



COMPENSATION REPORT

Fiscal year 2021

CONTENTS

A.	COMPENSATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT	4
1.	Main features of the compensation system	4
2.	The components of the compensation and the compensation targets for 2021	6
2.1.	Overview and relative proportions of the individual components in relation to the target total compensation	6
2.2.	Fixed components of the compensation	7
2.3.	Variable components of the compensation	7
2.3.1.	Short-term variable compensation (STI)	7
I.	Financial targets	8
II.	Non-financial targets	9
III.	Target achievement STI 2021	10
IV.	Payment terms	10
2.3.2.	Long term variable compensation (long term incentive – LTI)	10
I.	LTI program up to 2020 (old compensation system)	10
II.	LTI program from 2021 (new compensation system)	12
III.	Payment terms	15
IV.	Allocation of PSUs for the 2021 installment	15
3.	Maximum compensation	15
4.	Options to eliminate variable components of the compensation	16
5.	Compensation for dismissal	17
6.	Compensation of the members of the Board of Management in 2021	18
6.1.	Total compensation of the members of the Board of Management on an individual basis in 2021	18
6.2.	Pension entitlements of a former member of the Board of Management	19
6.3.	Comparison with the earnings performance and average compensation of the employees of INDUS	19
B.	COMPENSATION OF THE MEMBERS OF THE SUPERVISORY BOARD	21
1.	Main features of the compensation system for members of the Supervisory Board	21
2.	Compensation of the Supervisory Board in 2021	21
3.	Comparison with the earnings performance and average compensation of the employees of INDUS	22
	INDEPENDENT EXTERNAL AUDITOR'S REPORT ON THE AUDIT OF THE COMPENSATION REPORT PURSUANT TO SECTION 162 (3) OF THE GERMAN STOCK CORPORATION ACT (AKTG)	24

PRELIMINARY REMARKS

This compensation report describes the compensation of the members of the Board of Management of INDUS Holding Aktiengesellschaft (hereinafter referred to as INDUS or the company) and the compensation of the members of the Supervisory Board. This compensation report is a report in accordance with section 162 of the German Stock Corporation Act (AktG) as amended by the Act Implementing the Shareholders' Rights Directive (ARUG II). Furthermore, the recommendations of the German Corporate Governance Code (GCGC) and the requirements of the German Commercial Code (HGB) are followed.

A. COMPENSATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT

1. MAIN FEATURES OF THE COMPENSATION SYSTEM

The INDUS Supervisory Board adopted the compensation system for the members of the company's Board of Management in December 2020. The new compensation system for the members of the Board of Management was approved at the Annual Shareholders' Meeting of INDUS Holding AG on 26 May 2021. The system took effect on 1 January 2021.

The compensation system implements the amended legal provisions governing compensation paid to the Board of Management in accordance with the Act Implementing the Shareholders' Rights Directive (ARUG II). The system also takes into account the recommendations of the government commission for the German Corporate Governance Code as amended on 16 December 2019, which was published in the German Federal Gazette on 20 March 2020.

The compensation system complies with the provisions set forth in the German Stock Corporation Act (AktG) as amended in the Act Implementing the Shareholders' Rights Directive of 12 December 2019 (Federal Law Gazette Section I 2019 No. 50 of 19 December 2019). It enables the Supervisory Board to attract qualified members of the Board of Management for the company, to respond flexibly to organizational changes, and to take even extraordinary developments adequately into account.

The presentation of the compensation system will be kept publicly accessible for the duration of the validity of the compensation system, but at least for ten years. Likewise, this report will be publicly accessible on the INDUS homepage for at least ten years.

The brief description of the main features of the compensation system is followed by a description of the components of the compensation and the target setting and achievement of variable components for the 2021 financial year. The total compensation of the Board of Management for the 2021 financial year is then presented on an individual basis. Finally, there is a comparison of the Board of Management's compensation with the development of INDUS' financial position and the development of the average income of INDUS' employees.

INDUS' objectives are **profitable growth** from the operational development of its portfolio companies, **performance** of the individual portfolio companies with a medium-term EBIT margin of 10% plus X, and a **balanced portfolio structure** through acquisitions in six defined future industries.

With respect to structuring the compensation system, the Supervisory Board has defined the following principles:

STRATEGIC FOCUS

The compensation system should promote the implementation of the PARKOUR business strategy. The core objectives of PARKOUR include profitable growth between now and 2025, aimed at achieving Group sales of significantly more than EUR 2 billion with an EBIT margin of at least 10%. The compensation system is therefore designed to ensure that incentives are defined for members of the Board of Management that are oriented towards this overall company strategy.

PERFORMANCE ORIENTATION

The compensation system should be performance-oriented. The target total compensation therefore consists of fixed and variable performance-related components, whereby the variable components make up a significant proportion of the target total compensation in the event that all objectives are achieved. The ancillary benefits agreed for the respective member of the Board of Management are also taken into consideration. The individual compensation of a member of the Board of Management is proportionate to their duties and performance and the company's position and should not exceed the standard compensation without good reason.

FOCUS ON LONG-TERM AND SUSTAINABLE CORPORATE DEVELOPMENT

The compensation system should promote the sustainable, long-term development of the company. The long-term components of the compensation which arise from the achievement of long-term objectives should therefore exceed the short-term components of the compensation which arise from the achievement of short-term objectives. Furthermore, the compensation system includes a sustainability component that requires the achievement of concrete targets in promoting sustainable actions by the company, such as the implementation of the greenhouse gas reduction target arising from the German Climate Change Act (KSG).

CAPITAL MARKET ORIENTATION

The variable performance-related components of the compensation are predominantly share-based. If share-based long-term compensation is in place, the activities of the members of the Board of Management should be focused on the long-term positive development of the company and the total shareholder return (TSR). The inclusion of the TSR, in particular, should carry substantial weight in determining the company dividend payments for the incentivization of the Board of Management.

CLARITY AND COMPREHENSIBILITY

The compensation system should be designed and explained such that it is clear and comprehensible.

2. THE COMPONENTS OF THE COMPENSATION AND THE COMPENSATION TARGETS FOR 2021

2.1. OVERVIEW AND RELATIVE PROPORTIONS OF THE INDIVIDUAL COMPONENTS IN RELATION TO THE TARGET TOTAL COMPENSATION

COMPONENTS OF THE COMPENSATION SYSTEM

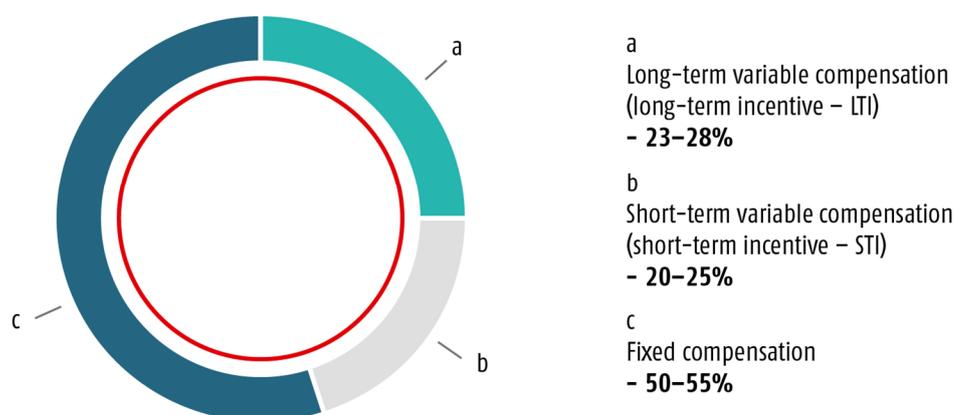
Compensation components	Share of target compensation		
Long-term (LTI) 4-year performance > Share-based as a Virtual Performance Share Plan	External target:	50%	23-28%
	Outperformance TSR SDAX		
	Internal targets:	50%	
	- Compound annual growth rate (25%)		
	- EBIT margin (25%)		
Short-term (STI) 1-year performance	EBIT target:	≤80%	20-25%
	Strategic objectives and sustainability targets:	≥20%	
Fixed Fixed annual salary plus ancillary benefits			50-55%
Pension or early retirement schemes			0%

↓
Maximum compensation
↑

The total compensation paid to the members of the Board of Management is comprised of fixed and variable components. The fixed annual salary and the ancillary benefits are the fixed components. Variable components include the short-term variable compensation (short-term incentive – STI) and the long-term variable compensation (long-term incentive – LTI), which is share-based. No pension or early retirement schemes are in place. No shares or genuine stock options are issued or promised either.

The target values for service contracts for members of the Board of Management are generally selected such that the variable components of the compensation make up at least 45% of the target total compensation if targets are fully achieved. The target value for the LTI must be higher than the target value for the STI. The compensation structure is outlined in the diagram below:

RELATIVE COMPONENTS OF THE COMPENSATION OF THE BOARD OF MANAGEMENT



In individual cases for existing Board of Management service contracts, it is permissible to fall a small number of percentage points short of the minimum value for the variable components of the compensation for reasons connected with the compensation history of the long-term variable compensation (old LTI program).

2.2. FIXED COMPONENTS OF THE COMPENSATION

The fixed annual salary is a set cash compensation amount based on the year as a whole, which is paid out in twelve equal monthly installments.

Every member of the Board of Management is provided with a company car, personal use of which is also permitted. In addition, all members of the Board of Management receive a subsidy towards their health and nursing care insurance. There is a Group accident insurance policy in place for the members of the Board of Management. They are covered by INDUS Holding AG's group legal expenses insurance and the D&O insurance for all INDUS board members and holders of special commercial power of representation. As it is not possible to determine an individual value for each member of the Board of Management for these insurance policies, they are not included in the total compensation or the individual compensation of the Board of Management.

2.3. VARIABLE COMPONENTS OF THE COMPENSATION

2.3.1. SHORT-TERM VARIABLE COMPENSATION (STI)

The STI is a performance-based variable component of the compensation with a one-year assessment basis. The STI provides the compensation for the yearly contribution of the members of the Board of Management to achieving the operational targets defined by the Supervisory Board and in ensuring sustainable corporate development. The STI is comprised of one portion rewarding the achievement of financial targets and one rewarding the achievement of non-financial targets in relation to sustainability and strategy. The share of non-financial targets in the STI target value is at least 20%.

COMPOSITION OF THE SHORT-TERM VARIABLE COMPENSATION (STI)

target values	x	<table border="1"> <thead> <tr> <th>Financial target</th> <th></th> <th>Non-financial targets</th> </tr> </thead> <tbody> <tr> <td>EBIT ≤80%</td> <td>+</td> <td>Strategy and sustainability ≥20%</td> </tr> </tbody> </table>	Financial target		Non-financial targets	EBIT ≤80%	+	Strategy and sustainability ≥20%	=	Amount paid out <i>Cap: 150% of the target values</i>
Financial target		Non-financial targets								
EBIT ≤80%	+	Strategy and sustainability ≥20%								

The financial and non-financial targets will be set by the Supervisory Board at the beginning of each respective financial year after preparation by the Human Resources Committee. The targets defined will not be changed over the course of the year.

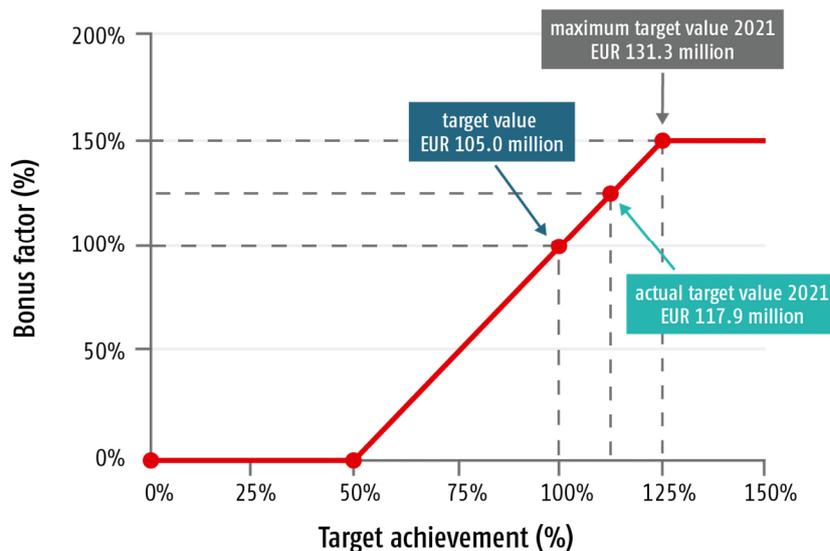
I. FINANCIAL TARGETS

This part of the STI is based on consolidated EBIT before impairments of goodwill. The target EBIT will be defined annually by the Supervisory Board for the respective following year after the Board of Management has submitted its corporate planning process documents. Target achievement will be measured by means of a bonus curve comparing the value actually achieved with the target EBIT.

If the actual value falls below a minimum value defined by the Supervisory Board, this variable component will be omitted. If the actual value exceeds a maximum value defined by the Supervisory Board, payment will be limited to 150% of the target value for this STI component.

A target EBIT of EUR 105.0 million was defined for 2021. The minimum value was EUR 52.5 million, the maximum EUR 131.3 million.

STI: EBIT TARGET 2021



A consolidated EBIT of EUR 115.4 million was achieved in the 2021 financial year. Impairments of goodwill amounting to EUR 2.5 million are to be added to this, resulting in an adjusted consolidated EBIT of

EUR 117.9 million as the basis for determining target achievement. The target achievement is 112.3%. The bonus factor is 124.6%.

II. NON-FINANCIAL TARGETS

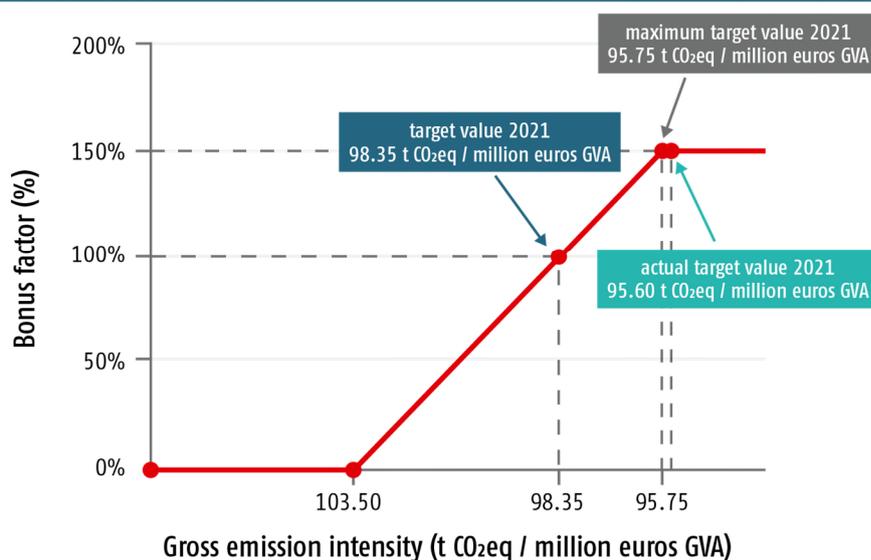
This part of the STI is based on the achievement of non-financial targets derived from the PARKOUR corporate strategy and the company sustainability strategy by the Supervisory Board following preparation by the Human Resources Committee and defined annually for the respective following year. Strategy-based targets will follow the "Driving innovation" and "Improving performance" strategic initiatives. With regard to the sustainability strategy, the focus over the coming years will be on implementing the greenhouse gas reduction targets in accordance with the German Climate Change Act (KSG).

The maximum payment amount permitted for the non-financial targets is also 150% of the target value for this STI component. If the non-financial targets are not achieved, this variable component is omitted.

Two targets were defined for 2021:

- Target 1: Reduce emission intensity: The aim is to reduce gross emission intensity by 5% compared with the previous year. The gross emission target has been deliberately defined here, as it cannot be corrected by purchasing additional certificates. A reduction of 5% corresponds to a target value of 98.35 t CO₂eq/million euros GVA for 2021.
- Target 2: Compiling of a sustainability magazine
- These two targets are weighted at a ratio of 80:20 (Target 1:Target 2).

STI: SUSTAINABILITY TARGET 2021



Target 1: In 2021, gross emissions of 95.60 t Co₂eq/million euros GVA were achieved. Thus, the maximum target (95.75 t Co₂eq/million euros GVA) was exceeded and a bonus factor of 150% was achieved.

Target 2: In July 2021, the sustainability magazine SUSTA[IN] was published. INDUS is thus expanding its sustainability communication and providing an overview of sustainability activities in its investments. The target was thus fully achieved. The bonus factor from Target 2 is 100%.

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

III. TARGET ACHIEVEMENT STI 2021

The target achievement for the financial targets is 112.3%. The bonus factor from this is 124.6%. The bonus factor from the weighted non-financial targets is 140%. After weighting the financial and non-financial bonus factors at 80:20, the total bonus factor is 127.7%.

The STI targets are the same for all members of the Board of Management. Therefore, the target achievement and thus the total bonus factor is also the same.

IV. PAYMENT TERMS

Target achievement for the financial and non-financial targets is determined by the Supervisory Board within the first three months of the financial year following the respective compensation year after preparation by the Human Resources Committee. The amounts to be paid out were calculated on this basis. They are due for payment by 30 April 2022.

If a member of the Board of Management has not worked for the company for a full financial year, the STI will be paid proportionately to the time worked and paid out on the payment date specified above.

No STI will be paid out for the year in which the termination or revocation occurs if the employment of a member of the Board of Management ends as a result of termination by the company for good cause in accordance with section 626 of the German Civil Code (BGB) or due to the termination of a contract where their appointment as a member of the Board of Management is revoked by the company in accordance with section 84 (3) sentence 1 of the German Stock Corporation Act (AktG) ("bad leaver" case). The same will apply to the period between the revocation of their appointment and the termination of their contract if the latter falls in the year following the revocation.

2.3.2. LONG TERM VARIABLE COMPENSATION (LONG TERM INCENTIVE – LTI)

The long-term variable compensation (long-term incentive – LTI) is intended to encourage members of the Board of Management to strive for the sustainable, long-term development of the company. The LTI is a share-based payment.

I. LTI PROGRAM UP TO 2020 (OLD COMPENSATION SYSTEM)

The previous LTI program (until 2020) consisted of the issuing of virtual stock options (SARs, stock appreciation rights). An SAR is the promise of a payment, the amount of which is determined by the difference between the strike price of the SAR and the current stock market price when the SAR is exercised. The strike price of the SAR corresponded to the average of the closing prices in the XETRA trading system for the company's stock during the last 20 days of trading prior to the date of issue of the option. The Board of Management was issued with one installment of SARs per year. Upon issuing, the option price of the SAR was determined. Based on the contractually agreed target value, the number of SARs allocated to the

installment was derived from this. The SARs are vested from the date they are issued. There is a lock-up period (four years) for the exercise of options for each installment issued. The exercise period following the lock-up period is two years. An installment can only be paid out if the share price at the time of exercise is above the strike price of the SAR for the installment and reaches a defined payout threshold (minimum stock price increase of 12% within the lock-up period). There is a cap of 200% of the contractually agreed target value for the payout.

All virtual stocks from the 2017-2020 installments are currently either in the lock-up period or in the exercise period.

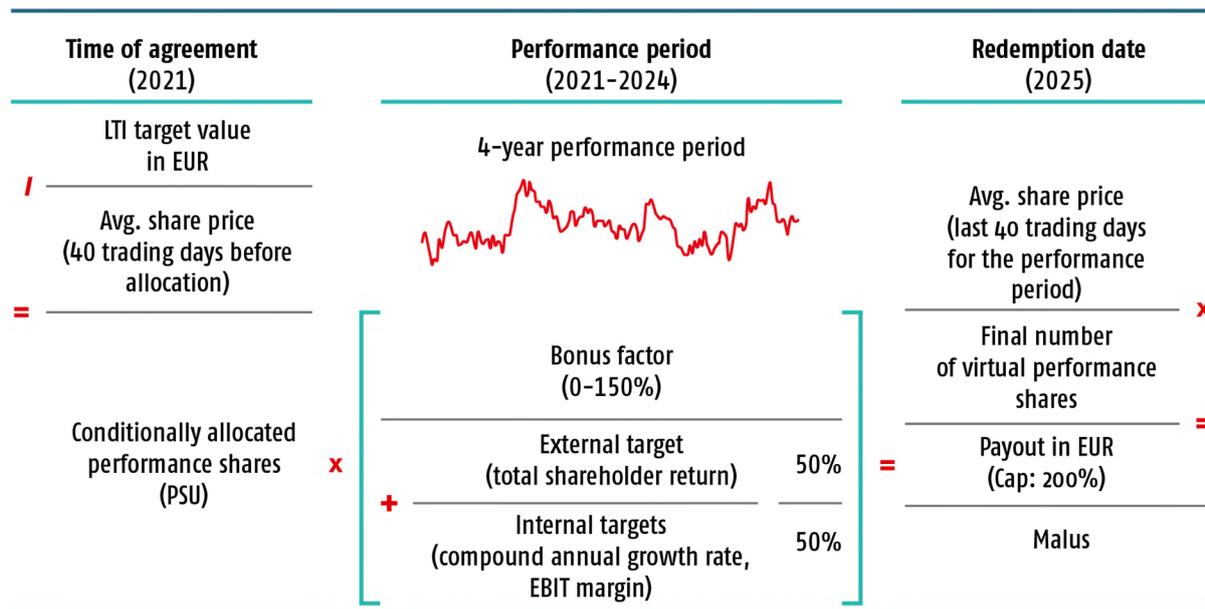
VOLUMES AND STRIKE PRICES OF STOCK OPTIONS – OLD LTI PROGRAM

	PLAN	STRIKE PRICE	PERIOD	VOLUME 01.01.2021	RE- CEIVED	EXER- CISED	LAPSED	VOLUME 31.12.2021
Abromeit								
(Chairman of the Board of Management until 2018)	2016	44.10	1.1.2016-31.12.2021	20,121	0	0	20,121	0
	2017	51.64	1.1.2017-31.12.2022	20,182	0	0	0	20,182
	2018	60.60	1.1.2018-31.12.2023	22,286	0	0	0	22,286
	Total			62,589	0	0	20,121	42,468
Dr. Schmidt (Chairman of the Board of Management since 2018)								
	2016	44.10	1.1.2016-31.12.2021	10,060	0	0	10,060	0
	2017	51.64	1.1.2017-31.12.2022	10,091	0	0	0	10,091
	2018	60.60	1.1.2018-31.12.2023	16,714	0	0	0	16,714
	2019	39.58	1.1.2019-31.12.2024	27,624	0	0	0	27,624
	2020	39.02	1.1.2020-31.12.2025	22,012	0	0	0	22,012
	Total			86,501	0	0	10,060	76,441
Dr. Großmann								
	2019	39.58	1.1.2019-31.12.2024	13,812	0	0	0	13,812
	2020	39.02	1.1.2020-31.12.2025	11,006	0	0	0	11,006
	Total			24,818	0	0	0	24,818
Meyer								
	2017	51.64	1.1.2017-31.12.2022	2,523	0	0	0	2,523
	2018	60.60	1.1.2018-31.12.2023	11,143	0	0	0	11,143
	2019	39.58	1.1.2019-31.12.2024	13,812	0	0	0	13,812
	2020	39.02	1.1.2020-31.12.2025	11,006	0	0	0	11,006
	Total			38,484	0	0	0	38,484
Weichert								
	2016	44.10	1.1.2016-31.12.2021	10,060	0	0	10,060	0
	2017	51.64	1.1.2017-31.12.2022	10,091	0	0	0	10,091
	2018	60.60	1.1.2018-31.12.2023	11,143	0	0	0	11,143
	2019	39.58	1.1.2019-31.12.2024	13,812	0	0	0	13,812
	2020	39.02	1.1.2020-31.12.2025	11,006	0	0	0	11,006
	Total			56,112	0	0	10,060	46,052

II. LTI PROGRAM FROM 2021 (NEW COMPENSATION SYSTEM)

The new LTI program takes the form of a virtual performance share plan (VPSP). The VPSP is based on a four-year performance period beginning at the start of a respective financial year. At the beginning of a performance period, the members of the Board of Management are allocated virtual shares (performance share units – PSUs). The number of PSUs allocated at the beginning of the performance period is calculated by dividing the individual LTI target value by the share price at the time of allocation. The share price at the time of allocation is the average closing price in the Frankfurt Stock Exchange's XETRA trading system (or a comparable successor system) for the past 40 days of trading.

LTI PROGRAM 2021



The number of PSUs allocated may be changed across the performance period on the basis of a bonus factor if the external and internal performance targets defined by the Supervisory Board for the performance period are achieved. If performance falls short of the targets, the bonus factor will be less than 100% and the number of PSUs allocated will be reduced accordingly and may even be omitted completely if the shortfall is significant. If the performance targets are exceeded, the bonus factor will be over 100% and the number of PSUs allocated will increase accordingly. The final number of PSUs allocated at the end of the performance period will be limited to 150% of the number of PSUs allocated at the start of the performance period.

Following preparation by the Human Resources Committee, the Supervisory Board will define the external and internal performance targets for the respective performance period at the beginning of that performance period. These targets will not be changed over the course of a performance period.

EXTERNAL PERFORMANCE TARGET – TSR OUTPERFORMANCE

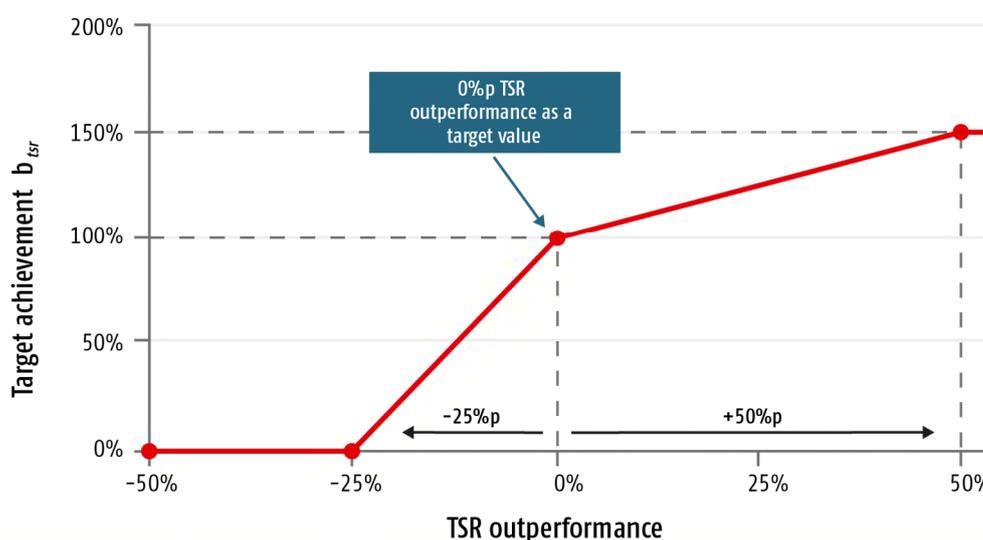
The outperformance of the total shareholder return (TSR) for INDUS shares compared to the TSR for the SDAX is used as an external performance target. The share-based payment of the LTI and the form of the external performance target help to align interests between members of the Board of Management and

shareholders. In particular, the TSR ensures that the company's dividend payments carry considerable weight in the incentivization of the Board of Management.

The TSR is a commonly used parameter on the capital market, which can be checked directly in conventional market information systems (e.g. Bloomberg). An outperformance of 0% corresponds to a target achievement of one hundred percent – in this case, the TSR for the INDUS share has developed exactly in parallel with the SDAX. If outperformance is -25% or lower, target achievement is 0%; if outperformance is at least 50%, target achievement is limited to 150%.

The bonus factor for the LTI includes 50% of the target achievement for the external performance target.

LTI PROGRAM 2021: TSR OUTPERFORMANCE



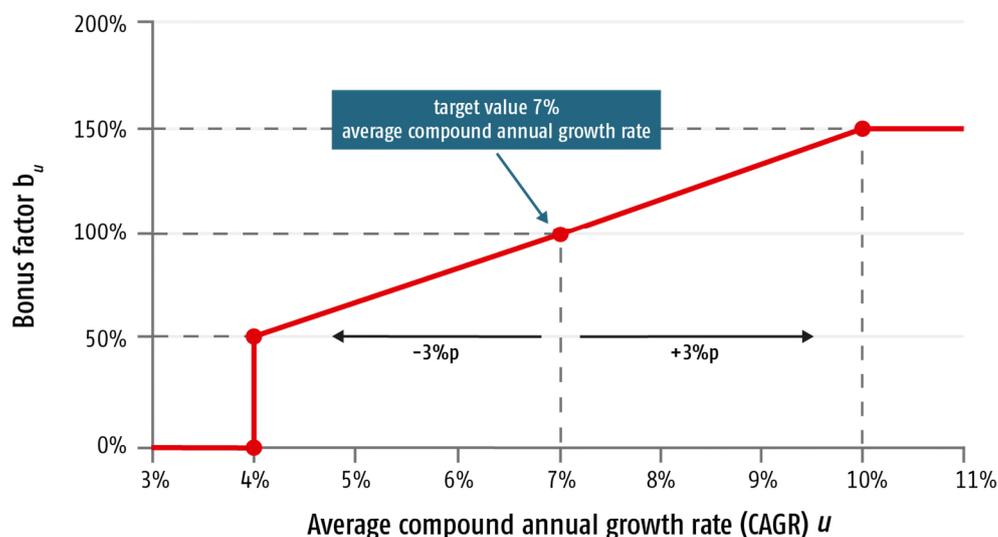
The outperformance for the installment issued in 2021 over the performance period 2021 to 2024 will be assessed in 2025.

INTERNAL PERFORMANCE TARGET – COMPOUND ANNUAL GROWTH RATE AND EBIT MARGIN

The internal performance target is intended to promote the implementation of the PARKOUR business strategy. The core objectives of PARKOUR include profitable growth between now and 2025, aimed at achieving Group sales of significantly more than EUR 2 billion with an EBIT margin of at least 10%. As a result, the average compound annual growth rate and the development of the EBIT margin over the LTI performance period are used as partial targets for the internal performance target:

- In order to calculate the bonus factor, **the average compound annual growth rate (CAGR)** over the performance period is compared with a target value defined by the Supervisory Board. If the CAGR corresponds to the target value, the bonus factor is 100%. If the CAGR is lower than the minimum value defined by the Supervisory Board, the bonus factor is 0%. If the CAGR is greater than the maximum value defined by the Supervisory Board, the bonus factor is limited to 150%.

LTI PROGRAM 2021: AVERAGE COMPOUND ANNUAL GROWTH RATE (CAGR)

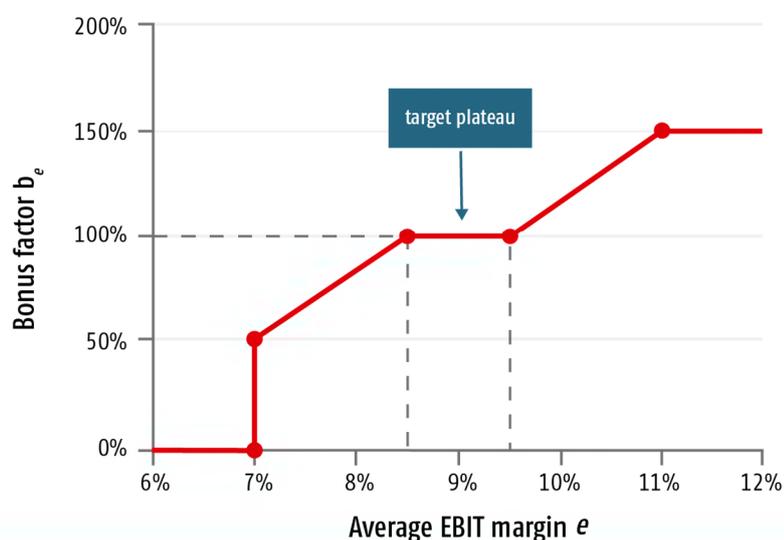


For the installment issued in 2021, the target average compound annual growth rate (CAGR) defined by the Supervisory Board is 7% per annum. The minimum value for target achievement is 4% and the maximum value is 10%.

- **The average EBIT margin** during the performance period is compared with a target value defined by the Supervisory Board for the performance period. If the average EBIT margin matches the target value, the bonus factor is 100%. If the average EBIT margin is lower than the minimum value defined by the Supervisory Board, the bonus factor is 0%. If the average EBIT margin is greater than the maximum value defined by the Supervisory Board, the bonus factor is limited to 150%.

The total bonus factor for the LTI includes 25% for each of the two partial internal bonus factor targets.

LTI PROGRAM: AVERAGE EBIT MARGIN



For the installment issued in 2021, the target value for the average EBIT margin was defined by the Supervisory Board at 8.5% to 9.5%. The minimum value is 7% and the maximum value is 11%.

Under the new LTI program, the same targets apply to all members of the Board of Management.

III. PAYMENT TERMS

At the end of the performance period of an LTI installment that is due to be paid out, the Supervisory Board will calculate the number of PSUs earned and the applicable average closing price within the first three months of the financial year following the performance period after preparation by the Human Resources Committee. PSUs earned over the performance period will be paid out in cash. The amount paid out will be calculated by multiplying the final number of PSUs earned by the average closing price of the INDUS share in the Frankfurt Stock Exchange's XETRA trading system (or a successor system) for the last 40 days of trading for the respective performance period.

The payout will be limited to no more than 200% of the LTI target value.

The LTI will be payable after the next regular payment round following approval of the INDUS Holding AG consolidated financial statements for the last financial year of the respective performance period.

IV. ALLOCATION OF PSUS FOR THE 2021 INSTALLMENT

The individual LTI target value is EUR 250,000 for the Chairman of the Board and EUR 180,000 for each of the other members of the Board of Management. The allocation price from the last 40 days of trading prior to the allocation of the PSUs was EUR 31.13. This results in the following individual volumes of allocated PSUs for the installment issued in 2021:

VOLUMES OF STOCK OPTIONS

	PLAN	PRICE	LTI TARGET VALUE	01.01.2021	RECEIVED	EXER- CISED	LAPSED	31.12.2021
Dr. Schmidt	2021	31.13	250,000	0	8,031	0	0	8,031
Dr. Großmann	2021	31.13	180,000	0	5,783	0	0	5,783
Meyer	2021	31.13	180,000	0	5,783	0	0	5,783
Weichert	2021	31.13	180,000	0	5,783	0	0	5,783

3. MAXIMUM COMPENSATION

Regardless of whether it is to be paid during the current financial year or at a later time, the total compensation paid to the members of the Board of Management for a financial year (sum of all compensation amounts applicable for the financial year in question including fixed annual salary, ancillary benefits and variable components of the compensation) will be limited to an individual maximum amount ("maximum compensation"). The individual maximum amount is calculated by totaling the fixed annual salary,

a flat rate of no more than EUR 80,000 for ancillary benefits, 150% of the STI target value and 200% of the LTI target value for the respective member of the Board of Management.

The individual maximum total compensation for the 2021 financial year is as follows:

MAXIMUM COMPENSATION AMOUNT				
	DR. SCHMIDT	DR. GROßMANN	MEYER	WEICHERT
Maximum total compensation according to contract	1,680	1,100	1,100	1,160
Maximum total compensation 2021:				
Fixed compensation	540	340	390	415
Ancillary benefits	80	80	80	80
Total	620	420	470	495
One-year variable compensation (STI)	345	255	255	255
Long-term variable compensation (LTI)	500	360	360	360
Total	845	615	615	615
Benefit expenses	0	0	0	0
Maximum total compensation 2021	1,465	1,035	1,085	1,110
Relative proportion of fixed compensation in relation to maximum total compensation	42.3%	40.6%	43.3%	44.6%
Relative proportion of one-year variable compensation (STI) in relation to total compensation	23.6%	24.6%	23.5%	23.0%
Relative proportion of long-term variable compensation (LTI) in relation to total compensation	34.1%	34.8%	33.2%	32.4%

4. OPTIONS TO ELIMINATE VARIABLE COMPONENTS OF THE COMPENSATION

In the event of a serious dereliction of duty by a member of the Board of Management, the Supervisory Board may, at its discretion in accordance with the conditions set out below and depending on the severity of the dereliction of duty, either reduce or completely eliminate the entitlement of the member of the Board of Management to the payment of LTI installments for performance periods that were ongoing at the time the dereliction of duty became known. The condition set forth in section 93 of the German Stock Corporation Act (AktG) will be decisive with respect to the assessment of the dereliction of duty.

The reduction or elimination of an LTI installment will always be subject to the condition that a dereliction of duty has occurred that is sufficiently serious to warrant intervention in the variable compensation of the member of the Board of Management. In particular, these include derelictions of executive duty by the member of the Board of Management that would justify dismissal for good cause or the exercising of the special right to terminate the employment contract.

The Supervisory Board may also reduce or eliminate the entitlement to payment of LTI installments if the employment of the member of the Board of Management affected has already ended at the time the claw-back decision is taken.

In the 2021 financial year, no use was made of the option to claw back variable components of the compensation.

5. COMPENSATION FOR DISMISSAL

In the event of premature termination of the service contract, the Supervisory Board will not agree any payments exceeding the value of two annual salaries or the value of the compensation for the remainder of the service contract (severance payment cap).

All fixed and variable components of the compensation as well as all other non-cash benefits must be included when determining the annual salary. The fixed annual salary for the contract year in which the service contract is terminated will apply. The short-term variable compensation will be applied – proportionately where appropriate – in the amount for the financial year preceding the termination of the service contract.

No severance will be agreed if the employment of a member of the Board of Management ends as the result of termination by the company for good cause in accordance with section 626 of the German Civil Code (BGB) or due to the termination of a contract where their appointment as a member of the Board of Management is revoked by the company in accordance with section 84 (3) sentence 1 of the German Stock Corporation Act (AktG) ("bad leaver case").

In the event that the composition of the Supervisory Board changes significantly, causing a substantial change (change of control) with respect to the current long-term corporate strategy ("buy, hold & develop" principle), the relevant member of the Board of Management will be entitled to exercise their special right to terminate their service contract throughout the year following the change of control. The same will apply if a member of the Board of Management is dismissed within a year of the change of control without good cause pursuant to section 626 of the German Civil Code (BGB). If the member of the Board of Management exercises this right to resign, the company will pay the member of the Board of Management a severance payment in the amount of the fixed salary for two years, but no more than the fixed salary that the member of the Board of Management would have received from the time their notice of resignation took effect until the planned end of their contract (i.e. without having resigned). The calculation of the severance payment will be based on the fixed salary for the contract year in which the notice of resignation or dismissal was received.

In the 2021 financial year, no compensation payments were made to members of the Board of Management under the above provisions.

6. COMPENSATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT IN 2021

6.1. TOTAL COMPENSATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT ON AN INDIVIDUAL BASIS IN 2021

Pursuant to section 162 (1) sentence 1, sentence 2 No. 1 of the German Stock Corporation Act (AktG), components of the compensation of the members of the Board of Management being "issued and owed" must be stated on an individual basis. Accordingly, all amounts received by the members of the Board of Management during the reporting period (compensation issued) and all compensation amounts legally due but not yet received (compensation owed) are included. The one-year variable compensation (STI) is stated as "compensation owed", as the performance of the members of the Board of Management was rendered in full as at the reporting date. The STI payment amounts are presented for the respective expired reporting year. The STI is paid out after the reporting date.

COMPENSATION FOR MEMBERS OF THE BOARD OF MANAGEMENT – COMPENSATION ISSUED AND OWED (IN KEUR) PURSUANT TO SECTION 162 (1) SENTENCE 1 GERMAN STOCK CORPORATION ACT (AKTG)

	DR. JOHANNES SCHMIDT CHAIRMAN OF THE BOARD OF MANAGEMENT (SINCE 1 JULY 2018, BOARD OF MANAGE- MENT SINCE 2006)		DR. JÖRN GROBMANN BOARD OF MANAGEMENT (SINCE 2019)		AXEL MEYER BOARD OF MANAGEMENT (SINCE 2017)		RUDOLF WEICHERT BOARD OF MANAGEMENT (SINCE 2012)	
	2020	2021	2020	2021	2020	2021	2020	2021
Fixed salary	540	540	340	340	353	390	390	415
Ancillary benefits	18	20	30	31	18	13	31	31
Total fixed compensation	558	560	370	371	371	403	421	446
One-year variable compensation (STI)	80	294	59	217	59	217	59	217
Long-term variable compensation (LTI)								
Installment 2016 1)	0	0	0	0	0	0	0	0
Installment 2017 2)	0	0	0	0	0	0	0	0
Total variable compensation	80	294	59	217	59	217	59	217
Benefit expenses	0	0	0	0	0	0	0	0
Total compensation	638	854	429	588	430	620	480	663
Relative proportion of fixed compensation in relation to total compensation	87.5%	65.6%	86.2%	63.1 %	86.3%	65.0%	87.7%	67.3%
Relative proportion of one-year variable compensation (STI) in relation to total compensation	12.5%	34.4%	13.8%	36.9 %	13.7%	35.0%	12.3%	32.7%
Relative proportion of long-term variable compensation (LTI) in relation to total compensation	0.0%	0.0%	0.0%	0.0 %	0.0%	0.0%	0.0%	0.0%

1) Installment 2016: Virtual stock options (01.01.2016 – 12.31.2021)

2) Installment 2017: Virtual stock options (01.01.2017 – 12.31.2021)

6.2. PENSION ENTITLEMENTS OF A FORMER MEMBER OF THE BOARD OF MANAGEMENT

Mr. Ruwisch, a former member of the Board of Management, acquired pension entitlements as a result of deferred compensation during his time on the Board of Management of INDUS Holding AG. As at the reporting date, the projected cash value of pension entitlements amounts to KEUR 80. In the 2021 financial year, KEUR 3 was added to the entitlements and KEUR 6 was utilized.

The pension entitlements are covered by reinsurance policies of corresponding value and were offset as a valuation unit in the financial statements as a result of the insolvency-proof assignment to the beneficiary.

6.3. COMPARISON WITH THE EARNINGS PERFORMANCE AND AVERAGE COMPENSATION OF THE EMPLOYEES OF INDUS

The basis for comparison for the compensation of the members of the Board of Management is the compensation issued and owed in the respective financial year. For comparative purposes, compensation was calculated for a full financial year where members of the Board of Management were compensated only on a pro rata basis in a financial year, for example due to their joining or leaving the company during the year. INDUS' earnings performance is shown on the basis of the revenue and operating income (EBIT) of INDUS Holding AG's consolidated financial statements and the development of INDUS Holding AG's annual results.

For comparison with the development of average employee compensation, the average compensation of employees at the German establishments is used. The compensation amounts for trainees are not included.

Since the compensation amounts for employees abroad vary significantly and are not comparable with those for employees at German establishments, only the compensation for employees at German establishments is used for comparison. This group of employees was also selected for reviewing the appropriateness of the compensation for the members of the Board of Management.

The changes in compensation for the members of the Board of Management can be seen in the following table.

COMPENSATION OF THE BOARD OF MANAGEMENT (IN KEUR)

	FIXED COMPENSATION		VARIABLE		TOTAL	AFTER ADJUSTMENT BASED ON SENIORITY			CHANGE	
	2020	2021	2020	2021	2020	2020	2021	absolute	relative 2020 to 2021	
Dr. Johannes Schmidt	558	560	80	294	638	854	638	854	216	34%
Dr. Jörn Großmann	370	371	59	217	429	588	429	588	159	37%
Axel Meyer	371	403	59	217	430	620	430	620	190	44%
Rudolf Weichert	421	446	59	217	480	663	480	663	183	38%
Total	1,720	1,780	257	945	1,977	2,725	1,977	2,725	748	38%

EARNINGS COMPARISON AND EMPLOYEE COMPARISON

	CHANGES 2020 to 2021
Key figures of the INDUS Group:	
Revenue	+12%
Operating income (EBIT)	+360%
Key figure of INDUS Holding AG	
Annual result	+56%
Employee compensation	
Average compensation of employees at the German INDUS companies	+4.7%

B. COMPENSATION OF THE MEMBERS OF THE SUPERVISORY BOARD

1. MAIN FEATURES OF THE COMPENSATION SYSTEM FOR MEMBERS OF THE SUPERVISORY BOARD

Compensation of the Supervisory Board is governed by Article 16 of INDUS Holding AG's Articles of Incorporation, which are permanently available and accessible on the company's website. The compensation of the Supervisory Board is reviewed at regular intervals. The compensation system for the Supervisory Board was last approved by the Annual Shareholders' Meeting on 26 May 2021.

INDUS aims to attract and retain highly qualified members for the Supervisory Board. This safeguards the company's objectives, promotes its long-term development and ensures the efficiency of the work within the Supervisory Board.

Accordingly, all Supervisory Board members receive basic compensation for membership of KEUR 30 and an attendance fee of KEUR 3 per meeting. The same applies to telephone, video or web conferences or conferences via similar means of communication. The Chairman receives double the two aforementioned sums and his deputy receives one-and-a-half times these amounts. In addition, the members of the Supervisory Board receive compensation for membership of Supervisory Board committees in the amount of KEUR 5 for the respective expired financial year. The Chairman of the committee receives double the aforementioned sum. Supervisory Board members who are only members of the Supervisory Board for part of the financial year or who did not hold the position of Chairman or Deputy Chairman for the entire financial year will receive proportionately lower compensation. This also applies accordingly to the period of membership of committees, period of chairmanship and period of deputy chairmanship. The aforementioned provisions do not apply to the committee pursuant to section 27 (3) German Code-termination Act (MitbestG); the members of this committee do not receive any compensation. In addition, the members of the Supervisory Board are reimbursed for their expenses.

It is not necessary to define a maximum compensation amount for the Supervisory Board, as the compensation consists only of fixed compensation and attendance fees.

As in previous years, no loans or advances were issued to members of the Supervisory Board, nor were any contingent liabilities assumed in their favor.

There are no stock option programs or similar securities-based incentive systems for the Supervisory Board.

The compensation of the members of the Supervisory Board totaled KEUR 706 in the 2021 financial year (previous year: KEUR 751). Neither in the financial year nor in the previous year did any member of the Supervisory Board receive compensation for consulting services provided personally to group companies.

2. COMPENSATION OF THE SUPERVISORY BOARD IN 2021

The compensation payable to the members of the Supervisory Board individually in financial years 2021 and 2020 is shown in the following table:

COMPENSATION OF THE SUPERVISORY BOARD (IN KEUR)

	FIXED COMPENSATION		ATTENDANCE FEE		TOTAL	
	2020	2021	2020	2021	2020	2021
Jürgen Abromeit	80	80	42	36	122	116
Dr. Jürgen Allerkamp	35	35	21	18	56	53
Dr. Dorothee Becker	35	35	18	15	53	50
Dorothee Diehm	35	35	21	18	56	53
Pia Fischinger	30	30	21	18	51	48
Cornelia Holzberger	30	30	21	18	51	48
Gerold Klausmann	35	35	21	18	56	53
Wolfgang Lemb	50	50	32	23	82	73
Isabella Pfaller	45	45	21	18	66	63
Helmut Späth	30	30	21	18	51	48
Uwe Trinogga	30	30	21	18	51	48
Carl Martin Welcker	35	35	21	18	56	53
Gesamt	470	470	281	236	751	706

3. COMPARISON WITH THE EARNINGS PERFORMANCE AND AVERAGE COMPENSATION OF THE EMPLOYEES OF INDUS

The following tables show the percentage changes in the compensation of the members of the Supervisory Board compared with the earnings performance of INDUS. The basis for the comparisons is the percentage change in the compensation of the members of the Supervisory Board. This represents the compensation issued and owed in the respective financial year. For comparative purposes, compensation was calculated for a full financial year where members of the Supervisory Board were compensated only on a pro rata basis in a financial year, for example due to their joining or leaving the company during the year.

COMPENSATION OF THE SUPERVISORY BOARD (IN KEUR)

	FIXED COMPENSATION		ATTENDANCE FEE		TOTAL		ADJUSTMENT BASED ON SENIORITY		CHANGE	
	2020	2021	2020	2021	2020	2021	2020	2021	absolut	relativ
Jürgen Abromeit	80	80	42	36	122	116	122	116	-6	-5%
Dr. Jürgen Allerkamp	35	35	21	18	56	53	56	53	-3	-5%
Dr. Dorothee Becker	35	35	18	15	53	50	53	50	-3	-6%
Dorothee Diehm	35	35	21	18	56	53	56	53	-3	-5%
Pia Fischinger	30	30	21	18	51	48	51	48	-3	-6%
Cornelia Holzberger	28	30	21	18	49	48	49	48	-1	-2%
Gerold Klausmann	35	35	21	18	56	53	56	53	-3	-5%
Wolfgang Lemb	50	50	32	23	82	73	82	73	-9	-11%
Isabella Pfaller	45	45	21	18	66	63	66	63	-3	-5%
Helmut Späth	30	30	21	18	51	48	51	48	-3	-6%
Uwe Trinogga	30	30	21	18	51	48	51	48	-3	-6%
Carl Martin Welcker	35	35	21	18	56	53	56	53	-3	-5%
Gesamt	470	470	281	236	751	706	751	706	-45	-6%

The earnings performance is shown on the basis of the development of the revenue and operating income (EBIT) of INDUS Holding AG's consolidated financial statements and the development of INDUS Holding AG's annual results.

For comparison with the development of average employee compensation, the average compensation of employees at the German establishments is used. The compensation amounts for trainees are not included.

Since the compensation amounts for employees abroad vary significantly and are not comparable with those for employees at German establishments, only the compensation for employees at German establishments is used for comparison.

The changes in compensation of the members of the Supervisory Board can be seen in the table above.

EARNINGS COMPARISON AND EMPLOYEE COMPARISON

	CHANGES 2020 to 2021
Key figures of the INDUS Group	
Revenue	+12%
Operating income (EBIT)	+360%
Key figure of INDUS Holding AG	
Jahresergebnis	+56%
Employee compensation	
Average compensation of employees at the German INDUS companies	+4.7%

INDEPENDENT EXTERNAL AUDITOR'S REPORT ON THE AUDIT OF THE COMPENSATION REPORT PURSUANT TO SECTION 162 (3) OF THE GERMAN STOCK CORPORATION ACT (AKTG)

To INDUS HOLDING AG, Bergisch Gladbach

AUDIT OPINION

We have formally audited the compensation report of INDUS HOLDING AG, Bergisch Gladbach, for the financial year running from 1 January 2021 to 31 December 2021 to determine whether the disclosures pursuant to section 162 (1) and (2) of the German Stock Corporation Act (AktG) have been made in the compensation report. In compliance with section 162 (3) of the German Stock Corporation Act (AktG), we have not audited the content of the compensation report.

In our opinion, the information required by section 162 (1) and (2) of the German Stock Corporation Act (AktG) has been disclosed in all material respects in the accompanying compensation report. Our audit opinion does not cover the content of the compensation report.

BASIS FOR THE AUDIT OPINION

We conducted our audit of the compensation report in accordance with section 162 (3) of the German Stock Corporation Act (AktG) and in consideration of *IDW (Institut der Wirtschaftsprüfer: Institute of Public Auditors in Germany) Auditing Standard: The audit of the compensation report in accordance with section 162 (3) of the German Stock Corporation Act (AktG) (IDW AuS 870 (08.2021))*. Our responsibility under this provision and standard is further described in the "Auditor's Responsibilities" section of our report. As an audit firm, we have complied with the requirements of the *IDW Quality Assurance Standard: Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard – IDW QS 1)*. We have complied with the professional duties pursuant to the Professional Code for German Public Auditors and German Chartered Auditors (Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer – BS WP/vBP), including the requirements for independence.

RESPONSIBILITY OF THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD

The Board of Management and the Supervisory Board are responsible for compiling the compensation report, including the related disclosures, that complies with the requirements of section 162 of the German Stock Corporation Act (AktG). They are also responsible for such internal control mechanisms as they deem necessary to enable the compilation of a compensation report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

EXTERNAL AUDITOR'S RESPONSIBILITIES

Our objective is to obtain reasonable assurance about whether the information required by section 162 (1) and (2) of the German Stock Corporation Act (AktG) has been disclosed in all material respects in the compensation report and to express an opinion on this in an auditor's report.

We planned and conducted our audit to determine the formal completeness of the compensation report by comparing the disclosures made in the compensation report with the disclosures required by section 162 (1) and (2) of the German Stock Corporation Act (AktG). In compliance with section 162 (3) of

the German Stock Corporation Act (AktG), we have not audited the accuracy of the disclosures, the completeness of the content of the individual disclosures, or the appropriate presentation of the compensation report.

DEALING WITH ANY MISLEADING STATEMENTS

In connection with our audit, we have a responsibility to read the compensation report in consideration of the knowledge obtained in the audit of the financial statements, and to remain alert for indications as to whether the compensation report contains misleading statements as to the accuracy of the disclosures, the completeness of the content of the individual disclosures, or the appropriate presentation of the compensation report.

If, based on the work we have performed, we conclude that such a misleading statement exists, we are required to report that fact. We have nothing to report in this regard.

Cologne, 17 March 2022

Ebner Stolz GmbH & Co. KG

Auditing company

Tax consultancy company

Burkhard Völkner

Nikolaus Krenzel

External auditor

External auditor