

[INDUS]

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Fiscal year 2022

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REPORT IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE*

INDUS' internal control system (ICS) is a systematic set of rules, procedures, and responsibilities, implemented by the management, that aims to ensure the companies' business activities are conducted properly and risks are managed in the business processes. The following integrated management systems are in place to ensure this comprehensive task is completed:

- INDUS corporate governance system
- Risk management system (RMS)
- Compliance management system (CMS)
- Sustainability management system
- Accounting system

These systems include system and process elements that are uniform throughout the Group to safeguard the regularity and functionality of the systems. Roles and responsibilities are defined based on risk analyses, guidelines and rules are communicated, and internal training and education programs are implemented during the system design. The ongoing operation includes making resources regularly available (e.g. whistleblowing system). The efficacy of the systems is monitored through checks integrated into the systems, selfassessments, and external audits (e.g. IT security reviews during risk management). The managing directors of the portfolio companies confirm compliance with the provisions of the compliance management system on a yearly basis. The internal audit system reviews compliance with rules, procedures, and responsibilities, independent of processes, and was redefined and significantly expanded effective January 1, 2023, in connection with the changes in the management structure. All portfolio companies are included in the ICS. The scope of the activities to be performed by each unit varies and depends on the unit's significance for the consolidated financial statements and the specific risks associated with the unit. The management of each unit is obliged to implement an appropriate and effective ICS and RMS in their sphere of responsibility based on mandatory Group-wide requirements. The Audit Committee is systematically included in the monitoring of the ICS and RMS. The Committee particularly monitors accounting and accounting processes, as well as the suitability and efficacy of the ICS, RMS, and internal audit system. In accordance with the recommendations of the GCGC 2022, the Board of Management has inspected the suitability and efficacy of the risk management system and the internal control system and has no significant objections.

REPORTING PURSUANT TO SECTIONS 289 (4) AND 315 (4) HGB

The scope and form of INDUS Holding AG's accounting-related internal control system (ARICS) 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 ARICS. The viability and effectiveness of the ARICS at the portfolio companies is also assessed by the 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 ARICS 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 commercial provisions of the German Commercial Code (HGB). Regardless of its structuring, however,

* not a subject of the audit

the ARICS 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, constitute the basis of the financial statement preparation process. The portfolio companies prepare their financial statements for consolidation purposes (“reporting packages”) in accordance with the provisions of the Group’s consolidated 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 consolidated accounting is supported by procedural instructions and standardized reporting formats. In some cases, external service providers are engaged as well, for example to assess pension obligations. To avoid risks in the accounting process, the ARICS involves preventative and probing 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.