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on the occasion of the Annual Shareholders' Meeting
of INDUS Holding AG on May 31, 2022

Chairman of the Board of Management Dr. Johannes Schmidt

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Subject to changes on the day of the virtual Annual Shareholders' Meeting on May 31, 2022.
The spoken word shall be binding.

Dear shareholders,

friends of INDUS and

members of the Supervisory Board,

Welcome to our virtual meeting. The new bill on introducing virtual annual shareholders' meetings is currently being widely discussed. But please rest assured that in-person events will remain the preferred format for INDUS in the future. Possibly with some hybrid elements to open the meetings up to a larger audience.

1. Macroeconomic challenges are on the rise

Ladies and Gentlemen,

We thought we were on our way back to normality up until the middle of February. There are enough coronavirus vaccines available now and the current variants are less aggressive. We now know normality is still some way off. Russia declared war against Ukraine in February. People are dying in the middle of Europe. Many have fled. One reason for hope is the great solidarity shown here. INDUS Group companies are helping, too. But our greatest wish is for this war to end as quickly as possible. At times like these, it is hard to get on with day-to-day business.

Today we are reporting on how the INDUS Group performed in the last year. How our 48 portfolio companies are facing the current challenges. And why our INDUS Group will continue its positive development in 2022.

The war has little direct impact on us. Sales in Russia and Ukraine amounted to roughly 1.2 percent of our total sales in recent years.

There are a number of macroeconomic effects, however.

Supply chains: The availability of many raw materials and upstream products is limited. And this is not just because of the war but still because of the pandemic. China is closing ports and we can't get hold of chips and other upstream products.

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Energy costs: Energy costs are rising sharply. None of our production is particularly energy-intensive, but we need upstream products, made of aluminum and steel, for instance. The cost of these materials is rising astronomically. The shortages are also pushing prices up. This also applies to packaging and transport costs.

All of this in turn is causing strong inflation. This will also have an impact on labor costs.

Interest rates will climb. And with them, the cost of financing.

But, the good news is that German SMEs are very robust. They are able to handle challenges and react flexibly. Our managers in the INDUS companies are taking a pragmatic approach. They are concentrating on what's important: material supply, fully functioning production and supply chains, and financial stability. They have stockpiled and are actively looking for new sources. They are negotiating with their customers to pass on cost increases. In many cases this is being met with a lot of mutual understanding. With all of this, they are also securing their employee's jobs in uncertain times. This all bodes well for me.

Decentralized and diversified business models are another characteristic of our group of companies that sets us apart.

A **decentralized** organization means the right decisions can be made on site, quickly, and changing situations can be met with appropriate reactions. Innovations can be developed that quickly answer market needs. And changes are always opportunities, too. Opportunities to develop solutions that make life better, simpler and more sustainable. A decentralized structure also creates room for ideas that save resources or work around shortages. The current crisis, for instance, will drive the energy transition. Sustainable technologies will be pushed forward. Recycling will take on a whole new meaning. And our entrepreneurs on site will make the most of these opportunities.

At INDUS, our **broad diversification** relates to our business fields, locations and selling markets. Every new development in the world creates winners and losers. Like the construction boom or the structural changes in the automotive industry. Our portfolio companies span a broad spectrum in a variety of industries and have their roots in Germany and Switzerland. Around the world, they manufacture locally for local customers. And supply international customers. Occasionally, strong companies step in for weaker ones. This provides stability, as INDUS has shown over the last 33 years.

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You, our valued shareholders, also benefit from this. Those interested in investing in a widely diversified portfolio have found the right company with INDUS. We cover a broad spectrum of manufacturing SMEs and a broad range of growth industries.

2. INDUS Annual Statement of Financial Position 2021

Let's take a look back over 2021. You can find detailed information in our Annual Report; I will just be covering some of the main points here.

Sales increased by approximately 12 percent to EUR 1.74 billion. Against the low figures of 2020 – dominated as it was by the coronavirus pandemic – EBIT quadrupled to around EUR 115 million. And this despite the personnel shortages caused by the coronavirus and supply chain issues. That is a strong performance.

At 6.6 percent, the EBIT margin just exceeded the forecast. Our target remains “10 percent plus x”. In total, we have already hit this target in four out of five segments. The Automotive Technology segment continues to pose a challenge.

The hidden champions in our portfolio occupy interesting niche markets, and dominate there. We aim to always cover a cross-section of current growth industries. That is why we again made acquisitions in the past year. We did this very deliberately – despite all the uncertainties. Because we look to the future. JST and WIRUS at portfolio level and FLACO, a complementary addition. We also signed off the acquisition of HEIBER + SCHRÖDER in December. The EUR 85 million from the capital increase in March 2021 has been very well invested. The new acquisitions have boosted the growth of our portfolio and the companies are dynamic and very profitable.

All segments contributed to increasing sales and earnings. With almost 26 percent of total sales, the Construction/Infrastructure segment was the best-performing segment. Closely followed by the Engineering and Metals Technology segments, with 25 and 24 percent, respectively. The Automotive Technology segment only generated around 16 percent of total sales.

Let's take a quick look at the individual segments:

There are twelve portfolio companies in the **Construction/Infrastructure segment**. Broad foundation – from reinforcement technology, air-conditioning and heating technology and sealing systems to fiberglass network expansion. WIRUS, a manufacturer of windows and

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doors, is new to the portfolio and has a highly digitalized business model. Segment sales grew significantly to EUR 452 million. With an EBIT margin of 15.6 percent, the segment exceeded the average profitability.

There are still seven portfolio companies in the Automotive Technology segment. From design and prototype construction, test and measurement solutions to the series production of components for the manufacturers of vehicles, commercial vehicles and agricultural machinery. The entire sector is undergoing radical structural change. Our portfolio companies are tackling these challenges but it takes time and money. But one thing is very clear: We will find the solutions.

Segment sales grew slightly to EUR 282 million. New series runs contributed to this result. The impairments were significantly lower. The operating loss was reduced by EUR 30 million to EUR 57 million.

The strategic relevance of the Automotive Technology segment in the portfolio will be reduced further. We've already taken the next step in this regard with the sale of the WIESAUPLAST Group at the end of 2021.

There are thirteen portfolio companies in the **Engineering segment**. Complete automation plants, package distribution plants, robotic gripping systems, vibration measurement technology, metal detectors and control room technology. All these can be found in this segment. The acquisition of HEIBER+SCHRÖDER was closed in April 2022, so we have now gained a specialist for packaging machinery in the portfolio. Take a look what this company has to offer:

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Packaging machinery is now another element of our diversification. We're looking forward to welcoming the dynamic team of HEIBER + SCHRÖDER on board.

Back to 2021: Segment sales in the Engineering segment grew rapidly to EUR 439 million. Following the collapse caused by the coronavirus, the EBIT margin climbed surprisingly quickly back to 13 percent. We have already returned to our old level of earning power. A truly remarkable achievement.

There are still five portfolio companies in the **Medical Engineering/Life Science segment**. Surgical stockings and orthotic devices, micro-optical lenses, surgical accessories, rehabilitation

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technology and hygienic products. We believe the future outlook is good in all of these fields and we intend to make more acquisitions here. Segment sales grew slightly to EUR 149 million. The EBIT margin climbed to 8.1 percent. New requirements of the Medical Device Regulation are currently tying up resources. A portfolio company working with non-wovens is currently merging production in Germany at a cutting-edge location. This will cause higher costs in 2022, too, but will result in returns from 2023. There is potential to improve the segment's EBIT margin. This is what we are working on.

The **Metals Technology segment** now has nine portfolio companies. Carbide tools for road construction and the agricultural industry, the manufacture of housings for laboratory diagnostic equipment, stainless metallic blasting agents and bolt welding technology for bridge construction. The range of solutions we provide is extensive. Segment sales grew significantly to EUR 420 million, despite the sales lost from the discontinuation of BACHER AG and the measures of the INTERIM SPRINT program. The EBIT margin climbed considerably to 10.1 percent. Good inventory planning and price increases were able to lessen the impacts of higher raw materials prices. We expect the companies in this segment will face further challenges in the current year.

Ladies and Gentlemen,

It's important that we explain the diverse application areas of the products produced by our hidden champions. They ensure that risk is spread widely.

Now let's talk about the financial position:

Increased business activities and the corresponding increase in working capital reduced operating cash flow in 2021.

Liquidity stood at a comfortable EUR 136 million, which equates to the "normal" pre-coronavirus figure.

This also applies to investments. We have again upped our investment. Investments in property, plant and equipment and intangible assets amounted to EUR 76 million, while investments in acquisitions amounted to EUR 67 million. With the investments in property, plant and equipment we are advancing the development of our portfolio companies. Let's take a look at RÜBSAMEN as an example. It has been in the portfolio since 2003. The company specializes in metal forming. In 2021 we invested approximately EUR 2.5 million in expanding the machinery. A new hydraulic double-column press, a spinning machine, a cone bending machine

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and a new laser for cutting sheet metal were procured, for example. This gives RÜBSAMEN capacity for further growth.

A look at the INDUS Group's statement of financial position shows that we are in a good position to take the next development steps. As of the reporting date, total assets amounted to EUR 1.86 billion. That represents an increase of EUR 129 million against the previous year. The equity ratio rose from 39.1 percent to 42.4 percent, significantly over our target of 40 percent. The capital increase in March 2021 also contributed to this result.

Net debt fell to EUR 504 million with the repayment term at 2.3 years. Thus back within the target range of 2 to 2.5 years.

Ladies and Gentlemen,

The INDUS Group has recovered from the coronavirus crisis quickly. The companies performed better than expected in a number of areas. And we have our almost 11,000 employees to thank for that.

We truly value this incredible achievement – the impacts of the pandemic remained a burden in the last year, both in our private lives and professionally. Now we must add to this the concerns caused by the war in Ukraine. I'd like to thank all of our employees in the portfolio companies and at the holding company in Bergisch Gladbach on behalf of the Board of Management for their great work.

3. On the right track with the PARKOUR strategy program

Now let's review our PARKOUR strategy. What is its current status? We continued to work with and on this program in 2021. We have set our focus on our medium-term targets for 2025: well over EUR 2 billion in sales. EBIT target margin of 10% is reliably achieved. That is one side of our strategy. The other is acquisitions in growth industries, a push in innovativeness, market and operational excellence, and sustainability.

How far have we progressed with our four strategic initiatives?

We're well on track with the initiative "**Strengthening the Portfolio Structure.**" We aim to continue adding two to three companies to the portfolio every year, while keeping the importance of diversification in mind. Our portfolio companies are also working on the issues

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that are important for the future. Whether that's sustainable building, e-mobility or intelligent logistics systems. Our acquisition focus is on growth industries.

On the other hand, we will continue to part ways with portfolio companies in individual cases if they would have better development opportunities with a new owner. Or if they no longer fit our future strategy. We sold the Automotive Technology segment's WIESAUPLAST Group to a strategic investor. It was one of the three large series suppliers to car manufacturers. We are putting great effort into restructuring the other two large car series suppliers. The aim is to make them economically successful once again and thus also more attractive to potential new owners.

But our main strategic principle is still "buy, hold & develop". But how do we find new companies? Here is an insight into our M&A work...

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With our second strategic initiative "**Driving Innovation**" we want to use innovation to encourage growth. We help to establish these activities in our portfolio companies' strategies, which allows them to make the most of market opportunities quickly. Our innovation development bank therefore supports portfolio company projects.

- For example, MIKROP develops high-precision single-use optic lenses for endoscopy. Single-use prevents cross-contamination by contaminated endoscopes. Glass optics are too expensive for this, so the plastic micro lenses developed by MIKROP are much better suited for this purpose.
- GSR brought a high-pressure valve for hydrogen refueling onto the market.
- M. BRAUN is developing an innovative plant concept for filling batteries with electrolytes for use in e-mobility.
- In a recently launched innovation project, M. BRAUN subsidiary CREAPHYS is working on manufacturing perovskite solar cells on an industrial scale. Perovskite is a new material that achieves higher efficiency in the solar cells produced.

We also actively promote the expansion of networking between our portfolio companies and the exchange of knowledge in working groups with external experts. Especially on topics that will become more relevant in the future, such as hydrogen and sustainable building.

The third strategic initiative "**Improving Performance**" has two main aims:

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The first is to improve **market excellence**. INDUS supported development and implementation projects at IPETRONIK, ELTHERM and MIGUA as well as others in 2021. The HORN Group is currently implementing 15 subprojects for its strategic repositioning. This includes a new license and distribution model for the cloud solution “myTecalemit”: software as a service. The advantage for customers: they can choose a subscription model package that suits them best.

The second aim is to improve **operational excellence**. This involves companies improving their business processes, particularly in the supply chain, production and logistics. We have supported specific improvement projects at KÖSTER and BILSTEIN & SIEKERMANN, as well as others. At IMECO and BETOMAX we have introduced lean management. Lead times have been reduced considerably and waste prevented.

“**Striving for Sustainability**” is the fourth strategic initiative in our PARKOUR program. Our business model is long-term in nature. The sustainable development of our portfolio companies is at the heart of everything we do and we have always adhered to SME values. And these are increasingly in demand with society in general and investors. The INDUS portfolio companies are aware of their special responsibility, both locally and on international markets.

This is all presented in detail in our non-financial report, which is part of our Annual Report.

We believe that our portfolio companies will benefit from competitive advantages over the long term with sustainable products and production processes. Here are a few examples from the Group:

- Our subsidiary ELTHERM supplied an electric trace heating system for a solar power plant in the Atacama Desert in Chile.
- REMKO builds heat pumps, which are currently in high demand.
- SCHUSTER supplies energy-efficient ventilation and air conditioning technology, such as for the building complex “Weitblick” in Augsburg.

We also place a special emphasis on the environmental and energy technology growth industries in our acquisitions. We intend to expand further in the field of green technology.

And the issue of saving resources will become more important in future. Here, too, we are already actively at work:

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BETEK now recycles expensive carbide itself. The company has developed a new process for this purpose and industrialized it. BETEK will gain up to 300 tons per year from old carbide tools, while also reducing emissions, dependencies and saving money.

Our portfolio companies are leveling up with energy-efficient equipment, improving their heating efficiency and using renewable energy. And they are working on making their industrial core processes more energy efficient. And we are supporting these activities. We launched our **sustainability development bank** in 2022 specifically for this purpose. Up to EUR 5 million are directly invested in supporting sustainability projects each year.

Our sustainability strategy is not a marketing tool. Sustainable practices create competitive advantages. They increase public approval. They are important for gaining employees and are an argument for customers to choose our companies. And they play a very important role for investors who are looking for long-term investments. Sustainable practices help us to finance our ideas. Up until now we have issued two ESG-linked promissory note loans. The prerequisite for this is our ISS ESG rating, which has been C+ for the last seven years.

You can find out more about sustainability at INDUS in our sustainability magazine SUSTA[IN]. The second issue will be published this summer.

Ladies and Gentlemen,

PARKOUR points the way. And we are setting ambitious targets. We push and support our portfolio companies. The coronavirus and the new global situation are turning points. That is why we will be working intensely on taking our strategy further this year. The targets have been set and we are working on how to achieve them.

We are currently reassigning work in the Board of Management for this purpose. Each member of the Board of Management will in the future be responsible for the portfolio companies of one segment. Dr. Großmann will be the sparring partner for the Construction/Infrastructure segment's portfolio companies. Mr. Meyer will be focusing on the companies in the Engineering segment. The portfolio companies in the Medical Engineering/Life Science segment will be reporting to Mr. Weichert. I will be supporting the companies in the Metals Technology segment. Mr. Meyer and I will be overseeing the Automotive Technology segment together. This reassignment will allow us to pool specialist areas and strengthen our industry expertise – as well as offer our portfolio companies even better support.

I'd like to take this moment to thank my colleagues on the Board of Management. Times are tough. We all have our burdens to shoulder. But we have achieved an enormous amount. My dear colleagues, thank you very much for your excellent team work.

4. Outlook for the 2022 financial year

Ladies and Gentlemen,

What can INDUS expect in 2022? With the outbreak of the war in Ukraine, operating challenges have again increased. Nevertheless, we got off to a good start in 2022 on the whole. This is reflected in the figures for the first quarter. Apart from the companies in the Automotive Technology segment, the portfolio companies are generally performing well. Demand is high. The challenge is in meeting it. This is down to a number of supply bottlenecks, sharply rising prices for materials and higher energy, packaging and transport costs. But our managing directors and employees are finding good solutions once more.

We published our forecast for 2022 in March. At that point in time, nobody could foresee the consequences the war might have. The uncertainties arising from the Russia-Ukraine war and the coronavirus pandemic remain high. Nevertheless, due to the good performance in the first quarter overall, we still anticipate that sales will come in between EUR 1.8 billion and EUR 1.95 billion. EBIT should amount to between EUR 115 million and EUR 130 million.

As we all know, the potential for positive and negative effects is high. But we also know that our entire portfolio benefits from the agility of each of our SME portfolio companies. And from the managing directors' responsibility for operations on site. The SME industry in general and our INDUS companies in particular are strong and resilient. High cash flow and stable dividends even in times of crisis prove this. We proved it during the financial crisis and the pandemic, and we will prove it again.

5. Dividend and changes in the Supervisory Board

Now let's talk about the dividend. Our dividend policy is long term and we want you, dear shareholders, to regularly share in the company's success. Hand in hand with the Supervisory Board, therefore, we are proposing a dividend of EUR 1.05 for the 2021 financial year. This corresponds to a dividend yield of 3.2 percent based on the share's closing price for the year.

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You can see the other resolutions in the meeting agenda.

Our major shareholder, Versicherungskammer, in a request for additions to the agenda, proposed the election of Ms. Schick as a new member of the Supervisory Board. We have therefore added this to the agenda. Ms. Schick is the deputy chair of the Versicherungskammer's Board of Management.

I'd like to thank Ms. Pfaller, whose term on the Supervisory Board comes to an end with the end of this meeting, on behalf of the Board of Management, for her excellent and consistently constructive work.

6. INDUS makes further acquisitions

To finish up: what makes the INDUS Group unique? Investors interested in long-term investments can choose a broadly diversified SME portfolio with a good risk spread through the INDUS share. It is an asset class that is not directly available to most.

Owners can secure their life's work by selling to INDUS and, as co-shareholders, can continue to shape the development of their company. INDUS opens up new development opportunities as part of a strong alliance.

From a solid financial foundation we can drive innovation forward and improve the performance of our portfolio companies. This also opens the door to future growth. We are committed to sustainable practices.

Our strategy is suited to a changing world. We are already involved in a number of growth industries. And we are making even more acquisitions in these areas.

Just a few days ago, we were able to acquire the HELD Group for our portfolio. HELD develops, manufactures and distributes laser systems for industrial niche applications. HELD is a real innovator, especially in new equipment for manufacturing electrodes for the electrolysis of hydrogen. Hydrogen technology is a very exciting growth industry. We are continuing to make acquisitions, especially at the current time, as we are fully convinced that we are making our portfolio more and more valuable this way.

My dear shareholders, thank you very much for your trust and support. We look forward to finally meeting again in person in the coming year.

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Thank you for listening.

Before I hand back over to Mr. Abromeit, I'd like to thank the entire Supervisory Board on behalf of the Board of Management. Your support has been invaluable, especially with things the way they are right now.