences and workshops.

The data capture and verification system involves a dual review as a minimum requirement, as the portfolio companies submit data (often in two stages – entry and finalization) and the data is only approved at the holding company after plausibility checks have been performed. The evaluation also involves comparing sustainability data in particular with data from the previous period and data from other portfolio companies. Any implausibilities are verified and, if necessary, corrected at company level.

A data query is made at the half-year point so that the data can be checked during the year and, if necessary, action can be taken to improve data quality or the process. The findings are discussed in detail with the employees concerned.

Sustainability risks are integrated into INDUS’ internal risk management system. The individual risks are identified, assessed, managed and monitored systematically as part of the risk management system. Individual risks are identified and captured by the portfolio companies and INDUS Holding AG as part of a decentralized bottom-up approach. Risks are assessed based on their potential impact and likelihood of occurrence. The Group’s overall risk exposure is assessed by means of a risk metric calculated using a Monte Carlo simulation of all the risks identified and measured.

The Board of Management examines and revises the Group’s risk portfolio, including sustainability risks, on both a regular and ad hoc basis. On this basis, the necessary risk control measures are defined and documented and their effectiveness is monitored. The Supervisory Board is regularly informed about the risk position of INDUS Holding AG and INDUS Group. No reportable individual risks were identified in connection with sustainability matters as part of the risk management system in the 2024 financial year.

INDUS strives to ensure that sustainability reporting is accurate at all times. The sustainability data and the Sustainability Report are audited by the Group auditor of INDUS Holding AG (PricewaterhouseCoopers GmbH WPG). The data is subject to a limited assurance engagement.

ESRS 2 SBM-1 STRATEGY, BUSINESS MODEL AND VALUE CHAIN

BUSINESS MODEL

INDUS is one of the leading specialists in the field of sustainable investment and development in the SME sector of the German-speaking countries. It acquires mostly owner-managed companies operating in the industrial technology sector and assists them in setting a long-term trajectory for their entrepreneurial development.

When providing support, care is taken to ensure that the portfolio companies can retain their special strength – their SME identity. In the best-case scenario, the company's former owners remain as managing directors of the company during the transition phase.

INDUS improves the Group's development prospects by expanding its portfolio in a targeted manner on an ongoing basis. This results in a high level of diversification in the Group's portfolio. With their respective core capabilities, the companies occupy niches of the market of great interest for their sectors, in which they assume a leading position.

The segment structure, consisting of three segments, Engineering, Infrastructure and Materials, clearly documents the strengths and industrial expertise of the INDUS portfolio.

INDUS understands sustainability as encompassing topics related to energy, social issues and responsible corporate governance. The energy area includes energy efficiency, recycling and waste management as well as energy technology, resource conservation and the avoidance of greenhouse gas emissions. Social sustainability concerns the areas of safety at work, recruitment, diversity, corporate ethics and employee health. For INDUS, responsible corporate governance means transparency, fairness and reliability as well as ethical conduct in accordance with legal requirements.

The portfolio companies enjoy a high degree of operational autonomy as they have proven themselves to be "hidden champions" and have shown that they have mastered their business, which is why they are part of the Group. The holding company uses its additional expertise to support the companies in making good things even better and maintaining their performance.

As the parent company, the holding company sees itself as a strategic sparring partner for its portfolio companies. The Board of Management members responsible for segment management support their segment companies as specialists, develop their strategic orientation with a focus on future topics in dialog with the management teams, and safeguard revenue and value enhancement. Working in ongoing dialog with the management teams, and with the support of the central functions within the holding company, they ensure that the interests of INDUS Holding AG as a shareholder are safeguarded.

STRATEGY

INDUS' overarching objectives are profitable growth, value enhancement and a balanced portfolio structure.

In order to achieve the overarching objectives for the years ahead in spite of various macroeconomic challenges, the Board of Management of INDUS Holding AG has communicated a refinement of the PARKOUR strategy under the title PARKOUR perform. In order to execute this strategy, the Board of Management has implemented four strategic initiatives that are centrally driven from the holding company, with corresponding resources:

- Strengthening the Portfolio Structure
- Driving Innovation
- Improving Performance
- Striving for Sustainability

A description of the strategy is provided in the Management Report/Introduction to the Group/Strategies and Dividend Policy.

The fourth pillar of the PARKOUR perform strategy, "Striving for Sustainability", is outlined below:

Sustainable practices for INDUS means treating economic, social and ecological objectives equally over the long term: INDUS wants to create lasting values, enable quality work by doing so, and protect the world and all of the human beings who live in it at the same time. We are increasingly using key figures to manage our targets in all areas.

In order to ensure long-term entrepreneurial success, INDUS follows clear guidelines with respect to sustainable practices:

- Economically sustainable conduct ensures future success.
- Considering environmental factors prevents subsequent costs and improves process efficiency.
- Social fairness is a fundamental SME principle and one which encourages cooperation.
- Compliance with agreements and rules (corporate governance) strengthens trust.

To ensure profitability, INDUS uses traditional economic key figures. This secures long-term entrepreneurial success in the interests of the Group, the shareholders, and other stakeholders. The holding company ensures a stable balance sheet, adequate liquidity buffer, and a flexible financing basis.

INDUS supports its portfolio companies in their commitment to conserving resources and avoiding greenhouse gas emissions, which poses a major challenge for all entrepreneurial activities. The portfolio companies are also committed to environmental issues, in particular by boosting efficiency and optimizing processes. INDUS supports its portfolio companies in making production processes more energy-efficient, installing photovoltaic systems, switching to more climate-friendly heating systems and "green power", and transitioning the vehicle fleet to alternative drive systems. The innovation development bank provides development funds for sustainable product innovations in the future field of green tech (energy and environmental technology as well as products with an improved energy-efficiency profile).

In terms of their social orientation, all the companies in the INDUS Group are aligned with SME values. Central to these is the principle of responsibility – for the survival of the company, but first and foremost for the company's own workforce. This is expressed in company-specific codes of conduct that cover the continuous development of occupational health and safety and support for trainees, as well as development of employees. Social responsibility is expressed through support for non-profit initiatives, particularly in the portfolio companies' respective local regions. The CSRD's additional focus on social issues will provide the INDUS Group with further insights into employment within the Group thanks to new key figures.

The Board of Management and the Supervisory Board have always been committed to responsible, transparent and sustainable corporate governance; as such they fully comply with the recommendations of the German Corporate Governance Code, and thereby document the importance of the rules on good corporate governance and monitoring. A Group-wide whistleblowing system has also been introduced. This can be used on a decentralized basis by employees of the portfolio companies and externals across the globe, and as such it satisfies the corresponding statutory obligations and the recommendations of the German Corporate Governance Code. A system for implementing German supply chain due diligence law Group-wide was introduced in 2023. As a result, INDUS now has a good level of transparency with regard to suppliers and potential risks in the value chain.

With the implementation of PARKOUR perform, the management of portfolio companies is focused at segment level. Each of the three segments is managed by a member of the Board of Management who is responsible for the segment (segment management). This member supports the portfolio companies in this segment as a specialist function, develops their strategic alignment working in dialog with the management teams, and, in doing so, secures their growth, revenue and value enhancement.

Engineering segment:

- This is where we find companies who enable progress in the future with their technological expertise. When it comes to energy transition, or the optimization of work and production processes – engineering forms the foundation for successful change. Dovetailing production with the latest information and communication technology lays the foundation for new growth models. The megatrends of digitalization and sustainability are the growth drivers behind this development. The INDUS Engineering segment consists of companies that already support the manufacturing industry with a broad range of services. These companies are well established on the market for specialized mechanical engineering and equipment manufacturing, and as niche providers for automation/robotics, sensor technology, measurement and control engineering.
- Products include complex conveyor systems, robotic gripping systems, valve technology, automation components for final vehicle assembly, inert gas systems, plants for metal detection, integrated control rooms, electric heat tracing systems, and measurement solutions as well as solutions for specialized vehicles.
- The portfolio companies GESTALT AUTOMATION, DECKMA and the sub-subsidiary COLSON were acquired in the reporting period. GESTALT AUTOMATION operates in the future field of AI-based industrial automation. DECKMA is a technical ship equipment systems provider specializing in lighting and fire alarm systems. COLSON is a manufacturer of industrial valves to control and regulate liquids and gases.

Infrastructure segment:

- Public investment in infrastructure for the maintenance and expansion of transport routes, high capacity demand in residential construction, and energy-efficiency renovations are driving demand for the segment. Construction and building technology are receiving new momentum from the social demand for sustainable construction. Modern technologies enable the development of intelligent infrastructure and supply networks – in telecommunications and in energy supply. The companies in the INDUS Infrastructure segment are using their solid positioning to develop their range of offers with a clear focus on this demand – in the field of construction and building technology, telecommunications infrastructure, and air-conditioning technology.

- Products include reinforcement of ferroconcrete, construction materials, network and cable laying, air-conditioning and heating technology for stationary and mobile applications, accessories for private homebuilding, and window construction.
- The sub-subsidiary GRIDCOM was acquired in the reporting year.

Materials segment:

- The companies in the Materials segment have a high level of expertise in the field of materials as well as their creation and processing. They specialize in metals technology (carbide tools and wear technology, component and assembly production, surface and housing technology) as well as in medical consumables and supplies. They use the knowledge they have gained and constantly transfer it to new application options.
- Products include 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, as well as orthotic devices, surgical stockings, lenses and optical devices, surgical accessories, rehabilitation technology.

None of the INDUS Group's products or product groups account for more than 10% of Group sales. The very diverse nature of the INDUS portfolio companies means that it is virtually impossible to highlight any significant markets or customers. As a result, all sustainability targets at INDUS are defined for the Group as a whole. Products and activities relating to material impacts, risks and opportunities (in particular climate change mitigation) can be found in the Taxonomy reporting. For a breakdown of sales and operating income (EBIT), please refer to Segment Reporting, note [33] in the Notes.

VALUE CHAIN

The value chain maps the individual steps that a product has to go through in order to ultimately be sold with added value. It describes the exact path the product follows from the raw material stage to the end product, including distribution and logistics, all the way to the customer and other product-related services.

INDUS is a holding company for SMEs with a focus on industry. The products offered by the INDUS portfolio companies are mostly found in the middle of the value chain, such as metal parts, materials for surface processing, and tool and machine parts. Due to the varied nature of products and production processes, the portfolio companies each have their own value chains, which cannot be classified as typical INDUS value chains. The upstream value chains include raw material producers or manufacturers of semi-finished products, which are then processed further at INDUS. The downstream value chain encompasses the further processing of the products or their sale to customers. The customers of the portfolio companies tend to be other companies and, in a few exceptional cases, end consumers. There are individual distribution models that depend on the business model.

The shortage of skilled workers poses a potential risk to both the upstream and downstream value chain. There are also potential adverse impacts on the workforce due to work-related physical and psychological stress, as well as occupational accidents. The extraction of raw materials and fossil fuels has an adverse impact on the environment. The production of metals, in particular, generates large quantities of greenhouse gases and uses considerable amounts of energy. This creates a potential opportunity: green steel or other low-emission primary products reduce Scope 3 greenhouse gases, which can have a positive impact on the demand for these products.

In particular, those INDUS products that are related to Taxonomy-aligned activities offer positive benefits for users and customers alike. This allows INDUS to make positive contributions in this area, particularly as far as climate change mitigation is concerned.

SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

The foundation for successful work on sustainability issues, and ultimately for long-term entrepreneurial success, is knowledge of the corresponding stakeholders and their interests. External stakeholders as well as the managing directors of the portfolio companies were again actively involved during the update to the materiality analysis in 2022. The results of the materiality assessment were confirmed in an update performed in 2024. The selection of interested groups is regularly reviewed, and the circle is widened where needed. A structured process is always applied when identifying the main stakeholders. In this process, potentially relevant groups are identified by the sustainability department, taking into account the value chain and following consultation with other departments. The stakeholders are then prioritized according to their influence on the INDUS Group, as well as the INDUS Group influence on the respective stakeholders. This suggestion is then coordinated with the INDUS Board of Management. As sustainability topics are now taking center-stage in society and are subject to widely varying perceptions, the group of stakeholders was significantly expanded and diversified in 2022 compared with the previous participants.

Structured engagement with the needs of our stakeholders resulted in seven relevant groups in total in 2022, both internal and external:

External:

- Business partners: These include investors, suppliers and service companies as well as shareholders of potential new portfolio companies. All of these subgroups provide INDUS with financial security, facilitate its further development and acquisitions, and keep it in business.
- Customers of the portfolio companies: A good relationship with customers creates long-term cooperation based on trust, ensuring the survival of both sides and also enabling joint, progressive development.
- Employees: Employees of both INDUS Holding AG and the portfolio companies are an indispensable part of INDUS. Close dialog on an equal footing between the workforce and the management of the portfolio companies, as well as between employees of the holding company and the Board of Management, is essential for a productive working environment and good cooperation.
- Municipalities: Municipalities play a key role in the survival of our portfolio companies. They provide the commercial space and are responsible for public infrastructure and for ensuring that (potential) employees feel comfortable in an attractive environment. Close dialog with municipalities is particularly important, as it helps to shape the places where human beings live their lives.
- Public: In this context, the public is represented by analysts who are particularly well versed in matters related to sustainability and finance. They evaluate companies on the basis of their sustainability metrics and serve as an important medium for informing the general public by publishing summaries, key figures and seals of quality.

Internal:

- Board of Management: The Board of Management of INDUS Holding AG is a key stakeholder, as it is responsible for the Group's development, for the way the portfolio companies interact with the environment and for the contribution they make to securing the livelihoods of their employees.
- Management teams of the portfolio companies: They have operational responsibility in the portfolio companies and create a bridge between INDUS Holding AG, municipalities and other local economic and social players.

INDUS Holding AG and its portfolio companies engage in regular dialog with key stakeholder groups, such as investors and analysts, who are contacted by the IR/PR department by means of video calls, emails and phone calls, or customers and local authorities, which are contacted by the portfolio companies by means of phone calls and in-person conversations. The addition of regular external stakeholder interviews using a standardized guideline in the framework of the update to the materiality assessment, as took place most recently in the 2022 financial year, serves the purpose of identifying key sustainability topics from the perspective of leading stakeholders; it also functions as a way of reflecting our internal assessment externally, and checking it for completeness. From there, stakeholders' interests, expectations and requirements are analyzed and results are integrated into the analysis on a continual basis. At the same time, the discussions provide new impetus and important stimuli for the INDUS Group, which are presented to the Board of Management. The Management Board can incorporate the results of the stakeholder engagement process into its further planning or use them as a means of evaluating strategy implementation. The results of the materiality assessment were presented to, and acknowledged by, the Supervisory Board.

STAKEHOLDER GROUPS BASED ON THE DOUBLE MATERIALITY ASSESSMENT PROCESS

Stakeholder groups	Category	Inclusion and purpose
Own employees and non-employees	Affected stakeholders	Management survey and interviews
Suppliers	Affected stakeholders	Interviews
Customers	Affected stakeholders/users	Interviews
Portfolio companies of the INDUS Group	Affected stakeholders/users	Management survey
Authorities	Users	Regular dialog
Nature	Affected stakeholders	Silent stakeholders
Investors and analysts	Users	Interviews, constant dialog, Annual Shareholders' Meeting
Associations	Users	Management survey and work by associations
Scientific community	Users	Management survey and collaboration

Stakeholder input is not currently expected to result in any change in corporate strategy.

SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (INCL. SBM-3 E1; INCL. SBM-2 S1; INCL. SBM-3 S1)

The tables below present the sustainability-related impacts and risks that were identified as part of the double materiality assessment and were considered to be material.

As shown in the double materiality assessment, the following three ESRS topics are considered material at INDUS: climate change, the company's own workforce and corporate governance. Material impacts, risks and opportunities relating to climate change, for example, are: energy, climate change mitigation and climate change adaptation. The tables also indicate whether the impacts and risks fall within the company's own operations or the value chain (VC) and whether the impacts are positive or adverse. INDUS companies are typically found in the middle of the value chain. Most companies produce a wide variety of semi-finished products. None of the portfolio companies are involved in the extraction of raw materials. INDUS companies are located in 29 countries across the globe. Production activities are focused on Germany. The main impacts, risks and opportunities primarily relate to the company's own operations. Some impacts, risks and opportunities are concentrated more in the upstream value chain. The downstream value chain is less affected, as is shown in the following overviews.

E1 CLIMATE CHANGE

				Value chain			Time horizon		
	Type	IRO		Upstream	Own activities	Downstream	Short-term	Medium-term	Long-term
	Actual negative impact	Energy-intensive production processes at the portfolio companies, which are still fossil-based to a relevant extent	The products of INDUS portfolio companies and their primary products can only be manufactured using energy. Without energy, production cannot take place. Most of the energy used today still comes from fossil sources, especially thermal energy. This is a limited resource, the extraction and use of which has a negative impact on the environment and society.	x	x		x	x	
	Opportunity	Renewable energy deployment reduces dependence on fossil energy sources and meets the expectations of legislators, society and customers	Renewable energy deployment reduces dependence on fossil (limited) energy sources at the point of the value chain at which they are used. Increased renewable energy deployment reduces uncertainties with regard to availability and price trends, and meets the expectations of legislators, society and customers.	x	x		x	x	x
Energy	Opportunity	Self-supply with electricity from photovoltaics, heat pumps, etc.	Self-supply with electricity from photovoltaics or heat pumps, for example, ensures additional independence from the energy market and makes financial planning easier. This also makes INDUS less and less dependent on energy market availability and can ensure a constant supply to customers.		x	x	x	x	x
Climate change adaptation	Opportunity	New market opportunities due to climate change and ongoing climate change adaptation measures by customers	Climate change is altering our environment and creating a need for new products, the demand for which may increase in the future. The products help customers, for example, to adapt to rising average temperatures and extreme temperatures, or help to generate renewable energies. Examples from INDUS portfolio companies: – Highly insulated doors/windows from OBUK/Wirus – Heat pumps/air-conditioning devices from REMKO – "Louvers" window protection from MIGUA		x	x		x	x
	Actual negative impacts	Greenhouse gases from fossil fuels	The use of fossil fuels, especially in the company's own production and in the manufacture of primary products, contributes to climate change and all its consequences on the environment, society and the economy. The INDUS portfolio companies are therefore currently actively contributing to the advance of human-made climate change.	x	x		x	x	x
Climate change mitigation	Actual positive impacts	Renewable energy deployment reduces contribution to climate change	By using renewable energies, fossil fuels are replaced and greenhouse gas emissions are avoided. INDUS can reduce its contribution to human-made climate change by using more renewable energies in its own production and increasingly using primary products that were also produced using renewable energies.	x	x		x	x	x

The adaptation of business activities for climate change mitigation and climate change adaptation is ultimately also a major economic issue. This is reflected in the fact that impacts, risks and opportunities associated with climate change play an amplified role in risk management and in investment decisions.

The assessment of risks related to climate change mitigation, energy and climate change adaptation, supported by a scenario analysis for climate risks and resilience, has shown that there are no significant physical climate or climate transition risks.

In the first quarter of 2025, a resilience analysis of the business model and strategy in relation to climate risks was prepared as part of the CSRD reporting. INDUS received support in the process from an external consultancy firm. The Board of Management checked the plausibility of the analysis results and confirmed them. Based on the short, medium and long-term (defined in the same way as in the DMA) climate risks identified as part of the scenario analysis, an investigation looked at how the INDUS Group can react to the materialization of adverse impacts and whether the potential damage would have far-reaching consequences. Scenario RCP 8.5 was used for physical risks. This is a pessimistic scenario with substantial emissions from fossil fuels. For transition risks and opportunities, an optimistic scenario was applied that involves compliance with the 1.5°C target through stringent regulation and strict limits on greenhouse gas emissions, as in the IPCC's RCP 2.6 scenario. Further details are explained in chapter IRO-1.

Regarding the resilience of the strategy and business model to physical risks, the following aspects and the physical risks affecting them in the upstream and downstream value chain were taken into account and examined:

— Extraction of raw materials (especially metals) and production of intermediate products (international)
— Transportation by sea, air and land (national and international)

The following aspects were taken into account for the company's own operations:

— Energy supply
— Water availability
— Release of hazardous substances
— Performance of the company's own workforce
— Production processes
— Operational planning

Product use and the end of the product life cycle were not taken into account.

Resilience to transition risks was assessed using the risk categories of the Task Force on Climate-related Financial Disclosures (TCFD).

Each identified risk was examined to determine how the INDUS Group could recover from potential losses and how the impacts of the risks could be avoided or minimized.

The resilience of the strategy and business model is uniformly classified as "high". No high likelihood of occurrence or high potential damage was determined for operating activities or assets for any of the climate risk impacts identified. The main risks are summarized in the following table:

CLIMATE RISK ANALYSIS

Risk type	Risk description	Time horizon	Assessment of the likelihood of occurrence	Assessment of potential damage	Resilience
Physical	Impairment of the land-based movement of goods (extreme events affect transportation routes, resulting in delays and possibly additional costs due to detours/longer routes)	Long-term	Medium	Medium (operating activities)	High
Physical	Impairment of production processes (physical damage to facilities and buildings due to extreme weather events)	Long-term	Medium	Medium (assets)	High
Transitory	Costs associated with the transition to lower-emission technology	Medium-term	Medium	Medium	High

In addition to the risks shown in the table, the analysis revealed the following: The only medium-term risk with a medium likelihood of occurrence is the transition risk "More stringent emissions reporting obligation". As this mainly affects upstream steel and metal production, the risk is indirect and the potential damage is considered low. All other risks have a low likelihood of occurrence over the short and medium term and are associated low potential damage for business activities and assets. Finally, there is also long-term "medium" potential damage to the company's business activities resulting from physical climate risks associated with raw materials extraction and intermediate product manufacturing. Availability can be affected by acute or chronic physical risks, which could have an adverse impact on production at portfolio companies. The Group-wide damage potential is classified as "low", as a large number of different materials are used due to the INDUS Group's diverse structure. Consequently, any damage could affect individual portfolio companies but not the Group as a whole.

None of the risks are classified as material. As a result, physical or transition risks are not expected to have any material financial impact. The INDUS business model and strategy are resilient, as the Group is diversified in terms of both its activities and its geographical location in the German-speaking region. The vast range of activities that the portfolio companies cover and the fact that they are spread across numerous locations reduce the risk of widespread supply bottlenecks for raw materials and supplies. Portfolio companies are instructed to avoid being heavily reliant on specific suppliers as a matter of principle. This is monitored for all portfolio companies through the annual reporting of their biggest suppliers. Compliance with the German Act on Corporate Due Diligence Obligations in Supply Chains also helps to ensure a comprehensive overview of suppliers.

The geographical distribution of portfolio companies in the German-speaking region reduces the risk of a large number of production facilities or assets (and therefore significant assets overall) being disrupted or damaged by acute extreme weather events, as these tend to affect smaller areas or individual regions. What is more, logistics can react to local extreme weather events with relative ease. Increasing adverse effects on the land-based movement of goods, which is important for the INDUS portfolio companies, are only to be expected in the long term. This is something the central departments are aware of and will be taken into account in future planning if necessary, e.g. when the risks become more concrete.

The business model and strategy of INDUS Holding AG and its portfolio companies are capable of adapting to climate change over all of the three time horizons analyzed. The diverse structure of the Group, which ensures risk minimization, and the transformation process that is already under way in the operating units through the sustainability development bank and the innovation development bank are helping to facilitate adaptation to changes in the overall conditions.

In the optimistic scenario, which involves compliance with the 1.5°C target by means of corresponding stringent regulation and substantial investment, the costs associated with the transition to the extensive use of lower-emission technologies could put the portfolio companies under increased pressure. To avoid this, efficiency measures are being prioritized so that large-scale investments can be spread over several years. The sustainability development bank is already supporting the portfolio companies in this transformation process by providing funding of > EUR 100,000 for investments that help to conserve resources.

When evaluating the scenario analysis, together with the risk and resilience analysis, it is important to remember that the information provided is based on assumptions. Physical risks can be modeled and predicted fairly reliably. In the upstream and downstream value chain, the areas to be evaluated are less specific, which makes the results less certain. The same applies to the time horizons: The further into the future the analyses look, the more uncertain the materialization of the forecast events becomes. In comparison, impacts on the company’s own operations over the short and medium term are considered to be relatively plausible, which is why they are included in specific plans. Long-term information is used in the planning process to indicate possible developments. In the case of transition risks, the informational value tends to be lower, as there are hardly any models or data sources that provide sound information. The information presented is based on assessments by experts.

In general, the INDUS portfolio companies operate independently in their respective markets. In the past, companies in the SME segment have proven their ability to adopt an agile approach and react resiliently to challenges and crises. From the Group’s perspective, the broad diversification spreads the risk associated with all of the above-mentioned material impacts, risks and opportunities, balancing out the portfolio and the individual opportunities for the portfolio companies in their markets. This is illustrated if we compare the sales generated by the biggest portfolio company against the Group’s total sales. In addition to the short and medium-term outlooks, this perspective also applies to long-term scenarios.

Networking between the management teams of the portfolio companies and the segment management teams provides an opportunity to share experiences on individual impacts, risks and opportunities (e.g. in relation to the switch to renewable energy sources (biogas plants, photovoltaic systems)) and to learn from others. No further resilience analysis was carried out.

In addition to the specific “Striving for Sustainability” initiative, INDUS’ strategy also includes impacts/interdependencies in the three other pillars of the strategy. INDUS incorporated the assessment of target companies’ sustainability performance into its M&A due diligence process years ago. Emphasis can be placed on sustainability matters to varying degrees as part of the due diligence process. In general, the acquisition process should examine whether the potential company’s business model is sustainable. As part of the “Driving innovation” initiative, specific emphasis can also be placed on sustainable innovation projects or, in cases involving other innovation projects, checks can be performed to see whether they are having a positive impact on sustainability matters. The “Operational Excellence” initiative, which seeks to optimize production processes, can always be structured so as to focus on sustainability criteria.

S1 OWN WORKFORCE

				Value chain			Time horizon		
	Type	IRO		Upstream	Own activities	Downstream	Short-term	Medium-term	Long-term
	Potential positive impacts	Employee satisfaction and low staff turnover	A high level of employee satisfaction is important for retaining employees. INDUS makes every effort to keep this high. When working conditions are good and employees are satisfied, they are more productive and innovative, which can have a positive impact on the stability and productivity of the company. People also then stay with the company for longer, meaning that experience and knowledge are built up over time making processes more efficient.		x	x	x	x	x
	Risk	Worsening skills shortage	A worsening in the shortage of skilled workers is a risk for the portfolio companies, as it may not be possible to run shifts at full capacity in the future, resulting in lower productivity. This in turn can have consequences on profitability and production capacities.		x	x		x	x
	Opportunity	Low staff turnover rate and long period of employment	Low staff turnover rates and long periods of employment, as is currently the case, ensure efficient work, minimal training costs, and a productive atmosphere. This generates real financial added value for the Group.	x	x	x	x	x	x
Working conditions	Actual negative impacts	Occurrence of work accidents despite preventive measures	Work accidents can happen at any time, especially in production, no matter what measures have been taken to avoid them. This is due to the nature of the working environment, which involves the handling of goods, machinery and vehicles, i.e. the business activities of the portfolio companies. Theoretically, any employee of INDUS or its portfolio companies could be affected. When work accidents occur, they have a negative impact on the health of the employees concerned. In the vast majority of cases, the resulting injuries heal without causing lasting damage. INDUS nevertheless endeavors to avoid work accidents and has been reporting a key figure for years that is also important for investors.		x		x	x	x
	Potential positive impacts	INDUS' efforts to promote employee satisfaction and reduce the staff turnover rate	Equal treatment and equal opportunities are seen by INDUS as key to employee satisfaction and a healthy staff turnover rate. The resulting atmosphere can have a positive impact on all entrepreneurial and social aspects relevant to the portfolio companies.		x			x	x
	Potential positive impacts	Diversity management and open working environment	An open-minded attitude to the diversity of different employees and promoting a diverse workforce boosts the company's positive image both internally and externally and motivates other specialists to choose INDUS as their employer.		x			x	x
	Opportunity	Well-trained employees with development prospects	INDUS offers all employees the same development prospects regardless of their gender, skin color, etc. This can have a positive impact on the corporate culture, the knowledge within the company and the staff turnover rate.		x			x	x
Equal treatment and opportunities for all	Opportunity	Diversity management and open working environment	An open working environment for all employees creates a positive working atmosphere and builds INDUS' reputation as an attractive employer for skilled workers. This can ultimately have a positive impact on productivity and business development.		x			x	x

S1 SBM-2 AND SBM-3

For INDUS, sustainable development means meeting the needs of the present without jeopardizing the ability of future generations to meet their needs. Economic activity can only be successful and sustainable in the long term if corporate responsibility also implies respect for human rights. At INDUS, every portfolio company sets its own course. But what unites them is their values. Sustainable action is based on striking a balance between the three pillars of economic, environmental and social concerns.

IMPACTS, RISKS AND OPPORTUNITIES IN RELATION TO INDUS' "OWN WORKFORCE"

As part of the double materiality assessment, the sub-topics of "working conditions" and "equal treatment and opportunities for all" were identified as relevant based on an analysis of impacts (I), risks (R) and opportunities (O) in relation to INDUS' "own workforce".

Employees' interests, views and rights are taken into account into the actions of those responsible in the INDUS Group through the SME structures with their flat hierarchies, short communication routes and appreciative culture. In the INDUS Group, SME structures with flat hierarchies mean that managers can pick up on employee' views quickly and at regular intervals. The Supervisory Board's Strategy and ESG Committee is also involved in monitoring the inclusion of employees' interests, views and rights. Given INDUS' business model as a value-oriented holding company for the SME sector of the German speaking countries, the topics of "working conditions" and "equal treatment and opportunities for all" are equally relevant throughout the Group. The portfolio companies stand out due to their strong position in special niche industrial technology markets. This means that they require well-trained and satisfied employees. The portfolio companies benefit from a low staff turnover rate in their highly specialized corporate environments.

As part of the execution of the "PARKOUR perform" strategy, sustainability management was assigned an important role in managing the impact of companies' own actions, reducing sustainability-related risks and exploiting opportunities through the implementation of the fourth pillar, "Striving for Sustainability". This has led to a further professionalization of sustainability management. Sustainable practices for INDUS means treating economic, social and ecological objectives equally over the long term so as to create lasting values, enable quality work by doing so, and protect the world and all of the human beings who live in it at the same time. This safeguards and strengthens the interests, views and rights of employees. Overall, the existing strategy and business model cover the impacts identified as part of the double materiality assessment, meaning that no adjustments had to be made in this regard.

The social impacts, risks and opportunities identified (in this case: INDUS' own workforce) are monitored continuously and implemented at the Group's portfolio companies through various measures, for example the implementation of operational health management activities, the cultivation of an appreciative culture within the company or equal opportunities in internal job advertisements. All in all, the risk associated with a "shortage of skilled workers" is diametrically opposed to the opportunities offered by a "low staff turnover rate and long period of employment" and "good employees with development prospects". As such, similar measures are needed to prevent the risk from materializing and seize the available opportunities. The opportunities resulting from "Diversity management and open working environment" are arising from our fast-changing society with a vast range of different equality and diversity models, as well as communication and working environments that allow for transformation.

Employee satisfaction is important when it comes to keeping employees within the INDUS Group. As a result, INDUS strives to maintain a high level of satisfaction. High employee satisfaction allows the company to keep its staff turnover rate stable at a low level. Positive working conditions boost employee satisfaction and productivity, as well as the company's ability to innovate. High levels of employee satisfaction and, as a result, long periods of employment mean that employees keep their experience and knowledge within the company. The risk that the shortage of skilled workers will become more pronounced relates to the Group's entire workforce (see ESRS 2 – SBM 1), with no specific risks identified for individual groups of employees. A worsening shortage of skilled workers poses a risk for the portfolio companies because it may not be possible to fill all vacant positions with qualified employees or shifts in the future, reducing the company's productivity and profitability.

The staff turnover rate within the INDUS Group is low and employees have been with the company for a long time on average. This gives the Group the opportunity to work more efficiently, means that less induction training is required and increases the company's overall profitability.

Occupational accidents can occur at any time. It is the employer's responsibility is to keep the number of such accidents to a minimum. The impacts of occupational accidents are negative both for the injured/ill employees and for the INDUS Group due to the lost days involved. INDUS wants to protect its employees and is committed to measures to prevent accidents at work. These include occupational safety training, operational health management measures and first aid training.

INDUS sees equal treatment and opportunities for employees as playing a crucial role in employee satisfaction and a low turnover rate. The resulting working atmosphere can have a positive impact on all entrepreneurial and social aspects relevant to the portfolio companies.

An open-minded attitude to the diversity of different employees and promoting a diverse workforce contributes to a positive image of the INDUS Group both internally and externally and can also have a positive impact on social and entrepreneurial aspects.

INDUS relies on well-trained employees who have development prospects. To this end, INDUS is committed to offering all employees the same development opportunities, regardless of their gender or other diversity characteristics. This has a positive impact on the corporate culture, the level of knowledge within the company and the staff turnover rate.

Overall, INDUS' own workforce is affected by the impacts, risks and opportunities described. Employees working in production are more likely to be affected by possible occupational accidents (impact: occupational safety) than employees with an office-based job. In the past, occupational accidents mainly occurred in production, which led to their inclusion in the materiality assessment. The impacts and opportunities are mutually dependent. The shortage of skilled workers, on the other hand, is a risk that is determined to a considerable degree by external factors. Forward-looking corporate management, however, provides leeway for suitable countermeasures.

The preparation of a transition plan in accordance with E1-1 is something that INDUS is currently looking into. It does not have a transition plan at present. As soon as this transition plan has been drawn up, INDUS will report on its impact on its employees.

As of December 31, 2024, the INDUS Group had 9,262 employees. 8,921 are employed by INDUS ("own workforce") and 341 are not employed by INDUS ("non-employees"). The company's own employees are made up of management employees, permanent employees, temporary employees, employees whose employment is currently suspended, and trainees. Non-employees are made up of agency workers, vacation staff and other temporary staff. INDUS' own workforce as a whole is affected by the impacts, risks and opportunities described above. Non-employees are affected in particular by the impacts, risks and opportunities related to working conditions. The terminology used in this report regarding the company's own workforce differs from the terminology used in the ESRS. The term "workforce" used by the standard setter is referred to by INDUS as "employees".

G1 GOVERNANCE

	Type	IRO		Value chain: Upstream	Own activities	Downstream	Time horizon: Short-term	Medium-term	Long-term
	Actual positive impacts	Reducing the risk of corruption through clear internal regulations	Uniform, clear rules and Group-wide communication create a uniform understanding of the law and the necessary obligations incumbent upon employees and the company. This has a positive effect on the behavior of all employees, as both good behavior and behavior that will not be tolerated are clearly defined.		x		x	x	x
Corruption and bribery	Opportunity	Systematic compliance training reduces the risk of compliance violations by the company's own employees	Compliance training has a positive impact on INDUS' business activities, as adherence to rules ensures that the company can avoid penalties and fines and promotes its reputation as a trustworthy business partner. This can translate into a good order situation and stable business relationships.	x	x	x	x	x	x
	Actual positive impacts	Clear guidelines very positive for supplier evaluations and ratings	Good internal structures are an important criterion in supplier screening. Stable structures have a positive effect on the results of the screening process, which contributes to the portfolio companies' good reputation as good business partners.	x	x	x	x	x	x
Management of relation-ships with suppliers including payment practices	Opportunity	Group-wide and publicly available Code of Conduct makes INDUS a trustworthy business partner.	A Group-wide Code of Conduct sets out rules governing the conduct of all portfolio companies and clarifies what is expected of business partners. This clearly defined behavioral framework provides structures that make commercial collaboration easier and gives the INDUS portfolio companies a positive market profile.		x		x	x	x
	Actual positive impacts	Corporate Culture	A positive and appreciative corporate culture is part of INDUS' DNA. Instead of a "hire and fire" mentality, a positive approach to employees and their performance is encouraged and expected. This creates a sense of belonging to a group and a positive working atmosphere, with a positive knock-on effect on social and entrepreneurial aspects.		x		x	x	x
	Actual positive impacts	Corporate Culture	The positive and appreciative corporate culture has a positive impact on working conditions and, as a result, on employee motivation. The better working conditions created as a result help to boost productivity and improve companies' position and reputation on the market.		x		x	x	x
Corporate Culture	Opportunity	Compliance with regulatory requirements through implementation of corresponding standards.	INDUS promotes and requires compliance with regulatory requirements. As an opportunity, compliance creates a reputation as a trustworthy business partner and provides security to plan with a view to the future, as companies strive for transparent development within the boundaries of the regulations that apply to them.		x		x	x	x

IMPACTS BASED ON STRATEGY AND BUSINESS MODEL

The impacts of climate change are inextricably linked to the business model of the portfolio companies, as energy is indispensable for manufacturing companies. At the same time, all of these impacts are to be viewed in the context of the overall strategy, as the survival of the portfolio companies is one of INDUS Holding's core objectives, albeit alongside a particular emphasis on climate change mitigation and reducing greenhouse gas emissions in the context of sustainable business.

Like the use of energy, the impact on the company's employees is inseparable from the business model: in-house employees are essential for manufacturing companies. The positive impacts are consistent with the aim of optimizing employee retention. This also contributes to the corporate strategy, as performance can be increased and the portfolio companies remain viable. The strategy also contributes to the social aspects of sustainability. The negative impact results primarily from the business model, more precisely from the processing and manufacture of goods. INDUS' strategy is most certainly aimed at avoiding this negative impact wherever possible in order to protect its own employees and provide them with a good working environment, the overarching objective being to achieve a high level of employee satisfaction.

The impacts of corporate governance are consistent with the fundamental objective of INDUS Holding's business model: to buy, hold and develop family-run businesses. This can only be a success if family-run businesses continue to treat their stakeholders, both their own employees and their suppliers, with respect – another expression of a strategy in which social fairness and economically sustainable action are of paramount importance.

All of the INDUS Group's risks were captured and evaluated in the risk management system in the reporting year. No sustainability risks with a material financial impact on INDUS' financial position and financial performance were identified. Financial opportunities related to sustainability were not assessed.

The INDUS Group consists of more than 40 portfolio companies that operate independently in their respective markets. They use this freedom to actively develop their businesses further, tailoring them closely to customers' needs. The Group's companies operate in diverse business and technological fields, selling markets, and business cycles – the Group is broadly diversified. With their respective core capabilities, the companies generally occupy market niches which are of interest for their industries.

In the past, companies in the SME segment have proven their ability to adopt an agile approach and react resiliently to challenges and crises. From the Group's perspective, the broad diversification spreads the risk associated with all of the above-mentioned material impacts, risks and opportunities, balancing out the portfolio and the individual opportunities for the portfolio companies in their markets. This is illustrated if we compare the sales generated by the biggest portfolio company against the Group's total sales. In addition to the short and medium-term outlooks, this perspective also applies to long-term scenarios.

Networking between the management teams of the portfolio companies and the segment management teams provides an opportunity to share experiences on individual impacts, risks and opportunities (e.g. in relation to the switch to renewable energy sources or using biogas plants and photovoltaic systems) and to learn from others. No further resilience analysis was carried out.

DOUBLE MATERIALITY ASSESSMENT

ESRS 2 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

ESRS 2 IRO-2 DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT

PROCEDURE

The double materiality assessment is based on the materiality assessments for reporting in accordance with the Non-Financial Reporting Directive (NFRD) and the associated non-financial report, which INDUS has been publishing as part of its annual financial reporting since 2017. In the years from 2018 to 2021, the materiality assessment was subjected to an annual plausibility check as part of the non-financial report.

The materiality assessment was reviewed in detail in 2022. This involved drafting a new long list of potential material sustainability issues for the INDUS Group. The long list includes both the topics previously classed as material and topics from the reporting of relevant peer group companies, international frameworks (e.g. GRI) and current global trends and developments. This list of topics was discussed with, and evaluated by, external stakeholders in structured interviews (outside-in perspective).

The group of stakeholders surveyed comprised:

— Investors
— Portfolio companies
— Suppliers/service providers
— Customers
— Employees
— Municipalities
— Analysts

Structured interviews were conducted with a total of eleven different representatives from the stakeholder groups. The second step involved presenting the resulting short list to the management teams at the INDUS portfolio companies as part of an online survey so they could evaluate it.

Once the outside-in perspective had been analyzed via the stakeholders, the INDUS Board of Management analyzed the internal, or inside-out perspective. The results were then compared with the external perspective, before combining both perspectives to finalize the material topics to serve as a basis for the 2022 non-financial report.

The analyses revealed

— that the existing fields of action remain fundamentally unchanged,
— that no "blind spots" had been identified and
— that only minor adjustments and tweaks to the sustainability strategy were necessary.

The outcome of the updated 2022 materiality assessment was confirmed once again by the Board of Management and the Supervisory Board in the context of the 2023 non-financial report and forms the basis for the short list of potentially material topics for the materiality assessment in accordance with ESRS 1.

For the purposes of sustainability reporting in accordance with the CSRD, the material topics have to be assessed from a slightly different perspective, as defined in the European Sustainability Reporting Standards (ESRS, in particular ESRS 1). Here, the inside-out perspective is assessed based on what is referred to as "impact materiality". The outside-in perspective is assessed based on "financial materiality". The topics were reassessed on the basis of these new criteria, as the financial angle in particular had not been assigned the same weight in the previous assessment.

The new assessment was carried out by an internal team of experts. These included INDUS' "Sustainability" department, which maintains regular contact with the sustainability contacts appointed by the portfolio companies, putting it in a position to incorporate their concerns into all relevant processes. All assumptions applied to the materiality process are based on the expertise of the stakeholders that were previously involved, as well as the expertise of the Board of Management and the sustainability function.

The materiality assessment based on ESRS 1 started by comparing the long list and the material topics from the 2023 materiality assessment against the table showing the sustainability matters addressed in topic-specific ESRSs at topic, subtopic and sub-subtopic level (ESRS 1 AR 16) in order to check whether aspects relevant to the CSRD had not yet been considered. No topics affecting INDUS that had not previously been considered were identified. The topics previously classed as material were then compared with the content of the topic-specific ESRSs and assigned to these standards. In addition, the actual and potential positive and adverse effects as well as risks and opportunities with regard to the value chains and activities of the INDUS portfolio companies were documented in an impact assessment. This looked at whether impacts have financial effects (risks and opportunities), which were included in the assessment accordingly, and vice versa, whether financial effects give rise to impacts. The INDUS Group's risk management function was also included in this process. Aspects associated with an elevated risk of adverse impacts were addressed together with all other aspects, evaluated in the context of sustainability using the system described below and, as such, assessed regarding their significance for reporting. Opportunities were identified during the materiality assessment as part of the assessment and discussion of impacts, and were assessed in the same way as risks. The INDUS-specific topics of "Shareholder support" and "Social justice – being a good neighbor/regional engagement" can be assigned to the mandatory disclosure requirements set out in ESRS 2 (GOV-1, GOV-2 and SBM-2).

All impacts, risks and opportunities were collected in a large assessment matrix and were assessed and assigned priorities using the following procedure. In the assessment matrix, the impacts, risks and opportunities were also described in order to define the scale to be assessed each case and the type of mechanism in each case (similar to the descriptions in SBM-3). This documentation also allows the impacts, risks and opportunities to be reviewed when the process is checked annually to ensure that it is up to date.

IMPACT MATERIALITY

To assess the impacts, the following predefined criteria were rated on a scale from 1 (low) to 4 (very high) and offset against the weightings documented in company-specific guidelines:

— Extent
— Scope
— Impossibility to change (only for adverse impacts)
— Likelihood (only for potential impacts)

By assessing the impacts based on the aspects listed, the impacts were prioritized to identify important impacts and those that are significant for reporting.

FINANCIAL MATERIALITY

In order to assess the risks and opportunities, the criteria defined in the guidelines were also rated on a scale from 1 (low) to 4 (very high) and weighted using formulas. As the financial impact parameter is not clearly defined in the ESRS, the following criteria were defined:

— Financial effect
— Options for resource utilization
— Costs for resources
— Dependence of business relationships
— Likelihood

In line with the impact assessment, the risks and opportunities identified were prioritized based on their scores.

This approach was chosen as no values were available for financial materiality. If quantitative values become available in the future, these can be compared against a financial materiality threshold to be defined, which would replace the assessment of the criteria.

TIME HORIZONS AND MATERIALIZATION IN THE VALUE CHAIN

The assessment process documented for all impacts, risks and opportunities, whether they materialized in the reporting year (short-term), could materialize over the next five years (medium-term) or could materialize over a period of more than five years (long-term). The process also involved documenting where in the value chain the impacts, risks or opportunities could materialize. For risks and opportunities, the process also documented whether they could materialize within the sphere of INDUS' operational control or whether they have an impact outside the company's own operations (e.g. regulatory issues). As the vast majority of value creation is concentrated in German-speaking Europe, no structured distinctions were made by geographical region.

DEFINED THRESHOLD VALUE

The results for the impacts, risks and opportunities assessed come to between 1 and 4. The threshold defined for INDUS, above which an issue is considered material and the associated ESRS has to be reported, was set at 2.6. This value covers the top third of the materiality spectrum and ensures that INDUS focuses on the most important issues in its actions and targets. Both the result for the impact materiality and the result for financial materiality are compared with this threshold. As soon as one of the two results is above the threshold, the impact, risk and/or opportunity is/are considered material and the associated ESRS has to be applied. This applies to the following standards:

— E1
— S1
— G1

DISCLOSURE REQUIREMENT IN CONNECTION WITH ESRS 2 IRO-1 – DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (INCL. IRO-1 E1)

Impacts, risks and opportunities were collected and supplemented for the context of climate change, climate change adaptation and energy based on the materiality assessments for NFRD reporting and the update of the 2022 materiality assessment (further information on the process is provided in ESRS 2 IRO-1). The transition to the principle of double materiality according to ESRS and the projection to the upstream and downstream value chain is also described in detail in ESRS 2 IRO-1.

To assess the impact on climate change, the Group's greenhouse gas emissions were considered, taking into account emissions from the Group's own operations (Scope 1 and 2) as well as from the upstream and downstream value chain (Scope 3). This was based on existing knowledge from previous reports in the context of the non-financial statement. Acquisitions of new portfolio companies may result in new sources of emissions, which are then taken into account in the consolidated greenhouse gas emissions. No other potential sources of emissions were identified.

The double materiality assessment of physical and transition risks was supported by a scenario analysis that was also used to evaluate resilience (see SBM-3). The analysis of physical climate risks is based on the study "Climate Impact and Risk Assessment 2021 for Germany", which was published by the German Environment Agency in 2021. In particular, the information from "Sub-report 5: Risks and adaptation in the industry and health clusters" was used. This study analyzed the physical risks for the manufacturing industry in Germany based on two scenarios with the following characteristics:

— Optimistic: 15th percentile of RCP 8.5
— Pessimistic: 85th percentile of RCP 8.5
— Target horizon: mid-21st century (2031–2060)

The fundamentally pessimistic scenario RCP 8.5 of the IPCC (Intergovernmental Panel on Climate Change), which forms the basis of the study, was divided into an optimistic part, which overlaps with the IPCC scenarios RCP 2.6 and RCP 4.5 up to the middle of the century, and a pessimistic part, which is to be regarded as the worst-case scenario. The pessimistic part was decisive for the purposes of the analysis. This systemic risk analysis was given preference over a location-based analysis. This Sustainability Report is prepared on a consolidated basis, and the diverse structure of the INDUS Group would mean that an analysis on the basis of location-specific risks would entail a disproportionate effort. Provided that more detailed information is taken into account, the result can be assumed to be comparable.

The INDUS Group's portfolio companies are mainly located in Germany and partly in Austria and Switzerland. The German-speaking region generally has similar structural and economic characteristics, and the geographical features of the regions in which the portfolio companies are located are also comparable. The contents of the study are therefore applied to the German-speaking region as a whole.

The study examined physical effects and their impact chains on the upstream and downstream value chain as well as the manufacturing companies' own operations. The results were applied to the INDUS Group for each aspect examined (see SBM-3) and the study's risk assessment was taken as the basis for estimating the risks for the INDUS portfolio companies in the short, medium and long term (the short and medium-term horizons cover the strategic planning, asset lifecycles were not taken into account). A distinction was made in the assessment between gross risks for assets and for operations. The likelihood of occurrence was also estimated over the three time horizons. The main physical risks, both of which are not classed as material according to the DMA, are explained in SBM-3. Risks in the value chain affect INDUS' operations, whereas risks associated with its own operations affect both operations and assets. Acute climate risks, such as extreme weather, are important for the entire value chain, but are generally more likely to affect smaller areas than chronic risks. Due to the geographical spread of the portfolio companies and their different areas of operation, the risk associated with physical climate hazards is spread over a large area and is reduced accordingly. The risks are of similar significance for all three segments.

The risk and opportunity categories developed by the Task Force on Climate-related Financial Disclosures (TCFD) were used to analyze transition risks and opportunities. These were discussed and assessed in a structured manner in the context of an optimistic scenario in which ambitious measures are taken to limit global warming to 1.5°C (comparable to IPCC RCP 2.6). The upstream and downstream value chain (indirect risks) and the company's own operations (direct risks) were analyzed over short, medium and long-term time horizons in line with the materiality assessment. The likelihood of occurrence was also assessed. Assets and business activities were assessed to determine joint potential damage for risks/added value for opportunities. The most significant risks (all non-material) are presented and explained under SBM-3. No assets or business activities have been identified that are not compatible with the transition to a climate-neutral economy or require significant efforts (e.g. via the TCFD risk categories "Mandates on and regulation of existing products and services", "Mandates on and regulation of existing production processes" or "Exposure to litigation").

The most significant opportunities (material) are "Use of lower-emission sources of energy" and "Shift toward decentralized energy generation". Both are to be assigned to the short-term time horizon and are currently already being addressed through the expansion of renewable energy and self-sufficiency using photovoltaics and heat pumps.

FURTHER INFORMATION ON SCENARIO ANALYSIS

The scenarios used (RCP 8.5, in parts RCP 2.6 and RCP 4.5) correspond to the IPCC's Fifth Assessment Report. The current Sixth Assessment Report of the IPCC increasingly uses SSP ("shared socioeconomic pathways") scenarios, which take socioeconomic information into account in addition to physical information. This difference was reflected when the Climate Impact and Risk Assessment 2021 for Germany was prepared. As climate change is a prolonged process spanning long time horizons, this study is to be updated every six years. As a result, the scenario analysis for INDUS was carried out with the current study. The range of scenarios is considered sufficient, as both an adverse and a positive development are considered. The two extremes are mapped as guidelines for actual development. Other scenario characteristics are presented in the table below:

SCENARIO ANALYSIS

Type	Negative	Positive
Scenario	Negative: Physical risks (according to RCP 8.5, divided into optimistic and pessimistic development)	Positive: Transition risks and opportunities scenario (according to RCP 2.6)
Time horizon	– Short-term (1 year) – Medium-term (5 years) – Long-term (> 5 years)	– Short-term (1 year) – Medium-term (5 years) – Long-term (> 5 years)
End point	Middle of the 21st century	End of the 21st century
Driving forces behind the scenarios	– Development based on fossil energy	– Limiting global warming to 1.5 degrees Celsius by the end of the 21st century
	– Fossil fuels are increasingly exploited and social and economic development continue to drive the adaptation of resources and energy-intensive lifestyles	– Strong focus on climate change mitigation
	– High greenhouse gas emissions lead to excessive global warming and increased risk of natural disasters	– Rising costs for fossil fuels
	– In this scenario, warming of 2.6–4.8°C is expected at the end of the 21st century (even in the optimistic scenario, the 1.5°C target will not be met).	– Rising certificate costs in emissions trading
		– Increased requirements for emissions reporting
		– Investors include emissions in their investment decisions and consumers demand more sustainable products and business models
		– Promotion of sustainable energies (e. g. hydrogen, electricity from renewable energy sources) and new technologies

IRO-1 G1 GOVERNANCE

As part of the double materiality assessment and based on an analysis of the impacts (I), risks (R) and opportunities (O) in relation to governance, all potential sub-topics were checked to determine their relevance within the INDUS Group. The general procedure for the materiality assessment was explained under ESRS 2 IRO-1.

With regard to governance, as in the past, no differentiation was made by location, as the majority of added value is concentrated in the German-speaking region. The different areas of activity, sectors and transaction structures at the portfolio companies lead to different impacts, risks and opportunities in terms of governance. The stakeholder surveys allowed the relevant sustainability topics to be identified and compared against the topics identified internally. As a result, any topics not relevant to INDUS such as “Political influence and lobbying activities” were excluded. All other topics were assessed on the basis of predefined double materiality assessment criteria. The sub-topics “Corruption and bribery”, “Management of relationships with suppliers including payment practices” and “Corporate culture” were identified as material.

DISCLOSURES ON NON-MATERIAL ESRS (APPENDIX C)

In the context of updating the 2022 materiality assessment, a comprehensive stakeholder engagement process was carried out involving the Board of Management, the management teams of the INDUS portfolio companies and external stakeholders. This process formed part of the basis for the materiality assessment based on the principle of double materiality in accordance with ESRS 1. The results of the double materiality assessment were confirmed in an update performed in 2024.

Affected communities (indigenous peoples) were not consulted.

IRO-1 E2 POLLUTION (PARAGRAPH 11)

The impacts, risks and opportunities related to pollution were identified and assessed on a macro level in relation to our own operations and value chain. The information basis for the materiality assessment in accordance with ESRS 1 was the above-mentioned update of the 2022 stakeholder consultation. The topic of pollution was considered to be of medium importance in the assessment of internal and external stakeholders and technical experts. The engagement process did not reveal any special features related to this topic.

Following the initial qualitative and comprehensive assessment, no location-based review was conducted to identify further impacts, risks and opportunities in connection with pollution in the context of the company’s own operations and the upstream and downstream value chain.

IRO-1 E3 WATER AND MARINE RESOURCES (PARAGRAPH 8)

The value chain and business activities were examined in the context of the materiality assessment to determine any links to the topic of water and marine resources, and were assessed accordingly.

During the 2022 stakeholder consultation process, both externals and internal stakeholder groups, including the management teams of the portfolio companies, who are very familiar with their production processes classified the topic of water as irrelevant, meaning that there was no need for any detailed review at location or asset level.

IRO-1 E4 BIODIVERSITY AND ECOSYSTEMS (PARAGRAPHS 17, 19)

An analysis of the actual and potential impacts on biodiversity and ecosystems was carried out for three portfolio companies at location level as part of the EU Taxonomy alignment assessment. Checks were performed to determine whether the sites were located in protected areas or biodiversity hotspots and, if so, whether they have an adverse impact on the protected areas. The check revealed that the three portfolio companies included in the assessment are not located in such areas and, if they are, that their sites do not have any negative impact.

INDUS' diversified structure means that impacts in the value chains were not taken into account, especially given that the portfolio companies are located in the middle of the value chains and largely process semi-finished goods, which makes it difficult to assess impacts on biodiversity in the upstream and downstream value chain.

A Group-wide overarching assessment of the impacts, risks and opportunities (incl. transition, as well as physical and systemic risks) in the context of biodiversity and ecosystems was conducted as part of the 2022 stakeholder consultation. As with the other topics, relevant aspects were discussed by internal and external stakeholders, including the management of the portfolio companies and the Board of Management. This was based on the expertise and experience of the internal and external stakeholder groups. The result was that this topic was found to be of very little relevance in the context of the company's own operations. The experts were also unable to identify any dependencies on biodiversity and ecosystem services for their own activities, which are central to the technical metal processing industry. The technical experts took experience from industry-specific activities and constant dialog with internal and external stakeholder groups as a basis. No further location-based review was performed, as INDUS has no reason to suspect any significant negative impact on biodiversity given the locations and the above-mentioned circumstances.

IRO-1 E5 RESOURCE USE AND CIRCULAR ECONOMY (PARAGRAPH 11)

The value chain and the company's own operations were examined in the context of the materiality assessment to determine any links to the topic of resource use and circular economy, and were assessed accordingly.

During the 2022 stakeholder consultation process, both external and internal stakeholder groups, including the management teams of the portfolio companies, who are very familiar with their production processes discussed the topic of the circular economy and alternative sources of raw materials. The topic was considered to be of medium importance. Consequently, in the context of the double materiality assessment conducted in 2024, the topic was analyzed in greater detail and primarily immaterial risks and opportunities and immaterial potential and actual impacts were identified. This was primarily based on business activities and not on assets.

DEFINING REPORTING REQUIREMENTS BASED ON THE MATERIALITY ASSESSMENT

The material impacts, risks and opportunities and associated ESRSs are consistent with the material topics in the non-financial report. The impacts, risks and opportunities identified based on the materiality assessment were compared with the reporting requirements under ESRS standards E1, S1 and G1, and the necessary disclosure requirements and data points to be reported were derived as a result. The information presented below has been determined based on its relevance to the ESRS requirements that must be reported based on the materiality assessment (see SBM-3 and IRO-1). To help identify the data points to be reported, all impacts, risks and opportunities were assigned to the ESRS sub-topics and a check was performed to determine which IRO should be assigned to which data points. The data points linked to material impacts, risks and opportunities via the sub-topics are included in the reporting. Structuring documents were used to collect the information required under the disclosure requirements and to complete and optimize it in accordance with the application requirements. The information was collected in consultation with the relevant experts at the portfolio companies in order to meet the reporting requirements in the best possible way (see IRO-1 and SBM-2).

The results of the materiality assessment were presented to the Board of Management and to the Strategy and ESG Committee of the Supervisory Board as internal stakeholders for review and confirmation. In this respect, the Board of Management also represents the views of the INDUS portfolio companies as one of the key stakeholder groups. The INDUS Board of Management is in regular contact with the management teams of the portfolio companies in the context of budget discussions or management meetings, including regular on-site visits, meaning that it is able to adequately represent the interests of the portfolio companies. The material risks identified as part of the double materiality assessment are incorporated into the central risk management system. This involves established, ongoing bilateral consultation and cooperation between the risk management (part of Compliance) and sustainability functions, also with a view to future reviews and updates of materiality assessments. Risks not related to sustainability, however, are not taken into account in the double materiality assessment for sustainability reporting.

OUTLOOK

The materiality assessment is reviewed as part of the annual reporting process to ensure that it is up to date, and is updated if necessary. This annual procedure ensures that impacts, risks and opportunities are monitored and prioritized.

LIST OF DISCLOSURE REQUIREMENTS

Standard	Disclosure requirement	Page
ESRS 2 – General Disclosures	BP-1	88
	BP-2	89
	GOV-1	89
	GOV-2	89
	GOV-3	96
	GOV-4	97
	GOV-5	97
	SBM-1	98
	SBM-2	101
	SBM-3	102
	IRO-1	110
	IRO-2	110
E1 – Climate Change	E1-1	127
	E1-2	127
	E1-3	127
	E1-4	127
	E1-5	133
	E1-6	134
S1 – Own Workforce	S1-1	137
	S1-2	143
	S1-3	144
	S1-4	137
	S1-5	137
	S1-6	146
	S1-7	146
	S1-9	147
	S1-13	147
	S1-14	147
	S1-16	148
	S1-17	148
G1 – Governance	G1-1	148
	G1-2	151
	G1-3	152
	G1-4	153
	G1-6	153

Environment

Disclosures According to Article 8 of EU Regulation 2020/852 (Taxonomy Regulation)

GENERAL INTRODUCTION REGARDING THE EU TAXONOMY

The Green Deal published by the European Commission in 2019 is aimed at the sustainable transformation of the economy. The EU Taxonomy is of major importance to this goal, in its function as a classification instrument that defines ecologically sustainable activities.

Within the framework of the EU Taxonomy, six environmental objectives are pursued:

1. **Climate change mitigation – CCM**
2. **Climate change adaptation – CCA**
3. **Sustainable use and protection of water and marine resources – WTR**
4. **Transition to circular economy – CE**
5. **Pollution prevention and control – PPC**
6. **Protection and restoration of biodiversity and ecosystems – BIO**

While the reporting obligation in 2021 and 2022 was limited to the first two environmental objectives, all six environmental objectives were reported on for the 2023 financial year.

A simplified reporting obligation applied to all newly added economic activities, meaning that these activities only had to be reported on with regard to their Taxonomy eligibility. For the 2024 financial year, all economic activities will now be checked for Taxonomy alignment for the first time. For Taxonomy alignment, it is reviewed whether the respective economic activity matches the description of the activity and fulfills the criteria for a material contribution to one of the environmental objectives, does no significant harm (DNSH) to any other environmental objectives, and meets the minimum level of protection. Compliance is only achieved if all aspects apply.

The INDUS Group consists of more than 40 portfolio companies, and some additional sub-subsidiaries. The subsidiaries have their registered seats in Germany and Switzerland. Branches and sub-subsidiaries have their registered offices primarily in the German-speaking region. Since 2023, the Group has been subdivided into three segments, with 13 to 17 portfolio companies in each segment: Engineering, Infrastructure and Materials. The segments are each managed by a member of the Board of Management that is responsible for the segment.

Most portfolio companies supply products for the middle of the value chain, such as metal parts, materials for surface processing, and tool and machine parts that predominantly do not fall under the EU Taxonomy.

INTERNAL ORGANIZATION OF THE TOPIC

To fulfill the reporting requirements in the framework of the EU Taxonomy, a working group was founded at holding-company level in the 2021 financial year. Since then, this group has been working in coordination with the respective departments and portfolio companies to determine the economic activities eligible for Taxonomy in the portfolio cluster, review these in terms of their Taxonomy alignment, and determine the associated sales, CapEx and OpEx.

TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES

In this process, the findings from the previous financial years were expanded on in the 2024 financial year.

The (main) activities of all portfolio companies were identified and centrally listed in the 2021 financial year. The list has been annually updated since then and the effects of the update on Taxonomy reporting have been analyzed. This relates to, for example, the discontinuation (e.g. through the sale of portfolio companies) or addition of new economic activities (e.g. through the acquisition of new portfolio companies or the development of new business fields), as well as the subsequent screening of these activities with respect to Taxonomy eligibility. However, regulatory changes are also taken into account on an ongoing basis and examined in terms of their importance for the INDUS Group.

As in previous years, partly due to ambiguous wording and a lack of limitations, there were some uncertainties in interpretation. Various approaches were selected so it would nevertheless be possible to report conservative data. For example, as in the previous year, based on the generic activity description arising from CE 1.2. “Manufacture of electrical and electronic devices”, only such manufacturers are included that comply with the definition arising from electrical and electronics equipment law and accordingly are listed in the directory of registered manufacturers and registered authorized agents in accordance with electrical and electronics equipment law.

In 2024, buildings were built and sold that fall under the activity CCM 7.7. “Acquisition of buildings”. Some of the activities listed under environmental objective 1 are also named under environmental objective 2. In these cases, the economic activities – as in the previous year – are assigned exclusively to environmental objective 1, as this is where the focus for INDUS lies.

No further new activities were identified in the 2024 financial year. All activities were, however, checked for alignment. The following table provides an overview of all activities.

TAXONOMY-ELIGIBLE ACTIVITIES ASSESSED

KPI	Category	ID	Economic activity	Activity	Portfolio company
		1	CCM 3.5. Manufacture of energy-efficient equipment for buildings	Manufacture of front doors with high heat insulation	OBUK
				Manufacture of windows and doors with high noise and heat insulation	WIRUS
				Manufacture of heat pumps	REMKO
				Manufacture of air-to-air air-conditioning devices	REMKO
		2	CCM 3.18. Manufacture of automotive and mobility components	Manufacture of heat pump systems	AURORA
		3	CCM 4.16. Installation and operation of electrical heat pumps	Installation and maintenance of heat pumps	REMKO
		4	CE 1.2. Manufacture of electrical and electronic devices	Manufacture of heating controllers and thermostats	ELTHERM
				Manufacture of refueling technology and tire pressure control systems	HORN GROUP
				Manufacture of data loggers, measurement technology and sensors	IPETRONIK
				Manufacture of bolt welding equipment	KÖCO
				Manufacture of electric heaters, air-conditioning devices, dehumidifiers and air purifiers	REMKO
		5	CE 5.1. Repair, refurbishment and remanufacturing	Foreign body inspection systems	MESUTRONIC
				Refueling technology, tire pressure control systems	HORN GROUP
				Conveying technology	BUDDE
Sales		6	CE 5.2. Sale of spare parts	Foreign body inspection systems	MESUTRONIC
				Refueling technology, tire pressure control systems	HORN GROUP
				Conveying technology	BUDDE
	a) Assets/processes that are associated with Taxonomy-eligible and Taxonomy-aligned activities	7	CCM 3.5. Manufacture of energy-efficient equipment for buildings	Manufacture of front doors with high heat insulation	OBUK
				Manufacture of windows and doors with high noise and heat insulation	WIRUS
		8	CE 1.2. Manufacture of electrical and electronic devices	Refueling technology, tire pressure control systems	HORN GROUP
				Data loggers, measuring technology and sensors	IPETRONIK
				Bolt welding equipment	KÖCO
CapEx	c) Acquisition of products from Taxonomy-eligible and Taxonomy-aligned activities and individual measures through which the target activities are performed in a low-carbon manner or the emission of greenhouse gases is reduced	9	CCM 6.5. Transport by motorbikes, passenger cars and light commercial vehicles	Leasing of company cars	Entire INDUS Group
		10	CCM 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings	Installation of charging pillars	H+S IPETRONIK SIMON
		11	CCM 7.6. Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of photovoltaic systems and the associated technical equipment	BETEK HAUFF OBUK PEISELER ROLKO WEINISCH
		12	CCM 7.7. Acquisition and ownership of buildings	Purchase and leasing of land and buildings	Entire INDUS Group

Here, activities with the ID 1-8 are portfolio-company-specific or business-model-specific, while activities 9-12 may potentially be of relevance for all holding companies. In respect of these potentially generally relevant activities, they are recorded using central data in Investtool and the INDUS Holding AG assets analysis.

TAXONOMY-ALIGNED ACTIVITIES

The alignment checks on the new activities added in the 2023 financial year show that the extensive requirement criteria and the associated evidence cannot currently be met/ furnished for any economic activity, meaning that these activities are still only reported as Taxonomy-eligible.

The fulfillment of the criteria was reviewed in cooperation between the holding company and the affected portfolio companies.

For the sales-generating activities in the area of doors and windows, the technical assessment criteria are used to make a distinction between those that Taxonomy-eligible and Taxonomy-aligned. All products are Taxonomy-eligible because they fall in the description of activity CCM 3.5 and generally have high insulation values. For products that are to be allocated to economic activity CCM 4.16, all products also fulfill the technical assessment criteria and are therefore Taxonomy-aligned. Other, non-sales-generating activities are exclusively Taxonomy-eligible such as those that are to be allocated to economic activity CCM 4.1. “Electricity generation using solar photovoltaic technology”. This is due to the photovoltaic modules not being produced, but only acquired and used as a green product. These activities therefore relate to the acquisition of production from Taxonomy-eligible economic activities. In accordance with the prevalent interpretation of the legal act, including by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany), this results in the review of Taxonomy alignment, and in particular the DNSH and minimum protection criteria, needing to be performed at the level of the photovoltaic module supplier. Corresponding inquiries with the suppliers have not provided sufficient evidence. This is due to the direct suppliers generally being small to mid-sized installation operators which, due to not being directly affected, are not able to furnish the difficult-to-obtain evidence of Taxonomy alignment of their products, or have to themselves request it in turn. The information situation may however improve in the next few years as demand increases, with the result that conversion into Taxonomy-aligned activities is conceivable for the future. However, these activities are to be classified only as Taxonomy-eligible for the 2024 financial year.

MATERIAL CONTRIBUTION

The audit activities and documentation were executed for each activity and on a location-related basis, and are summarized at this point. To fulfill a material contribution concerning environmental objective 1 “Climate change mitigation”, certain technical assessment criteria must be met. At INDUS these relate, for example, to the heat transfer coefficients (manufacture of windows and doors), or the energy efficiency class or cooling agent thresholds (manufacture and installation of heat pumps). These technical assessment criteria have been communicated to the portfolio companies with business-model-specific Taxonomy-eligible economic activities, and they have been correspondingly asked which of their products comply with these requirements. The requirements are met to the full extent in the manufacture of air-to-air air-conditioning devices. For heat pumps, doors and windows, the thresholds are largely complied with. The result of this analysis forms the basis for identifying sales that are achieved through Taxonomy-aligned activities as well as the associated investment expenses and operating expenses.

The mixing-up of sales, CapEx and OpEx must be entirely ruled out because different accounts are addressed here in terms of accounting. Avoiding double-counting within the revenue, investment expenses and operating expenses is ensured by it only being possible for the respective values to be reported by the portfolio companies once using the consolidation software Lucanet. If an activity can potentially be attributed to several environmental objectives this, together with the specific allocation of sales, CapEx and OpEx to an environmental objective, is marked accordingly in this report sheet. This also avoids double-counting in this respect.

DNSH

In the sense of Taxonomy, the material contribution of an economic activity to an environmental objective must not take place with an acceptance of negative effects on one of the other five environmental objectives. Therefore, do-no-significant-harm (DNSH) criteria must be used to review whether marked harm can be ruled out. The criteria to be set out relate in parts to already existing EU regulations, compliance with which is in any case a requirement for construction and operating licenses. INDUS activities generally cause very little harm. This finding was the outcome of the thorough review of the DNSH criteria. The fulfillment of DNSH criteria for the individual environmental objectives is explained in more detail below. In comparison with the previous year no additional activities were identified that make a material contribution, so this year the DNSH assessment from the previous year was essentially reviewed to ensure it is up-to-date, and optimized in places.

The **adaptation** of business activities **to climate change** is also of no minor economic relevance. This is reflected in the fact that opportunities and risks associated with climate change play an amplified role in risk management and in investment decisions.

In financial year 2022, the climate risk and vulnerability assessment required in the Taxonomy was based on the recommendation of the guideline “How to perform a robust climate risk and vulnerability assessment for EU Taxonomy reporting?”, German Government Environment Agency (final version dated November 9, 2022) at location and activity level. The scenario analysis for the RCP scenarios 8.5, 4.5, 2.6 and regarding the current risk was performed using the publicly accessible GERICS database – climate outlooks for administrative districts beyond mid-century to 2065. As the definition of climate risks in GERIS is not congruent with the Taxonomy, a corresponding allocation must be applied. In addition, GERICS does not cover all 28 climate risks stated in the Taxonomy. Some of these gaps can be ruled out due to the geographic location of the portfolio companies. It was possible to assess the other risks by referring to other data such as the WWF Risk Filter Suite.

The assessment found that the locations are only affected by very few climate risks and, in the event that they do occur, they would not jeopardize the performance of economic activity in those locations, and could not result in relevant financial losses.

This year, there was an increased focus on the specific supply chains for Taxonomy-aligned products. In this process, Taxonomy-aligned activities, such as transport routes and means of transport, for example, were analyzed in terms of their susceptibility to climate risks, and the consideration of risks in the supply chain in risk management was examined. In terms of the **sustainable use and protection of water and marine resources**, there are requirement criteria for processes including the manufacture of doors, windows and heat pumps, as well as for the installation of heat pumps. These relate primarily to legal and official requirements which it is mandatory to comply with for construction and operating licenses; for this reason alone fulfillment can be assumed. None of the three affected portfolio companies had to perform an environmental compatibility test to obtain a construction and operating license. Accordingly, there are legal requirements and approvals relating to bodies of water that could arise from this test. The activity profile of the companies means that water consumption is low. The sites are also not located in water stress areas with a high acute risk of drought. The WWK Risk Filter Suite also does not expect a high risk up to 2050 taking into account the IPCC scenarios RCP 4.5 and 6.0. The companies nonetheless strive to handle water as a resource in a responsible manner. For example, at OBUK the water circuits in production are closed. In addition, the geographical position of the respective locations as well as the specific production process are examined for potential negative effects on water quality and water stress. No significant risk was identified in this process.

For the **transition to a circular economy**, there are requirements such as high durability, ease of disassembly and high recyclability. As the specific options for integration into the circular economy depend on the respective activity, the individual activities have been considered and in each case assessed with respect to criteria such as longevity or recyclability. Generally, it can be said that for economic reasons INDUS portfolio companies’ products and their components are designed in such a way that they last a long time, i.e. they differ from competing products in this respect, and offer good recyclability. High recyclability means that at the end of the product lifecycle it is possible to reuse individual components, which are often still valuable as raw materials – such as glass which, after product disassembly is supplied back to the recyclable material cycle. To support this process, WIRUS for example collaborates with special disposal companies that are specialized in the recycling of windows.

Waste that is accrued in the production process is also increasingly internally recycled and fed back into the production process. A specific example here is drawn from the portfolio company OBUK (Contribution to economic activity CCM 3.5. “Manufacture of energy-efficient equipment for buildings”): Its rigid foam recycling mill means that 100% of the rigid foam waste generated during the production of insulation boards for door panels can be recycled. The recycled Purenit is then provided back to the supplier and finally is used in new insulating material.

On the heat pumps it sells, REMKO offers a manufacturer warranty of five years and also services for maintenance and repair as well as a spare parts service, including for older models. In order that wearing parts can be replaced, the heat pumps are designed in such a way that they are easy to disassemble. On that basis and due to the longevity of the devices, resources are protected that would be consumed through the repeated procurement of new devices.

In terms of **pollution prevention and control**, there are activity-specific requirements in some areas. Air-to-air heat pumps with a nominal output of a maximum of 12 kW must not exceed certain thresholds with respect to the sound power level. The examined products meet this standard. Activities that fall under 3.5 “Manufacture of energy-efficient equipment for buildings” must not, or in some cases may only under certain requirements, result in the production, placing onto the market, or use of certain chemical substances. The chemical compounds correspondingly listed in Appendix I, Annex C, Letters a) to e) of the Environmental Act result (in some cases only in the case of non-compliance with specific requirements) in an economic activity being categorically ruled out as Taxonomy-aligned.

Due to the changes made to the requirements in June 2023, the requirements under g) were deleted and the requirements under f) were adapted: Use of the substances listed in these Sections is only permitted if there is no alternative to these substances and they are used under controlled conditions. There are still a few substances for which there is not yet an alternative. However, these are used under controlled conditions, i.e. the substances are processed in such a way that there is no risk to employees or buyers of the products. In the past financial year, WIRUS successfully managed to replace the only critical substance it uses with a non-critical substance in accordance with Article 57 of Regulation (EC) No 1907/2006.

The majority of the critical substances named in Appendix I, Annex C to the Environmental Act are subject to applicable German legislation. At these points, in the sense of the legality principle, reference is made to applicable law; i.e. as long as no different indices are present, at these points conformity of the portfolio companies with the legal requirements is assumed as a principle. This concerns, for example, the use of certain hazardous substances in electrical and electronic devices due to the RoHS Directive 2011/65/EU (Restriction of Hazardous Substances). Compliance with the RoHS Directive is a compulsory requirement for achieving the CE mark, without which electrical devices may not be circulated in the EU. In this way, REMKO guarantees compliance for the products correspondingly put on the market.

At all points at which the requirements from the EU Taxonomy go beyond the current legislation, firstly the key raw materials are identified for the respective products, and checked for negative effects in accordance with Annex C. In addition, in recent years the relevant companies had already requested, evaluated and checked the Taxonomy compliance of the safety datasheets for all chemicals used for the manufacture of Taxonomy-eligible products. This was relevant both to chemicals that go into WIRUS windows as adhesives, for instance, but also, for example to cleaning agents that do not become part of the final product. The safety datasheets for the new substances used in 2024 were also reviewed for the purposes of this year’s report. According to the REACH Regulation, the manufacturer must create safety datasheets for all chemicals officially defined as hazardous and their emulsions, and provide them to customers. This thorough review resulted in no indications that potentially harmful chemicals have been used.

In principle, compliance with existing regulations is also required in the **protection and restoration of biodiversity and ecosystems**. Depending on the respective company’s business model and the geographical location, the required environmental compatibility tests and respectively assessments of environmental compatibility are the basis for obtaining construction and operating licenses, and are therefore in place where necessary. None of the three affected portfolio companies had to perform an environmental compatibility test to obtain a construction and operating license.

The Taxonomy also requires the review of proximity to biodiversity-sensitive areas which, in the case of a positive assessment and a risk of negative effects on these areas due to an activity, can result in a Habitats Directive compatibility test being performed and the requirement to implement certain measures.

The review using several publicly accessible databases (such as protected areas in Germany published by the Federal Agency for Nature Conservation or the overview of UNESCO biosphere reserves) did not result in any geographical proximity to the German locations. The OBUK Polish location is in a bird reserve in accordance with the Birds Directive (Directive 2009/147/EC). An official preliminary test in the course of the issuance of the construction and operation license did not result in any necessity for a Habitats Directive compatibility test to be performed as the activities of OBUK subsidiaries are not expected to result in any negative effects on the local flora and fauna. As the affected portfolio companies have not opened any new sites, a repeat test was not performed this year.

MINIMUM PROTECTION

Recently, compliance with minimum protection requirements was also reviewed. During the review, in which the previous steps took place at activity level, the minimum-protection requirements were reviewed at company level. In this process, the requirements were reviewed both at holding-company level and at the level of the affected portfolio companies. As the legal acts relating to minimum protection have not been particularly precise to date, essentially the “Final Report on Minimum Safeguards” published by the EU advisory body Platform on Sustainable Finance (PSF) from October 2022 was used as a guideline.

As required in the report, there is a human rights due diligence process. In this context, INDUS has for example published a statement on observing human rights, signed by the entire Board of Management, and offers both internal and external parties an easily accessible way of submitting complaints in the form of the “SpeakUp” whistleblower system. As required in the PSF report, there is an anticorruption process, processes for compliance with tax regulations, and monitoring of the associated risks as well as processes for adhering with fair competition. In addition there is a possibility of convictions arising from breaches of human rights, corruption, tax and competition law. Regular dialog with stakeholders is also ensured. This is effected in particular, but not exclusively, by ensuring that stakeholder dialog coming from an OECD National Contact Point is never rejected, and accusations from the Business and Human Rights Resource Center are never left unanswered. There is an increasing focus on risks in the supply chain, not least in the course of the Supply Chain Due Diligence Act, and these risks were considered to a greater extent in 2023 and subjected to a more in-depth analysis in 2024. In the course of this, for example, a piece of software to monitor and document fulfillment of the requirements set out in the Supply Chain Due Diligence Act was introduced in 2023 and rolled out Group-wide. In addition, the INDUS Supplier Code is increasingly applied. In the course of the Taxonomy reporting for 2023 and 2024, the company’s top 10 suppliers with compliant activities were also considered in-depth with respect to the subjects of human rights, corruption, tax evasion and competition law.

This found that the INDUS Group complies with the minimum protection to the full extent.

FINANCIAL STATEMENT ACCOUNTING STANDARD

The same accounting standards have been used to determine Taxonomy KPIs as are used in the framework of group financial reporting in accordance with IFRS.

Due to the restrictive OpEx definition in the EU Taxonomy, the Taxonomy OpEx in proportion to total OpEx is not relevant and therefore not material for the INDUS business model. Accordingly, a proportion of Taxonomy-aligned/Taxonomy-eligible economic activities of zero is reported. The respective KPIs result from the division of the sales/CapEx associated with Taxonomy-eligible and respectively Taxonomy-aligned activities (= numerator) by the respective total values (= denominator). In this way, for example, the sales KPI is created by dividing sustainable net sales – i.e. of sales generated with Taxonomy-aligned activities – by the total net sales. OpEx is composed of expenditure for research & development, maintenance for buildings, machines and factory and office equipment, as well as maintenance, basic and advanced training and leasing in accordance with IFRS 16. The items are expense components of the consolidated statement of income, and the same applies for the total sales. CapEx is made up of additions to intangible assets, leasing/rent right-of-use assets, and property, plant and equipment. The breakdown of Taxonomy-aligned sales and CapEx is set out in the following tables. These are chiefly sales from customer contracts.

BREAKDOWN OF THE SALES NUMERATOR (in EUR million)

Type	Amount	
	FY 2024	FY 2023
Taxonomy-aligned sales from customer contracts (from economic activities CCM 3.5. and CCM 4.16.)	72.32	98.75
Total	**72.32**	**98.75**

BREAKDOWN OF THE CAPEX NUMERATOR (in EUR million)

Type	Amount	
	FY 2024	FY 2023
Additions to property, plant and equipment (IAS 16), economic activity CCM 3.5	0.30	0.31
Additions to intangible assets (IAS 38), economic activity CCM 3.5	0.12	0.13
Total	**0.42**	**0.44**

VALUES

Though sustainability is a fundamental value for INDUS, the applicable scope of the Taxonomy is limited because the portfolio companies predominantly produce intermediate products, while the Taxonomy is focused on end products. We therefore report the following KPIs:

KEY FIGURES ON TAXONOMY ALIGNMENT (in EUR million)

Type	Amount	
	FY 2024	FY 2023
Sales	1,721.80	1,802.43
of which Taxonomy-aligned	72.32	98.75
CapEx	86.43	82.91
of which Taxonomy-aligned	0.42	0.44

Both OBUK and WIRUS effected investments in the 2024 financial year, though these are not exclusively for the production of Taxonomy-aligned or Taxonomy-eligible products. At this point, the investment costs were allocated in accordance with the proportion of sales made up by Taxonomy-aligned products. This apportionment is fair according to the input involved as Taxonomy-eligible products are produced on the same production line as Taxonomy-aligned products.

In comparison with the previous year, the proportions of both Taxonomy-aligned and Taxonomy-eligible sales and investments each changed by less than one percentage point.

The report sheets relating to the Complementary Delegated Act have additionally been set out below. As there were no Taxonomy-relevant sales, CapEx or OpEx for the economic activities listed here in 2024, only report sheet 1 is listed.

TEMPLATE: PROPORTION OF SALES FROM GOODS OR SERVICES THAT ARE ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE FOR THE YEAR 2024

2024 financial year		Year		Criteria for a material contribution						DNSH criteria ("do no significant harm")									
Economic activities (1)	Code(s) (2)	Sales (3)	Proportion of sales, 2024 year (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) revenue, 2023 (18)	Category, enabling activity (19)	Category, transition activity (20)
		Euros	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activity (Taxonomy-aligned)																			
CCM 3.5. Manufacture of energy-efficient equipment for buildings	CCM 3.5.	70,767,737	4.11%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	5.38%	E	
CCM 4.16. Installation and operation of electrical heat pumps	CCM 4.16.	1,551,690	0.09%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.10%		
Sales from environmentally sustainable activities (Taxonomy-aligned) (A.1)		**72,319,426**	**4.20%**	**4.20%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**5.48%**		
Of which enabling activities		**70,767,737**	**4.11%**	**4.11%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**5.38%**	**E**	
Of which transition activities		**0**	**0%**	**0%**						**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**		**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities) (g)				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
CCM 3.5. Manufacture of energy-efficient equipment for buildings	CCM 3.5.	23,897,065	1.39%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.02%		
CCM 3.18. Manufacture of automotive and mobility components	CCM 3.18.	12,325,614	0.72%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.74%		
CE 1.2. Manufacture of electrical and electronic devices	CE 1.2.	92,402,526	5.37%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								4.60%		
CE 5.1. Repair, refurbishment and remanufacturing	CE 5.1.	808,268	0.05%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.06%		
CE 5.2. Sale of spare parts	CE 5.2.	5,477,344	0.32%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.40%		
Sales from Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities) (A.2)		**134,910,817**	**7.84%**	**2.10%**	**0%**	**0%**	**0%**	**5.73%**	**0%**								**7.82%**		
A. Sales from Taxonomy-eligible activities (A.1 + A.2)		**207,230,243**	**12.04%**	**6.30%**	**0%**	**0%**	**0%**	**5.73%**	**0%**								**13.30%**		
A. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
Sales from non-Taxonomy eligible activities (B)		**1,514,565,804**	**87.96%**																
Total (A + B)		**1,721,796,047**	**100%**																

SALES PROPORTION/TOTAL SALES		
	Taxonomy-aligned for each objective	Taxonomy-eligible for each objective
CCM	4.20%	6.30%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	5.73%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

TEMPLATE: CAPEX PROPORTION FROM GOODS OR SERVICES THAT ARE ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE FOR THE YEAR 2024

2024 financial year	Year			Criteria for a material contribution						DNSH criteria ("do no significant harm")									
Economic activities (1)	Code(s) (2)	CapEx (3)	CapEx proportion, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) CapEx, 2023 (18)	Category, enabling activity (19)	Category, transition activity (20)
		Euros	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activity (Taxonomy-aligned)																			
CCM 3.5. Manufacture of energy-efficient equipment for buildings	CCM 3.5.	419,925	0.49%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.53%	E	
CapEx environmentally sustainable activities (Taxonomy-aligned) (A.1)		**419,925**	**0.49%**	**0.49%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.53%**		
Of which enabling activities		**419,925**	**0.49%**	**0.49%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.53%**	**E**	
Of which transition activities		**0**	**0%**	**0%**						**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**		**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities) (g)				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
CCM 3.5. Manufacture of energy-efficient equipment for buildings	CCM 3.5.	69,707	0.08%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.04%		
CE 1.2. Manufacture of electrical and electronic devices	CE 1.2.	2,547,346	2.95%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								2.74%		
CCM 6.5. Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	6,071,106	7.02%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								7.82%		
CCM 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4.	21,986	0.03%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.06%		
CCM 7.6. Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	1,179,220	1.36%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.88%		
CCM 7.7. Acquisition and ownership of buildings	CCM 7.7.	24,248,887	28.06%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								27.65%		
CapEx from Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities) (A.2)		**34,138,251**	**39.50%**	**36.55%**	**0%**	**0%**	**0%**	**2.95%**	**0%**								**40.29%**		
A. CapEx for Taxonomy-eligible activities (A.1 + A.2)		**34,558,177**	**39.98%**	**37.04%**	**0%**	**0%**	**0%**	**2.95%**	**0%**								**40.82%**		
A. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
CapEx from non-Taxonomy eligible activities (B)		**51,872,710**	**60.02%**																
Total (A + B)		**86,430,887**	**100%**																

CAPEX PROPORTION / TOTAL CAPEX		
	Taxonomy-aligned for each objective	Taxonomy-eligible for each objective
CCM	0.49%	37.04%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	2.95%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

TEMPLATE: OPEX PROPORTION OF GOODS OR SERVICES THAT ARE ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE FOR THE YEAR 2024

2024 financial year			Year	Criteria for a material contribution						DNSH criteria ("do no significant harm")									
Economic activities (1)	Code(s) (2)	OpEx (3)	OpEx proportion, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) OpEx, 2023 (18)	Category, enabling activity (19)	Category, transition activity (20)
		Euros	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activity (Taxonomy-aligned)																			
OpEx for environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**																
Of which enabling activities		**0**	**0%**															**E**	
Of which transition activities		**0**	**0%**																**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities) (g)				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
OpEx for Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities) (A.2)		0	0%																
A. OpEx for Taxonomy-eligible activities (A.1 + A.2)		**0**	**0%**																
A. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
OpEx from non-Taxonomy eligible activities (B)		**48,703,391**	**100%**																
Total (A + B)		**48,703,391**	**100%**																

OPEX PROPORTION / TOTAL OPEX	Taxonomy-aligned for each objective	Taxonomy-eligible for each objective
CCM	0.00%	0.00%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

REPORT SHEET 1 ACTIVITIES IN THE AREAS OF ATOMIC ENERGY AND FOSSIL GAS

Row	Activities in the area of nuclear energy	
1.	The company operates in the area of research, development, demonstration and use of innovative power generation plants that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The company operates in the construction and safe operation of new nuclear technology plants for the generation of power or process heat – including for district heating supply or industrial processes such as hydrogen generation – as well as in their safety-related improvement with the aid of the best available technologies, finances such activities, or holds risk positions in connection with these activities.	NO
3.	The company is active in the safe operation of existing nuclear technology plants for the generation of power or process heat – including for district heating supply or industrial processes such as hydrogen generation – as well as in their safety-related improvement, finances such activities, or holds risk positions in connection with these activities.	NO
Row	**Activities in the area of fossil gas**	
4.	The company operates in the construction or operation of plants for the generation of power from fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	NO
5.	The company operates in the construction, modernization and operation of plants for cogeneration with fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	NO
6.	The company operates in the construction, modernization and operation of plants for heat production that generate heat/cold from fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	NO

Climate Change – E1

E1-1 – TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Climate change mitigation is the original key topic of the INDUS sustainability strategy. The main concern, also for the INDUS Group, is the reduction of greenhouse gas emissions (GHG emissions).

It is also important to include all parties involved in the process of climate change mitigation. That means companies should work together with their suppliers in order to ensure that they, too, are keeping their GHG emissions as low as possible. Beyond this, climate change mitigation should also be a key factor in procurement strategies, the selection of suppliers and the procurement of raw materials and services.

INDUS plans to adopt a transition plan for its sustainability-related targets in the years ahead. The INDUS transition plan will conform to all regulatory requirements (CSRD, ESRS, CSDDD, EU Taxonomy requirements and EUDR). The European Commission is currently trying to revise and merge the reporting obligations in an “omnibus” package. It makes sense to wait for the revised regulations before formulating and adopting a transition plan.

E1-2– POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND CLIMATE CHANGE ADAPTATION

E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

E1-4 – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND CLIMATE CHANGE ADAPTATION

POLICIES

INDUS has embedded its sustainability strategy as a new fourth strategic initiative in its PARKOUR perform corporate strategy. Key policies within the strategy in terms of climate change are:

- Economically sustainable conduct ensures future success.
- Considering environmental factors prevents subsequent costs and improves process efficiency.
- Becoming climate neutral with targeted support from the sustainability development bank.

In terms of the sustainability strategy, the years ahead will focus particularly on implementing the greenhouse gas reduction targets defined in the Climate Protection Act.

Within the PARKOUR perform strategy, the INDUS policies address the areas of climate change mitigation, energy efficiency, and renewable energy deployment. The INDUS sustainability development bank provides funding for the implementation of investment projects for energy efficiency, circular economy, recycling and conserving resources. Typical examples include photovoltaic installations, circular water systems and facilities for preparing raw materials.

The topic of climate change adaptation is not explicitly mentioned. The strategy relates to the entire INDUS Group and, in terms of the value chain, to its own activities. The PARKOUR perform strategy was developed by the Board of Management of INDUS Holding AG, which is responsible at all times for its implementation. In addition to communication with internal stakeholders, there is a continuous dialog with external stakeholders on sustainability matters to respond adequately to the complex requirements (cf. SBM-2).

In line with the portfolio companies' operational independence, the portfolio companies are responsible for prioritizing efficient and effective sustainability initiatives in the context of an individual sustainability strategy geared to INDUS targets.

INDUS is in permanent dialog with the portfolio companies about the ongoing development of their individual sustainability strategies. In order to keep advancing this dialog, contact persons for sustainability have been named at all portfolio companies.

POLICIES, ACTIONS AND TARGETS RELATED TO CLIMATE CHANGE

IRO derived from double materiality assessment	INDUS policies	INDUS actions[1]	INDUS targets
Climate change mitigation: – The use of fossil fuels results in GHG emissions (A, actually negative)	PARKOUR perform strategy (Act sustainably): – Economically sustainable conduct ensures future success – Considering environmental factors prevents subsequent costs and improves production efficiency. – Becoming climate neutral with targeted support from the sustainability development bank	– Switch to green power (**EE**, FS) – Use electric vehicles (**EI**, EE)	Reduce GHG emissions (Scope 1 + 2): – by 70% by 2030 and – by 100% by 2045 All portfolio companies (100%) follow the INDUS reduction target
Climate change mitigation: – Use of renewable energy reduces climate impacts (A, actually positive)	PARKOUR perform strategy (Act sustainably): – Economically sustainable conduct ensures future success – Considering environmental factors prevents subsequent costs and improves production efficiency. – Becoming climate neutral with targeted support from the sustainability development bank	– Switch to green power (**EE**, FS) – Photovoltaic installations to produce power for own use and grid feed-in (**EE**, FS) – Biomass plant (**FS**, EE) → Actions are partly funded by sustainability development bank	Reduce GHG emissions (Scope 1 + 2): – by 70% by 2030 and – by 100% by 2045 All portfolio companies (100%) follow the INDUS reduction target
Climate change adaptation: – New market opportunities due to climate change and ongoing adaptation measures by customers (C)	PARKOUR perform strategy (Act sustainably): – Economically sustainable conduct ensures future success – Considering environmental factors prevents subsequent costs and improves production efficiency. – Becoming climate neutral with targeted support from the sustainability development bank	– Sustainability reporting (CSRD, internet, Sustain), with presentation of actions – Participation in sustainability ratings – ESG-linked financing – Promote sustainability in the Group (**E**, PC, EE)	Reduce GHG emissions (Scope 1 + 2): – by 70% by 2030 and – by 100% by 2045 All portfolio companies (100%) follow the INDUS reduction target
Energy: – Energy-intensive production processes at the portfolio companies, which are still fossil-based to a relevant extent (A, actually negative)	PARKOUR perform strategy (Act sustainably): – Economically sustainable conduct ensures future success – Considering environmental factors prevents subsequent costs and improves production efficiency. – Becoming climate neutral with targeted support from the sustainability development bank	– Switch to green power (**EE**, FS) – Photovoltaic installations to produce power for own use and grid feed-in (**EE**, FS) – Biomass plant (**FS**, EE) – Increase production efficiency (operational excellence) and so reduce energy consumption (**E**, PC) → Actions are partly funded by sustainability development bank	Reduce GHG emissions (Scope 1 + 2): – by 70% by 2030 and – by 100% by 2045 All portfolio companies (100%) follow the INDUS reduction target
Energy: – Renewable energy deployment reduces dependence on fossil energy sources and meets the expectations of legislators, society and customers (C)	PARKOUR perform strategy (Act sustainably): – Economically sustainable conduct ensures future success – Considering environmental factors prevents subsequent costs and improves production efficiency. – Becoming climate neutral with targeted support from the sustainability development bank	– Switch to green power (**EE**, FS) – Photovoltaic installations to produce power for own use and grid feed-in (**EE**, FS) – Biomass plant (**FS**, EE) – Increase production efficiency (operational excellence) and so reduce energy consumption (**E**, PC) → Actions are partly funded by sustainability development bank	Reduce GHG emissions (Scope 1 + 2): – by 70% by 2030 and – by 100% by 2045 All portfolio companies (100%) follow the INDUS reduction target
Energy: – Self-supply with electricity from photovoltaics, geothermal energy, etc. (C)	PARKOUR perform strategy (Act sustainably): – Economically sustainable conduct ensures future success – Considering environmental factors prevents subsequent costs and improves production efficiency. – Becoming climate neutral with targeted support from the sustainability development bank	– Switch to green power (**EE**, FS) – Photovoltaic installations to produce power for own use and grid feed-in (**EE**, FS) – Biomass plant (**FS**, EE) → Actions are partly funded by sustainability development bank	Reduce GHG emissions (Scope 1 + 2): – by 70% by 2030 and – by 100% by 2045 All portfolio companies (100%) follow the INDUS reduction target

[1] Decarbonisation levers in brackets: energy efficiency (E), electrification (EI), fuel switching (FS), use of renewable energy (EE), products change (PC), supply-chain decarbonisation (SD)

ACTIONS AND RESOURCES

The INDUS actions related to climate change can be classified according to the following decarbonisation levers:

ENERGY EFFICIENCY (E)

The aim of energy efficiency is to reduce energy consumption and the associated emissions by means of technological innovations and increased efficiency. Potential actions are the improvement of energy efficiency in production, facility management and logistics, by using efficient machinery, for example, optimizing production processes or using energy-efficient equipment and plant.

ELECTRIFICATION (EI)

Transportation is to be electrified wherever possible to reduce GHG emissions in the transport sector, which is one of biggest sources of GHG emissions.

This is achieved by promoting e-mobility and encouraging logistics processes that use electric solutions. Electrification also concerns the switch from production processes using fossil fuels to electrified processes in connection with green power.

FUEL SWITCHING (FS)

The main aim of decarbonisation by switching fuel is to reduce dependence on fossil fuels (such as coal, oil and natural gas) and to replace them with lower-emission or zero-emission fuels. Potential actions include renewable energy deployment and the use of hydrogen, biofuels and synthetic fuels.

USE OF RENEWABLE ENERGY (EE)

Fossil energy sources are to be replaced by renewable energy sources such as solar, wind, hydro or biomass. Potential actions include investments in own infrastructure for the use of renewable energy or the purchase of green power from renewable sources.

PRODUCTS CHANGE (PC)

The main aim is to reduce the GHG emissions produced during the entire product lifecycle (from design to manufacture, use and disposal). This can entail optimizing the use of resources, switching to low-emission materials or manufacturing long-lasting products. In addition, products should be designed for a circular economy and the entire product lifecycle should be included.

SUPPLY-CHAIN DECARBONISATION (SD)

The GHG emissions caused throughout the supply chain (including sourcing raw materials, production, transport and distribution) are to be minimized. The supply chain must be reorganized to make it more sustainable overall by giving preference to more environmental practices and materials. Actions to decarbonize the supply chain are: use of low-emission materials, promotion of the circular economy, reduction of emissions in production, optimization of transport chains, optimization of supplier selection, supplier audits for transparency, promotion of sustainable product design and innovative manufacturing.

The INDUS actions in the table show the respective decarbonisation levers using the abbreviations defined above. The main decarbonisation lever is in bold type.

The actions taken in the Group are all equally important for INDUS and therefore constitute key actions. Some individual actions are better than others, depending on the portfolio company or the location. The companies review the feasibility of the actions and the timeframe for implementation individually and present their conclusions to the INDUS Board of Management at the planning meeting. Energy efficiency actions are generally short-term. All other actions will be implemented in the medium to long term. The Group-wide targets for reducing GHG emissions are followed and INDUS regularly reviews the actual reduction of GHG emissions by the portfolio companies. This all contributes to realizing the sustainability strategy, which is monitored by the Board of Management. The target for 2024 was to cut GHG emissions. The target is 18.8 t CO_2e/EUR million in sales. A reduction of 13% to 17.4 t CO_2e/EUR million in sales was achieved. The annual target was therefore exceeded. The reduction of GHG emissions at INDUS is measured and analyzed at Group level. GHG emission reductions are not attributed to individual actions.

The following actions were taken at the INDUS Group in the reporting year:

SWITCH TO GREEN POWER

Some portfolio companies have already decided to switch to procuring green power for their electricity supply; the total proportion of green power was increased from 26% to 54% year on year. An increasing switch to green power is planned for the years ahead, so its share should expand continuously.

USE ELECTRIC VEHICLES (EI, EE)

The companies in the INDUS Group are currently reviewing whether to switch the vehicle fleet to electric vehicles. In the interim, over 300 vehicles with alternative drives (hybrid, electric and LNG) are already part of the INDUS Group fleet (2023: 270 vehicles). The number of purely electric vehicles was up by 68% (2023: 57; 2024: 96).

PHOTOVOLTAIC INSTALLATIONS TO PRODUCE POWER FOR OWN USE AND GRID FEED-IN (EE, FS)

Photovoltaic systems make a key contribution to reducing the GHG emissions of the portfolio companies. Some portfolio companies have already installed solar panels on their buildings and others are reviewing or planning their installation. Three photovoltaic installations were approved by the sustainability development bank in financial year 2024. Installations went into operation at six portfolio companies in 2024. A total of 17 companies in the Group now have photovoltaic installations.

BIOMASS PLANTS

Two new biomass plants went into operation in 2024. One of them replaces an oil-fired boiler that was used in production, and another is used to generate heat for the company. There are four biomass plants in total in the INDUS Group. Further targeted deployment of biomass plants is under review.

SUSTAINABILITY REPORTING

INDUS has reported on sustainability data in its sustainability reports for many years. The reporting transparently presents the impacts, risks and opportunities in the INDUS Group, along with its policies, actions and targets and how the Group's sustainable development is planned.

PARTICIPATION IN ESG RATINGS

INDUS' sustainability performance is regularly reviewed by renowned rating agencies. In the ISS ESG rating INDUS received a C+ rating in the Corporate ESG Performance category for the ninth time in succession.

ESG-LINKED FINANCING

INDUS has issued four promissory note loans with an ESG component, which are linked to the ISS ESG rating.

INCREASE PRODUCTION EFFICIENCY (OPERATIONAL EXCELLENCE) AND SO REDUCE ENERGY CONSUMPTION

The use of AI in four beacon projects made production processes more efficient. Going forward, artificial intelligence is to be used to further optimize production in other portfolio companies as well. Many Group employees were systematically qualified in lean management, which aims to systematically avoid waste, as part of the strategic focus on operational excellence. Numerous production processes were adapted as a result. The focus was sharpened on an optimized energy infrastructure in the construction of new production and office buildings. Potential sources of process heat were identified and actions taken or planned to use them.

Some lighting was switched to LED in the financial year, as in prior years. and more will follow. An important building block in the identification of additional measures to reduce energy consumption is regularly performing energy audits in accordance with DIN EN 16247-1. INDUS is constantly in dialog with the portfolio companies both to provide support in the case of projects to increase resource efficiency under the "operational excellence" strategy focus, and when it comes to updating the individual sustainability strategies.

PROMOTE SUSTAINABILITY IN THE GROUP

Regular meetings are held with the sustainability contacts at all portfolio companies to drive the dialog on sustainability topics. In addition, with the sustainability development bank INDUS has been supporting portfolio companies in relation to investment projects (CapEx) for which a significant reduction of GHG emissions and/or resources is expected, with total development funds of up to EUR 10 million available per year. When reviewing possible acquisition targets, market opportunities are analyzed and market developments are forecast taking account of relevant future trends, which may also include the "GreenTech" field defined at INDUS. Ensuring compliance with statutory and regulatory environmental requirements is also a relevant component of the due diligence (DD) process. Three projects were approved by the sustainability development bank for the portfolio companies in 2024, with an investment volume of EUR 0.9 million and a financing volume of EUR 0.5 million.

The innovation development bank provides funding (OpEx) to support the portfolio companies with innovative projects to open up new services and/or markets. In addition to product innovations, it supports services, business processes and business models. INDUS actively encouraged the use of artificial intelligence within the Group as a central lever for innovation in 2024. INDUS Holding AG started or continued several measures within the Group under the banner of “AI Sprint”. These include advanced training and potential workshops with Fraunhofer IAIS, as well as a format for internal dialog between portfolio companies within the SIMON Group. AI actions and other actions by the innovation development bank optimize production processes, which reduces the consumption of resources and the associated costs. INDUS supported 19 projects within the portfolio companies via the innovation development bank in 2024, with total funding of EUR 2.1 million. For acquisition targets which have business and production processes that are expected to have a greenhouse gas emissions intensity greater than the INDUS average, the climate change policies are reviewed separately.

GOALS

Since the INDUS portfolio is highly diversified and the portfolio companies are operationally independent, projects are developed to drive sustainable development accordingly. INDUS only defines a Group-wide quantitative target for GHG emissions (Scope 1 and Scope 2), to reflect the portfolio companies’ independence. In order to protect and preserve the environment, the INDUS Group consistently works on reducing its greenhouse gas footprint. As an intermediate target, emissions intensity should be reduced by 70% by 2030, compared with the 2018 base year. In accordance with the German Federal Climate Protection Act (KSG), the Group aims to cause no more GHG emissions by 2045. The choice of decarbonisation levers is based on the climate scenario RCP 2.6, which assumes significant climate change mitigation efforts and aims to achieve the 1.5°C target. Basing the reduction pathways for Scopes 1 and 2 on the Paris Climate Agreement reflects the goals of global stakeholders when targets are being set. The intensity targets are more important than the absolute targets at INDUS, in order to take account of changes in sales volume, shifting customer preferences and demand, regulatory factors and new technologies. There is no Group target for Scope 3 and so no reduction pathway.

The consistency of reduction targets with GHG accounting was ensured, since the companies and GHG emissions recognized in the statement of financial position are identical to the targets and the reporting. The decarbonisation levers, including new technologies, contribute to target achievement. Around 28,800 t CO_2e can be saved if all the levers are implemented. Of the total, 14,900 t CO_2e relates to Scope 1 and 13,900 t CO_2e to Scope 2. Portfolio companies continuously use technical feasibility studies to review the introduction of new technologies, without including scenario analyses. If they can be implemented, concrete plans are prepared. The innovation and the sustainability development bank support the portfolio companies to realize projects like these.

EMISSION REDUCTION PATHWAY

	2018 (base year)	2030	2040	2045
Cross-sector reduction pathway (ACA) based on 2018 as the reference year	–	-70%	-85%	-100.0%
Cross-sector reduction pathway (ACA) based on 2018 as the reference year in t CO_2/EUR million in sales	47	14	7	–
Emission reduction target in t CO_2e	**79,586**	**41,400**	**41,200**	**–**

A key value-driver here is the resource efficiency of the production units of the INDUS Group. The INDUS Group would like to be able to maintain and generate competitive advantages in the long term through sustainable products and production processes. AI-based processes are increasingly developed and used here.

All the actions for climate change mitigation, climate change adaptation and energy are optimized and developed in the Group.

E1-5 – ENERGY CONSUMPTION AND MIX

ENERGY CONSUMPTION AND MIX

		2024
(1)	Fuel consumption from coal and coal products (MWh)	–
(2)	Fuel consumption from crude oil and petroleum products (MWh)	40,911
(3)	Fuel consumption from natural gas (MWh)	24,456
(4)	Fuel consumption from other fossil sources (here: LNG) (MWh)	2,230
(5)	Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources (MWh)	40,240
(6)	**Total fossil energy consumption (MWh) (sum of lines 1 to 5)**	**107,837**
	Share of fossil sources in total energy consumption (in %)	**68.1%**
(7)	**Consumption from nuclear sources (MWh)**	**1,704**
	Share of nuclear sources in total energy consumption (in %)	**1.1%**
(8)	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	3,370
(9)	Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	41,786
(10)	Consumption of self-generated non-fuel renewable energy (MWh)	3,674
(11)	**Total renewable energy consumption (MWh) (sum of lines 8 to 10)**	**48,830**
	Share of renewable sources in total energy consumption (in %)	**30.8%**
Total energy consumption (MWh) (sum of lines 6, 7 and 11)		**158,371**

Energy is generated from both renewable energy sources and non-renewable energy sources. 3,674 MWh was generated and used internally from renewable sources – not including photovoltaic installations – 52 MWh was produced from a gas-fired combined heat and power plant. In addition to own consumption, 716 MWh from photovoltaic installations was fed into the grid.

INDUS is a Group of manufacturing and industrial SME companies, which is entirely within the sector of climate-intensive activities. Its energy intensity, calculated as total energy consumption divided by revenue for the entire INDUS Group, came to 92 MWh/EUR million in sales in 2024. The high climate impact sectors are manufacturing/production of goods and construction. The revenue used is Group sales for the INDUS Group for 2024.

E1-6 – GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

GROSS GHG EMISSIONS

GHG EMISSIONS

		Retrospective	Milestones and target years	
	2018 (base year)	2024	2030	2045
Scope 1 greenhouse gas emissions				
Scope 1 gross GHG emissions (t CO_2e)	21,323	16,113	–	–
Percentage of Scope 1 greenhouse gas emissions from regular emissions trading systems	–	–	–	–
Scope 2 greenhouse gas emissions				
Location-based Scope 2 gross GHG emissions (t CO_2e)	59,711	33,188	–	–
Market-based Scope 2 gross GHG emissions (t CO_2e)	58,264	13,889	–	–
Scope 1 and Scope 2 emissions (market-based) (t CO_2e)	**79,586**	**30,002**	**41,400**	**0**
Significant Scope 3 GHG emissions				
Total indirect (Scope 3) gross GHG emissions (t CO_2e)	1,162,786	782,816	–	–
1 Purchased goods and services	–	315,537	–	–
2 Capital Goods	–	4,905	–	–
3 Fuel and energy-related activities (not included in Scope1 or Scope 2)	–	4,065	–	–
4 Upstream transportation and distribution	–	23,090	–	–
5 Waste generated in operations	–	2,251	–	–
6 Business traveling	–	–	–	–
7 Employee commuting	–	–	–	–
8 Upstream leased assets	–	–	–	–
9 Downstream transportation	–	–	–	–
10 Processing of sold products	–	–	–	–
11 Use of sold products	–	432,968	–	–
12 End-of-life treatment of sold products	–	–	–	–
13 Downstream leased assets	–	–	–	–
14 Franchises	–	–	–	–
15 Investments	–	–	–	–
Total GHG emissions (t CO_2e)				
Total GHG emissions (location-based) (t CO_2e)	–	832,117	–	–
Total GHG emissions (market-based) (t CO_2e)	–	812,817	–	–

The CO_2e emissions in the table above are defined on the basis of the Greenhouse Gas Protocol.

Biogenic emissions amounted to 1,178 t CO_2e and relate exclusively to Scope 1.

CALCULATION OF GREENHOUSE GAS EMISSIONS AND SCOPE OF CONSOLIDATION IN SUSTAINABILITY REPORTING

Greenhouse gas emissions (GHG emissions) are calculated on the basis of the collection of the relevant activity data from all the portfolio companies in the scope of consolidation via the existing financial data reporting system at INDUS, which has been expanded for the purpose of specifically gathering activity data.

For the accounting of the INDUS Group's greenhouse gas footprint, INDUS uses the financial control approach in accordance with the Greenhouse Gas (GHG) Protocol Standards. According to these, 100% of the emissions of all the companies in the scope of consolidation in which INDUS or a direct portfolio company of INDUS holds at least 50% are included in the INDUS Group's GHG footprint. This is the case for all the INDUS Group's portfolio companies in the scope of consolidation. These include all production facilities, offices and sales units. In 2024 they were joined by GESTALT AUTOMATION, COLSON X-CEL, an indirect subsidiary of HORNGROUP, GRIDCOM, the remaining shares of a HAUFF investment, and DECKMA. Overall, the scope of consolidation for the non-financial reporting therefore corresponds precisely to the scope of consolidation for the financial reporting. For all disclosures pursuant to the EU Taxonomy, the scope of consolidation is also the same as for the financial reporting.

In addition to CO_2, nitrous oxide (N_2O), methane (CH_4) and partly fluorinated hydrocarbons (HFCs) were also included in the calculation of greenhouse gas emissions. Perfluorocarbons (PFCs) and sulfur hexafluoride (SF_6) are not individually recorded because they are not relevant in the INDUS portfolio companies' production processes.

The greenhouse gases are translated into CO_2 equivalents (CO_2e) and exclusively used in this form for the calculation of greenhouse gas emissions. Greenhouse gas emissions are stated in accordance with both the market-based and the location-based calculation methodology.

Emissions are categorized into Scope 1 (direct emissions from mobile and stationary combustion), Scope 2 (emissions that arise from the generation of purchased electricity) and Scope 3 (indirect emissions – for example, as purchased goods and services and logistics) in line with the GHG Protocol Standards. The emissions in Scope 1 and Scope 2 are calculated based on the collected activity data with corresponding emissions factors. In light of the diversity of the INDUS Group and its frequent position in the middle of the value chain, we consider it disproportionate to take a similar approach for the emissions in Scope 3; as such, mainly financial data such as sales, purchased services or costs of materials, and other items are used for the purpose-oriented calculation of these emissions. This financial data is offset with "spend-based emissions factors", that relate expenses in € to emissions. Only data on waste and water is collected on a volume basis. Their emissions and those of product use are calculated on the basis of the useful life and energy consumption of the products sold in 2024. These two categories account for 56% of total Scope 3 GHG emissions. The value chain in Scope 3 is considered both upstream and downstream in accordance with all 15 categories of the GHG Protocol Standards.

SCOPE 3 GREENHOUSE GAS EMISSIONS

Scope 3 is divided into 15 categories that cover various aspects of the value chain. Not all Scope 3 emission categories are relevant for INDUS and its operating activities. All relevant Scope 3 categories were included in the calculation.

The following table provides an overview of the categories included, along with the calculation method and the reasons for excluding the other categories.

SCOPE 3 GHG EMISSIONS

Category	Included/excluded	Reason for exclusion	Methodological notes on estimates / uncertainties / calculations
1 Purchased goods and services	Included		Expenses for raw materials consumables and supplies by product group and measurement using monetary emission factors
2 Capital Goods	Included		Monetary approach via spending on capital goods
3 Fuel and energy-related activities (not included in Scope1 or Scope 2)	Included		Calculation with activity-based data and general emission factors
4 Upstream transportation and distribution	Included		Monetary approach via spending on purchasing and goods transport Assumption that transport accounts for 2% of purchasing costs
5 Waste generated in operations	Included		Activity-based approach via waste and water volumes
6 Business traveling	Excluded	Proportion less than 1%, data availability poor and stakeholder relevance medium.	
7 Employee commuting	Excluded	Proportion less than 1%, data availability poor and stakeholder relevance medium.	
8 Upstream leased assets	Excluded	Emissions from the use of leased vehicle fleet and rented buildings. Emissions are included in Scope 1 and 2 (Financial control method). Otherwise there are no leased items of property, plant and equipment.	
9 Downstream transportation	Excluded	Goods and products sold are delivered on behalf of INDUS and so are accounted for in Cat. 4. The residual share is less than 1%. Data availability is poor and stakeholder relevance is medium.	
10 Processing of sold products	Excluded	An estimate of the emissions associated with the processing of sold products resulted in a share of less than 5%. Data availability is poor and stakeholder relevance is medium.	
11 Use of sold products	Included		Approach via the measurement of sold finished products with energy consumption in use, plus any specific energy consumption and direct process emissions during product use and over the product's lifecycle or useful life.
12 End-of-life treatment of sold products	Excluded	The share is less than 1%. Data availability is poor and stakeholder relevance is medium.	
13 Downstream leased assets	Excluded	INDUS portfolio companies are lessors of a few buildings. Their estimated contribution to Scope 3 emissions is less than 0.1%. No equipment or vehicles are leased or rented to third parties.	
14 Franchises	Excluded	There are no franchising activities.	
15 Investments	Excluded	There is no data to calculate GHG emissions for the minority investments. Their share is considered to be immaterial.	

GHG INTENSITY (IN TERMS OF REVENUE)

	2024
Scope 1 and 2 GHG emissions (location-based) per revenue (t CO_2e / EUR million)	28.6
Scope 1 and 2 GHG emissions (market-based) per revenue (t CO_2e / EUR million)	17.4
Total Scope 1 to 3 GHG emissions (location-based) per revenue (t CO_2e / EUR million)	483.3
Total Scope 1 to 3 GHG emissions (market-based) per revenue (t CO_2e / EUR million)	472.1

To clarify the starting point and the target progress regarding the greenhouse gas reduction target, the gross emission intensity for the 2018 reference year is stated (before taking voluntary purchases of carbon emission allowances into account).

Revenue fell by 4.5% in 2024 and Scope 1 and 2 emissions were further reduced (-27%). Emissions intensity performed well and at 17.4 t CO_2e/EUR million in sales is now 63% below the reference value in 2018.

The INDUS Group supported climate change mitigation projects in financial year 2024 and so made a financial contribution to climate change mitigation. This entailed the retirement of emissions certificates for 2,642 t CO_2e, 95% of which in the official Gold Standard Register. Some portfolio companies use these to compensate for their Scope 1 + 2 emissions, others only for those of their vehicle fleet. INDUS Holding AG also offsets all its Scope 3 emissions.

Social

Own Workforce – S1

S1-1 – POLICIES RELATED TO OWN WORKFORCE

S1-4 – TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

S1-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

INDUS is represented by portfolio companies, sub-subsidiaries, branches, and representative offices in 29 countries on five continents.

The number of employees is calculated on the reporting date. This includes own workers (managing directors, permanent employees, temporary employees, employees on leave and trainees).

The 8,921 employees as of December 31, 2024 are divided among the regions as follows:

EMPLOYEES BY REGION

	2024
Germany	6,735
Europe (EU, Switzerland & UK)	1,171
Rest of world	1,015
Employees in the INDUS Group	**8,921**

The Group management report and the Notes present average annual figures for the number of employees. The definition used for the Group management report/Notes does not include apprentices in the reported figure. Temporary staff are additionally included. The Group management report/Notes report an average of 8,768 employees under this definition for the year 2024.

POLICIES, ACTIONS AND TARGETS RELATED TO OWN WORKFORCE

IRO derived from double materiality assessment	INDUS policies	INDUS actions	INDUS targets
Working conditions: – Employee satisfaction and low staff turnover (A) – Low staff turnover rate and long period of employment (C)	Human rights policy: – Adequate working conditions – Adequate wages of at least the minimum wage defined by applicable legislation INDUS Code of Conduct: – Respect for dignity and personality – Respect, fairness, team spirit, professionalism and openness – Support for talents – Professional and personal development training – Balance between professional and private life	– All new employees are given the Code of Conduct when they join, and it can be retrieved from the intranet at any time. – Adequate wages, at least according to applicable legislation – Compliance with working hours (which correspond to the local statutory provisions and/or sector standards) – Annual human rights risk analysis in own business area – Individual employee satisfaction actions by portfolio companies – SpeakUp system (whistleblower system for misconduct and complaints in the event of potential violations)	– 100% of employees receive the INDUS Code of Conduct – No legitimate complaints
Working conditions: – Worsening skills shortage (R)	Human rights policy: – Adequate working conditions – Adequate wages of at least the minimum wage defined by applicable legislation INDUS Code of Conduct: – Social responsibility and engagement (regional and local level) – Apprenticeships offered in addition to own needs – Initiatives in social, ecological and cultural areas – Support for talents – Professional and personal development training – Balance between professional and private life	– The Code of Conduct is communicated to all employees – Adequate wages, at least according to applicable legislation – Compliance with working hours (which correspond to the local statutory provisions and/or sector standards) – Annual human rights risk analysis in own business area – Individual employee satisfaction actions by portfolio companies – Apprenticeships offered in addition to own needs – Individual actions by portfolio companies at careers fairs, social engagement, social projects and cultural events – SpeakUp system (whistleblower system for misconduct and complaints in the event of potential violations)	– 100% of employees receive the INDUS Code of Conduct – No legitimate complaints
Working conditions: – Accidents at work (A)	Human rights policy: – Occupational safety and health – Improving the work environment – Improving the safety of working conditions and plant, health and safety – Compliance with due diligence requirements – Effective prevention culture – Operating safety standards INDUS Code of Conduct: – Health and safety standards – Responsibilities of managers and individual employees	– Safety standards and implementation of health and safety policies – Health and safety training – Individual prevention actions in the portfolio companies – Annual human rights risk analysis in own business area	– Fewer than 3.0 work accidents per 100 FTE per year – No fatal work accidents
Equal treatment and opportunities for all: – INDUS' efforts to promote employee satisfaction and reduce the staff turnover rate (A)	Human rights policy: – Equal opportunities – Adequate working conditions – Adequate wages of at least the minimum wage defined by applicable legislation INDUS Code of Conduct: – Equal opportunities and respect for one another – Respect, fairness, team spirit, professionalism and openness – Senior executives as role models – Support for talents – Professional and personal development training – Balance between professional and private life	– The Code of Conduct is communicated to all employees – Adequate wages, at least according to applicable legislation – Compliance with working hours (which correspond to the local statutory provisions and/or sector standards) – Annual human rights risk analysis in own business area – Individual employee satisfaction actions by portfolio companies – SpeakUp system (whistleblower system for misconduct and complaints in the event of potential violations)	– 100% of employees receive the INDUS Code of Conduct – No legitimate complaints

POLICIES, ACTIONS AND TARGETS RELATED TO OWN WORKFORCE

IRO derived from double materiality assessment	INDUS policies	INDUS actions	INDUS targets
Equal treatment and opportunities for all: – Diversity management and open working environment (A) (C)	Human rights policy: – Equal opportunities and protection against discrimination – Fair treatment of all employees – No discrimination based on national or ethnic origins, social background, health status, disability, sexual orientation, age, gender, political opinion, religion or world view INDUS Code of Conduct: – Support for equal opportunities and diversity – No discrimination based on gender, race, nationality, age, religion, sexual orientation or disability – Selection and promotion based solely on functional criteria	– The Code of Conduct is communicated to all employees – Annual human rights risk analysis in own business area – SpeakUp system (whistleblower system for misconduct and complaints in the event of potential violations)	– 100% of employees receive the INDUS Code of Conduct – No legitimate complaints
Equal treatment and opportunities for all – Well-trained employees with development prospects (C)	Human rights policy: – Support for education and qualification – Equal opportunities and protection against discrimination – Fair treatment of all employees INDUS Code of Conduct: – Support for talents – Professional and personal development training – Balance between professional and private life – Support for equal opportunities and diversity – Selection and promotion based solely on functional criteria	– The Code of Conduct is communicated to all employees – SpeakUp system (whistleblower system for misconduct and complaints in the event of potential violations) – Individual personal development actions by portfolio companies – Training on compliance for everyone by the holding company, on specific topics for the portfolio companies by the holding company and individually as needed	– 100% of employees receive the INDUS Code of Conduct – No legitimate complaints

POLICIES

There is a Code of Conduct for the INDUS Group in addition to the INDUS Human rights policy. Both documents are available from the INDUS website. The Board of Management has approved the Code of Conduct and arranged for its implementation within the company. The principles laid down in the two documents are general, overarching policies for corporate and social conduct by INDUS. All portfolio companies in the INDUS Group and all employees are obliged to comply with these policies. The portfolio companies are responsible for structuring and implementing them, as well as for integrating the detailed views of employees, and for adopting and implementing additional policies. The various perspectives and interests of INDUS stakeholders were taken into account when the policies were developed. The Compliance Board formulated the principles and presented them to the Board of Management for approval.

In its fundamental declaration on its human rights strategy INDUS emphasizes its commitment to respect human rights, as defined in the International Bill of Human Rights, the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights. The INDUS strategies relating to social and human rights matters are as follows:

The Code of Conduct applies to the entire INDUS Group. To the extent that there are specific national rules for foreign subsidiaries, these may be applied insofar as they do not infringe the basic INDUS principles. The Code addresses both the INDUS Group's conduct towards others and conduct within the INDUS Group.

The INDUS Code of Conduct consists of concrete policies on respect for human rights and good working conditions. Respect for human rights is seen not as a "value-driver" but as a basic requirement for our own economic activities and as a matter of course.

The INDUS portfolio companies draw up their own programs on inclusion. Furthermore, the INDUS Group's holding companies and INDUS financially support social institutions at local and national level and collaborate with social institutions such as workshops for the disabled. There are no specific political commitments by the INDUS Group on inclusion or support measures for people from groups particularly at risk in the workforce.

HUMAN RIGHTS POLICY

INDUS has adopted a human rights policy to emphasize its commitment to respecting human rights. This policy particularly reflects the following human rights principles:

— The International Bill of Human Rights,
— The Declaration of the International Labour Organization on Fundamental Principles and Rights at Work, and
— The UN Guiding Principles on Business and Human Rights.

The policy was adopted by the Board of Management of INDUS Holding AG and is implemented by the Board of Management and the managing directors of affiliated companies. It is binding for all senior executives and employees.

RESPECT FOR HUMAN RIGHTS AND GOOD WORKING CONDITIONS

Respect for people and the environment and their rights is a fundamental element of responsible corporate governance for INDUS.

INDUS respects internationally acknowledged human rights, upholds the rights of its employees and their representatives and avoids harm to the environment. In this context INDUS undertakes to comply with the international standards on which the German Supply Chain Due Diligence Act (LkSG) is based.

Negative impacts on human rights from operating activities should be avoided. They should either be stopped or at least minimized as far as possible. INDUS and its portfolio companies strive to ensure that its business partners, especially direct suppliers, respect human rights. Action is taken accordingly.

INDUS is committed to respecting the following acknowledged human rights, which are addressed in its human rights policy: human rights and good working conditions, prevention of child labor, prevention of forced labor, freedom of association, the right to collective bargaining and the right to strike, equal opportunities and protection against discrimination, the right to occupational safety and health, working hours in line with local statutory provisions, adequate pay and benefits, support for education and qualification and environmental protection.

IMPLEMENTATION OF IMPACTS, RISKS AND OPPORTUNITIES OF THE HUMAN RIGHTS STRATEGY

The Board of Management is responsible for implementing the human rights strategy. The structure of the INDUS Group means that responsibility is spread across various sub-levels and individual business areas. The Compliance Board, which is made up of the employees for Sustainability, Legal and Compliance and the member of the Board of Management responsible for Governance, Risk and Compliance, assumes the function of the Human Rights Officer and is responsible both for monitoring the implementation of the strategy and for answering questions from the business areas.

To put the strategy into practice on a daily basis, the managing directors of the portfolio companies have been entrusted with implementation in their respective business areas. The managing directors have in turn delegated this task to their functional departments. Depending on the individual portfolio company, this primarily concerns the Purchasing/Procurement and Supplier Management functions. These areas are regularly in direct contact with the suppliers and so play a vital role for risk analysis, but also for communication and for developing and implementing preventive measures. Together with the Human Resources (HR) function they also liaise with the Compliance Board of INDUS Holding AG and act as ambassadors in their respective business units for raising awareness and training employees. To pool inquiries about the human rights strategy, the managing directors of the portfolio companies in the INDUS Group have designated contacts to manage the implementation actions in day-to-day business and to collect any questions. After discussion with the Compliance Board, actions or guidance are communicated in the Group.

INDUS has a functioning risk management system, which is reviewed annually by the external auditor to ensure it is adequate. Direct suppliers (around 30,000) are audited by means of a risk database, particularly since the introduction of the German Supply Chain Due Diligence Act in 2023 and the first report for 2023. This audit also included the own business area. As far as we are aware, employees of the INDUS Group are not affected by negative impacts of INDUS' operating activities. No violations have been reported, especially against the prohibition of forced labor and child labor.

ACTIONS

The main impacts, risks and opportunities of the materiality assessment are summarized in the Sections "Working conditions" and "Equal treatment and opportunities for all" (SBM-3) and are presented in the table above. Insofar as they are not described separately, these are ongoing actions that are implemented continuously at the locations of the INDUS portfolio companies. The upstream and downstream value chain is of subordinate importance for implementation.

To fulfill its human rights due diligence obligations INDUS has implemented a system for the risk-based, systematic verification of compliance with human rights and environmental standards by the portfolio companies included in the consolidated financial statements of INDUS Holding AG and the supply chains. INDUS has taken actions to prevent negative impacts on human rights and the environment in our operating activities worldwide, and if they do occur, to end or reduce them as far as possible.

A system has been introduced on the basis of the following structure and is continuously developed:

1. Risk assessment
   Systematic identification and measurement of human rights and environmental risks
2. Definition of actions
   Definition and implementation of actions to mitigate risks depending on the supply chain or affiliated companies concerned and the greatest exposures
3. Control
   Evaluation of the suitability/effectiveness of the risk assessment and implementation of actions
4. Reporting
   Regular, standardized reporting

The portfolio companies are integrated into the risk management system, in which an annual human rights risk assessment is carried out. This aims to identify the portfolio companies' individual risks and also uses country-specific factors to do so.

Preventive and corrective actions are defined and implemented based on the results of the risk assessment. The portfolio companies are responsible for implementation. A dedicated function at INDUS is responsible for the planning and control of implementation. Actions are implemented continuously. The actions are intended to be implemented in the near term. Any actions in the field of occupational health and safety are always taken immediately. Key actions for the impacts, risks and opportunities related to the company's own workforce are the Group-wide distribution of and compliance with the INDUS Code of Conduct and health and safety measures.

The risk assessment is introduced and implemented with appropriate communication and specific training courses that involve all the relevant workers. Controlling and reporting processes are embedded and performed regularly to ensure effectiveness, continuous improvement and ongoing development.

The only negative impacts identified by the double materiality assessment are accidents at work, especially in production. INDUS defines the guidelines for avoiding potential work accidents in its policies. The necessary actions are decided and implemented in the individual portfolio companies. The causes of negative impacts are eliminated directly and in context by the portfolio companies.

The key objective for INDUS is always to comply with human rights. The associated actions are always relevant key actions. Compliance with human rights is defined as mandatory in the human rights policy and the Code of Conduct. INDUS has a separate code of conduct for suppliers that covers human rights in the upstream value chain. All the rules apply globally.

Any violations of the human rights policy have consequences. This can extend to the termination of the business relationship with third parties, e.g. suppliers. Internal and external whistleblowers can report violations via the SpeakUp system. Once the matter has been examined and clarified, appropriate steps are taken. INDUS expects senior executives and line managers at all levels of the hierarchy to take any such reports seriously, to treat them in strict confidence and to clarify them promptly with the corresponding instructions and necessary actions to investigate the reported misconduct and stop it if necessary. The main tool for managing impacts are the Board of Management's directives on implementation of the rules throughout the Group and the specific individual actions by the portfolio companies (human rights policy, Code of Conduct, code of conduct for suppliers and compliance with the health and safety policy). Regular reports within the system confirm that it is effective. The managing directors of the portfolio companies all confirm annually with their signature their compliance with the INDUS Code of Conduct and the human rights policy. The Internal Audit function of INDUS Holding AG also carries out individual audits in the portfolio companies.

The continuous collection of social performance indicators at mid-year and year-end, their analysis, and ongoing feedback from workers in the portfolio companies to their managing director enable conclusions to be drawn about the effectiveness of the actions. The RIMIS risk management system, the SpeakUp whistleblower system and the Internal Audit reports may also provide additional indications of the actions' effectiveness and contribute to monitoring and identifying risks and negative impacts.

GOALS

The targets related to the own workforce can partly be derived from the human rights policy and are partly defined individually as a corporate targets by the Board of Management and communicated to the Supervisory Board (which includes workers' representatives). Other stakeholders were not involved in the definition of targets. All the targets are ongoing and quantitatively measurable, apply for the whole INDUS Group and on an annual basis. There were 3.3 accidents per 100 FTE in the reference year 2018. The target of < 3 accidents per 100 FTE can be derived from published figures for industrial employers' liability assurance associations. There are as yet no quantitative targets for some performance indicators (e.g. staff turnover, training hours, performance reviews). The current figures, some of which have been gathered for the first time, will be compared with those of similar companies. Quantitative targets for other performance indicators are to be defined in the years ahead. Target achievement is regularly measured, analyzed and monitored by the Board of Management, at least annually, via the reporting in Lucanet. Any complaints are examined via the SpeakUp system. INDUS has set a figure of "0" for most of the targets, because incidents > 0 would constitute a violation of the human rights policy or the Code of Conduct or the INDUS Code of Conduct for Suppliers. Work accidents must be prevented. As they cannot be avoided completely, a target of < 3 work accidents per 100 FTE has been defined.

Targets related to the undertaking's own workforce were achieved as follows in the financial year 2024:

TARGET ATTAINMENT RELATED TO OWN WORKFORCE IN 2024

INDUS targets	ACTUAL 2024	Target attainment
100% of employees receive the INDUS Code of Conduct	Each employee is given the Code of Conduct (100%)	Achieved
No legitimate complaints in the SpeakUp whistleblower system related to the identified impacts, risks and opportunities in connection with the undertaking's own workforce	No legitimate complaints (0)	Achieved
Fewer than 3.0 work accidents per 100 FTE	2.2 work accidents per 100 FTE	Achieved
No fatal work accidents	None	Achieved

The awareness of workers forms the basis for identifying risks in their own business area. The decentralized structure of the INDUS Group means that different paths are taken to arrive at a practicable result.

INDUS Holding AG, and the INDUS Group companies independently define how relevant compliance risks and indications of potential and confirmed violations are reported to the responsible functions in the undertaking (e.g. the statutory representatives and the supervisory body if necessary).

Core requirements are regularly communicated via the responsible managing directors in the INDUS Group, supported by a central knowledge database (INDUS Sharepoint/ intranet), which was implemented in 2022 as a central communications platform. It enables the managing directors and relevant functions in the INDUS Group to access guidance and policies, as well as information, links to external service providers such as specialist law firms, and instructions and presentations from the training program. Training courses on the Supply Chain Due Diligence Act are offered to workers via an e-learning platform. Over 200 basic training courses were completed in the reporting year. This regular process is ongoing and is continuously expanded. Additional courses are provided within the tool itself to the approximately 250 users of the risk analysis software tool.

Reference to the requirements of the Supply Chain Due Diligence Act was a focus of Group-wide information events for the managing directors and commercial directors in 2022 and 2023. This group is the central node and multiplier for communication from the INDUS holding company to the INDUS Group companies. It forms the basis for controlling (non)compliance with the Code of Conduct and its supplementary documents (particularly the human rights policy). The managing directors of the INDUS Group regularly report in writing to the responsible member of the INDUS Board of Management on compliance with the Code of Conduct.

This information forms part of the annual Compliance Report from the Board of Management to the Supervisory Board. The report was explicitly extended to compliance with the human rights policy in 2023, because this was defined in its preamble as a supplement providing detailed guidance to the Code of Conduct.

Since the INDUS Holding AG Code of Conduct was introduced it has been made available to all workers of INDUS Holding AG. The Code of Conduct is also available on the INDUS website.

S1-2 – PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

A healthy corporate culture means satisfied employees. Satisfied employees are willing to perform and actively participate in turning corporate goals into a reality. SME organizations have been running successfully for many generations based on this very fundamental understanding.

The INDUS Group is a decentralized organization. The managing directors of the individual portfolio companies are responsible for all aspects of their operating activities and so also for their own workforce. As diverse as the portfolio companies are, so different are their approaches to engaging with their own workers and the workers' representatives if applicable. Engagement with workers also depends on the size of the portfolio company. The managing directors of the portfolio companies assess the effectiveness of their engagement with workers.

Throughout the INDUS Group the members of the Board of Management and the managing directors show great appreciation for the workforce. Engagement with the workforce is practiced in different ways in the portfolio companies. If works councils or other forms of workers' representation have been formed in the companies, then they are actively involved in line with the legal framework.

The INDUS Supervisory Board has equal numbers of workers' representatives and shareholder representatives, in accordance with the Co-Determination Act (MitbestG). The six workers' representatives on the Supervisory Board are made up of four workers and two trade union representatives. The workers' representatives were elected in accordance with Sections 10-24 MitbestG. The four workers' representatives are always in direct contact to the workers through their operational responsibilities within the INDUS Group. The trade union representatives are in turn in contact with the works councils in the INDUS companies and so receive feedback and suggestions from the workers.

The identified impacts (actual and potential), risks and opportunities related to the own workforce are also discussed by the workers' representatives on the Supervisory Board, who represent the workers' interests in these matters. Actual impacts and risks related to health and safety are examined in the portfolio companies in line with the statutory requirements by the responsible managers, the health and safety specialists, works councils and safety officers and the corresponding action is taken.

INDUS is characterized by flat hierarchies, which enables information to flow quickly from the workers to the Board of Management. All workers in the holding company report to the members of the Board of Management. The managing directors of the INDUS portfolio companies report regularly to the members of the Board of Management responsible for the segments. Social topics and workers' concerns are also discussed here. In addition, the holding company's portfolio managers have close contact with the managing directors and employees in the portfolio companies. Important information is reported directly from the portfolio managers to the responsible members of the Board of Management. There is also an opportunity to express concerns or reservations via the Group whistleblower system (SpeakUp).

S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

Sustainable business defines the prospects for the environment, society and the economy and also for workers and business partners of INDUS (the Group parent). The pillars of the INDUS culture are the dissemination of central requirements from the holding company and their autonomous implementation and control in the subsidiaries, along with a common understanding of values and risk mitigation for sustainable corporate development.

No material negative impacts on the own workforce were identified in the course of the materiality assessment.

INDUS can avert harm to the company, its workforce and third parties, and protect anyone who has been harmed, by means of consistent compliance with rules and rights. Compliance with legislation and internal regulations has the highest priority. INDUS will take action if any misconduct or potential violations are identified.

The human rights policy published by the Board of Management in late 2022 has been made available to all workers. The INDUS Code of Conduct is also provided to all workers. Both statements have been published on the website of INDUS Holding AG.

INDUS has a Group-wide whistleblower system (SpeakUp). Internal and external parties can report information (anonymously on request) on unlawful conduct and breaches of the human rights policy, the INDUS Code of Conduct and other rules to the INDUS compliance organization for further investigation through the whistleblower system. This also applies to employees' concerns.

The SpeakUp whistleblower system was introduced in 2020 and makes it possible to report misconduct – also anonymously – at no cost by phone or online. The rule on the background of reports was deliberately cast more widely than is necessary under the regulations, e.g. the German Whistleblower Protection Act (HinSchG). This approach also is continued in the system itself, which is very easy to access (no questionnaire, translations into all languages at Group locations). The intention is that no potential notification of possible misconduct (or what is perceived to be so) should go unsaid because of formal restrictions.

The system has been rolled out across the Group, announced to the employees via the intranet and is publicly accessible on the company websites and that of INDUS Holding AG for other (potential) stakeholders. It has both a central and a decentralized structure, so that separate access is possible via the online landing pages of the different portfolio companies and/or INDUS. When the requirements of the Supply Chain Due Diligence Act were implemented the Board of Management decided to use SpeakUp as a complaints system, since it meets the requirements from a technical and organizational perspective. Reports are reviewed independently by central functions of INDUS Holding AG (Compliance Officer and/or General Counsel) to determine whether a suspected violation of a legal position protected by the Supply Chain Due Diligence Act exists and how severe any violation is considered to be.

Once a report of suspected misconduct or fraud has been received by the Compliance Officer, an initial review of the matter is carried out on the basis of the information provided. SpeakUp ensures that anonymous communication with the whistleblower is possible and guaranteed if necessary. Questions can be asked of the whistleblower to enable further judgments on the matter while maintaining anonymity. The next steps in dealing with the matter are decided on the basis of this initial review.

Depending on the severity of the accusation, the individuals concerned and the legal area, the investigation is either carried out directly by the Compliance Officer of INDUS Holding AG or it is passed on the responsible person at the portfolio company or group of portfolio companies concerned (generally the managing director of the direct INDUS subsidiary, or the Compliance Officer of the portfolio company group, if the position exists).

External experts, such as lawyers, may be consulted in the course of further investigation. If there is a sufficient evidence of a criminal offense, the law enforcement authorities will be notified.

The Compliance Officer of INDUS Holding AG will ensure that all reported cases are investigated, adequately documented and officially closed.

Reports concerning a member of the Board of Management of INDUS Holding AG are also assessed by the entire Board of Management or the Supervisory Board, depending on the severity of the matter and/or the person concerned. The Supervisory Board must be notified of any report made about the Chairperson of the Board. If the entire Board of Management is concerned, this also has to be reported to the Supervisory Board.

INDUS expects senior executives and line managers at all levels of the hierarchy to take any such reports seriously, to treat them in strict confidence and to clarify them promptly with the corresponding instructions and necessary actions to investigate the misconduct and stop it.

The Compliance Officer of INDUS Holding AG may come to the conclusion that a report should not be pursued any further, for example if insufficient information is available for an adequate investigation and there is no way of obtaining further information, or the report is demonstrably inaccurate.

Regular reports are sent by the Compliance Officer of INDUS Holding AG to the Board of Management, which in turn reports to the Audit Committee of the Supervisory Board. The Compliance Officer also reports directly to the Audit Committee at its request.

Detailed reporting is provided on all cases that INDUS Holding AG has investigated itself. Cases that are passed on to the compliance officers of the portfolio companies or groups of portfolio companies in line with the decentralized INDUS organizational structure are only reported by category (legal area/chapter of the Code of Conduct concerned), status of the investigation (ongoing/closed), outcome and conclusions.

If a suspected case has been reported in the SpeakUp system, these reports are handled confidentially both in terms of the person reporting and the person accused.

The person reporting is assured that the SpeakUp service provider will under no circumstances disclose their voice message, IP address and/or telephone number. Nobody who makes a report has therefore any cause to fear negative consequences. This does not apply to requirements by law enforcement authorities, intentionally false reports or reports that themselves constitute a criminal offense or violation of the Code of Conduct.

The person accused and other concerned persons are notified by INDUS within 30 working days. This phase may also be extended if the specific case so warrants, e. g. if there is a risk that evidence is destroyed or ongoing investigations are hindered in any other way. The accused and the people concerned have the right to object to the investigations against them. To do so they can approach their line manager, the managing director concerned or the Compliance Officer of INDUS Holding AG.

INDUS and the employees investigating the case treat all information in strict confidence. Data protection is assured within the statutory framework, both for the whistleblower, the accused and other people concerned.

When the whistleblower system was introduced it was ensured that all employees must be made aware of the system via company communication channels, e. g. works agreements, information on notice boards and the involvement of works councils. All new recruits have to confirm that they are aware of the whistleblower system. Implementation of this process is verified by the Internal Audit function.

Preexisting reporting channels in the portfolio companies are another way of filing a report; an ombudsman can be consulted, for instance, who then initiates dialog with the managing director. If necessary, the managing director then reports to INDUS Holding AG.

The software tool introduced to implement the Supply Chain Due Diligence Act due diligence obligations is used for regular news screening (News Monitor) to identify any reports of breaches of legal positions protected by the Supply Chain Due Diligence Act; this takes place in an order of priority defined by the Compliance Board. The Compliance Board assumes the role of the Human Rights Officer. The risks of child labor, slavery and forced labor were categorized as top priority and examined in the reporting year: this scope is to be successively expanded.

Internal and external audits and regular site visits may also result in the identification of violations in the own business area. Decentralized departments and officers in the INDUS companies are responsible for this, as are regular audits by the social security authorities, (approval) authorities, employers' liability insurance associations, etc. Various head office functions at INDUS Holding AG (e.g. Operational Excellence, Sustainability, Insurance or Internal Audit) provide support and have a direct reporting line to the INDUS Board of Management. Portfolio controlling is also able to identify certain risks using the regular reports.

S1-6 – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

TOTAL NUMBER OF EMPLOYEES BY GENDER (Head count)

Male	6,202
Female	2,718
Other	1
Not disclosed	0
Total number of employees	**8,921**

The large number of male employees compared with the number of female employees is due to a high proportion of production workers in the INDUS Group. Jobs like these tend to be held by more men than women, according to sector surveys.

INDUS has operations in 29 countries. Not more than 10% of the total number of employees work in any country apart from Germany. There were 6,735 employees in Germany as of December 31, 2024.

INDUS has employees with both permanent and temporary employment contracts. They are divided as follows:

EMPLOYEES BY CONTRACT TYPE AND GENDER (Head count)

	Male	Female	Other*	Not disclosed	Total
Number of employees	6,202	2,718	1	0	8,921
Number of permanent employees	5,549	2,505	0	0	8,054
Number of temporary employees	653	213	1	0	867

* Gender according to employee information

1,394 employees left the INDUS Group in the reporting period. This represents a staff turnover ratio of 15.5%.

The above data was compiled from all companies using the Group-wide reporting system Lucanet. It presents the average head count in the reporting period. The average is calculated as the average number of employees at the end of each month. The turnover ratio was calculated as the number of employees who left the company in the reporting period and the average number of employees for the full year.

S1-7 – CHARACTERISTICS OF NON-EMPLOYEES IN THE UNDERTAKING'S OWN WORKFORCE

The non-employees are temporary agency workers (NACE Code N78) helpers and holiday workers.

The number of non-employees breaks down as follows:

NON-EMPLOYEES BY CATEGORY (Head count)

Agency workers (NACE Code N78)	197
Holiday workers (temporary)	24
Temporary staff (marginal/permanent)	120
Total non-employees	341

The above data was compiled from all companies using the reporting system Lucanet. It presents the average head count in the reporting period. The average is calculated as the number of employees at the end of each month.

The non-employees work across the INDUS Group. Their number is insignificant compared with the number of employees.

Health and safety standards in the INDUS companies apply equally to the non-employees and the employees.

S1-9 – DIVERSITY METRICS

The ultimate management level in the INDUS Group is the Board of Management of INDUS Holding AG. The Board of Management has five members; four men (80%) and one woman (20%).

The breakdown of INDUS Group employees by age group is as follows:

EMPLOYEES BY AGE GROUP

	Head count	Share
Under 30	1,470	16.5%
30–50	4,170	46.7%
Over 50	3,281	36.8%
Total number of employees	**8,921**	**100.0%**

S1-13 – TRAINING AND SKILLS DEVELOPMENT METRICS

There are numerous individual development policies and training opportunities in the portfolio companies for the development of employees.

Performance and career development reviews are carried out regularly in the INDUS Group. They are documented after a meeting between the employee and the line manager. The following proportion of workers took part in a skills development course in the reporting year:

EMPLOYEES WHO RECEIVE REGULAR SKILLS DEVELOPMENT

	Share
Male	50.4%
Female	47.4%
Other	0.0%

Individual courses are also attended, depending on the employee's workplace and tasks and the portfolio company.

AVERAGE TRAINING HOURS OF EMPLOYEES

	Hours per year
Male	7.0
Female	5.9
Other	2.0

The figures above include all training courses and webinars by external providers in the reporting period. They do not include training courses within the own workforce.

S1-14 – HEALTH AND SAFETY METRICS

Initiatives to ensure the well-being of employees are expressly welcomed in the INDUS Group – for example, in the form of training-up company health and safety officers, operational health management, organizing first-aid training, or individual arrangements for mobile working and flexible hours, which also includes regulations on working time when working from home.

80.5% of workers in the INDUS Group benefit from a company health management system.

INDUS wants to be seen as an attractive employer, whose portfolio companies are an important part of the local social structure. In addition to fair pay, protecting the workforce is a top priority for INDUS. The aim is to completely prevent work accidents (excluding accidents while commuting), particularly fatal accidents.

There were no fatal work accidents in the reporting year.

Due to the majority of the INDUS Group's production-intensive gross value added, work accidents cannot generally be completely excluded, which is why the objective is for fewer than three accidents to occur per 100 FTEs. The figures for own employees and non-employee workers are recorded and reported separately.

NUMBER AND RATIO OF NOTIFIABLE WORK ACCIDENTS

Number of notifiable work accidents	189
Total number of working hours (own workforce)	14,907,464
Ratio per 1,000,000 hours	12.68

All notifiable work accidents are recorded that result in incapacity for work for four days or more. They do not include accidents on the way to or from work. Incidents in which more than one employee is injured are counted as multiple work accidents.

Work-related ill health is acute, recurrent and chronic health problems that are caused or aggravated by working conditions. They include musculoskeletal disorders, skin and respiratory diseases, malignant cancers, diseases caused by physical agents, and mental illnesses.

There were 189 cases of work-related injuries in the INDUS Group in financial year 2024. Employees were unable to work for 2,348 days.

S1-16 – REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION)

INDUS stands for fair remuneration and equal opportunities for its employees. Pay differences on the basis of gender for the same work are not permitted. Differences in wages result primarily from different types of work.

The gender pay gap in the INDUS Group is 30%. The gender pay gap is defined as the ratio of gross hourly pay for the male employees, less the gross hourly pay of the female employees, divided by the average gross hourly pay of the male employees.

The ratio of annual pay for the highest paid person in the undertaking (Chairperson of the Board) to the median pay is 18.0 in the INDUS Group in 2024. The total remuneration used for the comparison includes the annual gross salary, the STI recognized through profit or loss (short-term bonus) and the LTI recognized through profit or loss (long-term bonus). The reason for this is the highly specialized work, the broad professional knowledge and the great responsibility held by the highest paid person.

S1-17 – INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

No incidents, complaints and severe human rights impacts were reported in the reporting year, either via the SpeakUp whistleblower system or other channels. Other information and our risk management system also did not reveal any incidents, complaints or severe human rights impacts.

Governance

Governance – G1

G1-1 – BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

CORPORATE CULTURE

INDUS has been synonymous with SME values and principles for three decades. From the outset, the corporate culture has been based on the values defined and practiced by the company founder and the members of the Board of Management, by an entrepreneurial spirit and by decentralized responsibilities. This culture is continuously upheld and promoted by the members of the Board of Management, managing directors and employees. The INDUS values are communicated particularly in the M&A process, which ensures that new portfolio companies are a good fit for the INDUS corporate culture and can be integrated into it.

INDUS' culture is defined by respect for employees and for the undertaking's business partners, customers and shareholders. INDUS has a decentralized business model in which the portfolio companies maintain their operating freedom to a large extent. This promotes entrepreneurial responsibility at all levels and encourages initiative. INDUS aligns its business conduct with long-term, sustainable objectives. The aim is not success per se but success that is lasting. In our business operations the intention is to maintain an economically stable foundation.

The INDUS Group sets great store by ethical business practices, fairness and integrity. These values are reflected in both our dealings with customers and partners and in leadership and the work environment.

Launching the strategic initiative Striving for Sustainability has placed a greater focus on improving the Group's sustainability performance in recent years. This reflects the increasing importance of the topic. In addition, communications from the portfolio companies to the holding company and between the portfolio companies have been developed and supported.

The following annual, quantitative targets have been defined for governance:

- No legitimate local complaints
- Total number of non-monetary penalties should be "0"
- Monetary value of significant fines should be "0"

Compliance is monitored every year by the Board of Management. The targets were set by the Board of Management and noted by the Supervisory Board. Target achievement has been disclosed in the non-financial reporting since 2017 and thus made available to all stakeholders. They apply to the own business area of all portfolio companies in the INDUS Group.

POLICIES, ACTIONS AND TARGETS RELATED TO BUSINESS CONDUCT

IRO derived from double materiality assessment	INDUS policies	INDUS actions	INDUS targets
Corporate culture: – INDUS' DNA, sustainable development, holding and developing portfolio companies, no "hiring and firing", and respectful dealings promote group spirit in the company and create a good working atmosphere (A)	– Code of Conduct – Human rights policy	– Implementation of Supply Chain Due Diligence Act due diligence activities – SpeakUp whistleblower system	– Respect for human rights – 100% of employees receive the INDUS Code of Conduct – No legitimate complaints
Corporate culture: – INDUS' DNA, sustainable development, holding and developing portfolio companies, no "hiring and firing", and respectful dealings create good working conditions, boost productivity and lead to a good market presentation (C)	– Code of Conduct – Human rights policy	– Implementation of Supply Chain Due Diligence Act due diligence activities – SpeakUp whistleblower system	– Respect for human rights – 100% of employees receive the INDUS Code of Conduct – No legitimate complaints
Corporate culture: – Compliance with regulatory requirements through implementation of corresponding standards (A)	– Compliance policy – Anti-corruption and anti-bribery policies	– Compliance training – Permanent e-learning program at least every 2 years – Additional expert courses with lawyers for "Customs/ foreign trade/export/import controls", " Prevention of corruption and money laundering", "Anti-trust and competition law" – SpeakUp whistleblower system	– No legitimate complaints – No significant fines – No non-monetary penalties
Management of relationships with suppliers including payment practices: – Group-wide, publicly available Code of Conduct makes INDUS a trustworthy business partner (C)	– Code of Conduct	– Implementation of Supply Chain Due Diligence Act due diligence activities – SpeakUp whistleblower system	– 100% of employees receive the INDUS Code of Conduct – No legitimate complaints
Management of relationships with suppliers including payment practices: – Clear guidelines very positive for supplier evaluations and ratings (A)	– Code of Conduct – Human rights policy – Compliance policy – Anti-corruption and anti-bribery policies	– Compliance training – Permanent e-learning program at least every 2 years – Additional expert courses with lawyers for "Customs/ foreign trade/export/import controls", " Prevention of corruption and money laundering", "Anti-trust and competition law" – SpeakUp whistleblower system – Fulfillment of Supply Chain Due Diligence Act	– 100% of employees receive the INDUS Code of Conduct – No legitimate complaints – No significant fines – No non-monetary penalties
Corruption and bribery: – Systematic compliance training reduces the risk of compliance violations by own employees (C)	– Compliance policy – Anti-corruption and anti-bribery policies	– Compliance training – Permanent e-learning program at least every 2 years – Additional expert courses with lawyers for "Customs/ foreign trade/export/import controls", " Prevention of corruption and money laundering", "Anti-trust and competition law" – SpeakUp whistleblower system	– No legitimate complaints – No significant fines – No non-monetary penalties
Corruption and bribery: – Reducing the risk of corruption through clear internal regulations (A)	– Compliance policy – Anti-corruption and anti-bribery policies	– Compliance training – Permanent e-learning program at least every 2 years – Additional expert courses with lawyers for "Customs/ foreign trade/export/import controls", " Prevention of corruption and money laundering", "Anti-trust and competition law" – SpeakUp whistleblower system	– No legitimate complaints – No significant fines – No non-monetary penalties

All the actions and targets described above are annual and apply on an ongoing basis for an unlimited period. The courses are intended to give participants the necessary knowledge to deal with compliance topics. The e-learning formats finish with a test of the knowledge acquired on each topic. Knowledge is imparted in the face-to-face courses by active discussions between the experts and the participants.

See Section S1-5 for further information about the targets "100% of employees receive the INDUS Code of Conduct" and "No legitimate complaints". The targets reflect the highest possible level in terms of governance and serve to permanently maintain the level attained. No external stakeholders were involved in setting the targets. All policies apply to the entire INDUS Group. The Code of Conduct for Suppliers applies to all direct suppliers and should also be applied by them to their own suppliers (entire upstream value chain). The scope is not limited to certain countries or regions.

SYSTEM FOR DEALING WITH VIOLATIONS OF THE INDUS CODE OF CONDUCT

INDUS has a general Code of Conduct addressed to the entire INDUS Group (managing directors and employees). The Code of Conduct defines the INDUS values and the principles of how we work together and do business. It is supplemented and specified by the human rights policy, which the INDUS Code of Conduct for Suppliers and Subcontractors refers to. The Board of Management of INDUS Holding AG is responsible for both documents. The managing directors of the portfolio companies are responsible for compliance with the principles of these policies.

INDUS monitors compliance with the requirements of these documents and had developed a system to detect any violations.

INDUS uses a whistleblower system (SpeakUp) across the Group. SpeakUp is structured on a centralized/decentralized basis in line with the INDUS organizational structure. Internal and external parties can use SpeakUp to report information (anonymously on request) on unlawful conduct and breaches of the human rights policy, the INDUS Code of Conduct and other rules to the INDUS compliance organization for further investigation. A detailed description of SpeakUp can be found in chapter S1.

Reports are reviewed independently by central functions of INDUS Holding AG (Compliance Officer and/or General Counsel) to determine whether a suspected violation of a legal position protected by the Supply Chain Due Diligence Act, of corporate governance or a case of corruption and bribery exists and how severe any violation is considered to be. Both male and female contacts are available if, for example, reports of sexual harassment are received.

Once a report of suspected fraud or other misconduct has been received by the Compliance Officer of INDUS Holding AG, an initial review of the matter is carried out on the basis of the information provided. SpeakUp enables anonymous communication with the whistleblower and confidentiality is assured by the rights policy (need-to-know basis), which means that only the Compliance Officer or (acting on their behalf) the General Counsel of INDUS Holding AG have access. The next steps in dealing with the matter are decided on the basis of this initial review.

ANTI-CORRUPTION AND ANTI-BRIBERY POLICIES AND STRATEGIES

INDUS has an anti-corruption and anti-bribery system.

There is an anti-corruption and anti-bribery policy in addition to the company's Code of Conduct. It is intended to advise employees on how to deal with corruption risks and raise awareness of them. At the same time it is a practical guideline for taking the necessary action to prevent and combat corruption and is intended to make people aware of this problem and its importance for the company. The policy is made available to all the portfolio companies via the intranet.

The anti-corruption and anti-bribery policies were drawn up and reviewed by a lawyer. They are in line with German law and so also with the United Nations Convention Against Corruption. The system to combat corruption and bribery is explained in detail in G1-3 Prevention and detection of corruption and bribery.

A compliance policy has been in place since 2021. It describes the principles behind the structure and processes of the compliance management system at INDUS and the portfolio companies, such as the position, role and responsibilities of a compliance officer and a compliance board. The compliance policy aims to ensure compliance with legislation and regulation in the INDUS Group. One of its relevant contents is also the completion of compliance training. The Board of Management of INDUS Holding AG is the ultimate unit responsible for the compliance process and the policy. The compliance policy documents the compliance structure in terms of decentralized and central components. The decentralized components are implemented in the portfolio companies under the responsibility of the managing directors. Controlling and monitoring are centralized and performed by the Compliance Board and Internal Audit, for example.

POLICY ON INTERNAL BUSINESS CONDUCT TRAINING

The Compliance Officer makes regular offers of compliance training for workers, senior executives and decision-making bodies of subsidiaries and INDUS Holding AG. The Compliance Board may define new mandatory training programs.

There is currently a permanent e-learning program to raise awareness among workers and other stakeholders of the risks associated with data protection, IT security, health and safety and various compliance topics. At intervals of not more than two years there are also in-depth expert courses with specialized lawyers covering:

— Customs/foreign trade/export/import controls
— Prevention of corruption and money laundering
— Anti-trust and competition law

The courses are aimed at the INDUS portfolio companies, specifically the people responsible for compliance or the particular specialist subject. Concerned customers or suppliers can be invited to the training courses in several languages and regardless of the location. The courses are offered on a revolving basis. External speakers are engaged who have particular expertise in these areas. The course generally lasts for two to four hours and covers current developments, as well as the findings of the rolling Group-wide monitoring on the respective subjects.

The purchasing, sales and marketing functions are considered to be the most at risk in terms of corruption and bribery, because they have external contacts when originating transactions.

VERIFICATION OF THE POLICIES' EFFECTIVENESS

The efficacy of the risk management system, including the system to combat corruption and bribery, is monitored by means of controls that are integrated into the system, self-assessments and external checks (e.g. reviews of IT security in the framework of risk management). Progress is overseen through monitoring processes. Once a year, the managing directors of the portfolio companies confirm that they adhere to the requirements of the compliance management system. Internal Audit verifies compliance with the rules, procedures and responsibilities independently of the process. The audit plan is updated on a rolling basis. Audit findings are entered into the planning for the subsequent year. This guarantees dynamic risk orientation.

The policies of the Code of Conduct and the human rights policy are explained in more detail in S1-1.

G1-2 – MANAGEMENT OF RELATIONS TO SUPPLIERS

INDUS is committed to responsible procurement. Its Code of Conduct and the supplementary Code of Conduct for Suppliers set the standards that make INDUS a trustworthy commercial partner. The Code of Conduct for Suppliers was adopted by the Board of Management of INDUS Holding AG.

The Code of Conduct for Suppliers stipulates that all suppliers should respect internationally acknowledged human rights and environmental due diligence obligations. INDUS reserves the right to verify compliance in the context of contractual terms and to take action in the event of any infringements, which may include legal action and extend to the termination of the business relationship. The procurement functions at the individual INDUS companies initially explain these requirements to their direct suppliers and also communicate them along the supply chain.

Supplier selection also takes the Supply Chain Due Diligence Act criteria into account. The Code of Conduct, the Code of Conduct for Suppliers and Subcontractors and the human rights policy also apply. Each portfolio company is free to apply additional criteria. This also concerns the application of social or ecological criteria.

INDUS strives to meet its Supply Chain Due Diligence Act due diligence obligations in the spirit of its stakeholders and also has reporting obligations under this legislation. For these reasons, INDUS takes a long hard look at potential risks in the value chains. The Code of Conduct has been adjusted in accordance with the requirements arising from the Supply Chain Due Diligence Act. The portfolio companies make use of publicly available information on customers and suppliers to assess business relationships. The majority of INDUS customers and suppliers are domiciled in regions in which INDUS can assume compliance with high standards of human rights due to the current provisions of law. In addition, in the 2023 financial year a piece of software for risk analysis and ongoing risk monitoring of suppliers was installed Group-wide to increase supply chain transparency in the framework of current ESG requirements, including those arising from the Supply Chain Due Diligence Act, and to initiate risk mitigation actions.

Payments to suppliers are also the responsibility of the portfolio companies. INDUS can monitor payment practices (in days) at all times via the Group-wide reporting system Lucanet and take action in the event of any unusual conduct. There is no Group policy on the management of late payments, since the companies' payment practices have not made this necessary to date. SMEs are treated like large companies as far as payments are concerned.

G1-3 – PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

All economic activities in the INDUS Group must take place in accordance with applicable legislation. This is also stated in the INDUS Code of Conduct. The corresponding target is therefore the avoidance of breaches of regulations or legislation, also concerning the environment, financial statement accounting, discrimination or corruption.

INDUS expects its portfolio companies to verify that its business partners are not subject to sanctions and has adopted policies to prevent corruption and money-laundering, in addition to the INDUS Code of Conduct. These policies apply across the Group, are available to all companies as stakeholders and convey the basic rules for dealing with corruption and bribery. These guidelines were prepared on behalf of the Board of Management by experts in corruption and bribery, in cooperation with the INDUS Compliance Officer. They are intended to raise awareness of this problem and its importance for the company. In the event of doubt, employees are required to ask their line manager or managing director. The compliance training programs for all employees also cover the prevention of corruption and money laundering. The training program has been carried out for many years. It is an ongoing program with an expected revolving duration of two years. The contents of the training courses cover topics related to corruption and to bribery and money-laundering. Companies can make use of the corresponding training documents to raise awareness and go into greater detail. Over 50% of the people identified in the at-risk areas successfully took part in 2024, based on the access data ordered and the licenses issued for the training programs on corruption prevention. New portfolio companies acquired in 2024 will receive training in 2025 at the latest.

External experts and the Compliance Officer of INDUS Holding AG are available to answer any further questions and provide support if there are any concrete suspicions. The Supervisory Board is notified about the type and scope of the training programs in the annual Risk Management and Compliance Report. The members of the Supervisory Board organize their own training, also via external providers. The Board of Management takes part in the e-learning course.

Compliance with legal and regulatory requirements is fundamentally a business process that falls within the scope of each INDUS Group portfolio company. The companies of the INDUS Group independently ensure compliance with the INDUS Code of Conduct. INDUS monitors compliance with the corresponding commercial standards and records violations in its compliance reporting. Reports to the Board of Management on compliance with the Code of Conduct and the human rights policy are made by the individual managing directors. Reports received by the INDUS Compliance Officer via reporting channels are passed on directly to the Board of Management in the context of confidentiality requirements. The Board of Management of INDUS Holding AG is responsible overall for ensuring that the Group's activities conform to legal requirements. In the event of breaches, it confers with the managing directors of the portfolio companies regarding the introduction of countermeasures. This ensures that none of the people potentially implicated, nor any witnesses to corruption and bribery, are involved in the investigation and clarification of the incident.

To ensure awareness of the corresponding requirements in terms of compliance aspects, this topic is also discussed at the annual entrepreneurs' conference (Unternehmertagung) with the managing directors of all the portfolio companies. INDUS supports the establishment of the compliance management systems at the portfolio companies, also with training programs and policies, as well as centrally provided software tools to identify and analyze risk.

Violations of human rights standards, for example, can be reported via the Group complaints system "SpeakUp", also anonymously. In the due diligence process for potential new acquisitions, INDUS verifies whether the acquisition target complies with legal and regulatory requirements both at a national and an international level. In questionable cases, INDUS always discusses legal aspects with experts in advance.

G1-4 – INCIDENTS OF CORRUPTION OR BRIBERY

There were no convictions, fines or confirmed cases of corruption or bribery in the INDUS Group in the reporting year.

The number of potential cases and penalties is measured by a compliance survey sent to the managing directors of the portfolio companies, via the whistleblower system SpeakUp, the reports sent to the INDUS compliance address and other information received in the Compliance function.

G1-6 – PAYMENT PRACTICES

The INDUS Group is diversified and heterogeneous. Its portfolio companies are all SMEs with a focus on industrial technology. There are no pooled purchasing activities for the whole Group or individual segments. INDUS does therefore not have uniform payment terms. Each portfolio company has its own payment practices. None of the individual terms are material for the Group as a whole.

INDUS is committed to the fair treatment of customers and suppliers. This applies equally to the payment practices of our portfolio companies with suppliers of all sizes.

Using cash for payments is ruled out by the anti-money-laundering rules in the INDUS Group.

No legal action is currently pending due to late payments.

Trade payables are generally paid directly after they become due. On average over the financial year this is after 29 days. This indicator is calculated by dividing the average of the balance sheet item for trade payables in the past twelve months by the revenue for the past twelve months. The average time that INDUS requires from the time the contractual or statutory payment term begins is the same for small and medium companies and large companies.

Annex

DISCLOSURE REQUIREMENT ESRS 2 IRO-2 PARAGRAPH 56 AND ESRS ANNEX B

Disclosure requirement and relevant data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality	Paragraph
ESRS 2 GOV-1 Gender diversity in the administrative, management and supervisory bodies Paragraph 21 d)	Indicator No. 13 in Annex 1 Table 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		material	GOV-1: Supervisory Board – Diversity; Board of Management – Diversity
ESRS 2 GOV-1 Percentage of independent board members, Paragraph 21 e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		material	GOV-1: Supervisory Board – Independence
ESRS 2 GOV-4 Statement on due diligence Paragraph 30	Indicator No. 10 in Annex 1 Table 3				material	GOV-4
ESRS 2 SBM-1 Active in the fossil fuel sector Paragraph 40 d) i	Indicator No. 4 Table 1 in Annex 1	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation(EU) 2022/2453 (6), Table 1: Qualitative disclosures on environmental risks Table 2: Qualitative disclosures on social risks	Commission Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS 2 SBM-1 Active in chemicals production Paragraph 40 d) ii	Indicator No. 9 in Annex 1 Table 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS 2 SBM-1 Active in controversial weapons Paragraph 40 d) iii	Indicator No. 14 in Annex 1 Table 1		Delegated Regulation (EU) 2020/1818 (7), Article 12 (1) Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS 2 SBM-1 Active in the cultivation and production of tobacco Paragraph 40 d) iv			Delegated Regulation (EU) 2020/1818, Article 12 (1) Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS E1-1 Transition plan to achieve climate-neutrality by 2050 Paragraph 14				Regulation (EU) 2021/1119, Article 2 (1)	not material	
ESRS E1-1 Undertakings excluded from the EU Paris-aligned Benchmarks Paragraph 16 g)		Article 449a Regulation (EU) No. 575/2013; Commission Implementation Regulation (EU) 2022/2453, Template 1: Banking book– Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12 (1) d) to g) and Article 12 (2)		not material	
ESRS E1-4 GHG emission reduction targets Paragraph 34	Indicator No. 4 in Annex 1 Table 2	Article 449a Regulation (EU) No. 575/2013; Commission Implementation Regulation (EU) 2022/2453, Template 3: Banking book – Indicators of potential climate change transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		material	E1-4 targets
ESRS E1-5 Energy consumption from fossil fuels by sources (only high climate impact sectors) Paragraph 38	Indicator No. 5 in Annex 1 Table 1 and Indicator No. 5 in Annex 1 Table 2				material	E1-5 Energy consumption and mix
ESRS E1-5 Energy consumption and mix Paragraph 37	Indicator No. 5 in Annex 1 Table 1				material	E1-5 Energy consumption and mix
ESRS E1-5 Energy intensity associated with activities in high climate impact activities Paragraphs 40 to 43	Indicator No. 6 in Annex 1 Table 1				material	E1-5 Energy consumption and mix

DISCLOSURE REQUIREMENT ESRS 2 IRO-2 PARAGRAPH 56 AND ESRS ANNEX B

Disclosure requirement and relevant data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality	Paragraph
ESRS E1-6 GHG emissions in Scope 1, 2 and 3 and total GHG emissions Paragraph 44	Indicator No. 1 and 2 in Annex 1 Table	Article 449a Regulation (EU) No. 575/2013; Commission Implementation Regulation (EU) 2022/2453, Template 1: Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5 (1), Article 6 and Article 8 (1)		material	E1-6 Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-6 Intensity of total GHG emissions Paragraphs 53 to 55	Indicator No. 3 Table 1 in Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementation Regulation (EU) 2022/2453, Template 3: Banking book – Indicators of potential climate change transition risk: Alignment metrics	Regulation (EU) 2020/1818, Article 8 (1)		material	E1-6 Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-7 GHG removals and carbon credits Paragraph 56				Regulation (EU) 2021/1119, Article 2 (1)	material	
ESRS E1-9 Exposure of the reference portfolio to physical climate change risks Paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk Paragraph 66 a) ESRS E1-9 Location of significant assets at material physical risk Paragraph 66 c).		Article 449a Regulation (EU) No. 575/2013; Commission Implementation Regulation (EU) 2022/2453 (46) and (47), Template 5: Banking book – Indicators of potential climate change physical risk: Exposures subject to physical risk			not material	
ESRS E1-9 Breakdown of the carrying value of real estate assets by energy-efficiency classes Paragraph 67 c).		Article 449a Regulation (EU) No. 575/2013; Commission Implementation Regulation (EU) 2022/2453 (34), Template 2: Banking book – Indicators of potential climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral			not material	
ESRS E1-9 Exposure of the portfolio to climate-related opportunities Paragraph 69			Commission Delegated Regulation (EU) 2020/1818, Annex II		material	Use phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, Paragraph 28	Indicator No. 8 in Annex 1 Table 1 Indicator No. 2 in Annex 1 Table 2 Indicator No. 1 in Annex 1 Table 2 Indicator No. 3 in Annex 1 Table 2				not material	
ESRS E3-1 Water and marine resources Paragraph 9	Indicator No. 7 in Annex 1 Table 2				not material	
ESRS E3-1 Special policy Paragraph 13	Indicator No. 8 in Annex 1 Table 2				not material	
ESRS E3-1 Sustainable oceans and seas Paragraph 14	Indicator No. 12 in Annex 1 Table 2				not material	

DISCLOSURE REQUIREMENT ESRS 2 IRO-2 PARAGRAPH 56 AND ESRS ANNEX B

Disclosure requirement and relevant data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality	Paragraph
ESRS E3-4 Total water recycled and reused Paragraph 28 c)	Indicator No. 6.2 in Annex 1 Table 2				not material	
ESRS E3-4 Total water consumption in its own operations in m³ per net revenue Paragraph 29	Indicator No. 6.1 in Annex 1 Table 2				not material	
ESRS 2 – SBM-3 – E4 Paragraph 16 a) i	Indicator No. 7 in Annex 1 Table 1				not material	
ESRS 2 – SBM-3 – E4 Paragraph 16 a) i	Indicator No. 7 in Annex 1 Table 1				not material	
ESRS 2 – SBM-3 – E4 Paragraph 16 b)	Indicator No. 10 in Annex 1 Table 2				not material	
ESRS 2 – SBM-3 – E4 Paragraph 16 c)	Indicator No. 14 in Annex 1 Table 2				not material	
ESRS E4-2 Sustainable land / agriculture practices or policies Paragraph 24 b)	Indicator No. 11 in Annex 1 Table 2				not material	
ESRS E4-2 Sustainable oceans / seas practices or policies Paragraph 24 c)	Indicator No. 12 in Annex 1 Table 2				not material	
ESRS E4-2 Policies to address deforestation Paragraph 24 d)	Indicator No. 15 in Annex 1 Table 2				not material	
ESRS E5-5 Non-recycled waste Paragraph 37 d)	Indicator No. 13 in Annex 1 Table 2				not material	
ESRS E5-5 Hazardous waste and radioactive waste Paragraph 39	Indicator No. 9 in Annex 1 Table 1				not material	
ESRS 2 SBM3 – S1 Risk of incidents of forced labor Paragraph 14 f)	Indicator No. 13 in Annex 1 Table 3				material	
ESRS 2 SBM3 – S1 Risk of incidents of child labor Paragraph 14 g)	Indicator No. 12 in Annex 1 Table 3				not material	
ESRS S1-1 Human rights policy commitments Paragraph 20	Indicator No. 9 in Annex 1 Table 3 and Indicator No. 11 in Annex 1 Table 1				material	S1-1 Policies related to own workforce
ESRS S1-1 Due diligence standards for matters covered by the Fundamental Conventions 1–8 of the International Labour Organisation Paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		material	S1-1 Policies related to own workforce
ESRS S1-1 Processes and mechanisms to address trafficking in human beings Paragraph 22	Indicator No. 11 in Annex 1 Table 3				material	S1-1 Policies related to own workforce
ESRS S1-1 Workplace accident prevention policy or management system Paragraph 23	Indicator No. 1 in Annex 1 Table 3				material	S1-1 Policies related to own workforce
ESRS S1-3 Grievance/complaints handling mechanism Paragraph 32 c)	Indicator No. 5 in Annex 1 Table 3				material	S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

DISCLOSURE REQUIREMENT ESRS 2 IRO-2 PARAGRAPH 56 AND ESRS ANNEX B

Disclosure requirement and relevant data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality	Paragraph
ESRS S1-14 Number of fatalities and rate of work-related accidents Paragraph 88 b) and c)	Indicator No. 2 in Annex 1 Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II		material	S1-14 Health and safety metrics
ESRS S1-14 Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health Paragraph 88 e)	Indicator No. 3 in Annex 1 Table 3				material	S1-14 Health and safety metrics
ESRS S1-16 Gender pay gap Paragraph 97 a)	Indicator No. 12 in Annex 1 Table 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		material	S1-16 Remuneration metrics (pay gap and total remuneration)
ESRS S1-16 Excessive remuneration of members of management bodies Paragraph 97 b)	Indicator No. 8 in Annex 1 Table 3				material	S1-16 Remuneration metrics (pay gap and total remuneration)
ESRS S1-17 Incidents of discrimination Paragraph 103 a)	Indicator No. 7 in Annex 1 Table 3				material	S1-17 Incidents, complaints and severe human rights impacts
ESRS S1-17 Non-respect of the UN Guiding Principles on Business and Human Rights or OECD Guidelines Paragraph 104 a)	Indicator No. 10 in Annex 1 Table 1 and Indicator No. 14 in Annex 1 Table 3				material	S1-17 Incidents, complaints and severe human rights impacts
ESRS 2 SBM3 – S2 Significant risk of incidents of child labor or forced labor in the value chain Paragraph 11 b)	Indicators No. 12 and 13 in Annex 1 Table 3				not material	
ESRS S2-1 Human rights policy commitments Paragraph 17	Indicator No. 9 in Annex 1 Table 3 and Indicator No. 11 in Annex 1 Table 1				not material	
ESRS S2-1 Policies related to value chain workers Paragraph 18	Indicators No. 11 and 4 in Annex 1 Table 3				not material	
ESRS S2-1 Non-respect of the UN Guiding Principles on Business and Human Rights or OECD Guidelines Paragraph 19	Indicator No. 10 in Annex 1 Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12 (1)		not material	
ESRS S2-1 Due diligence standards for matters covered by the Fundamental Conventions 1–8 of the International Labour Organisation Paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS S2-4 Human rights issues and incidents connected to the upstream and downstream value chain Paragraph 36	Indicator No. 14 in Annex 1 Table 3				not material	
ESRS S3-1 Human rights commitments Paragraph 16	Indicator No. 9 in Annex 1 Table 3 and Indicator No. 11 in Annex 1 Table 1				not material	
ESRS S3-1 Non-respect of the UN Guiding Principles on Business and Human Rights, ILO principles or OECD Guidelines Paragraph 17	Indicator No. 10 in Annex 1 Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12 (1)		not material	
ESRS S3-4 Human rights issues and incidents Paragraph 36	Indicator No. 14 in Annex 1 Table 3				not material	

DISCLOSURE REQUIREMENT ESRS 2 IRO-2 PARAGRAPH 56 AND ESRS ANNEX B

Disclosure requirement and relevant data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality	Paragraph
ESRS S4-1 Policies in relation to consumers and end-users Paragraph 16	Indicator No. 9 in Annex 1 Table 3 and Indicator No. 11 in Annex 1 Table 1				not material	
ESRS S4-1 Non-respect of the UN Guiding Principles on Business and Human Rights or OECD Guidelines Paragraph 17	Indicator No. 10 in Annex 1 Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12 (1)		not material	
ESRS S4-4 Human rights issues and incidents Paragraph 35	Indicator No. 14 in Annex 1 Table 3				not material	
ESRS G1-1 United Nations Convention Against Corruption Paragraph 10 b)	Indicator No. 15 in Annex 1 Table 3				not material	
ESRS G1-1 Protection of whistle-blowers Paragraph 10 d)	Indicator No. 6 in Annex 1 Table 3				not material	
ESRS G1-4 Number of convictions and the amount of fines for violation of anti-corruption and anti-bribery laws Paragraph 24 a)	Indicator No. 17 in Annex 1 Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II		material	G1-4 Incidents of corruption or bribery
ESRS G1-4 Standards of anti-corruption and anti-bribery Paragraph 24 b)	Indicator No. 16 in Annex 1 Table 3				material	G1-4 Incidents of corruption or bribery

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317 of 9.12.2019, p. 1).
(2) Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Own Funds Regulation) (OJ L 176 of 27.6.2013, p. 1).
(3) Regulation (EU) Nr. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171 of 29.6.2016, p. 1).
(4) Regulation (EU) No. 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243 of 9.7.2021, p. 1).
(5) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406 of 3.12.2020, p. 1)
(6) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324 of 19.12.2022, p. 1).
(7) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406 of 3.12.2020, p. 17)

03

CONSOLIDATED FINANCIAL STATEMENTS

160 Consolidated Statement of Income
161 Consolidated Statement of Comprehensive Income
162 Consolidated Statement of Financial Position
163 Consolidated Statement of Changes in Equity
164 Consolidated Statement of Cash Flows
165 Notes
165 Basic Principles of the Consolidated Financial Statements
177 Notes to the Statement of Income
181 Notes to the Consolidated Statement of Financial Position
197 Other Disclosures

Consolidated Statement of Income

in EUR '000	Notes	2024	2023
REVENUE	[7]	**1,721,796**	**1,802,431**
Other operating income	[8]	27,824	20,617
Own work capitalized	[9]	4,004	5,375
Change in inventories	[10]	-7,286	-17,088
Cost of materials	[11]	-757,026	-801,416
Personnel expenses	[12]	-536,914	-521,537
Depreciation/amortization	[13]	-99,442	-108,568
Other operating expenses	[14]	-226,281	-230,253
OPERATING INCOME (EBIT)		**126,675**	**149,561**
Interest income		4,990	1,575
Interest expense		-26,385	-21,184
NET INTEREST	[15]	**-21,395**	**-19,609**
Income from shares accounted for using the equity method		-122	1,386
Other financial income		-9,073	8,382
FINANCIAL INCOME	[15]	**-30,590**	**-9,841**
EARNINGS BEFORE TAXES FROM CONTINUING OPERATIONS		**96,085**	**139,720**
Income taxes	[16]	-41,384	-55,767
EARNINGS AFTER TAXES FROM CONTINUING OPERATIONS		**54,701**	**83,953**
Earnings from discontinued operations	[6]	0	-27,839
EARNINGS AFTER TAXES		**54,701**	**56,114**
of which interests attributable to non-controlling shareholders		992	677
of which interests attributable to INDUS shareholders		53,709	55,437
Earnings per share – basic and diluted, in EUR			
from continuing operations	[17]	2.07	3.10
from discontinued operations	[17]	0.00	-1.04
from continuing and discontinued operations	[17]	**2.07**	**2.06**

Consolidated Statement of Comprehensive Income

in EUR '000	Notes	2024	2023
EARNINGS AFTER TAXES		**54,701**	**56,114**
Actuarial gains/losses	[27] [28]	-1,072	-3,893
Deferred taxes	[27] [24]	149	935
Items not to be reclassified to profit or loss		**-923**	**-2,958**
Currency conversion adjustment	[27]	1,995	-3,354
Change in the market values of hedging instruments (cash flow hedge)	[27] [34]	-2,552	-2,955
Deferred taxes	[24] [34]	404	468
Items to be reclassified to profit or loss		**-153**	**-5,841**
OTHER COMPREHENSIVE INCOME		**-1,076**	**-8,799**
TOTAL COMPREHENSIVE INCOME		**53,625**	**47,315**
of which interests attributable to non-controlling shareholders		1,056	610
of which interests attributable to INDUS shareholders		52,569	46,705

03 |

Consolidated Statement of Financial Position

in EUR '000	Notes	December 31, 2024	December 31, 2023
ASSETS			
Goodwill	[18] [20]	405,295	395,808
Right-of-use assets from leasing/rent	[19] [20]	89,107	73,878
Other intangible assets	[20]	167,348	164,170
Property, plant and equipment	[20]	341,047	344,428
Investment property	[20]	8,293	10,005
Financial investments	[21]	8,828	11,347
Shares accounted for using the equity method	[22]	408	5,662
Other non-current assets	[23]	2,630	2,659
Deferred taxes	[24]	13,946	21,262
Non-current assets		**1,036,902**	**1,029,219**
Inventories	[25]	410,533	429,269
Receivables	[26]	185,245	181,310
Other current assets	[23]	19,329	17,336
Current income taxes	[24]	9,669	5,799
Cash and cash equivalents		145,151	265,843
Current assets		**769,927**	**899,557**
TOTAL ASSETS		**1,806,829**	**1,928,776**
EQUITY AND LIABILITIES			
Subscribed capital		69,928	69,928
Capital reserve		318,143	318,143
Other reserves		351,213	329,866
Treasury shares		**-41,741**	**0**
Equity held by INDUS shareholders		**697,543**	**717,937**
Non-controlling interests in the equity		2,455	1,724
Equity	[27]	**699,998**	**719,661**
Pension provisions	[28]	27,754	27,009
Other non-current provisions	[29]	854	596
Non-current financial liabilities	[30]	540,628	618,162
Other non-current liabilities	[31]	18,198	48,027
Deferred taxes	[24]	54,370	55,398
Non-current liabilities		**641,804**	**749,192**
Other current provisions	[29]	42,428	41,675
Current financial liabilities	[30]	145,965	153,849
Trade payables		74,874	63,661
Other current liabilities	[31]	180,040	174,491
Current income taxes	[24]	21,720	26,247
Current liabilities		**465,027**	**459,923**
TOTAL EQUITY AND LIABILITIES		**1,806,829**	**1,928,776**

Consolidated Statement of Changes in Equity

in EUR '000	Subscribed capital	Capital reserve	Retained earnings	Other reserves	Treasury shares	Equity held by INDUS shareholders	Interests attributable to non-controlling shareholders	Group equity
As of January 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 December 31, 2023	**69,928**	**318,143**	**328,507**	**1,359**		**717,937**	**1,724**	**719,661**
As of January 1, 2024	**69,928**	**318,143**	**328,507**	**1,359**		**717,937**	**1,724**	**719,661**
Earnings after taxes			53,709			53,709	992	54,701
Other comprehensive income				-1,140		-1,140	64	-1,076
Total comprehensive income			**53,709**	**-1,140**		**52,569**	**1,056**	**53,625**
Change in scope of consolidation							-5	-5
Dividend payment			-30,955			-30,955	-513	-31,468
Acquisition of treasury shares					-41,741	-41,741		-41,741
Transactions involving interests attributable to non-controlling shareholders			-267			-267	193	-74
As of December 31, 2024	**69,928**	**318,143**	**350,994**	**219**	**-41,741**	**697,543**	**2,455**	**699,998**

For additional information on equity, see item [29].

03 |

Consolidated Statement of Cash Flows

in EUR '000	2024	2023
Earnings after taxes from continuing operations	54,701	83,953
Depreciation/appreciation of non-current assets (excluding deferred taxes)	99,442	108,568
Gains (-) and losses (+) on the disposal of fixed assets	-3,119	-824
Income taxes	41,384	55,767
Financial income	30,590	9,841
Other non-cash transactions	1,810	2,442
Changes in provisions	-360	-3,561
Increase (-)/decrease (+) in inventories, receivables and other assets	23,876	35,349
Increase (+)/decrease (-) in trade payables and other equity and liabilities	-28,479	-3,374
Income taxes received/paid	-50,106	-48,089
Dividends received	1,515	50
Operating cash flow from continuing operations	**171,254**	**240,122**
Interest paid	-32,676	-24,533
Interest received	5,104	2,068
Cash flow from operating activities from continuing operations	**143,682**	**217,657**
Cash outflow from investments in		
intangible assets	-10,567	-10,816
Property, plant and equipment	-40,336	-51,133
Financial investments	-807	-601
Shares in fully consolidated companies	-29,399	-8,851
Cash inflow from the disposal of		
Other assets	15,741	21,318
Cash flow from investing activities from continuing operations	**-65,368**	**-50,083**
Acquisition of treasury shares	-41,741	0
Dividend payment	-30,955	-21,516
Payments to non-controlling shareholders	-513	-946
Cash outflow from the repayment of contingent purchase price commitments	-5,126	0
Payments related to transactions involving interests attributable to non-controlling shareholders	-74	0
Cash inflow from the raising of loans	35,232	168,732
Cash outflow from the repayment of loans	-135,012	-126,596
Cash outflow from the repayment of lease liabilities	-21,690	-20,175
Cash flow from financing activities from continuing operations	-199,879	**-501**
Net changes in cash and cash equivalents from continuing operations	-121,565	167,073
Net changes in cash and cash equivalents from discontinued operations	0	-24,589
Exchange-rate-related change to cash and cash equivalents from continuing operations	873	-753
Changes in cash and cash equivalents in connection with assets held for sale	0	-3,704
Cash and cash equivalents at the beginning of the period	265,843	127,816
Cash and cash equivalents at the end of the period	**145,151**	**265,843**

Additional information on the statement of cash flows can be found in the notes under item [32]. 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 item [30].

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.

INDUS Holding AG has prepared its consolidated financial statements for the 2024 financial year from January 1, 2024 to December 31, 2024 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, 2025. The Supervisory Board approved the consolidated financial statements at its meeting on March 17, 2025.

[2] Application and Impact of New and Revised Standards

All standards which were mandatorily applicable as of December 31, 2024 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 2024 FINANCIAL YEAR

The application of the following standards has been mandatory for the first time since January 1, 2024.

- Amendments to IAS 1: Classification of liabilities as current or non-current
- Amendments to IAS 12: Global minimum taxation: Pillar two model rules
- Amendments to IAS 7 and IFRS 7: Supplier financing agreements
- Amendments to IFRS 16: Lease liability in a sale and leaseback transaction.

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

In June 2024, the IFRIC IC published an agenda decision on IFRS 8: “Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8 Operating Segments)”. The results of this agenda decision have been implemented accordingly in the segment reporting.

STANDARDS PUBLISHED UP TO DECEMBER 31, 2024, 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 are not part of the acquisition costs. 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 at 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 =	December 31, 2024	December 31, 2023	2024	2023
United Arab Emirates	AED	3.802	4.054	3.975	3.975
Brazil	BRL	6.425	5.362	5.827	5.402
Canada	CAD	1.495	1.464	1.482	1.460
Switzerland	CHF	0.941	0.926	0.953	0.972
China	CNY	7.583	7.851	7.786	7.660
Czech Republic	CZK	25.185	24.724	25.119	24.001
Denmark	DKK	7.458	7.453	7.459	7.451
United Kingdom	GBP	0.829	0.869	0.847	0.870
Hungary	HUF	411.350	382.800	395.422	381.759
South Korea	KRW	1,532.150	1,433.660	1,475.256	1,413.264
Morocco	MAD	10.456	10.940	10.754	10.956
Mexico	MXN	21.550	18.723	19.825	19.190
Poland	PLN	4.275	4.340	4.306	4.542
Romania	RON	4.974	4.976	4.975	4.947
Serbia	RSD	117.012	117.034	117.096	117.309
Singapore	SGD	1.416	1.460	1.446	1.452
Turkey	TRY	36.737	32.653	35.565	25.749
Taiwan	TWD	33.901	33.877	34.731	33.703
United States	USD	1.039	1.105	1.082	1.082
South Africa	ZAR	19.619	20.348	19.832	19.954

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, 2024, accounting for AURORA İsı 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 hyperinflation" under other financial income. The price index INDUS has used is the consumer price index of the Turkish Statistical Institute (as at December 31, 2024: 2,685 index points).

A loss of EUR 895 thousand (previous year: gain of EUR 2,993 thousand) was recognized from the ongoing hyperinflation of non-monetary assets and liabilities, the equity and the consolidated statement of income.

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 45 (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 right-of-use assets or lease liabilities being recognized, the lease installments continue to be recognized as other operating expenses.

Property, plant, and equipment is measured at cost, less depreciation and, when necessary, less 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 is impaired in accordance with IAS 36 if the recoverable amount of the asset concerned or the corresponding CGU to which the property, plant and equipment is to be allocated has fallen below the 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.

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.

The shares recognized in financial assets are shares in unlisted companies measured on the basis of their historical cost. This corresponds to the procedure for level 3 of the fair value hierarchy.

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

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 market information available on the reporting date or by using accepted valuation methods, such as the discounted cash flow method, and through confirmations from the banks carrying out the transactions. The interest rates employed are adjusted to the term and risk of the underlying financial instrument. The fair value of financial liabilities stated in the Notes is calculated using market interest rates. This corresponds to the procedure for level 3 of the fair value hierarchy.

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.

The derivatives employed as hedging instruments are interest rate swaps. 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 hedged item 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.

Derivative financial instruments without documented hedging relationships (forward exchange contracts) are measured at fair value. The changes in fair value are recognized in profit or loss. These financial instruments are measured according to level 2 of the fair value hierarchy using external confirmations.

Call/put options from the acquisition of companies as contingent purchase price liabilities 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 at 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 the trade tax assessment multiplier ranging from 310% to 515% and a solidarity surcharge of 5.5%, the income tax rate for domestic companies comes to between 26.2% and 33.9% (previous year: 26.2% to 33.9%). Foreign tax rates range between 9% and 32% (previous year: between 9% and 31%).

As regards **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. Revenue is attributable to the following areas: full conveyor systems, robotic gripping systems, valve technology, automation components for final vehicle assembly, inert gas system equipment, plants for metal detection technology, integrated control rooms, electric heat tracing systems, testing, measurement and special vehicle solutions, technical ship equipment systems, AI-based solutions for industrial automation (Engineering segment), reinforcement of ferroconcrete, construction materials, network and cable laying, air-conditioning and heating technology, accessories for private homebuilding, window construction (Infrastructure segment), orthotic devices, surgical stockings, lenses and optical devices, surgical accessories, rehabilitation technology, 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 (Materials segment). 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.

Government grants are recognized directly in profit or loss.

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.

The economic conditions in Germany were dominated by overall economic weakness and political uncertainty that led to the collapse of the coalition government in 2024. The future U.S. president's announcement that he will impose export tariffs is likely to have a further negative impact on the export-oriented German economy. Uncertainty also remains high as a result of the wars in Ukraine and the Middle East.

The estimate-based balance sheet items are also dependent on the further development of these political developments and the resulting economic effects.

The uncertainties relating to the political and economic developments in Germany and the consequences of the new U.S. Government particularly affect the portfolio companies' target calculations. The portfolio companies took these conditions into account in their (partial) planning during the corporate planning process. The future-oriented parameters relevant to estimation may be average weighted 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 2024.

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 significantly affect the present value of the cash flow. 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 2025 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

In the consolidated financial statements, all subsidiary companies are fully consolidated if INDUS Holding AG has the direct or indirect possibility of controlling the companies' financial and business policy for the benefit of the INDUS Group. 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 equity interest of less than 100%
December 31, 2024				
Engineering	43	39	82	16
Infrastructure	34	18	52	6
Materials	24	15	39	3
Non-core/other	11	0	11	0
Total	**112**	**72**	**184**	**25**
December 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**

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 amount of interests attributable to non-controlling shareholders is EUR 2,455 thousand (previous year: EUR 1,724 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 at the reporting date, purchase price commitments from non-controlling shareholders with a right to tender were recognized at EUR 57,860 thousand (previous year: EUR 55,558 thousand). In all material cases, there are purchase price models that allow an objective valuation of the shares, taking into account the company-specific risk structure. INDUS may generally exercise its rights at contractually agreed exercising periods.

As of December 31, 2024, the scope of consolidation includes 33 limited liability companies (GmbH) as general partners that form a single company with the corresponding LLCs (December 31, 2023: 34 limited liability companies (GmbH) as general partners).

[5] Business Combinations

DISCLOSURES ON INITIAL CONSOLIDATION FOR THE CURRENT FINANCIAL YEAR

COMPANY ACQUISITIONS AT INDUS LEVEL

GESTALT AUTOMATION

In March 2024, INDUS Holding AG acquired the assets of Gestalt Robotics as part of an asset deal. The company develops individual, AI-based solutions for industrial automation. The solution portfolio comprises image processing and control technology based on artificial intelligence. This includes solutions such as visual quality assessment and visual asset tracking, autonomous navigation for mobile transport systems, adaptive and collaborative robotics, and assistance systems. The typical fields of application are assembly, mobility and laboratory automation.

With the PARKOUR perform strategy update, INDUS has identified the future field of automation as a key area for further growth. The company, which is now operating under the name GESTALT AUTOMATION and focuses on industrial automation, complements the investment portfolio in this future field.

GESTALT AUTOMATION joined the INDUS Group on March 1, 2024, and was allocated to the Engineering segment.

The fair value of the total consideration amounted to EUR 660 thousand on the acquisition date. The assets acquired mainly consist of operating and office equipment whose fair value corresponds to the carrying amount. Goodwill of EUR 260 thousand, determined in the course of the purchase price allocation, is not tax-deductible. Goodwill represents future earnings potential of the acquired company that cannot be recognized in the balance sheet as well as the expertise of the workforce.

DECKMA

On August 28, 2024, INDUS Holding AG acquired 75% of the shares in DECKMA Decksmaschinen und Automation Vertriebsgesellschaft mbH, Rosengarten, Germany. DECKMA is a technical ship equipment systems provider specializing in lighting and fire alarm systems, corrosion protection technology and automation solutions that supplies clients in the shipbuilding and offshore industry, such as manufacturers of cruise ships, commercial vessels and large yachts. With the acquisition of DECKMA, INDUS also indirectly gained a 33% stake in NEXTCORR Ltd. in the UK. The company provides marine growth prevention and corrosion protection systems for ships.

DECKMA joined the INDUS Group on September 1, 2024, and was allocated to the Engineering segment.

The fair value of the total consideration amounted to EUR 20,236 thousand on the acquisition date. This consists of a cash component in the amount of EUR 13,882 thousand and contingent purchase price payments in the amount of EUR 6,354 thousand, which was measured at fair value. The contingent purchase price payments consist of call/put options on non-controlling interests, an earn-out clause and a preliminary cash & debt-free balance. The amount of the contingent purchase price payment is determined on the basis of EBIT multiples and a forecast of the future-relevant EBIT.

Goodwill of EUR 7,990 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 workforce.

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

NEW ACQUISITION: DECKMA (in EUR '000)

	Carrying amounts at the time of acquisition	Assets added due to initial consolidation	Addition to consolidated statement of financial position
Goodwill	0	7,990	7,990
Other intangible assets	100	10,003	10,103
Property, plant and equipment	1,587	1,018	2,605
Financial investments	**190**	**469**	**659**
Inventories	4,166	313	4,479
Receivables	659	0	659
Other assets*	365	0	365
Cash and cash equivalents	2,384	0	2,384
Total assets	**9,451**	**19,793**	**29,244**
Other provisions	192	0	192
Financial liabilities	629	0	629
Trade payables	913	0	913
Other equity and liabilities**	3,933	3,341	7,274
Total liabilities	**5,667**	**3,341**	**9,008**

* 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.

DECKMA contributed sales amounting to EUR 4,601 thousand and operating income (EBIT) of EUR -709 thousand to income in 2024. If DECKMA had been consolidated as of January 1, 2024, revenue would have amounted to EUR 16,185 thousand and EBIT EUR 104 thousand.

Expenses recognized in profit and loss from the initial consolidation of DECKMA had a negative impact of EUR 1,113 thousand on operating income (EBIT). The incidental acquisition costs for this were recorded in other operating expenses.

COMPANY ACQUISITIONS BY INDUS PORTFOLIO COMPANIES

GRIDCOM

On March 11, 2024, HAUFF-TECHNIK GmbH & Co. KG, Hermaringen, acquired the remaining shares in Hauff-Technik Gridcom GmbH (GRIDCOM), Rosenberg, and is now the sole shareholder of the company. GRIDCOM is a specialist for the development and production of passive components for fiber-optic infrastructure. This includes point of presence (PoP) stations, which act as main distributors and connect central fiber-optic cables with the fiber-optic distributors in the fiber to the curb (FTTC) and fiber to the home (FTTH) areas. GRIDCOM's product portfolio also includes network distributors and fiber-optic distribution boxes required to set up the infrastructure covering the last few meters to the customer.

In 2016, HAUFF-TECHNIK acquired the first 50% of shares in GRIDCOM. GRIDCOM was included in the consolidated financial statements using the equity method until February 29, 2024. GRIDCOM has been fully consolidated since March 1, 2024, and is allocated to the Infrastructure segment. The fair value of the consideration for the newly acquired shares amounted to EUR 10,383 thousand on the acquisition date. This is made up of a cash component of EUR 5,933 thousand and the fair value of the previous shares accounted for using the equity method. The revaluation of the previously held portfolio company at its fair value of EUR 4,450 thousand resulted in income of EUR 352 thousand. Goodwill of EUR 688 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 workforce.

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

NEW ACQUISITION: GRIDCOM (in EUR '000)

	Carrying amounts at the time of acquisition	Assets added due to initial consolidation	Addition to consolidated statement of financial position
Goodwill	0	688	688
Other intangible assets	1,784	7,245	9,029
Property, plant and equipment	1,843	662	2,505
Inventories	2,635	847	3,482
Receivables	2,709	0	2,709
Other assets*	595	0	595
Cash and cash equivalents	533	0	533
Total assets	**10,099**	**9,442**	**19,541**
Other provisions	80	0	80
Financial liabilities	1,725	0	1,725
Trade payables	995	0	995
Other equity and liabilities**	3,992	2,366	6,358
Total liabilities	**6,792**	**2,366**	**9,158**

* 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.

GRIDCOM contributed sales amounting to EUR 10,486 thousand and operating income (EBIT) of EUR -302 thousand to income in 2024. If GRIDCOM had been consolidated as of January 1, 2024, revenue would have amounted to EUR 13,765 thousand and EBIT EUR -318 thousand.

The expenses affecting net income from initial consolidation of GRIDCOM, 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 -1,627 thousand. The incidental acquisition costs for this were recorded in other operating expenses.

COLSON X-CEL

Pneumatic Components Ltd. (PCL), a subsidiary of the INDUS portfolio company HORNGROUP, purchased 100% of the shares in COLSON X-Cel Ltd. (COLSON) in March 2024. The British company, based in Rotherham, South Yorkshire, develops and produces industrial valves for measurement and control engineering, including valves, shut-off units and measuring devices for controlling liquids and gases.

The economic transfer of COLSON took place on June 5, 2024. The initial consolidation took place on June 1, 2024. COLSON has been allocated to the Engineering segment.

The fair value of the consideration for the newly acquired shares amounted to EUR 14,108 thousand on the acquisition date.

Goodwill of EUR 5,780 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 workforce.

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

NEW ACQUISITION: COLSON X-CEL (in EUR '000)

	Carrying amounts at the time of acquisition	Assets added due to initial consolidation	Addition to consolidated statement of financial position
Goodwill	0	5,780	5,780
Other intangible assets	0	4,891	4,891
Property, plant and equipment	825	597	1,422
Inventories	768	350	1,118
Receivables	1,150	0	1,150
Other assets*	70	0	70
Cash and cash equivalents	2,267	0	2,267
Total assets	**5,080**	**11,618**	**16,698**
Trade payables	412	0	412
Other equity and liabilities**	719	1,459	2,178
Total liabilities	**1,131**	**1,459**	**2,590**

* 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.

COLSON contributed sales amounting to EUR 2,566 thousand and operating income (EBIT) of EUR -660 thousand to income in 2024. If COLSON had been consolidated as of January 1, 2024, revenue would have amounted to EUR 4,839 thousand and EBIT EUR -1,083 thousand.

The expenses affecting net income from initial consolidation of COLSON, 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 -914 thousand. The incidental acquisition costs for this were recorded in other operating expenses.

[6] Discontinued Operations

SELZER and SCHÄFER are both discontinued operations pursuant to IFRS 5.32.

SELZER and SCHÄFER were disposed of and deconsolidated in Q3 2023.

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

in EUR '000	2024	SELZER	SCHÄFER	2023
Revenue	0	40,058	8,681	48,739
Other revenue	0	912	139	1,051
Expenses	0	-62,798	-13,266	-76,064
Operating income (EBIT)	0	-21,828	-4,446	-26,274
Income taxes	0	26	-1,481	-1,455
Earnings from discontinued operations	**0**	**-21,823**	**-6,019**	**-27,842**

The following cash flows were allocated to discontinued operations:

in EUR '000	2024	SELZER	SCHÄFER	2023
Cash flow from operating activities	0	-12,588	-2,099	-14,687
Cash flow from investing activities	0	-8,488	-272	-8,760
Cash flow from financing activities	0	-740	-402	-1,142
Net changes in cash and cash equivalents from discontinued operations	**0**	**-21,816**	**-2,773**	**-24,589**

Notes to the Statement of Income

[7] Revenue

Revenue of EUR 1,721,796 thousand (previous year: EUR 1,802,431 thousand) includes revenue from measurement at a given time of EUR 1,521,108 thousand (previous year: EUR 1,522,620 thousand) and from measurement over time of EUR 178,068 thousand (previous year: EUR 261,726 thousand). Also included is EUR 22,620 thousand in revenue from services (previous year: EUR 18,085 thousand). A breakdown of revenue by reportable segments can be found under segment reporting [33].

[8] Other Operating Income

in EUR '000	2024	2023
Income from the reversal of provisions	6,618	6,048
Income from currency conversion	4,031	2,145
Income from asset disposals	2,509	1,760
Reversal of valuation allowances	1,860	2,037
Transfer to earnings/release of deferrals carried as liabilities	2,214	328
Insurance compensation	1,497	2,901
Income from the sale of a minority interest	2,606	338
Other operating income	6,489	5,060
Total	**27,824**	**20,617**

Income from currency conversion of EUR 4,031 thousand (previous year: EUR 2,145 thousand) is offset by expenses of EUR -1,040 thousand (previous year: EUR -3,116 thousand). The figure from exchange rate differences recognized in income therefore amounts to EUR 2,991 thousand (previous year: EUR -971 thousand).

[9] Own Work Capitalized

Alongside the own work capitalized, research and development expenses that are not eligible for capitalization in the amount of EUR 23,817 thousand (previous year: EUR 22,872 thousand) were recognized.

[10] Change in Inventories

in EUR '000	2024	2023
Work in process	-35,014	-23,496
Finished goods	27,728	6,408
Total	**-7,286**	**-17,088**

[11] Cost of Materials

in EUR '000	2024	2023
Raw materials, consumables and supplies, and purchased merchandise	-647,198	-705,686
Purchased services	-109,828	-95,730
Total	**-757,026**	**-801,416**

[12] Personnel Expenses

in EUR '000	2024	2023
Wages and salaries	-450,772	-438,531
Social security	-82,123	-79,823
Pensions	-4,019	-3,183
Total	**-536,914**	**-521,537**

[13] Depreciation/Amortization

Depreciation/amortization includes depreciation/amortization, depreciation due to purchase price allocation (PPA depreciation), and impairment.

in EUR '000	2024	2023
Depreciation/amortization	-72,407	-70,063
PPA depreciation	**-20,288**	**-19,185**
Impairment	-6,747	-19,320
Total	**-99,442**	**-108,568**

Impairment losses of EUR 6,747 thousand (previous year: impairment losses of EUR 19,320 thousand as of September 30) were recognized in the current financial year following the annual impairment test as of September 30, 2024. In the reporting year, impairment of EUR 5,247 thousand was recognized on goodwill and in the amount of EUR 1,500 thousand on intangible assets. In the previous year, goodwill was impacted in the amount of EUR 12,810 thousand, property, plant and equipment in the amount of EUR 5,683 thousand, and intangible assets in the amount of EUR 828 thousand.

Impairment in the reporting year impacted the Infrastructure segment in the amount of EUR 5,247 thousand and the Materials segment in the amount of EUR 1,500 thousand (previous year: Engineering EUR 5,098 thousand, Infrastructure EUR 7,509 thousand, Materials EUR 6,713 thousand).

For further information on impairments on goodwill, see item [18].

[14] Other Operating Expenses

in EUR '000	2024	2023
Selling expenses	-93,512	-96,995
Operating expenses	-58,015	-59,308
Administrative expenses	-61,132	-61,153
Other expenses	-13,622	-12,797
Total	**-226,281**	**-230,253**

SELLING EXPENSES

in EUR '000	2024	2023
Shipping, packaging and commissions	-47,584	-51,478
Vehicle, travel and entertainment expenses	-22,671	-22,431
Marketing and trade fairs	-13,087	-13,455
Receivables and guarantees	-7,243	-6,413
Other selling expenses	-2,927	-3,218
Total	**-93,512**	**-96,995**

OPERATING EXPENSES

in EUR '000	2024	2023
Machinery and equipment: Maintenance, upkeep and ongoing costs	-19,570	-19,752
Land and buildings: Maintenance and ancillary costs	-14,226	-16,319
Energy, supplies, tools	-12,341	-11,833
Other operating expenses	-11,878	-11,404
Total	**-58,015**	**-59,308**

ADMINISTRATIVE EXPENSES

in EUR '000	2024	2023
EDP, office, and communication services	-20,495	-18,519
Consulting and fees	-20,162	-21,522
Insurance	-5,801	-5,667
Human resources administration and continuing education	-7,610	-8,200
Other administrative costs	-7,064	-7,245
Total	**-61,132**	**-61,153**

OTHER EXPENSES

in EUR '000	2024	2023
Cost of currency conversion	-1,040	-3,116
Transport taxes	-1,121	-1,636
Disposal of fixed assets	-1,996	-935
Other	-9,465	-7,110
Total	**-13,622**	**-12,797**

Expenses for short-term leases of EUR 68 thousand (previous year: EUR 233 thousand) and for low-value leased assets of EUR 622 thousand (previous year: EUR 395 thousand) are included in various items of other operating expenses.

[15] Financial Income

in EUR '000	2024	2023
Interest and similar income	4,990	1,575
Interest and similar expenses	-26,385	-21,184
Net interest	**-21,395**	**-19,609**
Income from shares accounted for using the equity method	**-122**	**1,386**
Interests attributable to non-controlling shareholders	-6,920	4,783
Expense from/amortization of financial assets	-1,437	33
Profit/loss from hyperinflation	-895	2,993
Income from financial investments	179	573
Other financial income	**-9,073**	**8,382**
Total	**-30,590**	**-9,841**

Interest expenses include interest expenses for lease liabilities pursuant to IFRS 16 of EUR 2,413 thousand (previous year: EUR 1,758 thousand). The "interests attributable to non-controlling shareholders" item includes an effect on income from the subsequent valuation of the contingent purchase price liabilities (call/put options) of EUR -1,455 thousand (previous year: EUR 11,686 thousand) and earnings after taxes that external entities are entitled to from shares in limited partnerships and stock corporations with call/put options.

[16] Income Taxes

in EUR '000	2024	2023
Non-recurring taxes	5,038	176
Current taxes	-47,000	-57,208
Deferred taxes	578	1,265
Total	**-41,384**	**-55,767**

Non-recurring taxes primarily occurred due to changes resulting from diverging tax assessments. Deferred taxes include an expense of EUR 6,770 thousand (previous year: EUR 0 thousand) from non-recurring taxes.

SPECIAL TAX ASPECTS

INDUS Holding AG's 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 play a subordinate role 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 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)

	2024	2023
Earnings before income taxes	96,085	139,720
Expected tax expenses 29.6% (previous year: 29.6%)	28,441	41,357
Reconciliation		
Non-recurring taxes	1,732	-176
Measurement of associated companies according to the equity method	31	-410
Amortization of goodwill corporations	0	1,960
Structural effects from divergent local tax rates	385	870
Corporate acquisition transaction costs	167	82
Capitalization or valuation allowance of deferred taxes on loss carryforwards due to changed assessment of future use	192	6,733
Use of tax loss carryforwards for which no deferred taxes have been formed to date	-535	-335
No offsetting of income for autonomous subsidiaries	7,115	2,877
Income attributable to other shareholders	2,048	-1,416
Effects of the interest barrier on INDUS Holding AG	0	562
Other non-deductible expenses and tax-free income	1,808	3,663
Actual tax expenses	**41,384**	**55,767**
as a percentage of income	43.1	39.9

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%) and an unchanged solidarity surcharge of 5.5%, the income tax rate for domestic companies comes to 29.6% (previous year: 29.6%).

[17] Earnings per Share

Earnings from continuing operations came to EUR 2.07 per share (previous year: EUR 3.10 per share). In addition, earnings per share from discontinued operations of EUR -1.04 were taken into account in the previous year. The weighted average number of shares in circulation remained unchanged in the current year at 25,957,130 (previous year: 26,895,559). Earnings per share from continuing and discontinued operations came to EUR 2.07 per share (previous year: EUR 2.06 per share).

in EUR '000	2024	2023
Income attributable to INDUS shareholders	**53,709**	**55,437**
Earnings from discontinued operations	0	-27,839
Income attributable to INDUS shareholders from continuing operations	**53,709**	**83,276**
Weighted average shares outstanding (in thousand shares)	25,957	26,896
Earnings per share from continuing operations (in EUR)	2.07	3.10
Earnings per share from discontinued operations (in EUR)	0.00	-1.04
Earnings per share from continuing and discontinued operations (in EUR)	**2.07**	**2.06**

Notes to the Consolidated Statement of Financial Position

[18] Goodwill

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

FIXED ASSET SCHEDULE – GOODWILL (in EUR '000)

	Carrying amount as of Jan. 1, 2024	Changes in scope of consolidation	Addition	Disposal	Impairment	Exchange rate difference	Carrying amount as of Dec. 31, 2024
Engineering	180,712	14,030	0	0	0	171	194,913
Infrastructure	131,528	688	0	0	-5,247	-146	126,823
Materials	83,568	0	0	0	0	-9	83,559
Total goodwill	**395,808**	**14,718**	**0**	**0**	**-5,247**	**16**	**405,295**

	Carrying amount as of Jan. 1, 2023	Changes in scope of consolidation	Addition	Disposal	Impairment	Exchange rate difference	Carrying amount as of 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	5	83,568
Total goodwill	**403,725**	**4,415**	**0**	**0**	**-12,810**	**478**	**395,808**

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, 2024

The annual impairment test for all goodwill was performed as of September 30, 2024. All cash-generating units had updated projections for this, which were approved by management. 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 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 2.5% (previous year: 2.62%), a market risk premium of 7.00% (previous year: 7.00%) and segment-specific beta coefficients derived by a peer group and borrowing rates. The following pre-tax cost of capital rates were applied: Infrastructure 12.4% (previous year: 12.5%), Engineering 11.9% (previous year: 12.8%), Materials 12.1% and 12.2% (previous year: 12.3% and 12.6%).

The annual impairment test resulted in impairment losses of EUR 6,747 thousand (previous year: EUR 19,320 thousand). Of this amount, EUR 5,247 thousand related to goodwill and EUR 1,500 thousand to intangible assets (previous year: goodwill EUR 12,810 thousand, property, plant and equipment EUR 5,683 thousand, intangible assets EUR 828 thousand). The impairment of goodwill relates to a CGU in the Infrastructure segment that produces accessories for private homebuilding. The write-down is due to a challenging market environment. The value in use is used to determine the recoverable amount.

An increase in the pre-tax cost of capital rates of 0.5 percentage points dated September 30, 2024 would lead to additional goodwill impairments in the amount of EUR 5,911 thousand (previous year: EUR 6,101 thousand). An decrease in the growth rate of 1.0 percentage point would lead to additional goodwill impairments of EUR 5,074 thousand (previous year: EUR 9,080 thousand). A 10.0 percentage point decrease in the operating income (EBIT) would lead to an additional impairment of EUR 13,581 thousand (previous year: EUR 19,018 thousand).

[19] 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 as of Jan. 1, 2024	Addition	Disposal	Addition depreciation	Disposal depreciation	Disposal from scope of consolidation	Reclassification/ Exchange rate differences	Carrying amount as of Dec. 31, 2024
Right-of-use assets – land and buildings	55,699	19,422	11,984	12,054	11,694	1,575	365	64,717
Right-of-use assets – technical equipment and machinery	7,947	7,724	127	3,310	127	30	5	12,396
Right-of-use assets – vehicles	8,379	6,071	4,037	5,172	4,047	85	8	9,381
Right-of-use assets – other leasing/rent	1,853	1,821	994	1,023	994	-26	-12	2,613
Total right-of-use assets from leasing/rent	**73,878**	**35,038**	**17,142**	**21,559**	**16,862**	**1,664**	**366**	**89,107**

	Carrying amount as of Jan. 1, 2023	Addition	Disposal	Addition depreciation	Disposal depreciation	Disposal from scope of consolidation	Reclassification/ Exchange rate differences	Carrying amount as of 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**

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 item [30].

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

PURCHASE/MANUFACTURING COSTS IN 2024

(in EUR '000)

	Opening balance Jan. 1, 2024	Changes in scope of consolidation	Addition	Disposal	Reclassification	IFRS 5 reclassification	Exchange rate difference	Closing balance Dec. 31, 2024
Goodwill	**476,723**	**14,372**	**0**	**0**	**0**	**0**	**1,065**	**492,160**
Right-of-use assets from leasing/rent	**133,447**	**906**	**35,038**	**-17,142**	**-1,197**	**0**	**516**	**151,568**
Capitalized development costs	31,901	179	2,777	-117	208	0	-51	34,897
Customer base	156,490	22,140	0	0	0	0	596	179,226
IP rights, concessions, other intangible assets	182,209	-44	7,790	-2,513	50	0	31	187,523
Total other intangible assets	**370,600**	**22,275**	**10,567**	**-2,630**	**258**	**0**	**576**	**401,646**
Land and buildings	294,715	1,548	4,827	-350	1,752	-7,055	-368	295,069
Technical equipment and machinery	324,817	-1,547	8,243	-13,151	8,215	0	-115	326,462
Other equipment, factory and office equipment	202,513	1,037	12,833	-9,257	3,246	0	197	210,569
Advance payments and facilities under construction	15,585	308	14,923	-1,129	-12,274	0	-12	17,401
Total property, plant and equipment	**837,630**	**1,346**	**40,826**	**-23,887**	**939**	**-7,055**	**-298**	**849,501**
Investment property	**20,979**	**0**	**0**	**-1,044**	**0**	**0**	**15**	**19,950**

AMORTIZATION 2024

(in EUR '000)

	Opening balance Jan. 1, 2024	Changes in scope of consolidation	Addition	Disposal	Reclassification	IFRS 5 reclassification	Exchange rate difference	Closing balance Dec. 31, 2024
Goodwill	**80,915**	**-346**	**5,247**	**0**	**0**	**0**	**1,049**	**86,865**
Right-of-use assets from leasing/rent	**59,569**	**-758**	**21,559**	**-16,862**	**-1,197**	**0**	**150**	**62,461**
Capitalized development costs	19,812	0	3,266	0	-7	0	-34	23,037
Customer base	55,584	0	13,909	0	519	0	157	70,169
IP rights, concessions, other intangible assets	131,034	-140	12,189	-1,570	-512	0	91	141,092
Total other intangible assets	**206,430**	**-140**	**29,364**	**-1,570**	**0**	**0**	**214**	**234,298**
Land and buildings	99,367	-1,184	8,632	-308	-45	-3,097	-158	103,207
Technical equipment and machinery	253,365	-3,360	16,936	-10,910	1,096	0	-55	257,072
Other equipment, factory and office equipment	140,204	-880	16,538	-8,038	146	0	146	148,116
Advance payments and facilities under construction	266	0	0	-206	0	0	-1	59
Total property, plant and equipment	**493,202**	**-5,424**	**42,106**	**-19,462**	**1,197**	**-3,097**	**-68**	**508,454**
Investment property	**10,974**	**0**	**1,157**	**-481**	**0**	**0**	**7**	**11,657**

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 and office equipment	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**

AMORTIZATION 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**

The IFRS 5 reclassification in the current financial year relates to a property from the Materials segment that met the "held for sale" criteria during the year and was sold at the end of the year. This relates to the discontinuation of production at the site in question. The gain on disposal amounted to EUR 662 thousand and was recognized in profit or loss.

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:

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

	December 31, 2024	December 31, 2023
Goodwill	**405,295**	**395,808**
Right-of-use assets from leasing/rent	**89,107**	**73,878**
Capitalized development costs	11,860	12,089
Customer base	109,057	100,906
IP rights, concessions, other intangible assets	46,431	51,175
Total other intangible assets	**167,348**	**164,170**
Land and buildings	191,862	195,348
Technical equipment and machinery	69,390	71,452
Other equipment, factory and office equipment	62,453	62,309
Advance payments and facilities under construction	17,342	15,319
Property, plant and equipment	**341,047**	**344,428**
Investment property	**8,293**	**10,005**

[21] Financial Investments

in EUR '000	December 31, 2024	December 31, 2023
Other investments	912	2,500
Other loans	7,916	8,847
Total	**8,828**	**11,347**

[22] Shares Accounted for Using the Equity Method

As of December 31, 2024, the carrying amount of shares accounted for using the equity method totaled EUR 0 thousand (previous year: EUR 5,662 thousand). As of December 31, 2024, a loan to the company accounted for using the equity method in the amount of EUR 408 thousand (previous year: EUR 0 thousand) was recognized.

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

in EUR '000	2024	2023
Purchase price of the associated company	18	4,033
Appropriated income in the period	-122	1,386
Key figures of the associated company		
Assets	699	9,228
Liabilities	996	2,344
Capital	-297	6,884
Revenue	3,508	20,804
Earnings	-495	2,771

[23] Other Assets

in EUR '000	December 31, 2024	December 31, 2023
Other financial assets		
Reinsurance premiums	422	436
Long-term receivables	82	28
Loans and other receivables	677	767
Positive market value of derivatives	431	1,390
Other assets	11,554	9,311
Total other financial assets	**13,166**	**11,932**
Other non-financial assets		
Accrual of payments not relating to the reporting period	7,084	6,106
Other tax refund claims	1,709	1,957
Total other non-financial assets	**8,793**	**8,063**
Total	**21,959**	**19,995**
of which current	19,329	17,336
of which non-current	2,630	2,659

[24] 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:

2024 (in EUR '000)	Assets	Liabilities	Balance
Goodwill, limited partnerships	7,636	-17,383	-9,747
Right-of-use assets from leasing/rent	0	-21,961	-21,961
Intangible assets	6,426	-43,837	-37,411
Property, plant and equipment	4,645	-10,044	-5,399
Other non-current assets	6,770	0	6,770
Receivables and inventories	22,269	-1,399	20,870
Other current assets	407	-137	270
Non-current provisions	4,159	-1,689	2,470
Other equity and liabilities	579	-23,525	-22,946
Liabilities from leasing/rent	22,525	0	22,525
Capitalization of loss carryforwards	4,135	0	4,135
Netting	-65,605	65,605	0
Deferred taxes	**13,946**	**-54,370**	**-40,424**

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
Other non-current assets	0	0	0
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**

Netting is undertaken for income tax which is due to the same tax authority. This relates mainly to the corporate income tax of INDUS Holding AG and those of 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 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:

CHANGE IN DEFERRED TAXES

(in EUR '000)

	January 1, 2024	Income statement	Other	December 31, 2024
Trade tax	2,700	328	0	3,028
Corporate income tax	2,180	-1,073	0	1,107
Capitalization of loss carryforwards	**4,880**	**-745**	**0**	**4,135**
Other deferred taxes	-39,017	1,323	-6,865	-44,559
Deferred taxes	**-34,137**	**578**	**-6,865**	**-40,424**
	January 1, 2023	**Income statement**	**Other**	**December 31, 2023**
Trade tax	4,051	-1,351	0	2,700
Corporate income 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**

Other changes in deferred taxes break down as follows:

in EUR '000	2024	2023
Reserves for mark-to-market valuation of hedging instruments (cash flow hedge)	404	468
Currency conversion reserve	-252	21
Pension provisions (actuarial gains/losses)	149	935
Transfer to retained earnings	0	-421
Change in scope of consolidation	-7,166	-2,538
Total	**-6,865**	**-1,535**

Recognized deferred taxes are based on tax loss carryforwards of EUR 24,741 thousand (previous year: EUR 23,460 thousand).

Other tax loss carryforwards amounting to a total of EUR 307,683 thousand (previous year: EUR 264,929 thousand), where the probability of realization in the next few 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 item [16]. 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 130 thousand) were recognized in addition to deferred tax liabilities at companies that recently incurred tax losses, since on the basis of the earnings projections 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 reversal of the temporary differences and no liquidation 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 150,150 thousand (previous year: EUR 126,057 thousand). The total amount of temporary differences for which no deferred taxes were recognized in connection with investments in subsidiaries is EUR 7,507 thousand (previous year: EUR 6,303 thousand).

The "Amendments to IAS 12: Global minimum taxation: Pillar two model rules" are not currently relevant for INDUS. INDUS Holding AG with its subsidiaries falls into the scope of application of the OECD Pillar Two rules. 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 "Amendments to IAS 12: Global minimum taxation: Pillar two model rules". The Group makes use of the exemption from the recognition of deferred taxes in connection with Pillar Two income taxes, which was the subject of the amendments to IAS 12 published in May 2023.

[25] Inventories

in EUR '000	December 31, 2024	December 31, 2023
Raw materials, consumables, and supplies	154,587	166,616
Unfinished goods	92,586	97,388
Finished goods and goods for resale	148,390	144,113
Advance payments	14,970	21,152
Total	**410,533**	**429,269**

The carrying amounts for inventories include depreciation of EUR 27,794 thousand (previous year: EUR 22,244 thousand).

[26] Receivables

in EUR '000	December 31, 2024	December 31, 2023
Receivables from customers	175,900	164,446
Contract receivables	9,277	16,807
Receivables from associated companies	68	57
Total	**185,245**	**181,310**

In the current reporting year, EUR 82 thousand of receivables from customers with a payment term of over one year have been recognized (previous year: EUR 28 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	2024	2023
Costs incurred including prorated income	86,629	43,733
Advance payments received	100,938	83,627
Contract receivables	9,277	16,807
Contract liabilities	23,586	56,701

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 56,701 thousand in the previous year, EUR 46,336 thousand were recognized as revenue in the reporting year. As of December 31, 2024, there are contract liabilities with allocated transaction prices of EUR 266,341 thousand (previous year: EUR 318,333 thousand). These are scheduled to be realized as revenue within the next one to 37 months.

The receivables include valuation allowances of EUR 6,240 thousand (previous year: EUR 5,802 thousand). The development is depicted below:

in EUR '000	2024	2023
Valuation allowances as of January 1	**5,802**	**5,944**
Exchange rate difference	8	36
Change in scope of consolidation	17	6
Additions	2,764	2,047
Utilization	-533	-208
Reversals	-1,818	-2,023
Valuation allowances as of December 31	**6,240**	**5,802**

Receivables in the amount of EUR 1,494 thousand (previous year: EUR 1,568 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 -1,964 thousand (previous year: EUR -1,356 thousand) in the consolidated income under other operating income or respectively other operating expenses.

[27] 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. As of the reporting date, INDUS Holding AG has 1,854,520 treasury shares and a share of capital stock of EUR 4,821,752.02.

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 of the Articles of Incorporation, 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, including with retroactive effect from a financial year that has already passed insofar as no resolution has yet been passed on the profit for that completed financial year. The new shares may also be issued to one or more financial institutions or other entities mentioned in Section 186 (5) sentence 1 AktG with the obligation to offer them to the shareholders (indirect subscription right), or partly by way of a direct subscription right (e.g. to shareholders who have previously signed 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 were sold or issued, or are to 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 excluding subscription rights, shall count 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 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 (contingent capital 2023). The conditional capital increase serves to grant shares upon the exercise or fulfillment of option or conversion obligations issued on the basis of the authorization granted.

The implementation of the conditional capital increase is conditional upon:

— 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 Management Board 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 INDUS Holding AG's capital reserves. As of the reporting date, the equity ratio was 38.7% (previous year: 37.3%).

INTERESTS ATTRIBUTABLE TO NON-CONTROLLING SHAREHOLDERS

Shares held by non-controlling shareholders amounted to EUR 2,455 thousand (previous year: EUR 1,724 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 [31].

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 1.20 per no-par-value share). At 24,895,559 dividend-bearing shares (previous year: 25,795,559 shares), this equates to a payment of EUR 29,875,559.00 (previous year: EUR 30,954,670.80). 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

CHANGE IN OTHER RESERVES (in EUR '000)

	January 1, 2023	Other comprehensive income 2023	Transfer to retained earnings	December 31, 2023	Other comprehensive income 2024	Transfer to retained earnings	December 31, 2024
Currency conversion reserve	12,700	-3,287	0	9,413	1,931	0	11,344
Pension provisions (actuarial gains/losses)	-8,847	-3,893	354	-12,386	-1,072	0	-13,458
Deferred taxes for pensions	2,795	935	-421	3,309	149	0	3,458
Reserve for cash flow hedges	4,171	-2,955	0	1,216	-2,552	0	-1,336
Deferred taxes for cash flow hedges	-661	468	0	-193	404	0	211
Total other reserves	**10,158**	**-8,732**	**-67**	**1,359**	**-1,140**	**0**	**219**

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.

TREASURY SHARES

INDUS bought back 1,854,520 shares in the 2024 financial year (previous year: 0 shares). These were acquired in three share buyback programs:

FIRST SHARE BUYBACK PROGRAM

On February 21, 2024, the Board of Management, with the approval of the Supervisory Board, resolved to offer INDUS Holding AG shareholders a public buyback offer for up to 1,100,000 registered no-par-value INDUS Holding AG shares at EUR 23.00 per share. The volume of the share buyback program therefore totaled up to EUR 25,300,000 (=1,100,000 x EUR 23.00). With the share buyback program, the authorization granted by the Annual Shareholders' Meeting on August 13, 2020, to buy back a total of up to 10% of the company's capital stock by August 12, 2025, was used. INDUS shareholders were able to take advantage of the share buyback offer between February 22, 2024 and March 1, 2024.

As a result, a total of 1,100,000 shares were transferred back to INDUS as of March 13, 2024. The purchase price of the shares in the first share buyback offer amounted to EUR 25,300,000.00.

SECOND SHARE BUYBACK PROGRAM

On November 11, 2024, the Board of Management, with the approval of the Supervisory Board, resolved to offer INDUS Holding AG shareholders a public buyback offer for up to 700,000 registered no-par-value INDUS Holding AG shares at EUR 21.65 per share. The volume of the share buyback program therefore totaled up to EUR 15,155,000 (=700,000 x EUR 21.65). With the share buyback program, the authorization granted by the Annual Shareholders' Meeting on August 13, 2020, to buy back a total of up to 10% of the company's capital stock by August 12, 2025, was used. INDUS shareholders were able to take advantage of the share buyback offer between November 12, 2024 and November 25, 2024.

As a result, a total of 700,000 shares were transferred back to INDUS as of December 5, 2024. The purchase price of the shares in the second share buyback offer amounted to EUR 15,155,000.00.

THIRD SHARE BUYBACK PROGRAM

On November 11, 2024, the Board of Management, with the approval of the Supervisory Board, resolved to buy back the company's registered no-par-value shares with a purchase price volume of up to EUR 5 million, but no more than 200,000 shares, through the stock exchange. The share buyback program began on December 2, 2024, and is scheduled to run until no later than May 16, 2025.

With the share buyback program, the company is making use of the authorization granted by the Annual Shareholders' Meeting on August 13, 2020, to buy back a total of up to 10% of the company's capital stock by August 12, 2025.

As a result, 54,520 shares were acquired as of December 31, 2024. The purchase price of the shares in the third share buyback program amounted to EUR 1,178,288.74.

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 569,195 thousand (previous year: EUR 533,177 thousand). Taking equity in the statement of financial position into account, total capital comes to EUR 1,269,193 thousand (previous year: EUR 1,252,838 thousand). Relative to total interest-bearing capital employed, the equity ratio is 55.2% (previous year: 57.4%).

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.

[28] 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 12.4 years (previous year: 12.6 years) and for Swiss plans 15.8 years (previous year: 15.9 years).

STATEMENT OF INCOME (in EUR '000)

	2024	2023	Change
Current service cost	1,307	784	523
Interest expense	1,402	1,807	-405
Income from plan assets	-717	-995	278
Past service cost	-85	-83	-2
Administrative costs of the trust	111	126	-15
Cost of defined benefit obligation*	**2,018**	**1,639**	**379**
+ Defined contribution plan cost	3,233	3,337	-104
= Expenses for pension commitments in the reporting period	**5,251**	**4,976**	**275**

*Defined benefit obligation (DBO)

03 |

CHANGES IN THE PROJECTED BENEFIT OBLIGATION

(in EUR '000)

	2024	2023	Change
Opening balance: DBO as of January 1	**71,410**	**66,014**	**5,396**
Current service cost	1,307	784	523
Past service cost	-85	-83	-2
Interest expense	1,402	1,807	-405
Pension payments	-5,713	-5,182	-531
Employee contributions	1,122	1,217	-95
Actuarial gains/losses	1,724	3,727	-2,003
Change in scope of consolidation	0	304	-304
Exchange rate difference	-807	2,822	-3,629
Closing balance: DBO as of December 31	**70,360**	**71,410**	**-1,050**

BALANCE SHEET VALUE

(in EUR '000)

	2024	2023	Change
Present value of provisioned benefit entitlements	27,754	27,009	745
Present value of funded benefit entitlements	42,606	44,401	-1,795
DBO: Projected benefit obligation of pension commitments	**70,360**	**71,410**	**-1,050**
Market value of plan assets	-42,606	-44,401	1,795
Net obligation = provision	**27,754**	**27,009**	**745**
Actuarial gains/losses	-13,458	-12,386	-1,072
Opening balance: amount carried on the statement of financial position as of January 1	**27,009**	**23,568**	**3,441**
Pension obligation expenses	2,018	1,638	380
Pension payments	-2,265	-2,348	83
Actuarial gains/losses recognized in equity	1,072	3,893	-2,821
Exchange rate changes	-80	314	-394
Change in scope of consolidation/netting	0	-56	56
Closing balance: amount carried on the statement of financial position as of December 31	**27,754**	**27,009**	**745**
Underlying assumptions in percent:			
Discount factor			
Germany	3.40	3.20	
Switzerland	1.00	1.50	
Salary trend			
Germany	2.50	2.50	
Switzerland	1.00	1.65	
Pension trend			
Germany	2.00	2.00	
Switzerland	0.00	0.00	
Expected income from plan assets			
Germany	0.00	0.00	
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 3,883 thousand (previous year: EUR 3,438 thousand) or increase net obligation by EUR 4,393 thousand (previous year: EUR 3,883 thousand). An increase or decrease in the pension factor of 0.5 percentage points would increase the net obligation by EUR 1,547 thousand (previous year: EUR 813 thousand) or respectively reduce net obligation by EUR 1,439 thousand (previous year: EUR 673 thousand).

In connection with retirement benefits, payments amounting to EUR 3,170 thousand are expected in 2025 (in 2023 for 2024: EUR 6,300 thousand).

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

in EUR '000	2024	2023
Assets as of January 1	**44,401**	**42,446**
Expected income from plan assets	717	995
Ongoing contributions by the companies	2,330	2,568
Pensions paid	-4,656	-4,185
Netting/other	541	-292
Change in scope of consolidation	0	360
Exchange rate changes	-727	2,509
Assets as of December 31	**42,606**	**44,401**

The statement of financial position also contains reimbursement claims of EUR 422 thousand (previous year: EUR 436 thousand).

[29] OTHER PROVISIONS

Other provisions include interest in the amount of EUR -16 thousand (previous year: EUR -20 thousand).

PROVISIONS 2024 (in EUR '000)

	Opening balance Jan. 1, 2024	Change in scope of consolidation	Utilization	Reversals	Addition/ newly created	Exchange rate difference	Closing balance Dec. 31, 2024
Liabilities from warranties	11,879	48	4,409	1,731	5,892	17	11,696
Obligations for commissions, bonuses and discounts	14,332	0	12,615	869	13,711	22	14,581
Personnel expenses	3,740	34	1,816	937	1,621	4	2,646
Other provisions	12,320	184	7,100	1,170	10,095	30	14,359
Total	**42,271**	**266**	**25,940**	**4,707**	**31,319**	**73**	**43,282**

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 relate to 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 obligations recognized as per IAS 37.

[30] Financial Liabilities

FINANCIAL LIABILITIES/DEVELOPMENT (in EUR '000)

	Jan. 1, 2024 Carrying amount	Cash-effective	Not cash-effective			Dec. 31, 2024 Carrying amount
			Initial recognition	Changes in scope of consolidation	Exchange rate changes and other non-cash-effective changes	
Liabilities to banks	340,568	-60,495	0	629	-1,376	279,326
Lease liabilities	77,015	-21,690	35,037	1,725	36	92,123
Promissory note loans	354,428	-39,284	0	0	0	315,144
Total financial liabilities	**772,011**	**-121,469**	**35,037**	**2,354**	**-1,340**	**686,593**

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

Accrued interest of EUR -1,269 thousand is included in the exchange rate changes and other non-cash-effective changes (previous year: EUR 1,522 thousand).

FINANCIAL LIABILITIES/ DERIVATIVES

(in EUR '000)

	Dec. 31, 2024 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	278,667	83,534	188,301	6,832
in other currency	659	659	0	0
Lease liabilities	92,123	25,628	42,292	24,203
Promissory note loans	315,144	36,144	180,000	99,000
Total financial liabilities	**686,593**	**145,965**	**410,593**	**130,035**
Notional value of derivatives	120,164	28,150	70,585	21,429

	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

[31] OTHER LIABILITIES

in EUR '000	Dec. 31, 2024	Current	Non-current	Dec. 31, 2023	Current	Non-current
Other financial liabilities						
Liabilities to outside shareholders	73,130	56,629	16,501	67,548	20,990	46,558
Liabilities for employees	26,097	26,097	0	25,166	25,166	0
Derivative financial instruments	1,336	1,336	0	8	8	0
Customer credit notes	9,032	8,580	452	8,432	7,897	535
Sundry other liabilities	4,022	3,406	616	5,136	4,711	425
Total other financial liabilities	**113,617**	**96,048**	**17,569**	**106,290**	**58,772**	**47,518**
Other non-financial liabilities						
Liabilities for employees	14,979	14,979	0	15,345	15,329	16
Obligations for annual financial statement costs	3,670	3,670	0	3,560	3,560	0
Advance payments received	26,574	26,574	0	23,389	23,389	0
Contract liabilities	23,586	23,586	0	56,701	56,701	0
Other tax liabilities	11,618	11,618	0	12,169	12,157	12
Accrual of payments not relating to the reporting period	3,642	3,565	77	4,619	4,583	36
Investment subsidies	552	0	552	445	0	445
Total other non-financial liabilities	**84,621**	**83,992**	**629**	**116,228**	**115,719**	**509**
Total	**198,238**	**180,040**	**18,198**	**222,518**	**174,491**	**48,027**

Liabilities to outside shareholders of EUR 57,860 thousand (previous year: EUR 55,558 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 6,354 thousand (previous year: EUR 2,200 thousand), EUR 1,531 thousand was recognized in expenses (previous year: EUR 10,618 thousand recognized in income), and EUR 5,583 thousand (previous year: 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.

Other Disclosures

[32] Information on the Statement of Cash Flows

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

in EUR '000	2024	2023
Cash-effective processes attributable to the acquisition of portfolio companies	34,583	9,198
less acquired funds	-5,184	-347
Net purchase price	**29,399**	**8,851**

Cash and cash equivalents include limited-authorization accounts amounting to EUR 568 thousand (previous year: EUR 649 thousand). Investing and financing transactions of EUR 491 thousand (previous year: EUR 553 thousand) that did not lead to changes in cash and cash equivalents are not included in the statement of cash flows.

Cash inflow from the disposal of other assets concerns the disposal of assets held for sale in the amount of EUR 4,620 thousand (previous year: EUR 14,403 thousand) and fixed assets in the amount of EU 11,121 thousand (previous year: EUR 6,915 thousand).

The development of financial liabilities is set out under item [30]. EUR 24,103 thousand (previous year: EUR 21,933 thousand) was paid for leases (interest and principal repayment) in the financial year.

The effects arising from hyperinflation in respect of AURORA İsı Araçları San. ve Tic. Ltd. Şti, Ergene, Turkey are recognized as expenses in the amount of EUR 895 thousand in earnings after taxes (previous year: income of EUR 2,993 thousand). This non-cash-effective effect is corrected within the financial result in the cash flow from current operations in the amount of EUR 895 thousand (previous year: EUR 2,993 thousand). The effect of purchasing power loss in Turkey on cash and cash equivalents is EUR 38 thousand (previous year: 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 discontinued operations SELZER and SCHÄFER were sold in the previous year. The following table presents the cash flows of the entire INDUS Group, broken down by continuing and discontinued operations:

in EUR '000	2024	2023
Cash flow from operating activities from continuing operations	143,682	217,657
Cash flow from operating activities from discontinued operations	0	-14,687
Total cash flow from operating activities	**143,682**	**202,970**
Cash flow from investing activities from continuing operations	-65,368	-50,083
Cash flow from investing activities from discontinued operations	0	-8,760
Total cash flow from investing activities	**-65,368**	**-58,843**
Cash flow from financing activities from continuing operations	-199,879	-501
Cash flow from financing activities from discontinued operations	0	-1,142
Total cash flow from financing activities	**-199,879**	**-1,643**
Net changes in cash and cash equivalents from continuing operations	-121,565	167,073
Net changes in cash and cash equivalents from discontinued operations	0	-24,589
Total net changes in cash and cash equivalents	**-121,565**	**142,484**

See item [6] for information regarding the composition of cash flows from discontinued operations.

[33] Segment Reporting

SEGMENT INFORMATION BY DIVISION

SEGMENT REPORT IN ACCORDANCE WITH IFRS 8

(in EUR '000)

	Engineering	Infrastructure	Materials	Total segments	Reconciliation	Consolidated financial statements
2024						
Revenue with external third parties						
from customer contracts	456,824	502,306	561,140	1,520,270	838	1,521,108
in accordance with the over time method	122,553	55,515	0	178,068	0	178,068
from service contracts	17,313	1,644	3,663	22,620	0	22,620
Revenue with external third parties	**596,690**	**559,465**	**564,803**	**1,720,958**	**838**	**1,721,796**
Revenue with Group companies	1,567	51	322	1,940	-1,940	0
Revenue	**598,257**	**559,516**	**565,125**	**1,722,898**	**-1,102**	**1,721,796**
Cost of materials	**-249,335**	**-233,912**	**-275,478**	**-758,725**	**1,699**	**-757,026**
Personnel expenses	**-200,408**	**-169,967**	**-157,626**	**-528,001**	**-8,913**	**-536,914**
Segment earnings (EBIT)	**45,713**	**52,303**	**46,056**	**144,072**	**-17,397**	**126,675**
Depreciation/amortization	**-34,502**	**-33,726**	**-30,085**	**-98,313**	**-1,129**	**-99,442**
of which amortization	-34,502	-28,479	-28,585	-91,566	-1,129	-92,695
of which impairment	0	-5,247	-1,500	-6,747	0	-6,747
Segment EBITDA	**80,215**	**86,029**	**76,141**	**242,385**	**-16,268**	**226,117**
Income from measurement according to the equity method	**0**	**-104**	**-18**	**-122**	**0**	**-122**
Investments	**41,389**	**23,751**	**15,104**	**80,244**	**58**	**80,302**
of which company acquisitions	23,999	5,400	0	29,399	0	29,399
December 31, 2024						
Shares accounted for using the equity method	0	0	408	408	0	408
Goodwill	194,913	126,823	83,559	405,295	0	405,295

SEGMENT REPORT 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 with the 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**
Cost of materials	**-248,348**	**-252,595**	**-302,235**	**-803,178**	**1,762**	**-801,416**
Personnel expenses	**-187,962**	**-164,831**	**-160,863**	**-513,656**	**-7,881**	**-521,537**
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
December 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

RECONCILIATION (in EUR '000)

	2024	2023
Segment earnings (EBIT)	**144,072**	**163,622**
Areas not allocated incl. holding company	-17,397	-14,061
Financial income	-30,590	-9,841
Earnings before taxes	**96,085**	**139,720**

The classification corresponds to the management structure of INDUS Holding AG with segment management and the associated internal reporting. This has resulted in 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
2024				
Revenue with external third parties	1,721,796	831,742	338,096	551,958
December 31, 2024				
Non-current assets, less deferred taxes and financial instruments	1,011,498	882,604	37,465	91,429
2023				
Revenue with external third parties	1,802,431	906,513	354,047	541,871
December 31, 2023				
Non-current assets, less deferred taxes and financial instruments	993,951	873,512	38,071	82,368

[34] 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
December 31, 2024					
Financial investments	8,828	0	8,828	912	7,916
Cash and cash equivalents	145,151	0	145,151	0	145,151
Receivables	185,245	9,277	175,968	0	175,968
Other assets	21,959	8,793	13,166	431	12,735
Financial instruments: ASSETS	**361,183**	**18,070**	**343,113**	**1,343**	**341,770**
Financial liabilities	686,593	92,123	594,470	0	594,470
Trade payables	74,874	0	74,874	0	74,874
Other liabilities	198,238	84,621	113,617	59,195	54,422
Financial instruments: EQUITY AND LIABILITIES	**959,705**	**176,744**	**782,961**	**59,195**	**723,766**
December 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**

The fair value of financial liabilities that are measured at amortized costs is EUR 677,587 thousand (previous year: EUR 760,552 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	
	December 31, 2024	December 31, 2023	2024	2023
Financial assets measured at fair value through profit and loss	431	0	431	0
Financial assets measured at cost	341,770	449,907	262	-1,759
Financial assets recognized at fair value directly in equity– of which equity instruments	912	2,500	0	2
Derivatives with hedging relationships, hedge accounting	0	1,216	-1,216	-2,955
Financial instruments: ASSETS	**343,113**	**453,623**	**-523**	**-4,712**
Financial liabilities measured at fair value through profit and loss	57,859	55,565	-1,447	11,678
Financial liabilities measured at cost	723,766	809,382	691	-158
Derivatives with hedging relationships, hedge accounting	1,336	0	1,336	0
Financial instruments: EQUITY AND LIABILITIES	**782,961**	**864,947**	**580**	**11,520**

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 4,932 thousand (previous year: EUR 1,544 thousand). The corresponding total interest expenses are EUR 25,612 thousand (previous year: EUR 20,039 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 the 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 using 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 (2024: EUR 145,151 thousand, previous year: EUR 265,843 thousand). It also has unused credit lines totaling EUR 97,183 thousand (previous year: EUR 94,495 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)

	December 31, 2024			December 31, 2023		
	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	248	4,601	898	2,167	2,090	0
Total derivative financial instruments	**248**	**4,601**	**898**	**2,167**	**2,090**	**0**
Financial liabilities	166,215	462,156	141,900	176,595	467,102	213,530
of which lease liabilities	27,777	46,277	26,322	20,599	44,929	21,450
Trade payables	74,874	0	0	63,661	0	0
Other financial liabilities	96,047	17,570	0	58,772	47,518	0
Total financial instruments	**337,136**	**479,726**	**141,900**	**299,028**	**514,620**	**213,530**

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: eight) which have a share of more than 1% each. This equates to a share of about 20% of open items as recognized in the consolidated financial statements (previous year: 18%). The ten largest customers accounted for approximately 19% of Group sales (previous year: approximately 16%).

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)

	2024	2023
Carrying amount	185,245	181,310
of which valuation allowance	6,356	5,802
Gross amount of receivables before valuation allowance	191,601	187,112
of which as per reporting date		
neither impaired nor past due	139,596	125,935
not impaired and past due by the following		
less than 3 months	35,458	32,878
between 3 and 6 months	5,088	4,108
between 6 and 9 months	925	1,029
between 9 and 12 months	1,777	1,046
more than 12 months	2,401	3,336

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

DEFAULT RISK FOR RECEIVABLES

(in EUR '000)

December 31, 2024	Loss rate (weighted average)	Gross carrying amount	Expected loss	Impaired credit rating
Not past due and 1 to < 3 months past due	0.05%	175,138	84	No
3 to < 6 months past due	0.97%	5,138	50	No
6 to < 9 months past due	44.68%	1,672	747	No
9 to < 12 months past due	19.30%	2,202	425	No
> 12 months past due	25.80%	3,236	835	Yes
December 31, 2023				
Not past due and 1 to < 3 months past due	0.15%	158,813	236	No
3 to < 6 months past due	4.24%	4,108	174	No
6 to < 9 months past due	11.76%	1,029	121	No
9 to < 12 months past due	27.25%	1,046	285	No
> 12 months past due	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 by 100 basis points in parallel. 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):

SENSITIVITY ANALYSIS FOR MARKET PRICE RISK (in EUR '000)

	December 31, 2024		December 31, 2023	
	+100 BP	-100 BP	+100 BP	-100 BP
Market value of derivatives	1,740	-1,897	2,892	-3,173
of which equity/hedges	1,740	-1,897	2,892	-3,173
of which interest expense per statement of income	0	0	0	0
Market value of loans	34,508	-39,033	41,896	-47,827
Total market value	**36,248**	**-40,930**	**44,788**	**-51,000**

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.

Assuming that the exchange rates of all foreign currencies were to rise by 10% against the euro as of the reporting date, net income from currency conversion would change by EUR 2,459 thousand (previous year: EUR 3,120 thousand) As in the previous year, net receivables in US dollars and Swiss francs are the main influence.

HEDGE ACCOUNTING

03 |

HEDGING INSTRUMENTS

As at the reporting date, currency hedges with a nominal volume of EUR 6,788 thousand (previous year: EUR 6,561 thousand) were in place. The exchange rate hedges concerned transactions in US Dollars. Hedging contracts had a positive market value of EUR 431 thousand (previous year: negative market value of EUR 182 thousand).

Interest rate hedging accounts for a nominal volume of EUR 120,164 thousand (previous year: EUR 93,444 thousand). The market values amounted to EUR -1,336 thousand (previous year: EUR 1,216 thousand). Interest rate hedges relate to loan transactions already recognized in an amount of EUR 60,164 thousand and future highly probable loan transactions subject to interest rate risks in an amount of EUR 60,000 thousand. Further details on terms and maturities are included in the report on financial liabilities under item [30].

FINANCIAL STATEMENT ACCOUNTING OF HEDGING TRANSACTIONS AS HEDGE ACCOUNTING

Of 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
December 31, 2024				
Cash flow hedges				
Interest rate hedges	120,164	1,336	Other current liabilities	-2,552
Exchange rate hedges	0	0	Other current liabilities	0
Total		**1,336**		**-2,552**
December 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**

The average interest rate for interest rate hedges is 1.15% (previous year: 1.07%). 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 January 1, 2023	**4,171**	**-661**
Change in fair value		
Interest rate hedges	-2,955	468
Exchange rate hedges	0	0
As of December 31, 2023	**1,216**	**-193**
As of January 1, 2024	**1,216**	**-193**
Change in fair value		
Interest rate hedges	-2,552	404
Exchange rate hedges	0	0
As of December 31, 2024	**-1,336**	**211**

[35] Collateral Furnished

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

PLEDGED ASSETS (in EUR '000)

	2024	2023
Land charges	4,671	14,943
Pledged assets	0	0
Other collateral	807	921
Total collateral	**5,478**	**15,864**

[36] Contingent Liabilities

Liabilities from guarantees exist in the amount of EUR 1,742 thousand (previous year: EUR 2,224 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.

[37] Other Financial Obligations

Obligations from purchase commitments for fixed assets came to EUR 6,673 thousand (previous year: EUR 12,227 thousand), of which EUR 6,257 thousand (previous year: EUR 10,201 thousand) was for property, plant, and equipment, and EUR 417 thousand (previous year: EUR 2,026 thousand) was for intangible assets.

[38] Related Party Transactions

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 (previous year: five people) according to the management structures in place.

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

COMPENSATION OVERVIEW (in EUR '000)

	Expense in the period	of which short-term compensation	of which share-based payment	of which severance payments	of which pensions
2024					
INDUS Holding AG					
Supervisory Board	900	900	0	0	0
Board of Management	3,648	3,194	454	0	0
Total	**4,548**	**4,094**	**454**	**0**	**0**
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**

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 Annual Shareholders' Meeting of INDUS Holding AG in May 2024. 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 45 thousand along with an attendance fee of EUR 1.5 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 7.5 thousand in addition to reimbursement of out-of-pocket expenses for his/her 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 seven times in 2024 (previous year: six times).

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

BOARD OF MANAGEMENT COMPENSATION

For the 2024 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). 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 UNTIL 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 exercise price of the tranche's SAR on exercise and a defined payout threshold 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, 2024 there were 55,030 granted and not-yet-exercised SARs (previous year: 124,090). In the 2024 financial year, 69,060 options lapsed (previous year: 61,286). The fair value of previously granted, not yet exercised SARs totaled EUR 1 thousand as of the reporting date (previous year: EUR 7 thousand). A provision in this amount was recognized. A liquidation in the amount of EUR 6 thousand (previous year: EUR 43 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 (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 2024, 52,653 (previous year: 39,980) virtual performance shares (VPS) were issued from the new LTI program. This performance period for this plan (LTI Plan 2024) runs until December 31, 2027. Any payments under the LTI Plan 2024 will be made in the year 2028. On the date on which they were granted, the total fair value of the VPS was EUR 885 thousand (previous year: EUR 693 thousand). Up to December 31, 2024 there were 125,720 granted VPSs (previous year: 89,789). The fair value of previously granted VPSs totaled EUR 1,549 thousand as of the reporting date (previous year: EUR 1,084 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 465 thousand (previous year: EUR 197 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. The intrinsic value of the VPS corresponds approximately to the fair value.

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

In total, expenses of EUR 3,728 thousand (previous year: EUR 2,982 thousand) have been recognized as compensation paid to the Board of Management. EUR 2,427 thousand (previous year: EUR 2,000 thousand) is attributable to fixed compensation, EUR 847 thousand to short-term variable compensation (previous year: EUR 829 thousand) and EUR 454 thousand to virtual share options (previous year: EUR 153 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 4,161 thousand (previous year: EUR 3,565 thousand). The compensation paid to the Supervisory Board was EUR 900 thousand (previous year: EUR 725 thousand). For one former member of the Board of Management there are pension rights with a present value of EUR 70 thousand (previous year: EUR 73 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 DISCLOSURES

(in EUR '000)

	Sales and other operating income	Purchase of goods	Other purchases	Outstanding amounts	Loans made
2024					
Related companies	0	0	0	0	0
Family members of managing directors and shareholders	**0**	**0**	**50**	**0**	**0**
Non-controlling shareholders	**9,629**	**0**	**43**	**0**	**0**
Managing directors of the portfolio companies	0	40	110	0	37
Total related parties	**9,629**	**40**	**203**	**0**	**37**
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**

Revenue of EUR 8,384 thousand (previous year: EUR 16,259 thousand) was recognized in 2024 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.

[39] Employees

AVERAGE NUMBER OF EMPLOYEES IN THE FINANCIAL YEAR

	2024	2023
Employees by region		
Germany	6,618	7,119
Europe (EU & Switzerland)	1,130	1,212
Rest of world	1,020	986
Employees in continuing and discontinued operations	**8,768**	**9,317**
Employees by segment		
Engineering	2,962	2,842
Infrastructure	2,835	2,934
Materials	2,925	3,107
Other	46	46
Employees from continuing operations	**8,768**	**8,929**
Employees from discontinued operations	0	388
Employees in continuing and discontinued operations	**8,768**	**9,317**

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

The fee for the auditor of the consolidated financial statements, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, amounted to EUR 891 thousand (previous year: EUR 947 thousand) for the audits of the financial statements, of which EUR 18 thousand (previous year: EUR 130 thousand) was for previous years and EUR 147 thousand (previous year: EUR 126 thousand) for other auditing services.

[41] 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 4, 2024, and made it available to shareholders on the INDUS Holding Aktiengesellschaft website.

www.indus.eu/investors/#corporate-governance

[42] Use of Exemptions in Accordance With Section 264 (3) and Section 264b 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, the subsidiaries are listed to which exemption from disclosure duties has been applied in accordance with Section 264 (3) and Section 264b of the German Commercial Code (HGB) as of December 31, 2024.

[43] Events After the Reporting Date

After the reporting date, INDUS acquired 145,480 shares by the end of the share buyback program on March 5, 2025. INDUS thus holds a total of 2,000,000 treasury shares.

On March 5, 2025, the Supervisory Board of INDUS Holding AG resolved to redeem 1,095,559 of these shares. The shares will be recalled in a simplified process without a capital reduction pursuant to Section 237 (3) no. 3 of the German Stock Corporation Act (AktG). This increases the proportionate amount of the capital stock attributable to the individual remaining shares in accordance with Section 8 (3) AktG accordingly.

When the redemption takes effect, the number of shares will change from 26,895,559 to 25,800,000 shares (no-par value shares). Of the 25,800,000 shares, INDUS still holds 904,441 treasury shares after redemption.

Bergisch Gladbach, Germany, March 13, 2025

INDUS Holding AG

The Board of Management

Dr. Johannes Schmidt | Rudolf Weichert | Gudrun Degenhart | Dr. Jörn Großmann | Axel Meyer

04

FURTHER INFORMATION

212 Responsibility Statement
213 Dividend Proposal
214 Report of the Independent Group Auditors
221 Independent Auditor's Limited Assurance Engagement Statement
224 Further Information on the Board Members
226 Investments of INDUS Holding AG
228 Key Figures
230 Contact, Financial Calendar, Imprint

Responsibility Statement

We hereby certify that, to the best of our knowledge, the consolidated financial statements give a true and fair view of the financial position and financial performance of the Group, and the combined management report for the 2024 financial year includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group, in accordance with the applicable accounting principles as of December 31, 2024.

Bergisch Gladbach, March 13, 2025

The Board of Management

Dr. Johannes Schmidt Rudolf Weichert Gudrun Degenhart Dr. Jörn Großmann Axel Meyer

Dividend Proposal

The following proposal will be submitted to the Annual Shareholders' Meeting regarding the appropriation of the balance sheet profit for the 2024 financial year in the amount of EUR 77,894,518.12:

Payment of a dividend of EUR 1.20 per no-par-value share that qualifies for dividends (24,895,559.00) on the capital stock of EUR 69,928,453.64	29,874,670.80
Transfer to other retained earnings	47,000,000.00
Profit carried forward	1,019,847.32
Balance sheet profit	77,894,518.12

The proposed appropriation of distributable profit takes into account the 904,441 treasury shares held by the company's Board of Management at the time of preparation of the Annual Financial Statement, and which in accordance with Section 71b German Stock Corporation Act (AktG) do not qualify for dividends.

Bergisch Gladbach, March 13, 2025

The Board of Management

Dr. Johannes Schmidt Rudolf Weichert Gudrun Degenhart Dr. Jörn Großmann Axel Meyer

The following report of the independent Group auditors also includes an "assurance report in accordance with Section 317 (3b) of the German Commercial Code (HGB) on the electronic reproduction of the consolidated financial statements and the combined management report prepared for publication purposes" ("ESEF report"). The assurance subject underlying the ESEF report (the ESEF documents to be assessed) is not attached. The assessed ESEF documents can be seen in or accessed from the company register.

Report of the Independent Group Auditors

To INDUS Holding AG, Bergisch Gladbach, Germany

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of INDUS Holding AG, Bergisch Gladbach, Germany, and its subsidiaries (the Group) – consisting of the consolidated statement of financial position as of December 31, 2024, the consolidated statement of comprehensive income, the consolidated statement of income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2024, along with the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the Group management report of INDUS Holding AG, which is summarized with the management report for the company, for the financial year from January 1 to December 31, 2024. In accordance with the German legal requirements, we have not audited the content of the parts of the Group management report listed in the "Other information" section of our audit report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply in all material respects with the IFRS accounting standards issued by the International Accounting Standards Board (IASB) as adopted by the EU, and with the additional requirements under German law in accordance with Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the net assets and financial position of the Group as of December 31, 2024, and of its financial performance for the financial year from January 1 to December 31, 2024, and
- the accompanying Group management report as a whole provides an appropriate view of the position of the Group. In all material respects, this Group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the risks and opportunities of future development. Our opinion on the Group management report does not extend to the content of the parts of the Group management report listed in the "Other information" section.

In accordance with Section 322 (3) Sentence 1 HGB, we declare that our audit has not resulted in any reservations relating to the legal compliance of the Group financial statements and of the Group management report.

Basis of Opinions

We conducted our audit of the consolidated financial statements and of the Group management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (hereinafter referred to as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits of the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany]

(IDW). Our responsibilities under these requirements and principles are set out in further detail in the section "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" in our Group auditor's report. In accordance with the requirements under European law and German commercial and professional law, we are independent of the Group companies and we have fulfilled our other professional responsibilities under German law in accordance with these requirements. In addition, we declare that, in accordance with Article 10 (2) letter f of the EU Audit Regulation, we have not provided prohibited non-audit services under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained represents a sufficient and appropriate basis for our opinions on the consolidated financial statements and on the Group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters which in our professional judgment were of most significance in the audit of the consolidated financial statements for the financial year January 1 to December 31, 2024. These matters were considered in the context of our overall audit of the consolidated financial statements, and when forming our opinion in this regard we have not provided a separate opinion on these matters.

From our perspective, the following matter was the most important in our audit:

1) Goodwill impairment

We have structured our representation of this particularly important audit matter as follows:

a) Matter and problem
b) Audit approach and findings
c) Reference to further information

We have set out what constitutes the particularly important audit matter in the following:

1) GOODWILL IMPAIRMENT

a) In the company's consolidated financial statements, goodwill is posted with a total of EUR 405.3 million (22.4% of the total assets or 57.9% of the equity) under the "Goodwill" balance sheet item. Goodwill is subject to an impairment test by the company once a year or on an event-driven basis, in order to determine possible need for impairment. The impairment test is performed at the level of the groups of cash-generating units to which the respective goodwill is assigned. In the course of the impairment test, the carrying amount of the respective carrying amounts including the goodwill is compared with the correspondingly achievable amount. The achievable amount is essentially determined based on the value in use. The basis of the valuation here is normally the present value of future cash flows for the respective group of cash-generating units. The present values are determined using discounted cash flow models. Here, the Group's adopted medium-term planning forms the starting point, which is projected forwards with assumptions about long-term growth rates. In this process, expectations about future market development and assumptions on the development of the macroeconomic influences are also taken into account. Discounting is applied by means of weighted average capital costs for the respective group of cash-generating units. As a result of the impairment test, after taking into account the value in use for the groups of cash generating-unit, there were impairments of a total of EUR 5.2 million.

The result of the evaluation is to a high degree dependent on the evaluation by legal representatives of the future cash flow of the respective group of cash-generating units, the discounting rate applied, the growth rate, and other assumptions, and is associated with significant uncertainty. In light of this and due to the complexity of the evaluation, this matter was of particular importance in the context of the audit.

b) One factor of our audit was understanding the methodical approach to performing impairment tests. After alignment of the future cash flow used in the calculation with the Group's adopted medium-term planning, we assessed the suitability of the calculation, in particular through reconciliation with general and industry-specific market expectations. In addition, we assessed the appropriate consideration of costs for Group functions. With the knowledge that even relatively minor changes to the applied discounting rate, but also to the growth rate, can result in material effects on the amount of corporate value determined in this way, we intensively engaged with the parameters and assumptions used to determine the applied discounting rate and respectively the growth rate, and have examined the calculation schedule. In order to take into account existing uncertainties in terms of the forecast, we examined the sensitivity analyses created by the company.

The valuation parameters and assumptions applied by the legal representatives are overall in line with our expectations and are also within bandwidths that we consider to be reasonable.

c) Company disclosures on the impairment test and goodwill are provided in Sections 18 and 20 of the Notes.

Other Information

The legal representatives are responsible for the other information. The other information comprises the following non-audited components of the Group management report:

- The non-financial Group declaration on the fulfillment of Sections 315b to 315c of the German Commercial Code (HGB) contained in the section "Sustainability Report" in the Group management report.
- The information contained in the section "Opportunities and risks", subsection "Risk management" in the Group management report, that is identified as unaudited.

The other information also comprises

- the Declaration on Corporate Governance in accordance with Section 289f of the German Commercial Code (HGB) and Section 315d HGB
- the Annual Report – without further cross-references to external information – with the exception of the audited consolidated financial statements, audited Group management report, and our Group auditor's report.

Our opinions on the consolidated financial statements and on the Group management report do not cover the other information, and consequently we do not express an opinion or any other form of audit conclusion in relation to this.

In connection with our audit, our responsibility is to read the other information mentioned above and, in doing so, to consider whether the other information:

- is materially inconsistent with the consolidated financial statements, the audited content of the Group management report disclosures, or our knowledge obtained during the audit,
- or otherwise appears materially misstated.

Responsibilities of Legal Representatives and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The legal representatives are responsible for preparing consolidated financial statements that comply, in all material respects, with IFRS accounting standards as adopted by the EU and the additional requirements of German commercial law in accordance with Section 315e (1) of the German Commercial Code (HGB) and ensuring that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the legal representatives are responsible for the internal checks that they have determined to be necessary in order to enable the preparation of consolidated financial statements that are free from representations which are materially incorrect due to fraud (i.e. manipulation of the accounting and asset misappropriation) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to the ability to continue as a going concern. In addition, they are responsible for financial reporting on the going-concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative to doing so.

Furthermore, management is responsible for the preparation of a Group management report which, as a whole, provides an appropriate view of the Group's position and is in all material respects consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the risks and opportunities of future development. The legal representatives are also responsible for arrangements and measures (systems) they consider necessary to enable the preparation of a Group management report in compliance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and the Group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraudulent acts or error, and whether the Group management report as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and presents the risks and opportunities of future development appropriately, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the Group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits of the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW) will always detect a material misstatement. Misstatements can arise from fraudulent acts or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this Group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. Furthermore,

— we identify and assess the risks of material misstatements due to fraudulent actions or errors in the consolidated financial statements and in the Group management report, plan and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of material misstatements resulting from fraudulent actions going undetected is greater than the risk that material misstatements resulting from error are not detected, as fraudulent actions may include collusive collaboration, falsification, deliberate incompleteness, misleading statements, and/or the invalidation of internal controls.

— we obtain an understanding of the internal controls relevant to the audit of the consolidated financial statements and of arrangements and systems relevant to the audit of the Group management report to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Group or of these arrangements and systems.

— we evaluate the appropriateness of accounting standards used by the legal representatives and the reasonableness of estimates and related disclosures made by the legal representatives.

— we draw conclusions on the appropriateness of legal representatives' use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements and the Group management report or, if these disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained as at the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

— we assess the presentation, structure and content of the Group financial statements overall, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in such a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS accounting standards as adopted by the EU and the additional requirements of German commercial law in accordance with Section 315e (1) of the German Commercial Code (HGB).

- we plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the companies or subdivisions within the Group to express opinions on the consolidated financial statements and on the Group management report. we are responsible for the guidance, oversight, and performance of the audit activities carried out for the purpose of the audit of the consolidated financial statements. We are solely responsible for our opinion.
- we evaluate the consistency of the Group management report in relation to the consolidated financial statements, conformity with the law, and the view of the Group's position it provides.
- we perform audit procedures on the future-oriented information presented by management in the Group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the future-oriented information, and evaluate whether the future-oriented information is properly derived from these assumptions. We do not express a separate opinion on the future-oriented information and on the assumptions used as a basis for it. There is a substantial unavoidable risk that future events will materially differ from the future-oriented information.

We communicate with those responsible for governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant shortcomings in the internal controls that we identify during our audit.

We also provide those responsible for governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to impact our independence, and where applicable, the related actions taken or safeguards implemented to remedy threats to independence.

From the matters communicated to those responsible for governance, we determine which matters are of most significance in the audit of the consolidated financial statements of the current reporting period and are therefore the key audit matters. We describe these matters in our Group auditor's report unless law or regulation prevents public disclosure about the matter.

Other Statutory and Other Legal Requirements

Assurance Report in Accordance with Section 317 (3a) of the German Commercial Code (HGB) on the Electronic Reproductions of the Consolidated Financial Statements and the Group Management Report Prepared for the Purpose of Disclosure

Opinion

We have performed an assurance engagement in accordance with Section 317 (3a) of the German Commercial Code (HGB) to obtain reasonable assurance that the electronic reproduction of the consolidated financial statements and the Group management report contained in the file INDUS_Holding_AG_KA-2024-12-31-de.zip and prepared for publication purposes (hereinafter also referred to as the "ESEF documents") meets the requirements of Section 328 (1) of the German Commercial Code (HGB) for the electronic reporting format ("ESEF format") in all material respects. In accordance with German legal requirements, this assurance engagement only extends to the conversion of the information contained in the consolidated financial statements and the Group management report into the ESEF format and as such relates neither to the information contained in this reproduction nor any other information contained in the specified file.

In our opinion, the reproduction of the consolidated financial statements and the Group management report contained in the aforementioned accompanying file and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) of the German Commercial Code (HGB) for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on the other information contained in the aforementioned file beyond this opinion and our opinions on the accompanying consolidated financial statements and the accompanying Group management report for the financial year from January 1 to December 31, 2024 contained in the above "Report on the audit of the consolidated financial statements and of the Group management report."

Basis for the Opinion

We conducted our audit of the reproduction of the consolidated financial statements and the Group management report contained in the aforementioned file in accordance with Section 317 (3b) of the German Commercial Code (HGB) and the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) Assurance Standard: Audit of the electronic reproductions of financial statements and management reports created for the purpose of disclosure, in accordance with Section 317 (3b) of the German Commercial Code (HGB) (Institut der Wirtschafsprüfer (Institute of Public Auditors in Germany) PS 410 (June 2022)) and of the International Standard on Assurance Engagements 3000 (Revised). Our responsibility under these is described in more detail in the "Responsibility of the Consolidated Financial Statements Auditor for the Assurance Engagement on ESEF Documents" section. Our auditor practice has applied the requirements for the quality management system as stated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany): Quality management requirements in audit practice (IDW QMS 1 (September 2022)).

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents

The company's legal representatives are responsible for preparing the ESEF documents with the electronic reproduction of the consolidated financial statements and Group management report in accordance with Section 328 (1) Sentence 4 No. 1 of the German Commercial Code (HGB) and for marking up the consolidated financial statements in accordance with Section 328 (1) Sentence 4 No. 2 HGB.

In addition, the company's legal representatives are responsible for the internal checks they consider necessary for preparing ESEF documents that are free from material breaches – whether due to fraud or error – of the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Responsibility of the Consolidated Financial Statements Auditor for the Assurance Engagement on ESEF Documents

Our objective is to obtain reasonable assurance of whether the ESEF documents are free from material breaches – whether due to fraud or error – of the requirements of Section 328 (1) of the German Commercial Code (HGB). We exercise professional judgment and maintain professional skepticism throughout the audit. Furthermore,

— we identify and assess the risks of material breaches of the requirements of Section 328 (1) of the German Commercial Code (HGB), whether due to fraud or error, plan and perform assurance procedures in response to those risks, and obtain assurance evidence that is sufficient and appropriate for providing a basis for our opinion.
— we obtain an understanding of the internal control system relevant to the assessment of the ESEF documents in order to plan assurance procedures that are appropriate in the circumstances, but not with the aim of expressing an opinion on the effectiveness of these controls.
— we evaluate the technical validity of the ESEF documents – i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815 in the version applicable on the reporting date on the technical specification for this electronic file.
— we evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited Group management report.
— we evaluate whether the mark-up of the ESEF documents using inline XBRL technology (iXBRL) provides an appropriate, fully machine-readable XBRL copy of the XHTML reproduction in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 as amended as of the reporting date.

Further Disclosures Pursuant to Article 10, EU Audit Regulation

We were selected as the auditor of the consolidated financial statements at the Annual Shareholders' Meeting on May 22, 2024. We were engaged by the Supervisory Board on December 10, 2024. We have been the group auditor of INDUS Holding AG, Bergisch Gladbach, Germany, continuously since the financial year 2022.

We declare that the opinions expressed in this external auditor's report are consistent with the additional report to the Audit Committee in accordance with Article 11 of the EU Audit Regulation (audit report).

Fee Information

The fees paid or to be paid to us and other companies in the PwC network for the consolidated financial statement audit services for the financial year from January 1 to December 31, 2024 total EUR 0.9 million. The fees invoiced by us and other companies in the PwC network to the company and its affiliated companies over which the company exercises control and which are consolidated in the consolidated financial statements for the period to which the consolidated financial statements relate amounted to EUR 0.2 million for other assurance services.

Reference to Another Matter – Use of the Audit Report

Our audit report must always be read in conjunction with the audited consolidated financial statements and the audited Group management report management report and the audited ESEF documents. The consolidated financial statements and Group management report transferred to ESEF format – including the versions to be placed in the company register – are only electronic reproductions of the audited consolidated financial statements and the audited Group management report and not substitutes for them. In particular, the "Assurance report in accordance with Section 317 (3a) of the German Commercial Code (HGB) on the electronic reproductions of the consolidated financial statements and the Group management report prepared for the purpose of disclosure" and our opinion contained therein can only be used in conjunction with the ESEF documents provided in electronic form.

Auditor Responsible

The auditor responsible for the engagement is Dr. Achim Lienau.

Osnabrück, March 14, 2025

PricewaterhouseCoopers
Wirtschaftsprüfungsgesellschaft

Dr. Achim Lienau	Tim Dieckmann
German Public Auditor	German Public Auditor

Independent Auditor's Limited Assurance Engagement Statement

Concerning the Group Sustainability Report

To INDUS Holding AG, Bergisch Gladbach, Germany

Opinion

We have performed a limited assurance engagement on the Group sustainability report of INDUS Holding AG, Bergisch Gladbach, (hereinafter the "Company") for the financial year from January 1 to December 31, 2024 (hereinafter the "Group Sustainability Report") contained in the "Sustainability Report" section of the Group management report, which is combined with the management report of the company. The Group Sustainability Report was prepared to meet the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as Sections 315b to 315c of the German Commercial Code (HGB) for a non-financial Group declaration.

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Report is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Section 315c in conjunction with Sections 289c to 289e HGB for a non-financial group declaration and with the substantiating criteria presented by the legal representatives of the company. This opinion has been formed based on the fact that no matters have come to our attention that cause us to believe,

— that the accompanying Group Sustainability Report does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process performed by the company to identify information to be included in the Group Sustainability Report (the materiality assessment) is not, in all material respects, consistent with the description set out in the "Double materiality assessment" section of the Group Sustainability Report, or
— that the disclosures contained in the section "Disclosures pursuant to Article 8 of EU Regulation 2020/852 (Taxonomy Regulation)" of the Group Sustainability Report do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Opinion

We performed our audit in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information," published by the International Auditing and Assurance Standards Board (IAASB).

In comparison with a reasonable level of assurance, the audit procedures performed for a limited assurance audit are different in nature and timing and are less extensive. Consequently, the level of assurance obtained is significantly lower than the assurance that would have been obtained if an audit had been performed with reasonable assurance.

Our responsibility in accordance with ISAE 3000 (Revised) is further described in the section "Auditor's Responsibility for the Audit of the Group Sustainability Report".

In accordance with the requirements under European law and German commercial and professional law, we are independent of the companies and we have fulfilled our other professional responsibilities under German law in accordance with these requirements. Our auditor practice has applied the requirements for the quality management system as stated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany): IDW Quality management requirements in audit practice (IDW QMS 1 (September 2022)). We believe that the evidence we have obtained represents a sufficient and appropriate basis for our opinion.

Responsibilities of Legal Representatives and the Supervisory Board for the Group Sustainability Report

The legal representatives are responsible for the preparation of the Group Sustainability Report in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the substantiating criteria presented by the legal representatives of the company and for the design, implementation and maintenance of internal controls that they have deemed necessary to enable the preparation of a Group Sustainability Report in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e. manipulation of the Group Sustainability Report) or error.

This responsibility of the legal representatives includes establishing and maintaining the materiality assessment process, selecting and applying appropriate methods for preparing the Group Sustainability Report, making assumptions and estimates and determining forward-looking information on individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process of preparing the Group Sustainability Report.

Inherent Limitations in the Preparation of the Group Sustainability Report

The CSRD and the relevant German statutory and other European regulations contain wordings and terms that are subject to considerable interpretation uncertainty and for which no authoritative comprehensive interpretations have yet been published. Accordingly, the legal representatives have provided their interpretations of such wordings and terms in the section "Disclosures pursuant to Article 8 of EU Regulation 2020/852 (Taxonomy Regulation)" of the Group Sustainability Report. The legal representatives are responsible for the justifiableness of these interpretations. As such wordings and terms can be interpreted differently by regulators or courts, the legality of measurements or assessments of sustainability issues based on these interpretations is uncertain.

These inherent limitations also apply to the audit of the Group Sustainability Report.

Auditor's Responsibility for the Audit of the Group Sustainability Report

Our objectives are to express a limited assurance opinion based on our assurance engagement as to whether any matters have come to our attention that cause us to believe that the Group Sustainability Report has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European requirements and the substantiating criteria presented by the Company's management, and to issue an assurance report that includes our assurance opinion on the Group Sustainability Report.

As part of an audit to obtain limited assurance in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

— gain an understanding of the process used to prepare the Group Sustainability Report, including the materiality assessment process performed by the Company to identify the disclosures to be reported in the Group Sustainability Report.
— identify disclosures that are likely to result in material misstatement, whether due to fraud or error, plan and perform audit procedures to address these disclosures and obtain limited assurance to support our opinion. The risk of material misstatements resulting from fraudulent actions going undetected is greater than the risk that material misstatements resulting from error are not detected, as fraudulent actions may include collusive collaboration, falsification, deliberate incompleteness, misleading statements, and/or the invalidation of internal controls. In addition, the risk of not detecting a material misstatement of value chain information from sources not under the control of the Company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the Company, as both the Company's management and we as auditors are generally subject to restrictions on direct access to the sources of value chain information.
— assess the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will materially differ from the future-oriented information.

Summary of the Activities Performed by the Auditor

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability information. The nature, timing and scope of the selected audit procedures are subject to our professional judgment.

In performing our limited assurance engagement, we, among other things:

- assessed the overall suitability of the criteria presented by the legal representatives in the Group Sustainability Report.
- The legal representatives and relevant employees involved in the preparation of the Group Sustainability Report were asked about the preparation process, including the materiality assessment process carried out by the Company to identify the disclosures to be reported in the Group Sustainability Report, and about the internal controls relating to this process.
- assessed the methods used by the legal representatives to prepare the Group Sustainability Report.
- assessed the reasonableness of the estimated values stated by the legal representatives and the related explanations. If the legal representatives estimate, in accordance with the ESRS, the value chain information to be reported in a case where the legal representatives are unable to obtain the value chain information despite reasonable efforts, our audit is limited to assessing whether the legal representatives have made these estimates in accordance with the ESRS and the reasonableness of these estimates, but not to identify value chain information that the legal representatives have been unable to obtain.
- carried out analytical audit procedures and survey regarding selected information in the Group Sustainability Report.
- carried out site visits.
- acknowledged the presentation of the information in the Group Sustainability Report.
- acknowledged the process for identifying the Taxonomy-eligible and Taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Report.

Restriction of Use for the Statement

We make reference to the fact that the audit was performed for the purposes of the company and the statement is only intended for informing the company about the result of the audit. As such the statement is not intended as a basis for third parties to make (investment) decisions on. Our responsibility is solely to the company. We take no responsibility, due diligence or liability with respect to third parties.

Osnabrück, March 14, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Achim Lienau	Tim Diekmann
German Public Auditor	German Public Auditor

Further Information on the Board Members

Supervisory Board of INDUS Holding AG

Jürgen Abromeit
Chairman/CEO of A-XELLENCE AG, Osnabrück,
CEO of Windmöller GmbH (since May 24, 2024)
CHAIRPERSON OF THE BOARD

Further mandates within the meaning of Section 125(1) Sentence 5, German Stock Corporation Act (AktG):
- Wickeder Holding GmbH, Wickede (Ruhr), member of the Advisory Board
- PORTA Holding GmbH & Co. KG, Porta Westfalica, Deputy Chairperson of the Advisory Board (until March 5, 2024)
- Dango Dienenthal Management GmbH, Siegen, member of the Advisory Board (since January 1, 2024)

Wolfgang Lemb*
DEPUTY CHAIRPERSON

Dr. Dorothee Becker
Graduate economist, Spokesperson for the Management of the Gebrüder Becker group of companies, Wuppertal

Dorothee Diehm*
First Authorized Representative of IG Metall – Freudenstadt office, Freudenstadt

Further mandates within the meaning of Section 125(1) Sentence 5, German Stock Corporation Act (AktG):
- HOMAG Group AG, Schopfloch, member of the Supervisory Board

Pia Fischinger*
Deputy Chairperson of the Karl Simon GmbH & Co. KG works council, Aichhalden

Cornelia Holzberger*
Lawyer (commercial law),
M. BRAUN Inertgas-Systeme GmbH,
Garching-Hochbrück

Gerold Klausmann*
Head of Finance/Management Control department at Karl Simon GmbH & Co. KG, Aichhalden

Jan Klingelnberg
CEO as delegate of the Administrative Board of Klingelnberg AG, Zürich, Switzerland
(until August 31, 2024)

Further mandates within the meaning of Section 125(1) Sentence 5, German Stock Corporation Act (AktG):
- Klingelnberg GmbH, Hückeswagen, Chairperson of the Supervisory Board[1]
- Klingelnberg AG, Zürich, Switzerland, member of the Administrative Board[1)]

Stefan Müller*
Manager of Färberei der Ofa Bamberg GmbH, Bamberg

Barbara Schick
Fully qualified lawyer, Deputy Chair of the Boards of Management of Group companies of Versicherungskammer Bayern Versicherungsanstalt des öffentlichen Rechts, Munich:
- Versicherungskammer Bayern Versicherungsanstalt des öffentlichen Rechts (holding company)
- Bayern-Versicherung Lebensversicherung Aktiengesellschaft
- Bayerischer Versicherungsverband Versicherungsaktiengesellschaft
- Bayerische Landesbrandversicherung Aktiengesellschaft
- Versicherungskammer Bayern Konzern-Rückversicherung Aktiengesellschaft

Further mandates within the meaning of Section 125(1) Sentence 5, German Stock Corporation Act (AktG):
- Feuersozietät Berlin Brandenburg Versicherung Aktiengesellschaft, Berlin, Chairperson of the Supervisory Board[2]
- Saarland Feuerversicherung Aktiengesellschaft, Saarbrücken, Chairperson of the Supervisory Board[2]
- BavariaDirekt Versicherung AG (formerly Ostdeutsche Versicherung AG), Berlin, Chairperson of the Supervisory Board[2]

Carl Martin Welcker
Engineer (graduate engineer), Managing Director of Alfred H. Schütte GmbH & Co. KG, Cologne

Further mandates within the meaning of Section 125(1) Sentence 5, German Stock Corporation Act (AktG):
- DEG, Deutsche Investitions- und Entwicklungsgesellschaft, Cologne, member of the Supervisory Board

PROF. DR. RER. POL. ISABELL WELPE
Technical University of Munich (TUM), Germany, Chair of the Professorship for Strategy and Organization

Further mandates within the meaning of Section 125(1) Sentence 5, German Stock Corporation Act (AktG):
- CANCOM SE, Munich, member of the Supervisory Board, member of the Audit Committee
- STEMMER IMAGING AG, Puchheim, member of the Supervisory Board
- Deloitte Deutschland GmbH audit firm, Munich, member of the Supervisory Board, member of the Personnel Committee

The Board of Management of INDUS Holding AG

Dr.-Ing. Johannes Schmidt, CEO
CHAIRPERSON OF THE BOARD

Further mandates in advisory bodies:
- Richard Bergner Holding GmbH & Co. KG

Rudolf Weichert, CFO
DEPUTY CHAIRPERSON OF THE BOARD
(since January 1, 2024)
Business graduate

Further mandates in advisory bodies:
- Börsenrat (business advisory board) of Düsseldorf Stock Exchange

Gudrun Degenhart, COO
Graduate in business administration

Dr. Jörn Großmann, COO
Graduate in biological sciences, MBA

Axel Meyer, COO
Graduate industrial engineer, LL.M.

* Employee representative on the Supervisory Board
[1] Mandates in the Group companies of Klingelnberg AG, Zürich, within the meaning of Section 100 (2) Sentence 2 German Stock Corporation Act (AktG)
[2] Mandates in Group companies of Versicherungskammer Bayern Versicherungsanstalt des öffentlichen Rechts, Munich

Investments of INDUS Holding AG

By segment	Capital (in EUR million)	INDUS stake (in %)
Engineering		
ASS Maschinenbau GmbH; Overath	0.57 [1]	100
M. Braun Inertgas-Systeme GmbH; Garching near Munich	1.87 [1]	100
Budde Fördertechnik GmbH; Bielefeld	0.39 [1]	75
DECKMA Decksmaschinen und Automation Vertriebsgesellschaft mbH; Rosengarten	0.03	75
eltherm GmbH; Burbach	1.30 [1]	100
Gestalt Automation GmbH; Berlin	0.03	100
GSR Ventiltechnik GmbH & Co. KG; Vlotho	0.57 [1]	100
Heiber und Schröder Maschinenbau GmbH; Erkrath	0.37 [1]	100
Held Systems GmbH; Heusenstamm	0.38 [1]	70
Horn GmbH & Co. KG; Flensburg	8.57 [1]	100
IEF – Werner GmbH; Furtwangen in the Black Forest	1.28	100
IPETRONIK GmbH & Co. KG; Baden-Baden	2.75 [1]	100
Jungmann Systemtechnik GmbH & Co. KG; Buxtehude	0.05	100
m+p International Mess-und Rechnertechnik GmbH; Hanover	1.86 [1]	100
M B N – Maschinenbaubetriebe Neugersdorf GmbH; Ebersbach-Neugersdorf	0.76 [1]	100
Mesutronic Gerätebau GmbH, Kirchberg im Wald	0.73 [1]	95
Peiseler GmbH & Co. KG; Remscheid	1.16 [1]	100
Infrastructure		
Ancotech AG; Dielsdorf/Switzerland	3.42 [1]	100 [2]
AURORA Konrad G. Schulz GmbH & Co. KG; Mudau	14.81 [1]	100
BETOMAX systems GmbH & Co. KG; Neuss	2.11 [1]	100
FS-BF GmbH & Co. KG, Reichshof-Hahn	0.64 [1]	100
HAUFF-TECHNIK GmbH & Co. KG; Hermaringen	1.74 [1]	100
H. Heitz Furnierkantenwerk GmbH & Co. KG, Melle	4.39 [1]	100
MIGUA Fugensysteme GmbH, Wülfrath	1.69 [1]	100
OBUK Haustürfüllungen GmbH & Co. KG; Oelde	0.52 [1]	100
REMKO GmbH & Co. KG air conditioning and heating technology; Lage	1.82 [1]	100
Schuster Klima Lüftung GmbH & Co. KG; Friedberg	1.05	100
Turmbau Steffens & Nölle GmbH; Berlin	0.50	100
Weigand Bau GmbH; Bad Königshofen im Grabfeld	1.00	80
Weinisch GmbH & Co. KG; Oberviechtach	0.53	100
WIRUS Fenster GmbH & Co. KG; Rietberg-Mastholte	1.53	70

By segment	Capital (in EUR million)	INDUS stake (in %)
Materials		
Betek GmbH & Co. KG; Aichhalden	7.05 [1]	100
Bilstein & Siekermann GmbH + Co. KG; Hillesheim	1.26 [1]	100
Dessauer Schaltschrank- und Gehäusetechnik GmbH; Dessau-Roßlau	0.03	100
HAKAMA AG; Bättwil/Switzerland	5.00	100 [2]
MEWESTA Hydraulik GmbH & Co.KG; Münsingen	0.54	100
Mikrop AG; Wittenbach/Switzerland	1.09 [1]	100 [2]
Ofa Bamberg GmbH; Bamberg	1.52 [1]	100
planetroll GmbH & Co. KG; Munderkingen	0.54	100
Raguse Gesellschaft für medizinische Produkte mbH; Ascheberg	0.92 [1]	100
Rolko Kohlgrüber GmbH; Borgholzhausen	0.53 [1]	100
Helmut Rübsamen GmbH & Co. KG, Metalldrückerei-Umformtechnik; Bad Marienberg	0.53	100
Karl Simon GmbH & Co. KG; Aichhalden	5.56 [1]	100
VULKAN INOX GmbH; Hattingen	1.13 [1]	100

[1] Including subsidiaries
[2] CHF million

Key Figures

in EUR '000	2017	2018	2019	2020	2021*	2022*	2023*	2024
Consolidated statement of income								
Sales	1,640,640	1,710,788	1,742,799	1,588,554	1,633,469	1,804,109	1,802,431	1,721,796
of which domestic	815,497	878,860	890,190	801,805	837,621	896,887	906,513	831,742
of which abroad	825,143	831,928	852,609	756,749	795,848	907,222	895,918	890,054
Personnel expenses	479,679	506,637	527,461	501,007	467,485	494,642	521,537	536,914
Personnel expense ratio (personnel expenses as % of sales)	29.2	29.6	30.3	32.1	28.6	27.4	28.9	31.2
Cost of materials	745,894	811,929	782,448	690,106	757,033	872,208	801,416	757,026
Cost-of-materials ratio (cost of materials as % of sales)	45.5	47.5	44.9	44.3	46.3	48.3	44.5	44.0
EBITDA	213,918	218,083	225,706	157,710	251,156	262,428	258,129	226,117
Depreciation/amortization	62,438	83,657	107,810	132,630	85,530	128,763	108,567	99,442
Adjusted EBITA						194,191	188,067	153,711
Adjusted EBITA margin (EBITA as % of sales)						10.8	10.4	8.9
EBIT	151,481	134,426	117,896	25,080	165,626	133,665	149,561	126,675
EBIT margin (EBIT in % of sales)	9.2	7.9	6.8	1.6	10.1	7.4	8.3	7.4
Financial income	-22,290	-19,720	-18,922	-15,446	-15,957	-17,734	-9,841	-30,590
EBT	129,191	114,706	98,974	9,634	149,669	115,931	139,720	96,085
Earnings after taxes from continuing operations	83,074	71,185	60,072	-26,902	97,762	82,477	83,953	54,701
Earnings from discontinued operations	–	–	–	–	-50,198	-123,907	-27,839	0
Earnings after taxes	83,074	71,185	60,072	-26,902	47,564	-41,430	56,114	54,701
Earnings per share from continuing operations (in EUR)	3.37	2.90	2.43	-1.10	3.68	3.04	3.10	2.07
Earnings per share from discontinued operations (in EUR)	–	–	–	–	-1.90	-4.61	-1.04	0.00
Earnings per share (in EUR)	3.37	2.90	2.43	-1.10	1.78	-1.57	2.06	2.07
Statement of financial position								
Assets								
Intangible assets	515,044	509,420	592,315	559,778	646,017	645,065	633,856	661,750
Property, plant and equipment	397,008	418,227	430,679	405,470	416,610	344,283	344,428	341,047
Inventories	339,154	408,693	381,364	332,463	403,894	449,387	429,269	410,533
Receivables	197,528	202,523	202,527	161,943	168,890	195,468	181,310	185,245
Other assets	68,571	71,508	66,186	74,472	85,678	127,862	74,070	63,103
Cash and cash equivalents	135,881	109,647	135,120	194,701	136,320	127,816	265,843	145,151
Equity and liabilities								
Equity	673,813	709,825	727,721	676,354	787,474	694,808	719,661	699,998
Provisions	118,730	118,966	129,032	128,424	88,483	66,997	69,280	71,036
Financial liabilities	534,846	592,406	681,386	713,614	640,454	721,372	772,011	686,593
Other equity and liabilities	325,797	298,821	270,052	210,435	340,998	406,704	367,824	349,202

in EUR '000	2017	2018	2019	2020	2021*	2022*	2023*	2024
Total equity and liabilities	**1,653,186**	**1,720,018**	**1,808,191**	**1,728,827**	**1,857,409**	**1,889,881**	**1,928,776**	**1,806,829**
Group equity ratio (equity/total assets) in %	40.8	41.3	40.2	39.1	42.4	36.8	37.3	38.7
Non-current financial liabilities	439,545	465,886	546,341	553,773	477,286	580,638	618,162	540,628
Current financial liabilities	95,301	126,520	135,045	159,841	163,168	140,734	153,849	145,965
Net debt (non-current and current financial liabilities – cash and cash equivalents)	398,965	482,759	546,266	518,913	504,134	593,556	506,168	541,442
Net debt/EBITDA	1.9	2.2	2.4	3.3	2.0	2.3	2.0	2.4
Trade payables	66,162	65,659	55,931	48,926	75,811	74,283	63,661	74,874
Advance payments received and contract liabilities	67,569	73,378	49,703	35,024	53,060	73,967	80,090	50,161
Working capital (inventories + trade receivables – trade payables – advance payments – contract liabilities)	402,951	472,180	478,257	410,457	443,914	496,605	466,828	470,743
Gearing (net debt/equity)	0.6	0.7	0.8	0.8	0.6	0.9	0.7	0.8
Equity return (earnings after taxes from continuing and discontinued operations/equity) as %	12.3	10.0	8.3	-4.0	6.0	-6.0	7.8	7.8
Investments	111,425	102,401	107,438	53,502	119,881	113,309	70,800	80,302
Statement of cash flows								
Operating cash flow	144,942	96,010	167,733	174,444	177,743	137,123	240,122	171,254
Cash flow from operating activities	123,962	74,654	147,286	155,188	158,355	116,339	217,657	143,682
Cash flow from investing activities	-109,956	-98,317	-76,152	-52,345	-105,990	-94,438	-50,083	-65,368
Cash flow from financing activities	-3,898	-2,706	-46,141	-42,015	-40,840	55,905	-501	-199,879
Cash flow per share (in EUR)	5.07	3.05	6.02	6.35	6.01	4.33	8.09	5.54
Other performance indicators								
XETRA share price at year-end (in EUR)	59.50	39.00	38.85	32.10	32.75	21.95	22.35	20.30
Average number of shares	24,450,509	24,450,509	24,450,509	24,450,509	26,332,863	26,895,559	26,895,559	25,957,130
Number of shares at year-end	24,450,509	24,450,509	24,450,509	24,450,509	26,895,559	26,895,559	26,895,559	25,041,039
Market capitalization	1,454,805	953,570	949,902	784,861	880,830	590,357	601,116	508,333
Dividend (in EUR million)**	36,676	36,676	19,560	19,560	28,240	21,516	30,955	29,875
Dividend per share (in EUR)**	1.50	1.50	0.80	0.80	1.05	0.80	1.20	1.20
Number of portfolio companies	45	45	47	46	44	45	43	44

* For the annual values for 2023, 2022 and 2021, the amounts from continuing operations are stated in each case.
** Total dividend amount and dividend per share for the financial year; dividend proposal for the 2024 financial year – subject to approval at Annual Shareholders' Meeting on May 27, 2025

Contact

CONTACT

Nina Wolf
Public Relations
Phone: +49 (0)2204/40 00-73
Email: presse@indus.de

Dafne Sanac
Investor Relations
Phone: +49 (0)2204/40 00-32
Email: investor.relations@indus.de

INDUS HOLDING AG

Kölner Straße 32
51429 Bergisch Gladbach

P.O. Box 10 03 53
51403 Bergisch Gladbach

Phone: +49(0)2204/40 00-0
Fax: +49 (0)2204/40 00-20
Email: indus@indus.de

www.indus.eu

Financial Calendar

Date	Event
March 24, 2025	Publication of the Annual Report for the 2024 financial year
March 25, 2025	Capital Markets Day, Frankfurt/Main
May 14, 2025	Publication of interim report on the first quarter of 2025
May 27, 2025	2025 Annual Shareholders' Meeting, Cologne
August 12, 2025	Publication of interim report on the first half of 2025
November 12, 2025	Publication of interim report on the first nine months of 2025

Find the INDUS financial calendar and dates for corporate events at www.indus.eu/investors/financial-publications

Imprint

RESPONSIBLE MEMBER OF THE BOARD OF MANAGEMENT
Dr.-Ing. Johannes Schmidt

DATE OF PUBLISHING
March 24, 2025

PUBLISHER
INDUS Holding AG,
Bergisch Gladbach, Germany

CONCEPT/DESIGN
Berichtsmanufaktur GmbH,
Hamburg

PHOTOS
Catrin Moritz

PRINT
AlsterWerk MedienService GmbH,
Hamburg

This Annual Report is also available in German. Only the German version is legally binding.

DISCLAIMER:
This Annual Report report contains forward-looking statements based on assumptions and estimates made by the Board of Management of INDUS Holding AG. The Board of Management believes that these assumptions and estimates are accurate, but they are nonetheless subject to certain risks and uncertainties. Actual future results may deviate substantially from these assumptions and estimates due to a variety of factors. These factors include changes in the general economic situation, the business, economic and competitive situation, foreign exchange and interest rates, and the legal setting. INDUS Holding AG shall not be held liable for the future development and actual future results being in line with the assumptions and estimates included in this report. The assumptions and estimates made in this report are not updated.