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WRITTEN REPORT BY THE BOARD OF MANAGEMENT CONCERNING THE REASONS FOR THE AUTHORIZATION OF THE BOARD OF MANAGEMENT TO EXCLUDE THE SHAREHOLDERS' SUBSCRIPTTION RIGHTS WITH RESPECT TO THE USE OF THE AUTHORIZED CAPITAL 2021

Written report by the Board of Management in accordance with Sections 203 (2) Sentence 2 and 186 (4) Sentence 2 AktG concerning the reasons for the authorization of the Board of Management to exclude the shareholders' subscription rights with respect to the use of the Authorized Capital 2021 (Agenda Item 8)

With respect to Agenda Item 8 of the Annual Shareholders' Meeting, the Board of Management and the Supervisory Board propose establishing a new Authorized Capital 2021, which would then fully replace the existing Authorized Capital 2019. In accordance with Sections 203 (2) Sentence 2 and 186 (4) Sentence 2 AktG, the Board of Management has prepared this report concerning the reasons for the exclusion of subscription rights. The report forms part of the invitation to the Annual Shareholders' Meeting. The report can be viewed online at

www.indus.de/en/investor-relations/shareholders-meeting

from the day on which the meeting is convened. The report will be published as follows:

The Authorized Capital 2021 is intended to allow the company to act in a flexible manner and to enable the Board of Management to respond better to financing requirements for the implementation of strategic decisions arising in the short term with the approval of the Supervisory Board, and to retain options to respond to market conditions in a manner that protects the share price.

With regard to the use of the Authorized Capital 2021, the shareholders will, in principle, have subscription rights in the case of cash capital increases. However, the proposed authorization provides for the Board of Management to be able to exclude subscription rights for fractional amounts with the approval of the Supervisory Board. A practical, market-compliant exclusion of subscription rights of this kind for fractional amounts serves to facilitate the exercising of this authorization by means of round figures and thereby ensures simplified transactions. The potential dilution effect for shareholders is minimal as the exclusion of subscription rights is limited to fractional amounts.

In addition, the Board of Management will be able to exclude the shareholders' subscription rights with the approval of the Supervisory Board in the case of cash capital increases if the new shares are issued at a price that does not fall significantly below the stock exchange price for those shares in the company that are already admitted. In setting the issue price, the company will – taking into account the current market conditions – endeavor to keep any markdowns on the stock exchange price to a minimum. This option for the exclusion of subscription rights should enable the company to exploit short-term favorable stock exchange situations and market opportunities, thereby achieving the maximum possible issue price and ensuring the greatest possible strengthening of its equity by setting a price that is in line with the market. Due to the ability to act more quickly, a capital increase of this kind yields a greater cash flow than a comparable capital increase that includes shareholders' subscription rights. Accordingly, it is in the well-understood interests of both the company and the shareholders. Although it does result in a reduction of the relative participation rate and the relative voting rights of the existing shareholders, shareholders who wish to retain their relative participation rates and relative voting rights can

acquire the necessary number of shares via the stock market in order to do so.

This option for the exclusion of subscription rights is limited to a maximum share of 10% in the capital stock. 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 mutatis mutandis application of Section 186 (3) Sentence 4 AktG excluding subscription rights, shall count towards this limit.

Under the Authorized Capital 2021, the Board of Management is to be authorized, with the approval of the Supervisory Board, to exclude the shareholders' subscription rights in the case of a capital increase through non-cash contributions for the granting of shares in order to acquire companies, company divisions, shares in companies or other assets including receivables against the company. This authorization for the exclusion of subscription rights is intended to allow for a corresponding acquisition, including against the granting of shares in the company. The company competes on a global level. It must always be in a position to act quickly and with flexibility on the national and international markets in the interests of its shareholders. In particular, this includes the option to acquire companies, company divisions, shares in companies or other assets, including receivables against the company, in order to improve its competitive position. Practice shows that owners of attractive acquisition objects often demand the issuing of shares in the acquiring company that carry voting rights as a consideration. In order to be able to acquire companies such as these, the company must have the option to grant treasury shares as a consideration. Although the exclusion of subscription rights does result in a reduction of the relative participation rate and the relative voting rights of the existing shareholders, if unlimited subscription rights were granted, the acquisition of companies, company divisions, shares in companies or other assets, including receivables against the company, would not be possible and the advantages pursued for the company and its shareholders would not be attainable. In individual cases, the Board of Management will review whether such an acquisition in return for shares is in the well-understood interests of the company. The Supervisory Board will only grant its necessary approval if this is the case.