innoscripta

(Scale All Share (Ref.), Software/IT, 1INN GR)

WARBURG RESEARCH

Buy

EUR 210.00

Price	EUR 100.60
Upside	108.7 %

Value Indicators:	EUR
DCF:	212.95

Warburg Risk Score:	3.8
Balance Sheet Score:	5.0
Market Liquidity Score:	2.5

Description:

Cloud platform for R&D tax credit applications

Market Snapshot:	EUR m
Market cap:	1,006.0
No. of shares (m):	10.0
EV:	986.4
Freefloat MC:	161.0
Ø Trad. Vol. (30d):	797.12 th

Shareholders:	
Freefloat	16.00 %
Hohenester Beteiligungs-UG	55.00 %
Meyer Beteiligungs-UG	13.00 %
innoscripta Beteiligungsges.	15.00 %
Other shareholders	*1.00 %*

Key Figures (WRe):	2025e
Beta:	1.3
Price / Book:	19.0 x
Equity Ratio:	66 %

Disruptive R&D tax-credit platform is programmed for growth; Initiate with Buy

Cloud platform for R&D tax credits: innoscripta's highly scalable cloud solution, the **innoscripta platform**, is transforming how small to large companies apply for R&D tax credits in order to support their research and development activities. innoscripta provides a single, user-friendly solution to manage every step of the R&D tax-credit process. The platform enables companies to navigate the R&D tax-credit submission process with ease and offers project management, time tracking, and employee management tools. With built-in, audit-compliant **documentation**, innoscripta helps its growing client base (2024: + 57% to 1,782) with their R&D tax claims while ensuring smooth reviews by tax authorities.

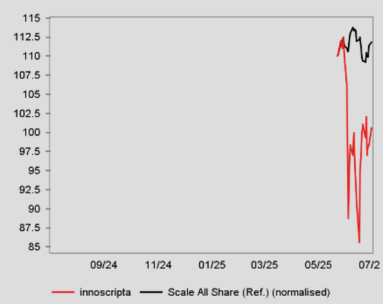
Undisputed market leader due to focus and digitalisation: In a fragmented R&D tax-credit market characterised by niche consultants, audit firms, and outdated, unstructured processes, innoscripta sets itself apart with its **software-based approach**. While some enterprises use generic software solutions to digitalise their R&D tax-credit application processes, these software solutions are merely a workaround, forcing clients to juggle unstructured data from multiple sources in an inefficient and capacity-consuming manner. In contrast, innoscripta offers a structured, all-in-one platform that simplifies the entire R&D tax-credit application process. This backdrop illustrates innoscripta's **unique positioning,** which is based on its **focus on R&D** and its **fully digitalised approach.**

Structural tailwinds support stellar growth: With a purely organic revenue **CAGR of 40%** projected **from 2024-2027e**, innoscripta's outstanding operative momentum looks set to continue. As R&D spending in OECD countries is set to rise by 7% annually until 2030, the foundation for future growth is rock-solid. Fuelled by increasing economic competition between nations, tax credits have become a go-to instrument for government R&D incentive programmes. As a result, structural tailwinds look set to persist, supporting innoscripta's stellar growth.

Expansion into countries with increasing scrutiny and documentation requirements: While the R&D tax-credit market is growing, digitalisation of the application process remains limited, giving innoscripta a crucial edge. The company's efficient, user-friendly software has driven massive market-share gains, outpacing overall market growth. These market-share gains reflect the high demand for innoscripta's efficient and user-friendly software-based services. Already dominant in Germany, where R&D tax credits were only introduced in 2020, expansion into other European markets, such as the UK and France, is about to begin. Even though similar incentives were introduced as far back as in 2000 and 1983, stricter documentation requirements and proof of eligibility have created a need for innoscripta's solutions.

Soaring EBIT growth, outstanding margins and returns: With its favourable market position in Germany, innoscripta stands out for its selective and effective sales and marketing strategies, streamlined software R&D processes and strong employee incentivisation, which maximises shareholder value. This approach is driving outstanding margin potential in excess of 50% and fuels strong **EBIT growth at a CAGR of 38% from 2024-2027e, which also reflects investment in its sales organisation to provide for future growth**.

Valuation: Our **DCF** analysis leads to a value of EUR 210 per share. The peer group comparison indicates values of more than EUR 200, underpinning the DCF-based value. Despite stellar EBIT growth, shares are trading at an EV/EBIT 2026e of 12-13x, which looks attractive. Given the upside to the fair value, coverage is initiated with a Buy rating.



Rel. Performance vs Scale All Share

1 month:	-9.0 %
6 months:	n/a
Year to date:	n/a
Trailing 12 months:	n/a

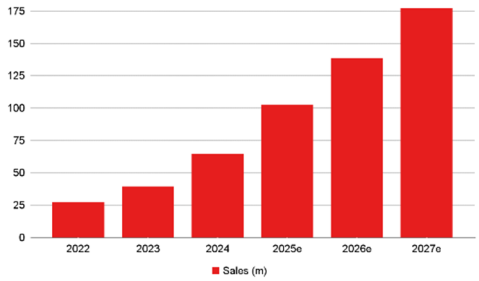
Company events:

FY End: 31.12. in EUR m	CAGR (24-27e)	2022	2023	2024	2025e	2026e	2027e
Sales	39.9 %	27.3	39.4	64.7	102.6	138.5	177.2
Change Sales yoy		37.6 %	44.4 %	64.3 %	58.5 %	35.0 %	28.0 %
Gross profit margin		*94.2 %*	*96.5 %*	*97.8 %*	*97.1 %*	*97.4 %*	*97.4 %*
EBITDA	38.4 %	9.3	15.6	37.5	56.4	77.6	99.2
Margin		*34.2 %*	*39.7 %*	*57.9 %*	*55.0 %*	*56.0 %*	*56.0 %*
EBIT	38.0 %	9.2	15.5	37.3	55.7	76.6	98.0
Margin		*33.7 %*	*39.3 %*	*57.6 %*	*54.3 %*	*55.3 %*	*55.3 %*
Net income	37.5 %	6.1	10.3	25.1	36.9	50.8	65.2
EPS	37.5 %	0.61	1.03	2.51	3.69	5.08	6.52
EPS adj.	37.5 %	0.61	1.03	2.51	3.69	5.08	6.52
DPS	-6.5 %	0.50	0.80	2.40	1.11	1.52	1.96
Dividend Yield		n.a.	n.a.	n.a.	1.1 %	1.5 %	1.9 %
FCFPS		0.86	0.50	1.99	2.62	3.75	4.80
FCF / Market cap		n.a.	n.a.	n.a.	2.6 %	3.7 %	4.8 %
EV / Sales		n.a.	n.a.	n.a.	9.6 x	7.0 x	5.3 x
EV / EBITDA		n.a.	n.a.	n.a.	17.5 x	12.4 x	9.4 x
EV / EBIT		n.a.	n.a.	n.a.	17.7 x	12.6 x	9.6 x
P / E		n.a.	n.a.	n.a.	27.3 x	19.8 x	15.4 x
P / E adj.		n.a.	n.a.	n.a.	27.3 x	19.8 x	15.4 x
FCF Potential Yield		n.a.	n.a.	n.a.	3.8 %	5.4 %	7.1 %
Net Debt		-5.2	-5.1	-17.3	-19.6	-42.3	-70.0
ROCE (NOPAT)		69.7 %	100.7 %	162.5 %	145.6 %	127.8 %	118.6 %
Guidance:	n.a.						

Analyst
Andreas Wolf
awolf@warburg-research.com
+49 40 309537-140

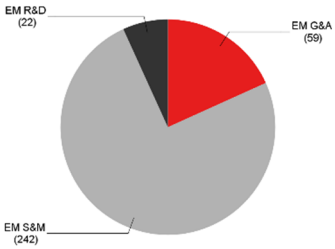
Analyst
Fabio Hölscher
fhoelscher@warburg-research.com
+49 40 309537-240

Sales development
in EUR m



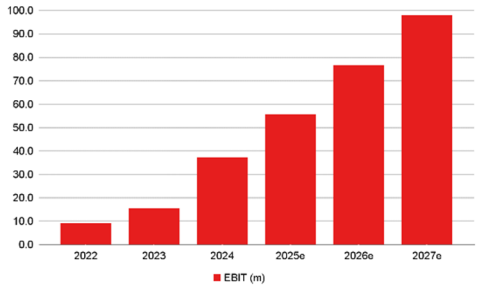
Source: Warburg Research, Company

Employees by functional area
2024



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research, Company

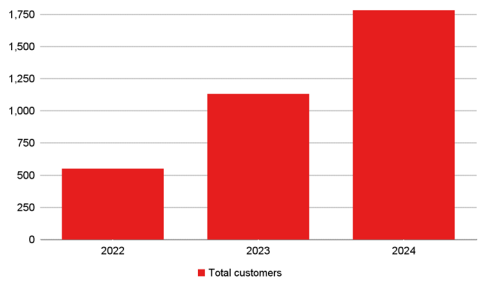
Company Background

- innoscripta's cutting-edge cloud-based platform is transforming how companies apply for R&D tax credits in order to support their research and development activities.
- Its core product is the cloud-based innoscripta platform which is provided as a service to innoscripta's growing client base (2024: + 57% to 1,782 subscribed clients).
- innoscripta has established a strong market presence in Germany, which is currently its core market.
- The solutions are used by a broad range of companies, from small and medium-sized enterprises to larger corporations, to manage their R&D tax credit processes.
- The platform enables companies to navigate the R&D tax credit submission process with ease and offers project management, time tracking and employee management tools as well as integration to third-party software.

Competitive Quality

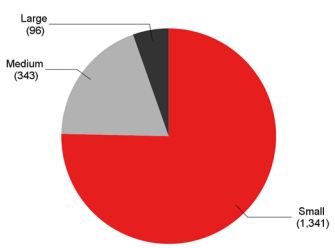
- In a fragmented R&D tax credit market characterised by niche consultants, audit firms and outdated, unstructured processes, innoscripta sets itself apart with its R&D-focused, software-based approach.
- The innoscripta platform was used in approximately 16% of all applications to the BSFZ (German Research Allowance Certification Office) as of March 31, 2025.
- Exclusive auto-renewal contracts within a fragmented client base (in 2024, no client exceeded a revenue share of 0.9%) and churn rates of below 2% underpin the distinctive value-add and raise the market-entry barriers.
- innoscripta's highly scalable, low-code/no-code solution easily adapts to local requirements, positioning the company to seize international opportunities as government scrutiny on tax credit eligibility increases.
- Generic software peers lack innoscripta's R&D focus and granular regional regulatory knowledge.

Total signed customer development
#



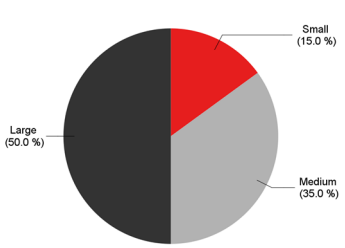
Source: Warburg Research, Company

Employees by functional area



Source: Warburg Research, Company

Potential future client mix
illustrative



Source: Warburg Research, Company

Company & Products 39

Investment Case & Overview

Investment triggers

- **EBIT CAGR of 38% from 2024-2027e and ROCE of over 100%.**
- **A comparison with the UK and France suggests that the German R&D tax-credit market has the potential to grow 10 to 15-fold.**
- Fast-growing and **founder-driven** SaaS platform provider for the entire R&D tax-credit application and documentation process.
- In 2021, the company developed its cloud-based **innoscripta platform** and shifted its business model from consulting and services to a SaaS-provider in R&D management.
- The innoscripta platform and its **low-code/no-code features** enable the company to internationalise its business operations with only a small degree of localisation. Hence, innoscripta is about to tap into France and the UK.

Competitive quality

- **Undisputed market leader in Germany in a highly fragmented market:** Based on publicly available data, the innoscripta platform was used in approximately 16% of all applications to the BSFZ (German Research Allowance Certification Office) as of March 31, 2025.
- **Exclusive auto-renewal contracts** within a **fragmented client base (in 2024 no client generated more than 0.9% of revenue) and low churn rates of less than 2%** underpin the company's **distinctive value-add.**
- Unique positioning due to its SaaS platform and **digital end-to-end coverage** of the entire R&D tax-credit application process and **audit-proof documentation.**
- Cloud-based offering differentiates the company from analogue players such as audit firms or specialised niche service providers. Generic software providers lack innoscripta's **R&D focus and regional competence**.

Growth

- **Highly scalable software business offers further margin expansion potential.**
- **Tax credits are a highly efficient way for governments to provide structural support for R&D:** Germany is an emerging market as the Research Allowance Act (FZulG) only came into force in January 2020. The **Growth Opportunities Act was an additional boost and expanded the market volume.**
- **International expansion into countries with extensive R&D support systems and increasing scrutiny, such as France and the UK, offers medium-term growth potential.**
- **Focus on larger companies with substantial R&D activities and higher salaries to support innoscripta's growth and profitability. Partnerships and new products represent long-term opportunities and would provide for further growth.**

Analysis of the Return on Capital

- **Outstanding revenue CAGR from 2024-2027e of 40% and strong EBIT growth of 38% reflect high value-add and market leadership while the company is ramping up investment in its sales organisation to provide for future growth**
- Balance sheet reflects innoscripta's **low capital intensity** due to its **asset-light** business model and high scalability. Absence of goodwill and low intangible asset position reflects the **purely organic growth** of the business and conservative R&D accounting.
- **Working capital** reflects the R&D tax-credit approval cycle, as cash collection is linked to the approval of R&D tax-credit claims.

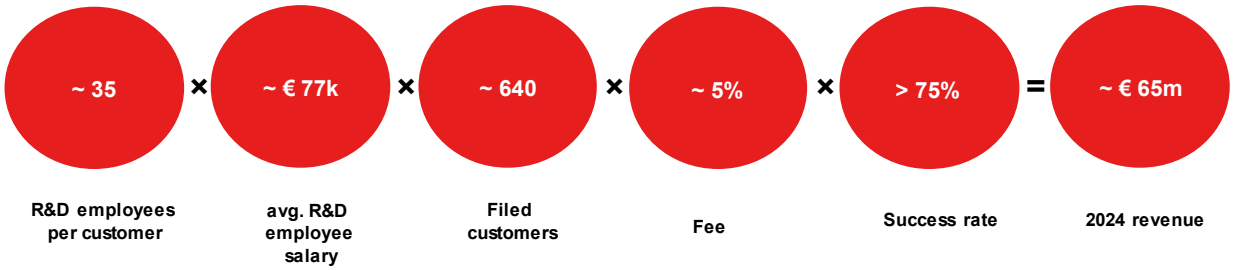
Valuation

- The **peer group** comparison indicates values of over EUR 200 based on earnings multiples.
- Our **DCF** analysis indicates a value of EUR 210 per share.

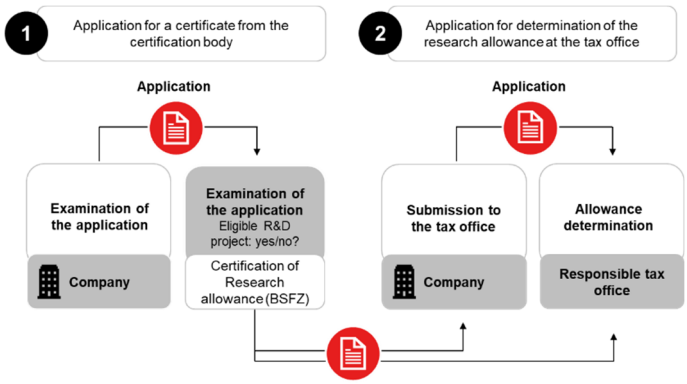
Company overview

Key software offering	**innoscripta platform:** cloud-based software for R&D tax incentives.	Clusterix: Enhancement to the innoscripta platform with additional features (project planning, analytics, dashboards, data base integration etc.)
Revenue model	innoscripta platform: Access to the innoscripta platform is provided free of charge. Revenues are primarily generated by charging each client a commission in the form of a percentage of the total R&D tax incentives recoverable for a particular R&D project, which typically amounts to a single-digit percentage of the eligible R&D personnel costs (WRe: approx. 5%).	Currently, the software is as a free add-on to the the innoscripta platform.
Market position	Undisputed market leader in Germany in a highly fragmented market: Based on publicly available data, the innoscripta platform was used in approximately 16% of all applications to the BSFZ (German Research Allowance Certification Office) as of March 31, 2025. Based on the size of the respective R&D projects and the actual R&D tax incentives granted, the market share may be even higher.	
Fragmented and sticky client base	- 2024: 1,782 signed customers with exclusive contracts. - In 2024, no client exceeded a revenue share of 0.9%. - low churn rates of less than 2%. - Typical contract durations are three to five years and leading to high visibility. - Clients are mainly based in Germany, but also in France, Sweden, Finland, Switzerland and the United States (German subsidiaries of multinational organisations).	
Market participants	The R&D tax incentive market is usually serviced by specialty service providers or audit firms. Moreover, clients are often using their existing not specialised e.g. ERP or documentation solutions in order to prepare for their R&D tax credit applications.	
Direct competitors	**In Germany, there are currently no direct competitors offering a comparable end-to-end solution.**	
Growth	- Continued market penetration in Germany. Focus is on large clients with more than 75 R&D employees. - Internationalisation: UK, France. Very selective M&A in these countries is an option in the future to gain client access and local expertise. - Further expanding the software product portfolio to create a comprehensive R&D software platform. - Partnerships to further leverage the Innosripta Platform.	

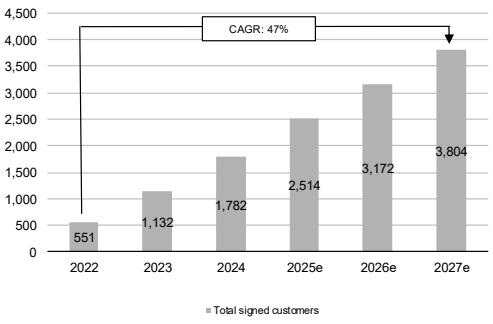
Revenue mechanics run like clockwork (illustrative)



innoscripta platform focuses on R&D tax credits



Stellar client growth



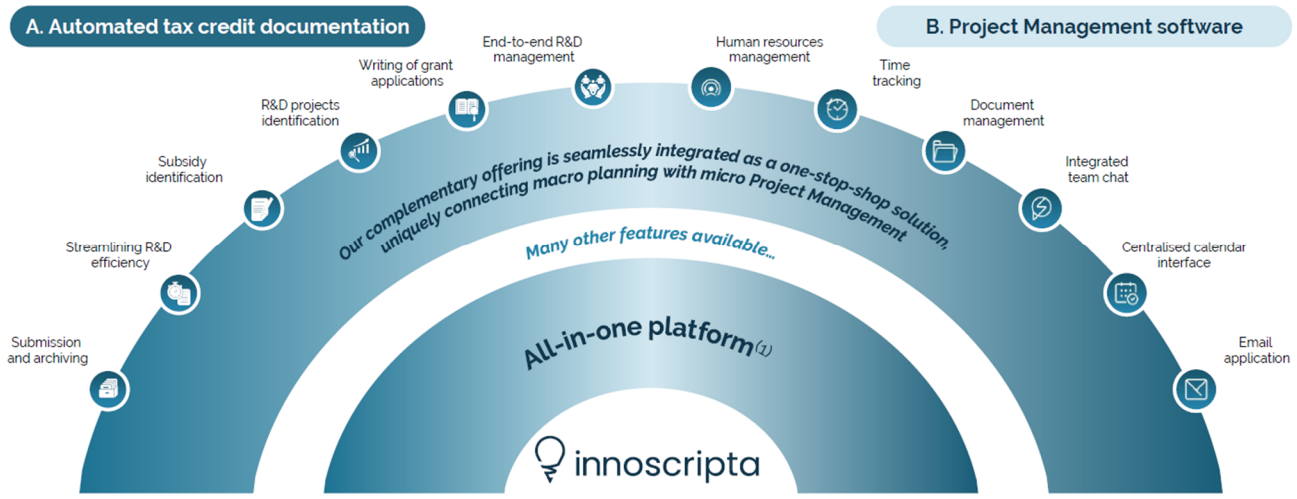
Sources: innoscripta (historical data), Warburg Research (estimates)

State-of-the-art software platform for R&D tax credits

innoscripta's cloud-based platform simplifies **R&D tax-credit** applications while ensuring full compliance with regulatory procedures, documentation, and audits. Currently focused on Germany's Research Allowance Act (Forschungszulagengesetz), the **innoscripta platform** enables companies to navigate the R&D tax-credit submission process with ease and offers project management, time tracking and employee management tools. The platform handles everything from project planning to R&D personnel deployment and documentation, in line with the strict German guidelines, "principles for the proper management and storage of books, records and documents in electronic form and for data access" (GoBD). With minimal localisation requirements, the software easily adapts to legal frameworks and processes in other countries.

In addition to claiming R&D tax credits, the innoscripta platform also supports its clients in their overall R&D processes. By leveraging its market leadership in the German R&D tax-credit market, the founder-led company aims to become the **de-facto standard** for R&D software in the future.

State-of-the-art software platform[1] covering the tax-credit application and the overall R&D process



Sources: innoscripta, Warburg Research

[1]some of these features will be launched in the near future

Founded in 2012, innoscripta has evolved from advising SMEs on federal innovation tax-credit programmes and scouting research programmes for companies, to a cutting-edge software provider that supercharges clients' R&D tax credit and increases the chances of approval. In 2021, the company launched its disruptive cloud-based innoscripta platform. The completed transition to a software-based model is evident in the revenue mix and enhanced margin profile following a period of robust investment in the software platform.

Analyst
Andreas Wolf
awolf@warburg-research.com
+49 40 309537-140

Analyst
Fabio Hölscher
fhoelscher@warburg-research.com
+49 40 309537-240

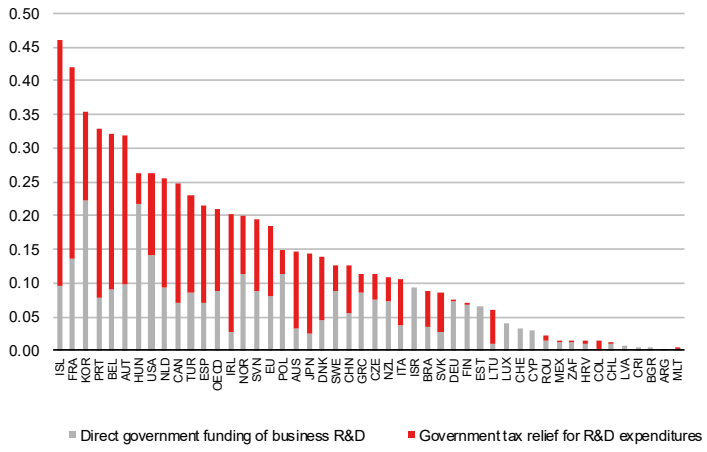
R&D tax credits as the go-to instrument for OECD countries

innoscripta is laser-focused on tax credits – a powerful tool governments use to stimulate business investment in R&D. This strategy aims to promote innovation, fuel economic growth and benefit society. By encouraging companies to devote more resources to cutting-edge research and development, governments aim to reap benefits that go beyond the direct advantages for the companies. These benefits can include technological advances, increased productivity and job creation.

Tax credits are especially appealing to governments due to their flexibility and ease of administration. Unlike targeted grants or contracts, tax credits empower eligible companies to choose their own R&D projects, in alignment with trade and competition rules, making tax support a less controversial policy option than direct subsidisation. As a result, tax credits have become sustainable and reliable instruments for long-term R&D incentives and are deeply embedded in tax laws and unaffected by individual government decisions.

In 2021, 33 out of 38 OECD countries offered favourable tax treatment for business R&D expenditure, with tax credits making up a hefty 55% of all government support for R&D (including both direct funding and tax-related incentives). In the long run, the implied fiscal multiplier (the increase in GDP output per dollar of fiscal cost) of an increase in R&D tax incentives is estimated to be around 3 to 4 times for the most effective instruments. This means that increasing fiscal support for R&D by 0.5 pp of GDP could increase GDP by up to 2%.

Growing governmental support for R&D via tax credits



Source: OECD

The German Research Allowance Act (FZulG) came into force in January 2020. The Act allows tax relief for R&D expenditure by companies that are subject to taxation in Germany, regardless of their size, legal form or industry. The goal is to boost Germany's appeal as an investment hub and to support the creation of highly qualified jobs in the R&D sector.

At present, SMEs can claim a tax credit of up to 35% of the assessment base (25% for larger companies; source: BSFZ), which is mainly defined by the number of R&D employees working on a project. This base is currently capped at EUR 10m **per company** per year. While large companies can chalk up a tax credit of up to EUR 2.5m, the scheme is even more attractive for SMEs, with potential tax credits of up to EUR 3.5m. In addition, there have been plans to increase the cap from EUR 10m to EUR 12m.

Competitive Quality

- **Undisputed market leader in Germany** in a highly fragmented market.
- **Exclusive contracts with innoscripta's fragmented client base: in 2024 no client generated more than 0.9% of revenue.**
- **Low churn rates of below 2% underpin innoscripta's distinctive value-add.**
- Unique positioning due to its SaaS platform and **digital end-to-end coverage** of the entire R&D tax-credit application process and **audit-proof documentation.**
- Cloud-based offering differentiates the company from analogue players such as audit firms or specialised niche service providers.
- Generic software providers lack innoscripta's **R&D focus and regional competence** or level of digitalisation.

Cloud-based software provides for unique market positioning

The innoscripta platform is a game-changing 360° cloud-based software solution that has been on the market for only a few years and has fuelled the company's dynamic growth because the software

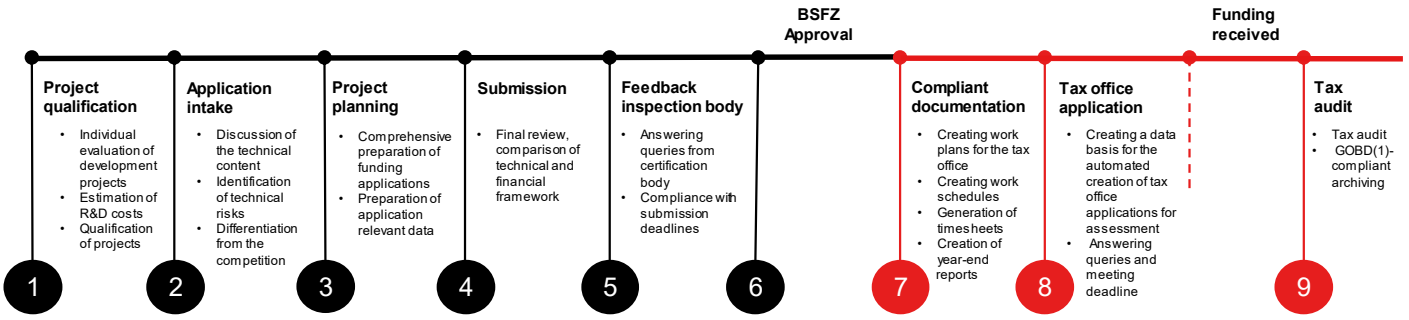
- is **tailored to the application for government R&D tax credits** under the Research Allowance Act for innovative projects, including the planning and documentation of funded projects in accordance with regulatory requirements. These regulatory requirements refer to principles for the proper management and storage of books, records and documents in electronic form and for data access.
- supports the simplification, transparency and, even more importantly, **audit-proof compliance** in R&D tax-credit processes.

The innoscripta platform is highly valued by clients due to its user-friendly and customisable design and its end-to-end coverage of the entire R&D tax-credit application process.

The platform enables clients to easily upload unstructured data over a digital data entry service. This data is then harmonised and converted into a uniform format, accessible in real-time over an intuitive interface. Once the data has been aggregated, the system automatically prepares the necessary application for submission to the BSFZ, the relevant regulatory authority in Germany, which then approves and determines the R&D tax-credit amount.

In short, innoscripta makes the navigation of the R&D tax-credit landscape seamless and efficient.

Software platform covering the entire tax-credit application and the overall R&D process



Sources: innoscripta, Warburg Research

The application process for the German Research Allowance (Forschungszulage) is a straightforward two-step procedure. First, companies apply for certification from the Bescheinigungsstelle Forschungszulage (BSFZ), which evaluates whether the R&D project qualifies for funding. Multiple projects can be bundled in a single application and, upon approval, a certificate is issued to both the applicant and the relevant tax office. Second, after the fiscal year in which the eligible expenses occurred, companies apply for the research allowance from their tax office. If all criteria are met, the allowance is offset against income or corporate tax.

Effectively, the innoscripta platform **turbocharges the application process,** and is far superior to existing alternatives. In addition, innoscripta's centralised end-to-end approach minimises customers' risk of financial penalties and late tax claims resulting from audits by national and local tax authorities. In Germany, where legal requirements are stringent, inadequate documentation can be classified as a tax offense for amounts exceeding EUR 1m over a decade. innoscripta ensures compliance, thus protecting their clients, which makes the R&D funding journey smoother and safer for its clients' CFOs.

Market players lack R&D focus or digitalisation

The R&D tax-credit market in which innoscripta operates, as well as the adjacent grant management market, is highly fragmented, with various providers offering services and solutions ranging from specialised stand-alone tools to comprehensive, modular suites. In this landscape, innoscripta stands out as the leading provider of cloud-based software for R&D tax credit and complementary R&D project management software.

Unique positioning with software focused on R&D tax credit and the entire R&D process

Sources: innoscripta, Warburg Research

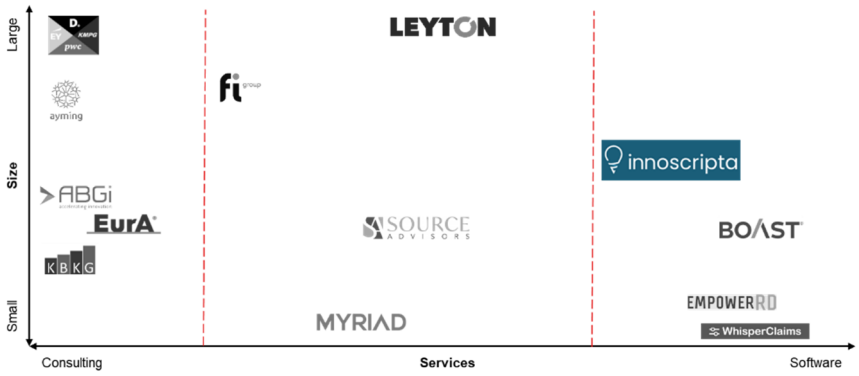
With **no direct competitors** offering a comparable software solution, the market landscape can be divided into the following groups:

- **Specialised service providers** include players such as AF Project, Leyton, FI Group, Innovation Consultants, Ayming, EURA, GovGrant, Ryan, Grantify, Alliant Group, Auditex, and abgi. These companies focus on consultancy services for innovation funding, R&D or tax declarations. However, they tend to have a low level of digitalisation or niche specialisation.
- **Generic software providers,** e.g. for ERP or tax purposes such as Servicenow, Monday.com, Workday, Atlassian, Atoss, Docusign, Planisware, Fortnox, and Smartsheet, which offer project management solutions and documentation solutions. However, these solutions do not specialise in R&D processes, not to mention the R&D tax-credit application process or documentation requirements.
- **Audit firms** such as KPMG, Ernst & Young, Deloitte, PwC, BDO, RSM, Alvarez & Marsal, Grant Thornton, Wavestone, and Bakertilly also compete in this space. However, their primary focus is monetising their services, not software. Nor is digitalisation of their services on their agenda or within their remit.

There are also low-cost outsourcing providers participating in the market. However, this type of business looks **set to be replaced by innoscripta's disruptive digital platform**.

Low levels of digitalisation among specialised service providers

International market participants



Sources: Warburg Research, innoscripta

While innoscripta is rapidly gaining ground with its cloud-native, highly customisable solutions that streamline the entire R&D tax-credit lifecycle, there are also international players in adjacent markets. Blackbaud and Submittable are among the players serving non-profit organisations and educational institutions. Providers such as WizeHive and SmartSimple focus on customisable platforms for government agencies and corporate R&D departments, and newer entrants such as Fluxx are also gaining traction. Major software providers such as SAP and Oracle are expanding into grants management by integrating specialised modules into their existing enterprise resource planning systems.

Overview specialty service providers

Company	Region	Employees	Description	Service
			Large service providers	
Leyton	NA, UK, EU	3,000	Leyton offers expert consulting services to help businesses secure R&D tax credits, along with Layton.me, their digital platform that simplifies the management and tracking of tax credit claims and innovation grants across various regions, including Europe and North America.	Consulting & Software
FI Group	AMERICAs, Europe, Japan	1,800	FI Group offers consulting services focused on securing R&D tax credits and public funding for innovation. Operating across Europe, they also provide access to a comprehensive database of subsidies and grants, helping businesses identify and apply for relevant funding opportunities.	Consulting & Software
Ayming	NA, EU	1,300	Ayming delivers comprehensive consulting services to support companies in securing R&D tax credits, innovation funding,	Consulting
			Medium-sized service providers	
ABGi Group	AMERICAs, Europe	200	ABGi Group, as part of visiativ, provides tailored consulting services to help businesses optimize R&D tax credits and innovation funding.	Consulting
EurA	EU	200	EurA specializes in consulting services to help businesses in Germany and Europe secure R&D tax credits and innovation grants.	Consulting
Source Advisors	US & UK	173	Source Advisors provides a combination of their GOAT.tax SaaS platform, designed to automate R&D tax credit claims, and consulting services. The platform simplifies the R&D tax credit process for businesses of all sizes, particularly SMEs and startups, while their advisory team offers expert support for complex claims.	Consulting & Software
KBKG	US	169	KBKG offers consulting services that focus on R&D tax credit claims and other government incentives for U.S. businesses.	Consulting
Boast.ai	US	124	Boast.ai provides an AI-driven platform to automate the process of claiming R&D tax credits. The platform integrates with company financial systems to collect real-time data and ensure compliance.	Software
			Small service providers	
EmpowerRD	UK	32	EmpowerRD offers a software platform designed to automate R&D tax credit claims.	Software
Myriad	UK	14	Myriad offers both the TaxCloud platform, an online tool for SMEs in the UK and Ireland to claim R&D tax credits, and full-service consultancy.	Consulting & Software
WhisperClaims	UK	11	WhisperClaims is a cloud-based software solution that automates R&D tax credit claims for accountants and consultants, streamlining the process for SMEs in the UK, while simplifying compliance.	Software

Sources: innoscripta, Warburg Research

Generic software providers lack R&D-specific features

While specialised service providers and audit firms are not sufficiently digitalised, there are also several software providers. These are often used by companies which aim to digitalise their R&D tax-credit application process. However, these software solutions are merely a workaround, forcing clients to juggle unstructured data from multiple sources in an inefficient and capacity-consuming manner. In contrast, innoscripta offers a structured, all-in-one platform that simplifies the entire R&D tax-credit application process.

innoscripta differentiates itself from generic software providers with its focus on R&D

	R&D focus	HR	Project Management		Time Tracking	Ticketing
	innoscripta	workday.	Planisware	smartsheet	ATOSS	Jira Software
All-in-One integrated platform	Fully integrated with Project Management, HR, document handling, and Time Tracking, eliminating the need for external tools	Integrated platform but mostly HR centric, needs external tools for advanced Project Management	Comprehensive only for large-scale Project Management but complex	Customisable but lacks R&D and HR tools	Focus on workforce management	Focused on issue tracking and Project Management, requires Confluence or Trello for full functionality
User-friendly experience and interface	Highly intuitive and easy to use, reducing onboarding time	User-friendly in HR and finance but lacks integration of complex R&D processes	Intuitive can be complex due to many overlapping features	Flexible and visually intuitive but no R&D features	Simple only for workforce tasks, less intuitive for Project Management	Overwhelming and complex because of steep learning curve
Team/Project performance benchmarking	Fully integrated tools to benchmark individual and team performance, enhancing productivity	Tracks task-based performance but not as comprehensive in broader benchmarking	Good for team performance benchmarking, not focused on individual employee tracking	Provides general performance tracking but not focused on R&D	Comprehensive for workforce performance tracking but not in Project Management	Primarily focused only on task management performance, lacks broader benchmarking
Live KPI monitoring for R&D	Built-in real-time R&D KPI tracking, such as Cycle Time and Cost per Feature, without needing external plugins	Good tracking for HR and financial management KPIs, but lacks project centric focused metrics	Presence, but complex and not compatible for smaller organisations	Great for general KPI tracking, but not R&D focused	Mainly for workforce metrics, lack of R&D	Requires customisation and plugins to handle R&D-specific KPI tracking
Cost control and optimisation	Includes built-in cost benchmarking features like Cost per Feature and Sprint, enabling real-time financial optimisation and control	Provides financial tracking but specialized in HR, no broader offering	Strong cost control but can be expensive for smaller teams	Offers cost control, but not specifically tailored for R&D	Limited to workforce management	No native cost tracking, requiring third-party tools
Flexible and Scalable for future needs	Highly scalable and flexible with ability to be customised by the client to fit their needs	Scalable and flexible only in terms of HR, but lacks R&D focus	Good scalability, but very complex to manage, and lack of customisation	Scalability and flexibility, but primarily only specific project focused	Limited to scale in workforce management, no project scaling	Not automatically customisable and scaling adds complexity

Sources: innoscripta, Warburg Research

Conclusion: innoscripta has carved out a unique position with its comprehensive software solution that covers the entire R&D tax-credit application process. Unlike any direct competitors, innoscripta platform streamlines everything from project planning to compliance, making it a one-stop shop for companies seeking tax credits. This end-to-end approach not only simplifies the application process but also enhances efficiency and accuracy, setting innoscripta apart in a fragmented market where other providers fall short.

With no other software offering the same level of integration and support, innoscripta is truly in a league of its own.

Differentiation by focus and digitalisation reflected in high application approval rates

With its unique positioning, the innoscripta platform offers its customers added value based on the following pillars, features and results:

- **High application success rate:** innoscripta's software helps clients to prepare their applications accurately and comprehensively. The result is reflected in innoscripta's high **approval rates of over 75%.** This track record stands out from the competition and has helped innoscripta to build its brand as a strong partner for R&D tax credits in the German market.
- **Proprietary software as a differentiator**: In 2021, the company launched its proprietary innoscripta platform, which provides solutions for document and process management along the entire R&D value chain. The innoscripta platform is a modular, cloud-based software solution. This gives innoscripta a unique selling proposition.
- **Integration into the existing software environment:** The software enables innoscripta and its customers to process R&D tax-credit applications more efficiently by automating routine tasks. It also enables companies to manage and document the entire R&D process seamlessly and in compliance with regulatory requirements. Interfaces to standard software such as Microsoft Office, Jira, Elster (German tax software), or SAP enable seamless integration into existing workflows.
- **Added value in comprehensive support throughout the process:** innoscripta's software platform supports its customers throughout the entire research and development process, from the initial stages of determining eligibility for R&D tax credits, planning projects and applying for funding through to the later stages of documenting projects and supporting the submission and archiving of documents to regulatory authorities, thereby generating significant value-add for customers.
- **Efficient and automated processes:** The innoscripta platform automates many of the manual and time-consuming tasks involved in applying for R&D tax credits. This saves corporate clients time and resources.

Conclusion: Many companies still do not have a structured process to collect their data and documents for R&D tax-credit claims and have little transparency regarding the total data and documents available, which means that many clients are not realising the full recoverable amount of their R&D tax credit. Against this backdrop, innoscripta is able to benefit from its streamlined and automated platform which supports success rates of over 75%.

Robust underlying R&D activity contributes to high visibility

The market environment in which innoscripta operates – the development and sale of business software to support applications for R&D project funding – is largely independent of general economic trends and the development of individual sectors. While GDP growth and the level of interest rates have a certain influence on innoscripta's customers' appetite to invest, R&D budgets remain stable due to their strategic significance. This resilience ensures that demand for innoscripta's business software for R&D project funding stays strong, regardless of broader economic fluctuations.

Increasing scrutiny contributes to growing market complexity and raises market-entry barriers

The global regulatory environment for R&D funding is becoming increasingly complex. Failure to properly submit R&D tax-credit claims will result in the rejection of claims, understatement of the claimable amount of R&D tax credits and exposure of clients to the risk of fines and tax repayments.

In Germany, the UK and France, national governments have introduced stricter documentation requirements to support companies' claims for tax credits. This adds to the complexity and cost of managing R&D funding.

Stringent conditions and requirements attached to government tax credits and subsidies are continuously increasing the compliance burden. Consequently, changes in the regulatory framework require constant monitoring of developments as non-compliance can expose clients to significant fines and tax repayments. In addition, increased internal compliance and administrative oversight is required to ensure proper filing of R&D tax-credit claims, which can significantly increase costs.

Exclusive auto-renewal contracts with a diversified customer base lead to low churn

innoscripta secures exclusivity rights for a three to five-year period in all customer contracts, establishing itself as the **sole R&D tax-credit advisor** for its customers. Most of these exclusive contracts are automatically prolonged at the end of the contract term. This structure contributes to unmatched visibility, illustrates the customer commitment to securing R&D tax credits with the help of innoscripta and fosters deep client relationships, creating a strong foundation for stellar growth and margins.

Outstanding customer relationships are further exemplified by an impressively low customer churn rate of less than 2%, demonstrating the **high levels of satisfaction and loyalty** among its growing customer base. Furthermore, innoscripta’s client base is highly diversified, as according to management, no single client generated more than 0.9% of total revenue in 2024. This reduces dependency on any individual customer and shields the company from potential revenue volatility, ensuring greater financial resilience. With the combination of long-term contracts, minimal churn, and a well-balanced and diversified revenue base, the company is well-positioned for highly visible and sustained growth.

Conclusion: The increasing complexity of the R&D tax-credit market is driving the outsourcing of the underlying claim processes to specialist providers such as innoscripta and is a growing barrier for potential new entrants. These barriers are raised even further by innoscripta’s exclusive ties to its growing client base (2024: + 57% to 1,782) and high contract renewal rates as churn rates are below 2%.

IPO rationale: increase visibility and employee incentivisation

In order to accelerate its organic growth and continue the internationalisation of its business activities, innoscripta went public via a secondary only. The IPO served the following objectives:

- **Brand awareness:** By entering the public market, innoscripta seeks to significantly enhance its international visibility, leveraging its new status to increase recognition across key global markets. This visibility aims to support the company's ambition to accelerate global expansion and serve a broader client base with cutting-edge solutions. Moreover, a public listing should strengthen innoscripta's position when forming strategic partnerships with industry-leading market participants, creating new business opportunities.
- **Compliance & governance:** A public listing underlines innoscripta's commitment to meeting high standards of transparency and corporate governance. By aligning with rigorous regulatory frameworks, the company reinforces its credibility and accountability. This positioning allows innoscripta to be recognised as a trusted partner in critical R&D processes, further solidifying its value proposition. In turn, these factors are expected to attract new clients seeking robust and transparent partnerships.
- **Talent acquisition & retention:** innoscripta views its people as a core asset. Therefore, going public should help to strengthen the company's meritocratic culture. The ability to reward key employees with liquid shares looks set to incentivise performance. Additionally, innoscripta's public profile should help to retain and attract top-tier talent, ensuring a competitive edge in a dynamic market landscape.

Conclusion: By aligning its IPO with clear objectives in brand positioning, governance, and human capital development, innoscripta targets sustained growth and long-term value creation.

Soaring revenue and EBIT growth

- Outstanding revenue CAGR from 2024-2027e of 40% and strong EBIT growth of 38%, which reflects 2025e investments in the sales organisation.
- **Tax credits are regarded as a highly efficient way for governments to provide structural support for R&D.**
- Germany is an emerging market, as the **Research Allowance Act** (FZulG) only came into force in 2020, with the **Growth Opportunities Act providing an additional boost.**
- **As a comparison with the UK and France suggests, the German R&D tax-credit market has the potential for exponential 10 to 15-fold growth.**
- **The plan to target larger companies with substantial R&D activities and higher salaries will support innoscripta's growth and profitability.**
- **International expansion into markets with strong R&D support**, such as France and the UK, strengthens medium-term growth prospects.
- **Partnerships and new software products pave the way for long-term growth.**
- **Highly scalable software business offers further margin-expansion potential.**

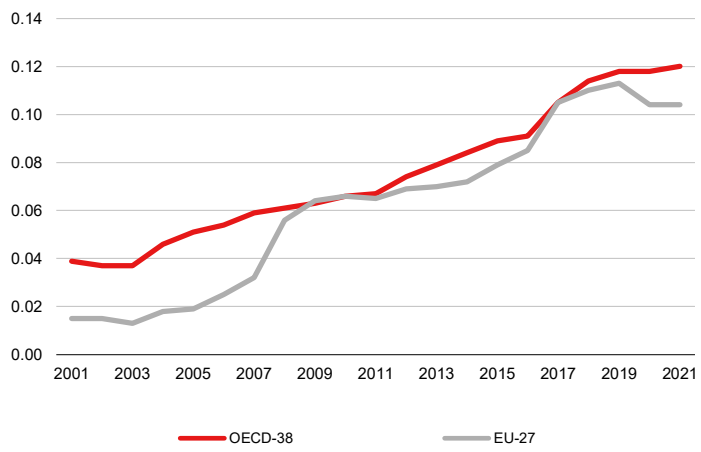
Structural tailwinds

R&D funding initiatives by governments support market growth

Governments are constantly creating new funding programmes and legislation, and expanding existing frameworks to gain an edge in global competition for innovation, with the US in particular outpacing Germany in terms of R&D spending growth. Coupled with the already low rate of innovation, this is creating 'innovation pressure' for companies of all sizes. These trends create opportunities and growth potential for innoscripta. innoscripta empowers companies to plan innovations and secure funding through tax credits. While France launched its R&D tax-credit scheme as long ago as in 1983 and the UK in 2000, Germany's programme was introduced relatively recently, in 2020.

The increasing global competition for innovation looks set to further intensify demand for the innoscripta platform and fuel the company's growth momentum.

R&D tax relief as a percentage of GDP

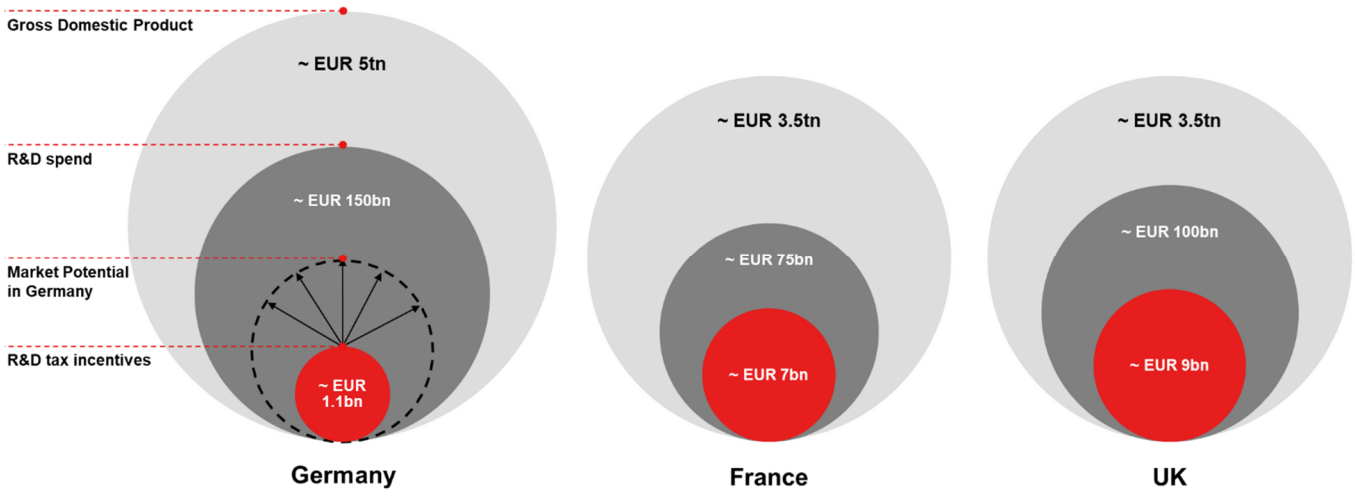


Source: OECD

R&D tax-credit market in Germany has potential to grow 10 to 15-fold

The German Research Allowance Act (FZulG) came into force in January 2020. The Act allows tax relief for R&D expenditure incurred by companies liable to tax in Germany, regardless of their size, legal form or sector. The aim is to **boost Germany's appeal** as an investment hub, to support the creation of highly qualified R&D jobs and to stimulate R&D activities, particularly in small and medium-sized enterprises.

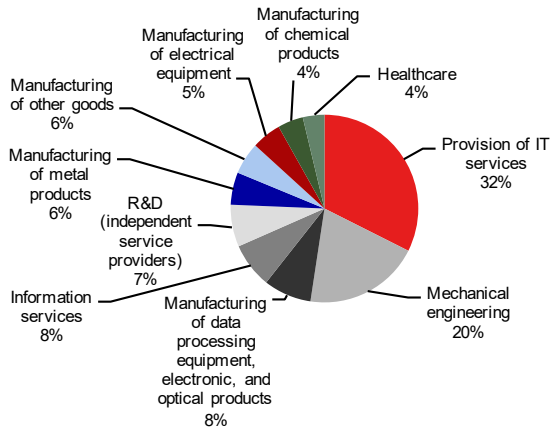
Software platform covering the tax-credit application and the overall R&D process



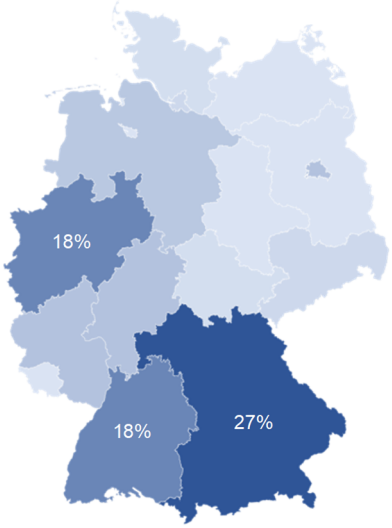
Sources: innoscripta, Warburg Research

Other countries such as the United Kingdom, France and the United States rolled out their R&D tax incentives much earlier, in 2000, 1983 and 1981 respectively. A comparison of the R&D tax credits in these countries illustrates that Germany's R&D tax-credit market has room to grow **10 to 15 times** to achieve a level of around **10%** (of total company R&D expenditure) like France and the UK.

Applicants for the research tax credits: sectors



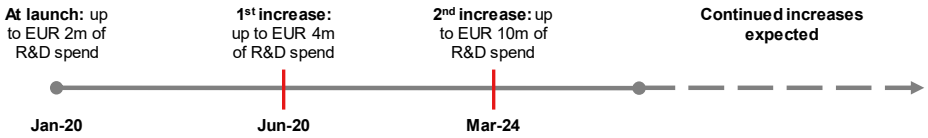
Applicants for the R&D tax credits: federal states



Sources: BSFZ, Warburg Research

After launching tax credits in January 2020, the German government quickly upped the cap on eligible R&D expenditure from **EUR 2m to EUR 4m** in June 2020. Yet, adoption was slow, with only a handful of companies taking advantage. In response, the government ramped up support through the **Growth Opportunities Act in 2024,** boosting the cap to **EUR 10m**.

Implementation and increases in R&D tax credits



Sources: innoscripta, Warburg Research

International expansion offers further growth potential as scrutiny and documentation requirements intensify

In addition to innoscripta's growth potential in Germany driven by expanding R&D tax-credit volumes, the company has pinpointed the UK and France as two particularly promising growth opportunities and the next steps for the expansion of its business. Both countries have a vibrant R&D landscape and enticing government support schemes. As scrutiny and documentation requirements ramp up to combat tax-incentive abuse, these markets become even more attractive for innoscripta's innovative solutions.

The **UK's R&D Tax Relief** scheme provides tax credits to companies engaged in research and innovation. From April 2024, the scheme merged the previously separate SME R&D Relief scheme and the Research and Expenditure Credit for larger companies. Under the new scheme, companies will receive tax relief on 20% of eligible expenditure, resulting in an after-tax relief rate of 16.2% for loss-making companies and 15% for profitable companies. Companies can also opt for the separate R&D-intensive SME scheme, where the relief rate can reach 27.0%. The simplified scheme is part of a major UK government initiative to invest GBP 20 billion a year in R&D by 2027.

In **France**, the Crédit d'Impôt Recherche (CIR) allows companies to benefit from a tax reduction of 30% (in mainland France) on eligible expenditure up to EUR 100 million and 5% on expenditure above EUR 100 million. For SMEs, innovation expenditure is eligible for a tax reduction of 20% (capped at EUR 400k). The French government is projected to spend EUR 7.6bn on the CIR programme in 2024. Amendments to the CIR are currently being discussed as part of the 2025 federal budget. So far, the CIR has apparently remained exempt from the French government's savings measures.

Both the French and UK R&D schemes are not capped, as is the case in Germany. The two countries are among the most supportive governments in the OECD in terms of R&D tax relief, which represents a significant opportunity for innoscripta. In addition, compliance regulation is becoming increasingly important to close loop-holes. Extensive R&D tax relief schemes and high compliance requirements are fertile ground for the use of innoscripta's software.

Expansion into France and the UK is currently underway. As the innoscripta platform can be used in these new geographies without many localisation requirements, margins and returns look set to remain highly attractive – the first international office to service international R&D claims has already been opened in Manchester.

Strong revenue momentum

Market-leading position in a nascent market is the foundation for stellar revenue growth

The remarkable growth in recent years has already demonstrated the distinctive value of the innoscripta platform. We expect robust expansion to continue, driven primarily by market growth in Germany and innoscripta's market-share gains. While there are various other growth opportunities such as additional products, partnerships and internalisation of business activities, our estimates and valuation model **only consider the German market, which provides sufficient opportunities for growth at outstanding economics.**

Note that we use total cost accounting which is used across the Warburg Research coverage universe. The gross profit is derived as the sum of revenue and own work capitalised less material expenses.

Continuation of high growth and attractive margins

in EUR m	2022	2023	2024	2025e	2026e	2027e
Sales	**27.3**	**39.4**	**64.7**	**102.6**	**138.5**	**177.2**
Gross profit (Total cost accounting)	**25.7**	**38.0**	**63.3**	**99.6**	**134.9**	**172.6**
margin	94.2%	96.5%	97.8%	97.1%	97.4%	97.4%
EBITDA	**9.3**	**15.6**	**37.5**	**56.4**	**77.6**	**99.2**
margin	**34.1%**	**39.7%**	**57.9%**	**55.0%**	**56.0%**	**56.0%**
Depreciation of fixed assets	0.2	0.2	0.2	0.7	1.0	1.2
EBIT	**9.2**	**15.5**	**37.3**	**55.7**	**76.6**	**98.0**
margin	**33.6%**	**39.3%**	**57.6%**	**54.3%**	**55.3%**	**55.3%**
Net income	**6.1**	**10.3**	**25.1**	**36.9**	**50.8**	**65.2**

Source: innoscripta (historical data), Warburg Research (estimates)

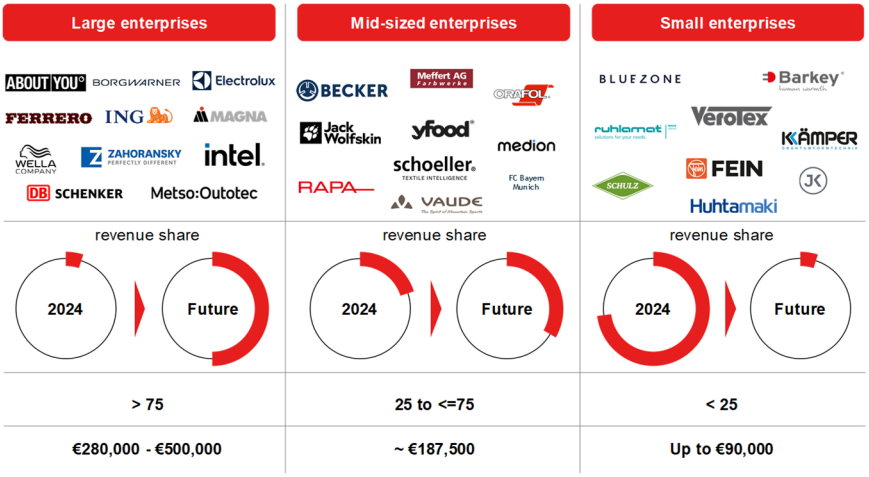
Targeting larger customers to maximise opportunities from increase in R&D tax-credit volumes

So far, innoscripta has mainly targeted smaller companies because these SMEs were the main target group of the original Research Allowance Act with its initial EUR 2m cap on eligible R&D costs. Consequently, innoscripta's sales and service teams focused on customers with smaller R&D departments.

With the increase in the maximum tax credit to EUR 10m in March 2024, innoscripta looks set to seize the opportunity and take the company to the next stage of growth by increasingly focusing on larger customers. Management assumes that smaller customers typically employ up to 25 R&D staff, while larger customers are considered to have R&D teams with more than 75 employees.

This increased R&D volume cap makes the programme highly appealing to bigger companies, opening the door for innoscripta to elevate its growth trajectory.

Large clients provide higher revenue per client at similar CAC



Sources: innoscripta (historical data), Warburg Research (estimates)

As innoscripta begins to adapt its go-to-market strategy to include larger companies, we anticipate strong revenue potential going forward. In addition to larger teams, R&D staff salaries tend to be higher in larger companies. Accordingly, the total R&D expenditure of large companies is significantly higher than that of smaller companies, which implies high R&D costs eligible for the tax scheme – **this translates into high growth prospects for innoscripta.** The maximum revenue potential for large customers in the chart above is derived assuming a 5% fee on a maximum refundable amount of EUR 10m.

Even with the shift towards larger corporations, innoscripta's **scalable** business model and **efficient sales** setup mean that there should not be much of an increase in the costs of acquiring and servicing larger clients. With streamlined, **software-driven** processes, innoscripta is well-positioned to keep customer acquisition costs (CAC) stable and further expand its margins.

Conclusion: innoscripta's winning sales strategy will continue driving growth. By targeting larger customers, the company is poised to boost revenue per client without increasing costs significantly. This combination is a key lever to accelerate growth and margins.

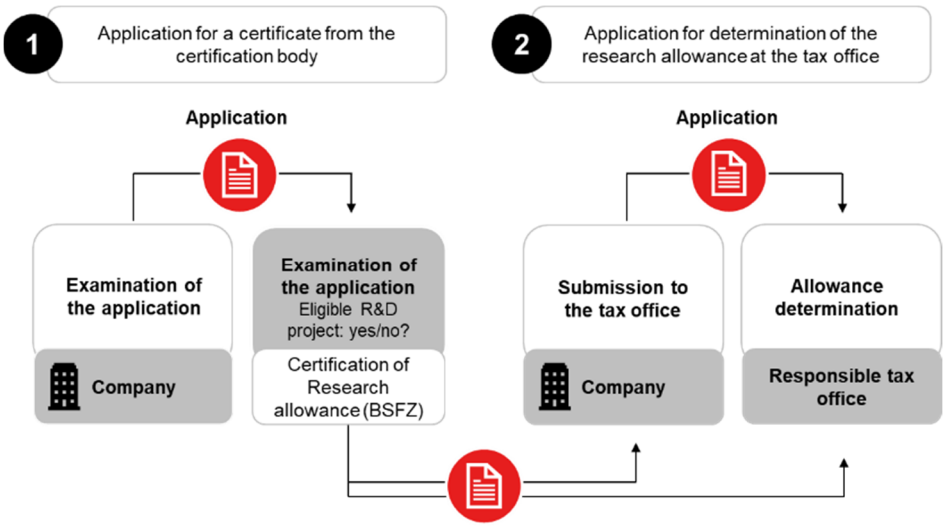
Customers are charged on a commission basis

Access to the innoscripta platform is provided free of charge. Revenues are primarily generated by charging each client a commission in the form of a percentage of the total R&D tax incentives recoverable for a particular R&D project, which typically amounts to a single-digit percentage of the eligible R&D personnel costs (WRe: approx. 5%).

Traditional (analogue) R&D tax-credit consultants (e.g. auditors, tax advisors) typically charge a commission based on the total tax credit. Their commission can vary between 10-25%. Assuming eligible R&D expenses of EUR 10m and depending on the size of the client company (i.e. large vs. small), this commission would translate into a fee of 2.5-8.75% (mid-point: 5.6%), compared to innoscripta's average of approximately 5% (WRe).

The full commission is invoiced and recognised as revenue when the BSFZ approves the tax-credit application (first of two steps of the tax-credit process). The agency typically takes a maximum of three months to approve applications. The remaining third of the commission payment is due 180 days after approval by the BSFZ. On average, it takes between three and nine months for the first revenue to be recognised after a customer has signed.

Customer acquisition and higher employee count to drive revenue growth



Source: Warburg Research

Research tax credits are granted for a given tax year over the company's tax return in the form of a reduction in the tax burden. Research projects that extend over more than one year will therefore be tax-subsidised in subsequent tax returns. However, the initial application for eligibility (the responsibility of the "Bescheinigungsstelle Forschungszulage" (BSFZ)) only needs to be renewed if the scope of the project changes.

The researching company identifies the eligible expenses (personnel, equipment, etc.) required for the research project. These expenses, in Germany, can amount to EUR 10m per year. Depending on the size of the company, 25% or 35% of the costs for smaller companies are covered by the German government in the form of tax reductions. innoscripta then assists the company in identifying the expenses, applying for the R&D tax credit and, most importantly, documenting the project in accordance with legal requirements.

Soaring revenue growth is accompanied by high visibility

We derive our revenue estimates from trends in German R&D tax-credit programmes and innoscripta's commission-based revenue model. We consider new customer growth and the number of R&D employees per company as the main drivers of revenue potential. As R&D tax credits are mostly related to R&D personnel expenses (WRe: > 80% of eligible expenses, other expenses include for example D&A), innoscripta's commission is derived from the eligible salaries of R&D employees.

The company intends to increasingly focus on larger companies in the future, as the maximum annual tax-credit volume increased significantly in March 2024, making the tax-credit scheme more attractive to larger companies. As a result, the average number of R&D employees per customer and the average salary per customer are expected to increase. The incremental increase was particularly high in 2024 as innoscripta is ramping up its sales efforts and the incentives of sales staff to target large companies (which offer higher total cost potential based on higher R&D salaries and larger R&D teams). This initiative is particularly promising as large companies are beginning to take advantage of the higher R&D tax credits available under the Act. As a result of the sales focus on larger customers, the average number of R&D employees is expected to increase further in the near term.

We estimate that new customers will continue to claim R&D tax credits at a rate of 70-75% within the first year of contracting with innoscripta. In subsequent years, we assume that 15-20% of existing clients will submit projects each year. While innoscripta’s current main focus is on land-grabbing and gaining new customers, more resources are likely to be allocated to servicing existing customers in the future, which we believe represents upside regarding the filing rate. Accordingly, we expect the filing rate among existing customers to increase to the higher end of the 15-20% range over the short to medium term. In addition, we assume churn rates to stay low at 2%.

As innoscripta scales rapidly, the number of clients applying for tax credits will rise sharply (estimated at 19.1% annually between 2024-27e). Crucially, innoscripta benefits from high visibility on revenue growth, as newly signed clients are typically monetised within three to nine months, with minimal non-monetisation risks. The company's growth trajectory is clear, and its commission model ensures that it will capitalise on the rising R&D tax-credit claims.

We derive the total project costs (which represent the R&D personnel costs that were claimed in the BSFZ application) as the product of R&D personnel, average salary and the number of customers filing an application for an R&D tax credit. Assuming average commission fees of 5% (WRe) of the total eligible project costs (currently capped at EUR 10m per customer per year) and a success rate (costs approved by the authorities) of 75% (WRe), we derive our revenue estimates. As a result, revenues are expected to grow by 58.5% in 2025 followed by 35.0% in 2026 and 28.0% in 2027.

In the table below, we apply the same rationale to model reported revenue. The historical values are based on our own calculations. We assume slightly higher fees in the past, as smaller customers and the novelty of R&D tax credits should have allowed for slightly higher commission in percentage terms.

Customer acquisition and higher employee-count to drive revenue growth

FY End: 31.12. in EURm		CAGR (24-27e)	2022	2023	2024	2025e	2026e	2027e
1)	**R&D employees per customer (#, WRe)**	14.8 %	**23.2**	**23.6**	**35.0**	**43.0**	**49.0**	**53.0**
	yoy		-4.3 %	1.7 %	48.6 %	22.9 %	14.0 %	8.2 %
2)	**Average salary (EUR, WRe)**		**75,421**	**75,536**	**77,132**	**78,657**	**80,708**	**82,621**
	yoy		-	0.2 %	2.1 %	2.0 %	2.6 %	2.4 %
3)	**Filed customers (#, WRe)**	19.1 %	**353.0**	**580.0**	**639.1**	**808.6**	**933.8**	**1,079.2**
	yoy		489.4 %	64.3 %	10.2 %	26.5 %	15.5 %	15.6 %
	New customers		467.0	596.0	676.0	732.0	708.0	696.0
	yoy		653.2 %	27.6 %	13.4 %	8.3 %	-3.3 %	-1.7 %
	Existing customers		84.0	536.0	1,106.0	1,782.0	2,463.7	3,108.3
	yoy		250.0 %	538.1 %	106.3 %	61.1 %	38.3 %	26.2 %
	Total customers		551.0	1,132.0	1,782.0	2,514.0	3,171.7	3,804.3
	yoy		540.7 %	105.4 %	57.4 %	41.1 %	26.2 %	19.9 %
4) = 1) x 2) x 3)	**Total project costs (EURm)**	39.9 %	**616.6**	**1,031.8**	**1,725.3**	**2,734.9**	**3,693.0**	**4,725.8**
	yoy		-	67.3 %	67.2 %	58.5 %	35.0 %	28.0 %
5)	**Average fee (WRe)**		**5.9 %**	**5.1 %**	**5.0 %**	**5.0 %**	**5.0 %**	**5.0 %**
6) = 4) x 5)	**Total revenue potential**		**36.4**	**52.5**	**86.3**	**136.7**	**184.7**	**236.3**
	yoy		-	44.4 %	64.3 %	58.5 %	35.0 %	28.0 %
7)	**Success rate (WRe)**		**75.0 %**	**75.0 %**	**75.0 %**	**75.0 %**	**75.0 %**	**75.0 %**
8) = 6) x 7)	**Revenue**	39.9 %	**27.3**	**39.4**	**64.7**	**102.6**	**138.5**	**177.2**
	yoy		37.6%	44.4%	64.3%	58.5%	35.0%	28.0%

Revenue = R&D employees per customer x avg. salary x filed customers x commission fee x success rate
Filed customers = 15-20% x existing customers + 70-75% x new customers

Sources: innoscripta (historical data), Warburg Research (estimates)

All in all, innoscripta is primed for substantial growth in the near and medium term:

- Firstly, the **expanding German R&D tax-credit market** presents a massive opportunity, driven by increasing government backing for corporate R&D – with the maximum tax-credit volume rising multiple times. As awareness of these schemes grows and spending caps are raised, larger companies will find them increasingly appealing, giving innoscripta a clear advantage.
- Secondly, **shifting the focus to larger clients will further enhance growth**. innoscripta's commission is directly tied to project size, based on the number of R&D employees and their salaries. Therefore, attracting bigger companies with larger R&D teams and higher wages unlocks considerable revenue potential. This dual approach positions innoscripta to capitalise on both rising market demand and higher-value clients, paving the way for accelerated growth.

Company still in early growth phase

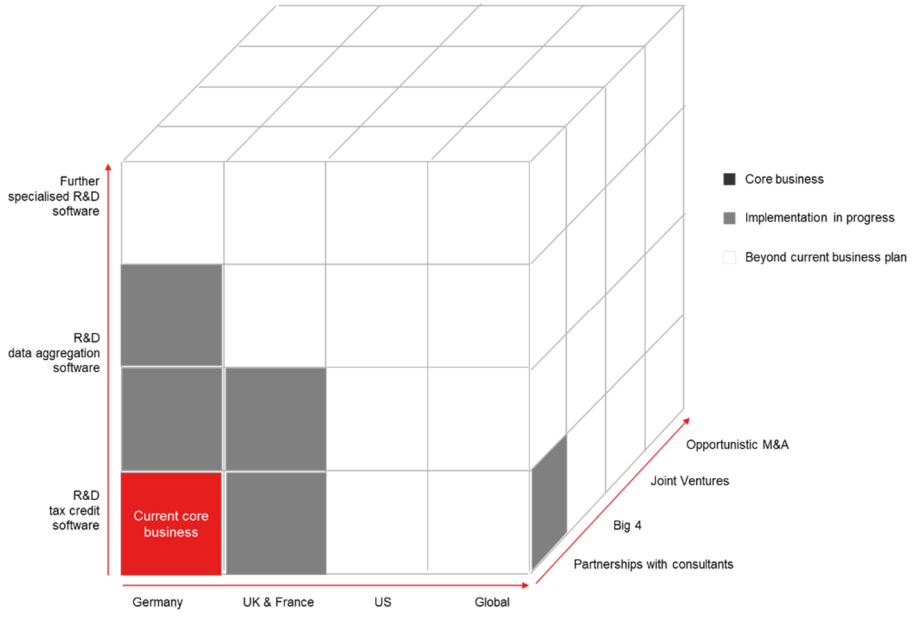
Numerous long-term opportunities to provide for future growth

Our valuation models and estimates are based on innoscripta's current core business, i.e. the German R&D tax credit business which is addressed by the innoscripta platform.

Looking ahead, we see **various additional growth opportunities, which look set to sustain high growth rates in the future:**

- **International expansion**: All OECD countries have domestic R&D tax incentive programmes to promote high value-add sectors of the economy. Therefore, innoscripta's business model can be extended to other countries. We believe that innoscripta's software and customer proposition is most valuable in countries with high R&D activity, extensive tax-credit schemes and high compliance requirements. The company has already identified France and the UK as attractive markets and is working on adapting the product for these markets.
- **Product expansion**: innoscripta's software is currently being used for tax-credit applications. The company is already handling important data from a customer's R&D department. The use of this data-in to further facilitate process management and R&D efficiency with tools, such as R&D aggregation or other specialised R&D software solutions, could be an attractive extension of the product portfolio.
- **Partnerships and collaborations**: The software is currently marketed by innoscripta's highly efficient sales force directly to customers – often the CFO of a company. This sales channel overlaps with traditional tax advisors and auditors. A potential opportunity for the future could be in the formation of partnerships with consultants who often also offer advisory services regarding R&D tax credits.

Growth prospects



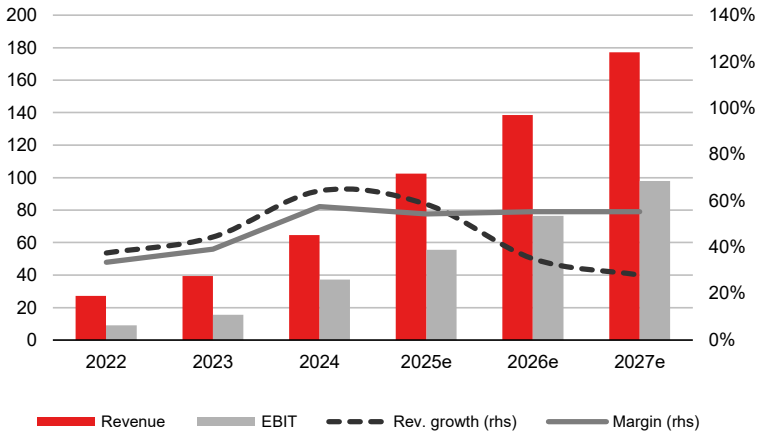
Sources: innoscripta, Warburg Research

Excellent profitability reflects economies of scale

P&L reflects high operating leverage

innoscripta's high profitability underlines the value it delivers to its clients. The company has achieved positive and rapidly growing EBIT. For the current financial year, we forecast an EBIT margin of 54.3% in 2025. As derived above, we see strong potential for revenue growth. Given innoscripta's scalable business model, we expect strong profitability and continuously high margins in the future.

Margin profile reflects economies of scale



Sources: innoscripta (historical data), Warburg Research (estimates)

Higher R&D funding budgets will not only drive demand for R&D tax credits, but will also support innoscripta's revenue potential as commission is directly linked to the volume of tax credits. The business model benefits from significant economies of scale, as administrative costs are expected to remain relatively stable and sales expenses look set to grow at a slower rate. Meanwhile, revenue potential has increased significantly with the increase in the maximum R&D credit volume. For 2025, we project one-off costs related to the IPO process of EUR 1.0m following EUR 0.7m in 2024, which are included under other operating expenses.

The table below presents an overview of our model using the cost-of-sales accounting method, in accordance with company reporting standards. In this context, gross profit is defined as total sales – comprising revenue, changes in work in progress, and other operating income – minus material expenses.

As personnel is the biggest cost item, there is room for further leverage

in EUR m	2022	2023	2024	2025e	2026e	2027e
Sales	**27.3**	**39.4**	**64.7**	**102.6**	**138.5**	**177.2**
Gross profit (Total cost accounting)	**25.7**	**38.0**	**63.3**	**99.6**	**134.9**	**172.6**
margin	94.2%	96.5%	97.8%	97.1%	97.4%	97.4%
Personnel expenses	11.7	16.8	18.0	28.5	38.1	48.7
ratio	43.0%	42.6%	27.8%	27.8%	27.5%	27.5%
Other operating income	0.2	0.2	0.2	0.7	0.3	0.4
Other operating expenses	4.8	5.8	8.0	15.4	19.5	25.0
other expenses/personnel expenses	41.3%	34.3%	44.7%	53.9%	51.3%	51.3%
EBITDA	**9.3**	**15.6**	**37.5**	**56.4**	**77.6**	**99.2**
margin	**34.1%**	**39.7%**	**57.9%**	**55.0%**	**56.0%**	**56.0%**
Depreciation of fixed assets	0.2	0.2	0.2	0.7	1.0	1.2
EBIT	**9.2**	**15.5**	**37.3**	**55.7**	**76.6**	**98.0**
margin	**33.6%**	**39.3%**	**57.6%**	**54.3%**	**55.3%**	**55.3%**
Net income	**6.1**	**10.3**	**25.1**	**36.9**	**50.8**	**65.2**

Sources: innoscripta (historical data), Warburg Research (estimates)

Revenue growth will more than compensate for increases in sales costs

in % of Sales	2022	2023	2024	2025e	2026e	2027e
Sales	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Change in work in progress	-3.3%	-0.2%	0.6%	-0.2%	-0.1%	-0.1%
Other operating revenue	0.7%	0.5%	0.3%	0.5%	0.4%	0.3%
Total sales (Cost of sales accounting)	**97.4%**	**100.2%**	**100.9%**	**100.3%**	**100.2%**	**100.2%**
Cost of materials (COGS)	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%
Gross profit (Cost of sales accounting)	**97.3%**	**100.1%**	**100.8%**	**100.1%**	**100.1%**	**100.1%**
Research and development	7.7%	8.5%	5.8%	6.0%	6.0%	6.0%
Sales and marketing	28.4%	31.0%	19.8%	23.8%	23.8%	23.8%
General and administration	27.6%	21.3%	17.5%	16.0%	14.9%	14.9%
Other operating income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other operating expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (EURm)	**9.2**	**15.5**	**37.3**	**55.7**	**76.6**	**98.0**
Growth	16.6%	68.9%	141.0%	49.5%	37.5%	28.0%
Margin	33.6%	39.3%	57.6%	54.3%	55.3%	55.3%

Sources: innoscripta (historical data), Warburg Research (estimates)

While innoscripta reports its figures according to the nature-of-expense method, the company is managed by using the function-of-expense method as shown in the table above.

Cost of materials (COGS) are negligible and mostly comprise the cloud infrastructure costs related to innoscripta's software offering.

R&D costs have increased in the past as the company has developed its software platform. For this project, the company hired software engineers and used external service providers. As the core platform is up and running, we expect R&D costs to remain low at 6.0% of sales in the future after 8.5% in 2023 and 5.8% in 2024.

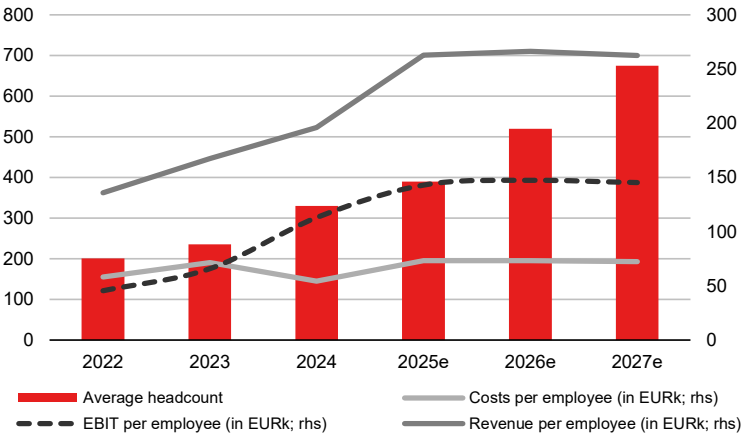
G&A costs are largely fixed. After a spike to 27.6% of sales in 2022 (largely due to wage increases), G&A costs are expected to decline significantly as a percentage of revenue as the company continues to scale. Strong revenue growth is expected to offset slightly higher G&A costs in absolute terms due to increased administrative requirements as a result of the company's listing.

Sales and marketing expenses are expected to increase in absolute terms considering the continued efforts to expand the customer base. The company aims to put a stronger focus on larger companies, which should require further expansion of the sales force. However, we expect revenues to more than offset the increase in sales expenses, as CACs are not expected to increase significantly, providing further leverage as the sales force gains new and larger customers. Accordingly, we expect S&M costs to decrease to 23.8% (WRe) of revenue by 2027 following 31.0% in 2023. 2025 estimates reflect increased sales and marketing investments in order to avail of growth opportunities. Over the medium term, we see further potential for scaling here given the company's highly effective sales organisation which is not yet included in our conservative model assumptions.

Proportionately slower headcount growth

innoscripta has increased its headcount in the past to meet demand and lay the foundations for future growth. The average number of employees increased from 160 in 2021 to 260 in 2024. We expect further headcount growth to meet increasing demand and to drive strategic initiatives such as targeting larger customers. In particular, the sales team is expected to grow in size in the future. As of March 2025, the headcount increased to 330.

Highly scalable business model

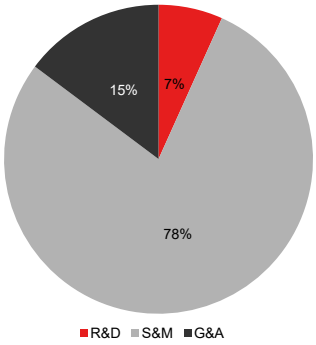


Sources: innoscripta (historical data), Warburg Research (estimates)

Over time, costs per employee (referring to the company's own workforce) increased to over EUR 71k in 2023 and EUR 69k in 2024 as the company shifted its personnel base to more specialised roles, especially in software development. In addition, innoscripta raised the standards for its employees and introduced a new bonus scheme to retain high performers. As a result, the employee mix changed and wages increased overall.

A slight increase in cost-per-employee seems feasible in the future as senior managers are recruited to drive strategic projects and expand the software portfolio. Even if wages and headcount increase, we note that revenue growth is expected to be comparatively higher, underlining innoscripta's highly scalable SaaS business model.

High share of workforce in S&M – as of Q1 25



Sources: innoscripta (historical data), Warburg Research (estimates)

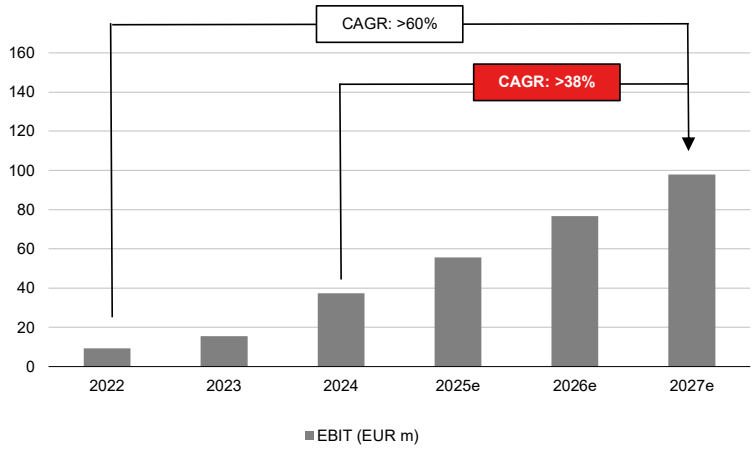
Highly scalable business model drives proportionately stronger EBIT growth

innoscripta's shift to its R&D SaaS platform in 2021 has delivered remarkable profit growth, fuelled by strong market-share gains and the inherent scalability of its business model. In just two years, EBIT surged from EUR 7.9m in 2021 to EUR 37.3m in 2024, thanks to a highly efficient sales organisation and streamlined operations.

While we expect margin expansion to moderate as the company matures, the lean structure and focus on profitability ensure innoscripta will maintain its impressive profitability.

The result: EBIT is expected to grow at a CAGR of 38% (WRe) from 2024-2027e even though innoscripta is accelerating investment in its sales organisation in 2025e.

Rapid EBIT growth despite increasing investment in S&M



Sources: innoscripta (historical data), Warburg Research (estimates)

Impressive recent performance

In the first three months of 2025, innoscripta achieved stellar revenue growth of 122.8% yoy reaching a level of EUR 25.6m. The revenue performance was mainly driven by strong new customer acquisitions and a high filing rate in the fourth quarter of 2024. As revenue is typically recognised with a time-lag of three months after the filing, a strong performance in Q4 2024 led to strong revenue growth in Q1 2025. In line with the company's growth strategy, new customer-wins increasingly include large customers (more than 75 R&D employees) which offer significant growth potential and attractive unit economics.

In terms of seasonality, we expect FY 2025 to show a similar trend as in recent years. As mentioned above, revenue tends to be weighted towards the second half of the year, as customers typically file for tax credits in the second half of the year. We expect approximately two-thirds of revenue to be generated in the second half of the year. Low filing rates in the first quarter mean the second quarter is typically the weakest revenue quarter of the year.

On the basis of the recent growth momentum, we expect revenue growth to continue in the coming quarters resulting in FY 2025 revenue of EUR 102.6m (WRe).

EBIT amounted to EUR 16.3m in the first three months, representing a margin of 63.7% compared to 42.7% last year. Profitability improvements are driven by economies of scale and attractive unit economics, which continue to improve as the company increasingly focuses on larger customers. Again, the first quarter benefited from a strong performance in the last quarter of 2024.

S&M expenses decreased as a percentage of adjusted revenue from 27.6% in Q1 2024 to 15.3% in Q1 2025. Economies of scale led to a relative reduction in G&A expenses – which are mostly fixed costs – to 15.9% of adjusted revenue (from 30.2% last year). R&D expenses decreased from 7.0% after the first three months of 2024 to 5.8% of sales as of March 31, 2025. With the launch of the innoscripta platform, R&D intensity (as a percentage of sales) has decreased and is expected to remain low.

Based on highly efficient sales processes and economies of scale, we expect strong margins in the coming quarters, albeit below the elevated margin level of the first quarter. This looks set to pave the way for EBIT of EUR 55.7m (WRe) in 2025, implying a margin of 54.3%.

Q1 2025 results

in EUR m	**Q1/25**	**Q1/24**	yoy	**2025e**	2024	yoy
Sales	**25.6**	11.5	122.8%	**102.6**	64.7	58.5%
EBIT	**16.3**	4.9	232.1%	**55.7**	37.3	49.5%
Margin	*63.7%*	*42.7%*		*54.3%*	*57.6%*	
Total signed customers (#)				**2,514.0**	1,782.0	41.1%

Sources: innoscripta (historical data), Warburg Research (estimates)

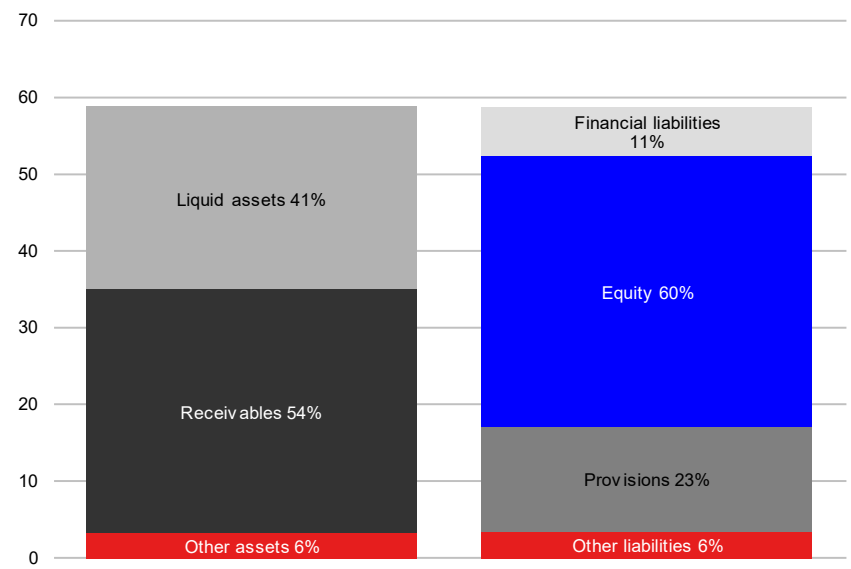
Outstanding Return on Capital

- Balance sheet highlights innoscripta's **low capital intensity** and the benefits of its **asset-light** and highly scalable business model.
- Absence of goodwill and minimal intangible assets reflect the **purely organic growth** of the business and conservative R&D accounting practices.
- **Working capital** mirrors the R&D tax-credit approval cycle, as cash collection is linked to the approval of R&D tax-credit claims.
- **ROCE north of 100% underpins innoscripta's strong market position.**

Balance sheet reflects capital-light business model

innoscripta's business is characterised by low capital intensity, as revenues are mainly generated by software sales. This is reflected in the company's balance sheet, as assets consist mainly of cash and receivables. In addition, as the company's growth has been purely organic, there is no goodwill on the balance sheet, which is often a by-product of acquisitions. As innoscripta's financial statements are prepared in accordance with the **German Commercial Code (HGB)**, assets and liabilities from rental and lease agreements are not included in the balance sheet.

Balance sheet 2024



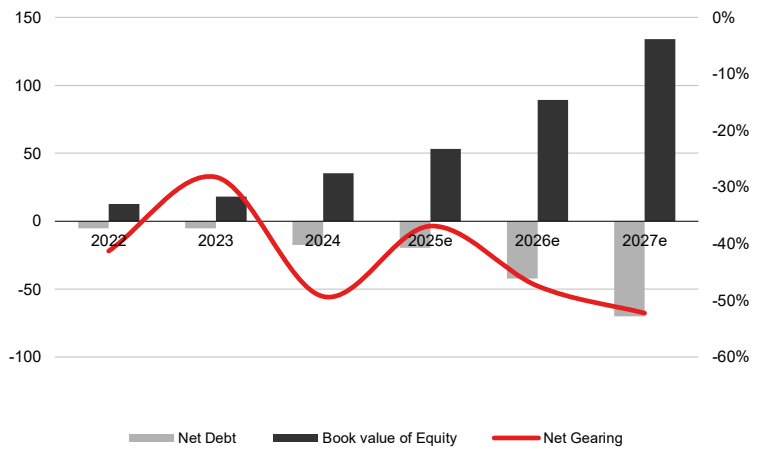
Sources: innoscripta (historical data), Warburg Research (estimates)

- The largest asset category on the balance sheet is **receivables,** which represent 54% of assets or EUR 31.6m as of 2024. innoscripta had high DSOs of around 180 days in the past, which are related to the R&D tax-credit approval cycle. Combined with the company's rapid growth, this leads to a high level of receivables. In addition, timing effects can lead to high receivables around the balance sheet date, as the majority of tax-credit applications are typically processed in the second half of the year.
- Excellent profitability and low investment levels have allowed the company to build up a **cash position** of EUR 23.9m as of December 2024.

- After years of profitable growth, **equity** is by far the largest liabilities category at 60%, resulting in retained earnings of EUR 24m. Management carried out a EUR 5m capital increase from profits to strengthen the capital base in 2022 and 2024 respectively.
- At EUR 6.5m, **financial liabilities** represent 11% of liabilities. In 2022, bank loan commitments of EUR 5.4m were drawn. A further EUR 1.8m were drawn in 2023. The financial debt reflects the objective of taking advantage of the past low interest rate environment. **These funds were used for the development of the innoscripta platform**.
- **Provisions** amount to EUR 13.6m, or 23% of liabilities, of which EUR 11.5m are tax provisions and EUR 2.1m other provisions.

As innoscripta reports in accordance with the German HGB accounting principles, leasing assets and liabilities are considered off-balance-sheet items.

Balance sheet quality



Sources: innoscripta (historical data), Warburg Research (estimates)

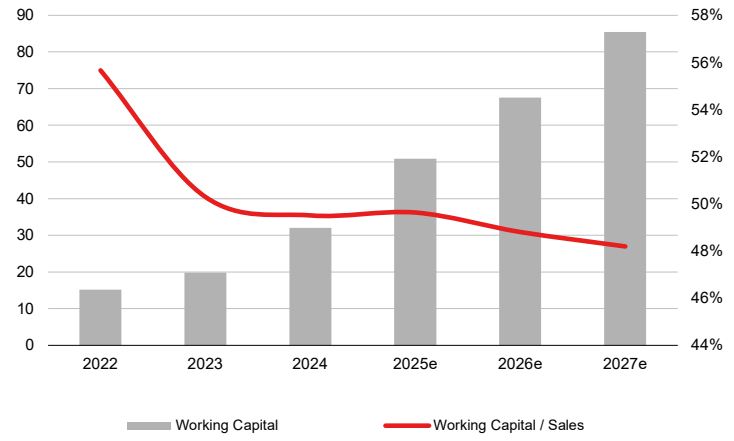
Working capital reflects tax-credit approval process

The working capital ratio is high compared to typical software companies, but is decreasing. It typically takes three to nine months to generate revenue from a signed customer contract. The timeframe also depends on the speed of the tax-credit application process, which is largely outside the company's control and can vary.

Once the BSFZ has approved and announced the total amount of refundable R&D tax credits for a particular project, a certificate of approval is sent to the client. At this point, innoscripta invoices the client for 100% of the commission, of which two-thirds is due immediately. The remaining third is due within 180 days of the client's receipt of the approval certificate. In the past, payment targets have sometimes been longer, resulting in DSOs of over 200 days. In the future, however, management intends to make greater use of factoring to finance working capital. Therefore, future payment terms in the second stage will be 180 days in order to meet the requirements of factoring companies. The current factoring agreement for a value of EUR 20m is maturing in 2026.

The high DSO (days sales outstanding) is also partly explained by a large number of R&D tax-credit approvals by the BSFZ in the second half of the year. This seasonality is explained by two main factors: the official cycle of processing R&D tax-credit applications by government authorities and the operational organisation of customers, who tend not to submit applications at the beginning of the year. These seasonal variations in revenue have resulted in a stronger performance in the fourth quarter compared to other quarters. As the business continues to focus on medium and large enterprises and less on SMEs, we expect this seasonality to become more pronounced.

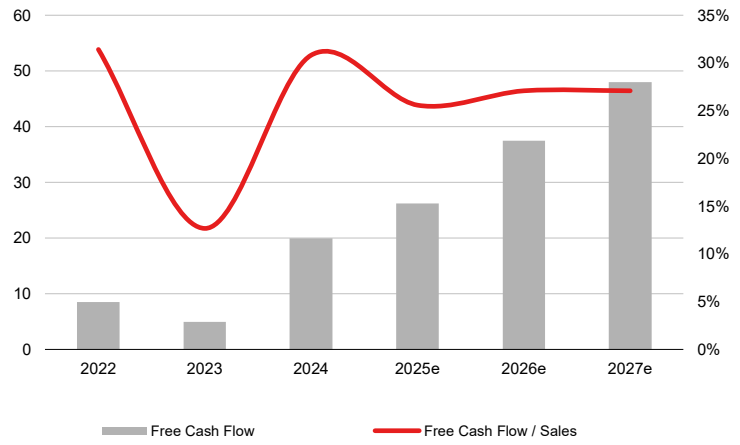
Working capital reflects approval process



Sources: innoscripta (historical data), Warburg Research (estimates)

Free cash flow is affected by the above-mentioned increases in working capital as a result of innoscripta's growth. The decrease in 2023 is mainly explained by a reduction in tax provisions. These tax provisions were built up in previous years, mainly because tax payments in those periods were relatively low. Capital expenditure is negligible at less than 1% of sales and is mainly related to operating equipment. We define FCF as operating cash less investment in fixed and intangible assets.

FCF expected to improve supported by shorter payment terms

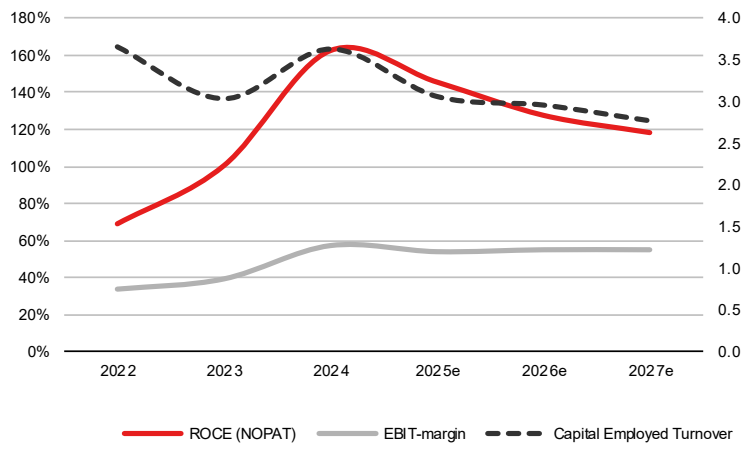


Sources: innoscripta (historical data), Warburg Research (estimates)

Returns dwarf the cost of capital and reflect outstanding competitive quality

With an assumed WACC of 9.6%, the returns exceed the cost of capital by far and reflect innoscripta's outstanding competitive quality. We expect EBIT margins to continue to improve as the business continues to scale. However, the comparatively slow cash conversion is likely to lead to higher capital employed, as equity grows faster than cash. As a result, capital employed turnover may decline slightly and ROCE reach a plateau at a very high level. We define ROCE as the net operating profit after taxes (NOPAT) divided by average capital employed (sum of equity, long-term provisions and financial liabilities less cash).

ROCE development



Sources: innoscripta (historical data), Warburg Research (estimates)

Valuation

- To reflect innoscripta's high-growth profile, we mainly focus on **2026 multiples** in a peer group analysis.
- The **peer group** comparison indicates values with outcomes of over EUR 200 based on earnings multiples.
- Our **DCF** analysis indicates a value of EUR 210.

DCF model

The DCF model is based on the following assumptions:

Expectation of double-digit sales growth

- Until 2027, our model is driven by our detailed sales, earnings and cash flow forecasts. From 2024 to 2027e, we expect a sales CAGR of around 40%.
- In the transition period from 2028 to 2037, we estimate a sales CAGR of 16% and assume sales growth of 2% for the terminal value.
- We expect the EBIT margin to increase slightly, but steadily reflect economies of scale. Our terminal value is based on an EBIT margin of 55.3%. Our **cash figure** consists of EUR 24m cash at the end of 2024. We therefore assume a capital structure that is entirely equity funded (100%). We derive a WACC of 9.6%.
- At the end of 2024, innoscripta had EUR 6.5m in financial liabilities.
- We assume capex of 0.5-1% of sales, broadly in line with depreciation. We also assume a risk-free interest rate of 2.75% and a market risk premium of 5.5%. The **beta of 1.25** reflects innoscripta's strong growth and a capital market track record that has yet to be established. The discount rate also considers the potential entry of new players or changes in the regulatory framework.

These assumptions define the base case of our DCF model. The tables on the next page show the sensitivity of the central point of the DCF to changes in the long-term EBIT margin and sales growth.

DCF model

	Detailed forecast period			Transitional period										Term. Value
Figures in EUR m	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	
Sales	102.6	138.5	177.2	225.1	281.3	348.9	425.6	510.7	587.3	657.8	723.6	774.2	789.7	
Sales change	*58.5 %*	*35.0 %*	*28.0 %*	*27.0 %*	*25.0 %*	*24.0 %*	*22.0 %*	*20.0 %*	*15.0 %*	*12.0 %*	*10.0 %*	*7.0 %*	*2.0 %*	*2.0 %*
EBIT	55.7	76.6	98.0	124.5	155.6	192.9	235.4	282.4	324.8	363.8	400.1	428.2	436.7	
EBIT-margin	*54.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	
Tax rate (EBT)	*33.0 %*	*33.0 %*	*33.0 %*	*33.5 %*	*33.5 %*	*33.5 %*	*33.5 %*	*33.5 %*	*33.5 %*	*33.5 %*	*33.5 %*	*33.5 %*	*33.5 %*	
NOPAT	37.3	51.3	65.7	82.8	103.5	128.3	156.5	187.8	216.0	241.9	266.1	284.7	290.4	
Depreciation	0.7	1.0	1.2	1.1	2.1	3.5	4.3	5.1	5.9	6.6	7.2	7.7	7.9	
in % of Sales	*0.7 %*	*0.7 %*	*0.7 %*	*0.5 %*	*0.8 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	18.9	16.7	17.8	22.6	27.0	32.4	36.8	40.9	36.8	33.8	31.6	24.3	7.4	
- Capex	0.4	0.6	0.6	1.1	2.1	3.5	4.3	5.1	5.9	6.6	7.2	7.7	7.9	
Capex in % of Sales	*0.4 %*	*0.4 %*	*0.3 %*	*0.5 %*	*0.8 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	18.7	35.0	48.5	60.1	76.5	95.9	119.7	147.0	179.2	208.1	234.5	260.4	283.0	289
PV of FCF	18.7	31.9	40.4	45.6	52.9	60.6	69.0	77.2	85.9	91.0	93.6	94.8	93.9	1,257
share of PVs	4.31 %			36.20 %										59.50 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.25
Cost of debt (after tax)	2.7 %	Liquidity (share)	1.25
Market return	8.25 %	Cyclicality	1.00
Risk free rate	2.75 %	Transparency	1.25
		Others	1.50
WACC	**9.63 %**	**Beta**	**1.25**

Valuation (m)

Present values 2037e	856		
Terminal Value	1,257		
Financial liabilities	7		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	24	No. of shares (m)	10.0
Equity Value	**2,129**	**Value per share (EUR)**	**212.95**

Sensitivity Value per Share (EUR)

		Terminal Growth						
Beta	WACC	1.25 %	1.50 %	1.75 %	**2.00 %**	2.25 %	2.50 %	2.75 %
1.34	10.1 %	186.69	189.65	192.79	196.13	199.67	203.45	207.48
1.30	9.9 %	193.96	197.18	200.61	204.25	208.13	212.28	216.71
1.27	9.7 %	198.54	201.94	205.55	209.40	213.50	217.89	222.59
1.25	9.6 %	201.70	205.22	208.96	**212.95**	217.21	221.77	226.66
1.23	9.5 %	204.93	208.58	212.46	216.60	221.02	225.76	230.85
1.20	9.4 %	209.95	213.80	217.90	222.28	226.96	231.99	237.39
1.16	9.1 %	218.77	222.99	227.49	232.30	237.47	243.03	249.02

		Delta EBIT-margin						
Beta	WACC	-2.0 pp	-1.5 pp	-1.0 pp	**+0.0 pp**	+1.0 pp	+1.5 pp	+2.0 pp
1.34	10.1 %	188.27	190.23	192.20	196.13	200.05	202.02	203.98
1.30	9.9 %	196.09	198.13	200.17	204.25	208.33	210.37	212.42
1.27	9.7 %	201.04	203.13	205.22	209.40	213.58	215.67	217.76
1.25	9.6 %	204.45	206.58	208.70	**212.95**	217.20	219.32	221.44
1.23	9.5 %	207.97	210.13	212.28	216.60	220.92	223.08	225.23
1.20	9.4 %	213.43	215.64	217.85	222.28	226.70	228.91	231.13
1.16	9.1 %	223.07	225.38	227.69	232.30	236.92	239.23	241.53

- Company's short- and medium-term growth levers reflected in DCF model.
- Sustained high margins assumed based on lean and efficient operational model.

Analyst
Andreas Wolf
awolf@warburg-research.com
+49 40 309537-140

Analyst
Fabio Hölscher
fhoelscher@warburg-research.com
+49 40 309537-240

Peer group comparison

To perform a valuation comparison, we have considered companies based on the following criteria:

- **Cloud-native software providers with a focus on enterprise tasks such as planning, ERP, CRM or process management or workforce management,**
- **profitable companies with revenue growth of at least 12%.**

The table below provides an overview of comparable companies. While there are several listed cloud companies that meet the above criteria, no single competitor matches innoscripta's offering, positioning and regional presence. In addition, the revenue model of these companies is typically subscription-based with regular renewals. The peer group includes generic software solutions of players such as Atlassian, Atoss, Planisware or Workday, which are often used in the context of R&D tax-credit claims for project management and documentation.

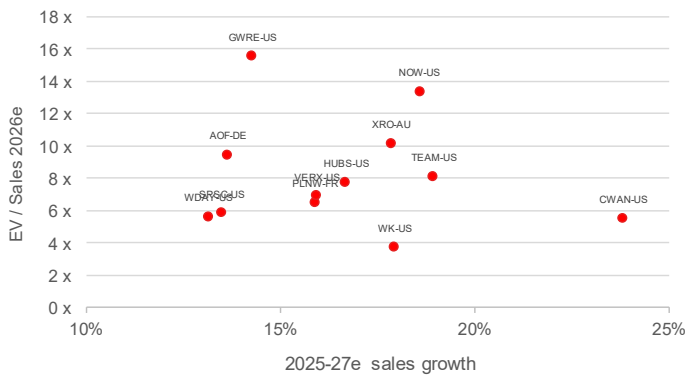
Peer group valuation multiples

Company	LC	Price	MC	EV	P / E			EV / EBITDA			EV / EBIT			EBIT
		in LC	in LC m	in LC m	25e	26e	27e	25e	26e	27e	25e	26e	27e	margin
Atlassian Corp Class A	USD	198.20	52,176.8	50,317.5	56.0 x	47.2 x	38.5 x	38.0 x	31.3 x	25.6 x	40.3 x	33.4 x	26.9 x	24%
ATOSS Software SE	EUR	136.60	2,172.8	2,068.2	48.7 x	42.5 x	36.7 x	31.3 x	27.2 x	23.3 x	32.8 x	29.1x	24.9 x	33%
Clearwater Analytics Holdings, Inc. (	USD	22.03	5,964.4	5,237.5	40.8 x	32.2 x	25.8 x	22.5 x	16.4 x	13.1x	23.7 x	18.3 x	16.3 x	30%
Guidewire Software, Inc.	USD	248.24	20,900.6	21,104.1	102.2 x	90.8 x	68.6 x	98.8 x	74.4 x	55.8 x	109.7 x	80.6 x	58.9 x	19%
HubSpot, Inc.	USD	554.85	29,261.5	27,550.0	59.4 x	49.2 x	40.2 x	41.2 x	33.8 x	26.9 x	49.2 x	39.7 x	31.3 x	20%
Planisware Societe anonyme	EUR	24.70	1,729.6	1,567.9	33.4 x	27.6 x	23.4 x	21.8 x	18.5 x	15.5 x	25.5 x	21.5 x	17.6 x	30%
ServiceNow, Inc.	USD	1,004.91	208,169.1	206,193.0	60.5 x	50.7 x	42.5 x	44.9 x	36.7 x	29.9 x	52.0 x	42.4 x	34.6 x	32%
SPS Commerce, Inc.	USD	134.36	5,102.6	5,044.9	34.4 x	29.3 x	25.2 x	21.8 x	19.0 x	16.1x	24.2 x	21.0 x	18.1x	28%
Vertex, Inc. Class A	USD	36.94	5,854.5	6,058.7	57.7 x	46.2 x	33.1x	37.1x	30.4 x	22.5 x	43.4 x	33.4 x	23.8 x	21%
Workday, Inc. Class A	USD	242.70	64,800.9	61,007.8	27.7 x	23.8 x	20.7 x	20.0 x	17.0 x	14.4 x	22.5 x	18.8 x	15.7 x	30%
Workiva Inc. Class A	USD	66.61	3,712.4	3,767.1	63.7 x	38.6 x	20.7 x	72.8 x	35.4 x	19.3 x	82.2 x	38.2 x	19.7 x	10%
Xero Limited	AUD	191.46	29,499.4	28,705.5	94.7 x	68.4 x	52.8 x	39.3 x	31.7 x	25.7 x	68.0 x	49.8 x	38.8 x	20%
Average					56.6 x	45.5 x	35.7 x	40.8 x	31.0 x	24.0 x	47.8 x	35.5 x	27.2 x	
Median					56.9 x	44.3 x	34.9 x	37.6 x	30.9 x	22.9 x	41.8 x	33.4 x	24.4 x	
Fair value based on Median					**209.79**	**225.23**	**227.51**	**213.92**	**241.39**	**229.38**	**235.04**	**257.60**	**240.62**	

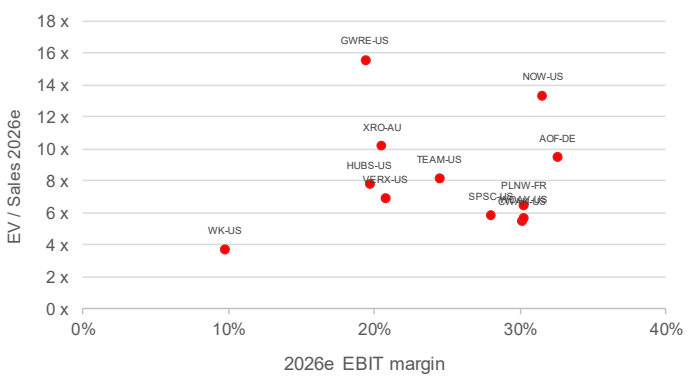
Sources: FactSet, Warburg Research

While EV/sales multiples do not take innoscripta's excellent profitability into account, EBITDA is distorted by accounting differences such as the treatment of rental payments under IFRS 16. Therefore, we mainly focus on one-year forward P/E and EV/EBIT multiples.

EV / sales vs. revenue growth



EV / sales vs. EBIT margins



Sources: FactSet, Warburg Research

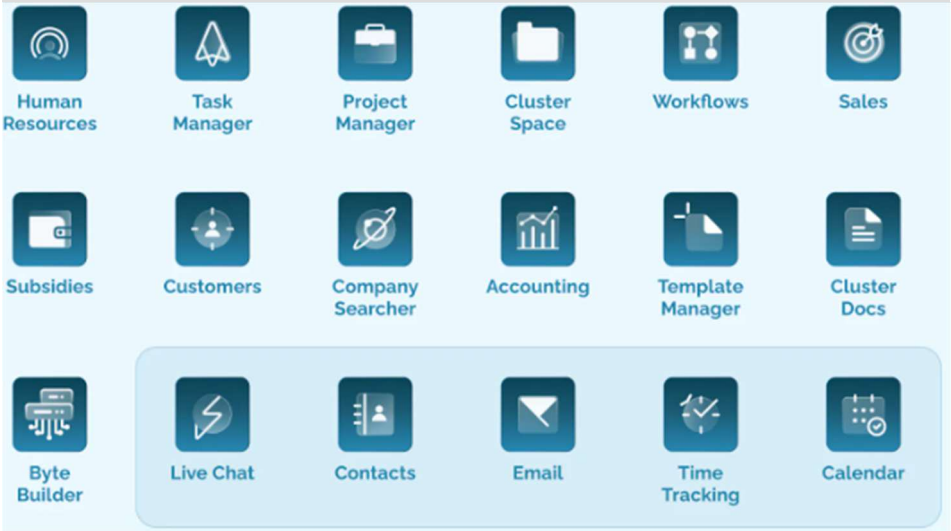
Company & Products

Products

Software solutions

innoscripta offers a comprehensive suite of software solutions designed to streamline research and development (R&D) processes and help companies manage their innovation projects more efficiently. The offering consists of an application-based ecosystem designed to fully integrate R&D tax-credit and broader management functions. The platform integrates the main product, the **innoscripta platform**, as well as **Clusterix.**

Comprehensive app-based software solutions



Source: innoscripta

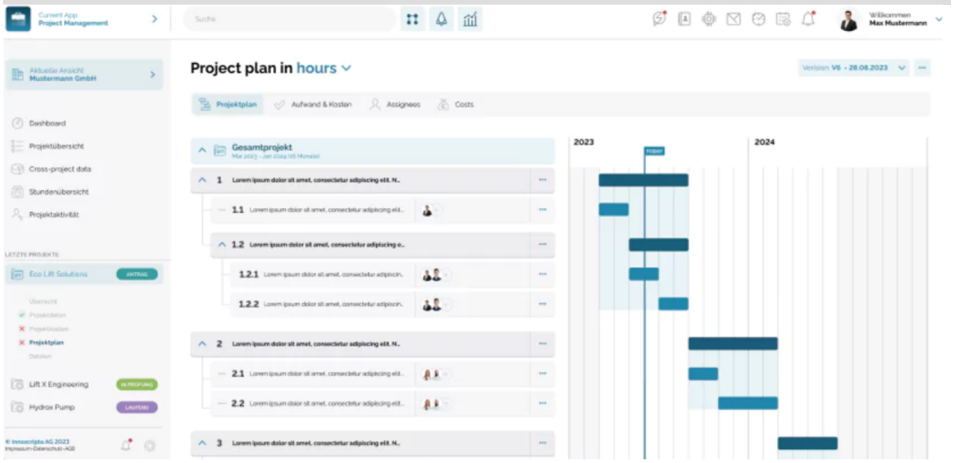
innoscripta platform

The innoscripta platform is the core product and was launched in 2021. It focuses on innoscripta's R&D Software-as-a-Service business. The primary function of the platform is to facilitate the submission of applications for R&D tax credits while ensuring compliance with the relevant regulations. The innoscripta platform enables customers to achieve above-average approval rates, with a success rate of > 75% for applications completed with innoscripta. The innoscripta platform facilitates the seamless integration of data from established databases, including software solutions such as SAP, Jira and finAPI.

The software tools related to innoscripta platform include applications for

- comprehensive project management and control tools for R&D activities, enabling the planning, monitoring and adjustment of project milestones and resources.
- documentation and tracking of working hours per project for all involved in R&D activities, ensuring accurate invoicing, resource management and compliance with R&D tax-credit requirements.
- provides audit-compliant and fully automated documentation in accordance with GoBD (German standards for proper electronic record keeping and audit access), enabling transparent and consistent preparation for tax audits and reporting.

Project management interface



Source: innoscripta

After accessing the innoscripta platform, clients use the data entry service to upload various types of unstructured data. This data is then processed by innoscripta's data normalisation tools, which transform the data into a uniform format that can be accessed in real time by a user-friendly interface. Once the data is aggregated on the platform, the system prepares the necessary application for a specific project, ready for submission to the relevant regulatory authority that determines R&D tax credits. The innoscripta platform significantly speeds up the application process compared to competitors. In addition, its centralised, end-to-end approach to the R&D tax-credit application process minimises clients' risk of financial penalties and late tax claims from subsequent audits by tax authorities.

innoscripta's range of services includes simplification, transparency and regulatory audit-proof documentation of the R&D processes provided on its innoscripta platform. The achievement of the aforementioned objectives is ensured by continuous and transparent project management, including milestones, interim and final reports and time management.

As part of the software onboarding services, innoscripta supports small and large customers in particular in the

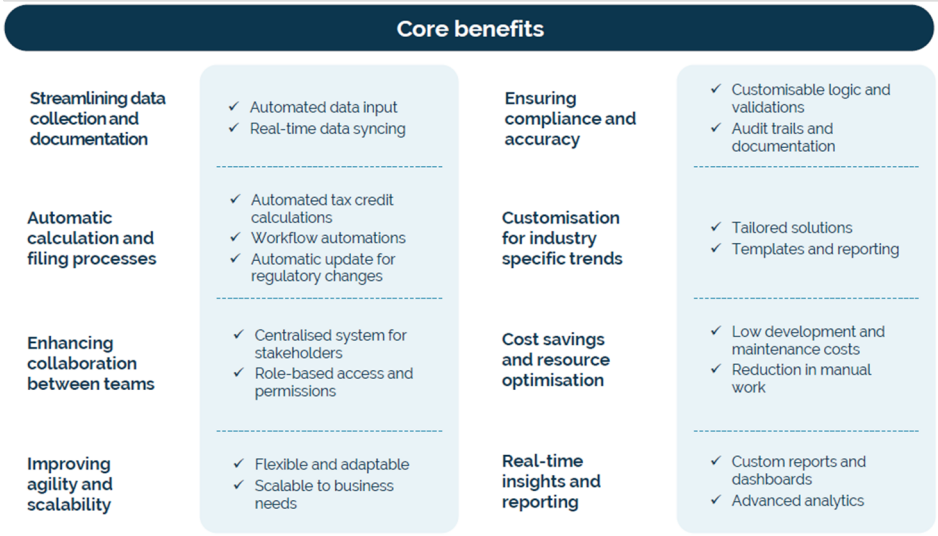
- development of an eligible and economically viable overall concept for R&D and innovation projects,
- submission of applications for funding (tax credits) for innovative projects and R&D activities,
- project development and management,
- submission of the R&D tax-credits notification,
- post-award compliance and documentation.

No-code interface enables customisation and paves the way for internationalisation

innoscripta's software platform aims to streamline its customers' R&D funding and project management processes by reducing barriers for companies that lack such detailed technical expertise. Its low-code/no-code functionalities allow users to build and customise solutions with minimal programming experience. These tools provide a visual interface and drag-and-drop capabilities that make it easier for non-technical users to develop applications, automate workflows and manage complex processes without relying heavily on IT or developers. innoscripta thus offers its customers a highly adaptable platform that can be customised to meet the specific needs of different industries, workflows and organisational requirements.

The no-code functionalities are currently mainly used to adapt the software to the customer's workflow and processes. This customisation typically does not affect the R&D tax-credit application and documentation, as the requirements are standardised in Germany. However, the technical possibility of low-code/no-code extensions offers the possibility of extending the platform to cover R&D tax-credit applications outside Germany. The technical implementation of country-specific requirements could thus be done very efficiently and potentially by customers or local partners with in-depth knowledge of the local R&D tax regime.

Users can customise the platform to suit specific processes

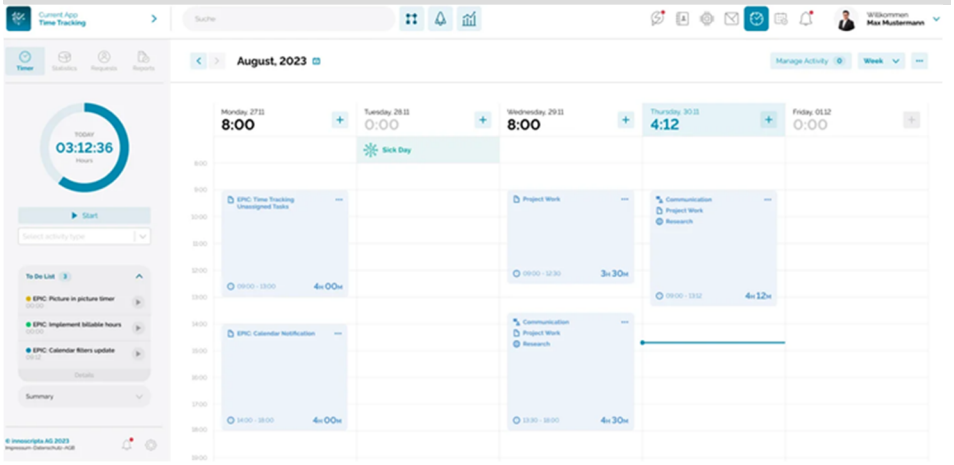


Source: innoscripta

Clusterix

Clusterix is innoscripta's software solution, which was designed to streamline business operations across multiple domains. Launched in 2023, it expands the offered software suite, which initially focused on R&D tax-credit management, to include holistic business management capabilities. Clusterix is an updated version of the innoscripta platform. While the solution is currently used internally by innoscripta, Clusterix will be offered to innoscripta's vast customer base in the near future.

Clusterix time tracking



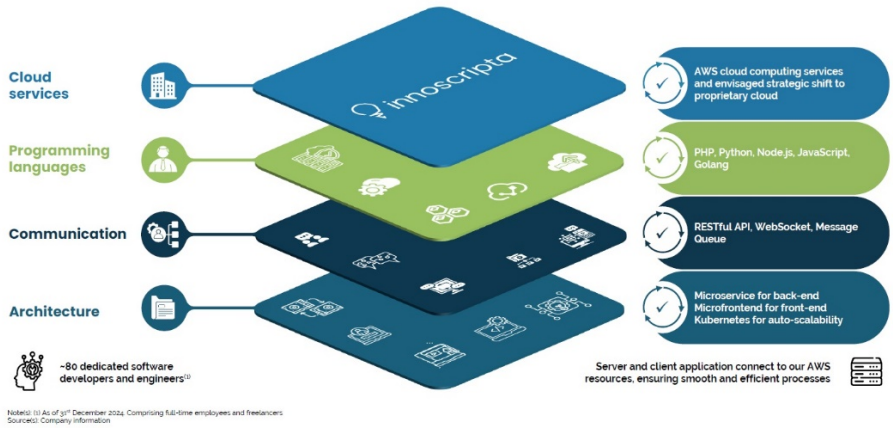
Source: innoscripta

Scalable tech stack

innoscripta's software platform is built on a scalable, cloud-first architecture that provides high data security, state-of-the-art usability and high scalability. Based on Kubernetes, the system architecture enables auto-scalability, while microservices create a flexible and reliable technology stack.

Based on the highly flexible system architecture, numerous tools and programming languages are used, including Golang, which enables concurrent programming. innoscripta uses AWS as its cloud service provider because of its high security standards, dynamic scaling potential, and efficient usability at the company's current growth stage.

Platform based on broad technological foundation



Source: innoscripta

Frascati manual is the basis for tax-credit schemes

For companies, compliance with the standards of the Frascati Manual is essential to ensure that their R&D investments are eligible for tax credits and public funding. Many countries base their R&D tax-credit schemes directly on the manual's definitions, including Germany's Research Allowance Act and the US R&D Tax Credit.

First published by the OECD in 1963, the Frascati Manual is the global standard for collecting and interpreting data on research and development (R&D) activities. It is the basis for harmonised R&D measurement across countries and guides governments and organisations in classifying, measuring and reporting R&D. The latest edition, published in 2015, reflects the increasing complexity of R&D and the growing importance of innovation in modern economies. The manual defines three primary categories of R&D

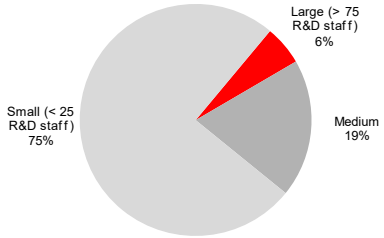
- **Basic research:** Undertaken to acquire new knowledge without a specific application in mind.
- **Applied research:** Aimed at a specific practical goal or objective.
- **Experimental development:** Focused on the production of new products, processes or services or the significant improvement of existing ones.

Key indicators provided by the Frascati Manual include the classification of R&D expenditure by performing sector (e.g. business enterprise, government, higher education), funding source, and R&D personnel. It also provides guidelines for estimating Gross Expenditure on R&D (GERD), a key indicator used by countries to compare levels of innovation.

Clients

innoscripta supports a broad customer base of over 35,000 R&D employees and growing client base (2024: + 57% to 1,782) in over 20 industries, helping them to advance their research and development activities. innoscripta ensures effective collaboration and provides tailored solutions to meet the specific R&D needs of each client. innoscripta's clients operate in a variety of sectors, such as finance or consumer electronics, and include everything from established large companies to start-ups.

Client structure 2024



Source: innoscripta

While the majority of clients are located in Germany, innoscripta also provides its software solution to clients in France, Sweden, Finland, Switzerland and the USA. These international customers are mostly multinational corporations with subsidiaries in Germany. No customer accounts for more than 0.9% of revenues.

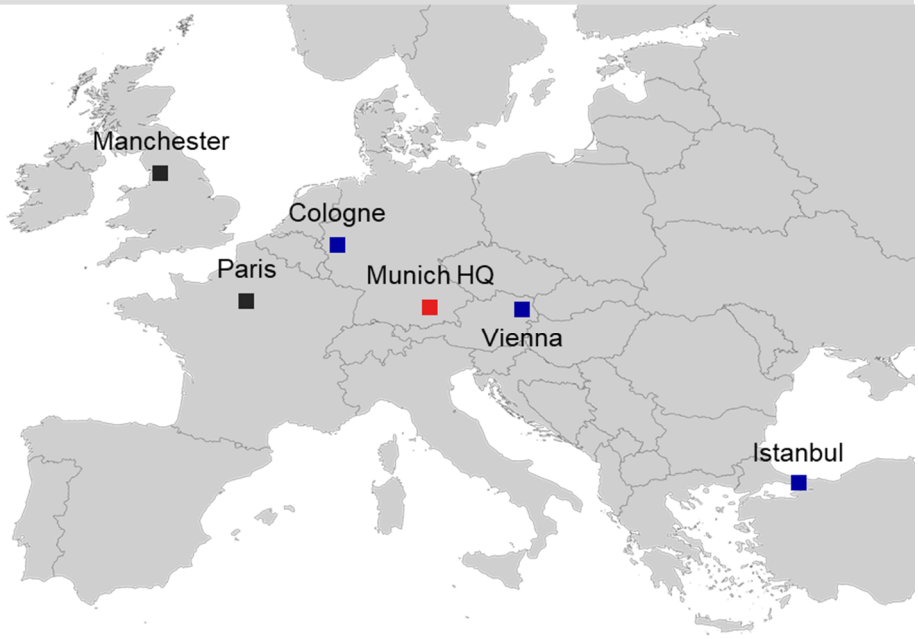
Client examples

Source: innoscripta

Regional presence

innoscripta serves international clients and operates from five offices in five countries with a workforce of 330 in Q1 25. The offices are located in Munich (head office), Cologne, Vienna, Manchester and Istanbul. Vienna, Cologne and Munich are the company's main hubs to serve clients seeking German R&D tax credits. The Istanbul office is mainly responsible for the company's recruitment processes. Backed by its market leadership in Germany, innoscripta is planning to expand its footprint by entering the R&D tax-credit market in France and the UK. International subsidiaries in the Netherlands and the US are used to service multinational corporations with subsidiaries in Germany and are not included in the map below.

Office Locations

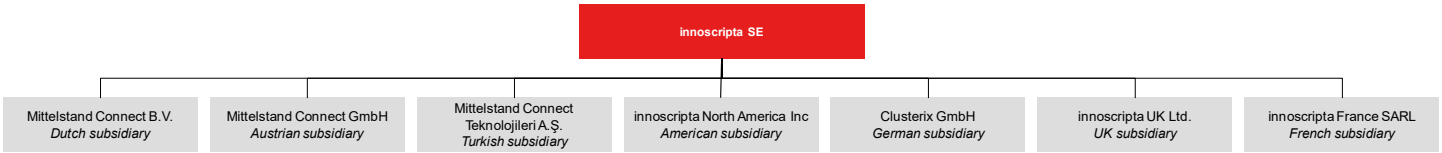


Sources: innoscripta, Warburg Research

Corporate structure

innoscripta has subsidiaries in five countries across Europe and in the United States, offering future growth prospects by market entry as the company maintains local responsiveness while leveraging the international network.

Company structure



Sources: innoscripta (historical data), Warburg Research (estimates)

Company history

- In **2012**, innoscripta UG was founded by Michael Hohenester with its headquarters in Munich.
- In **2013**, innoscripta UG changed its legal structure to a limited liability company (GmbH) under German law and became innoscripta GmbH, with Michael Hohenester as CEO.
- **2014:** Alexander Meyer joined innoscripta as CFO. In 2018 he became the Managing Director of the company.
- In **2021**, innoscripta started the transition from a consulting company to SaaS company with a focus on software-supported R&D tax-credit applications. In 2023, the transition to a software-based business model was completed.
- **2021:** innoscripta opened a new office in Vienna.
- In **2022**, offices in Cologne and Istanbul followed suit.
- **2023:** innoscripta became a German stock corporation (AG) and changed its name to innoscripta AG.
- In **2025** the legal form was converted into a European Stock Corporation (Societas Europaea – SE). New offices were opened in Manchester and Paris. innoscripta shares began trading on **May 23**, with an IPO price set at EUR 120 per share.

Management

Executive Board

Michael Hohenester (Founder & CEO)

Michael Hohenester founded innoscripta in 2012 and has been CEO since then. He holds a degree from the Ludwig-Maximilians-University of Munich. He developed the idea for innoscripta while working for a biotech company. Prior to this position, Michael founded Curefab GmbH in Munich and was the Chief Executive Officer of the company from 2009 to 2012.

Alexander Meyer (co-CEO & CFO)

Alexander Meyer joined the company in 2014. He was appointed to his position in 2018. Alexander studied business administration at the University of Hamburg and the Ludwig-Maximilians-University in Munich. He also studied Management & Marketing at the Deakin University. He was a co-founder of CONMATRA Pvt. Ltd. a company focused on setting up sales and distribution networks for international companies in India, with which he is no longer involved.

Sebastian Schwertlein (COO)

Sebastian Schwertlein joined innoscripta in 2019. He serves as the Chief Operating Officer (COO) of the company and was appointed to this role in December 2024 when he joined the Management Board.

Before assuming his current position, Sebastian Schwertlein worked for the BMW Group. He began his professional journey as a research assistant at the Technical University of Munich.

Sebastian Schwertlein holds both a Bachelor's and a Master's degree in Mechanical Engineering from the Technical University of Munich.

Management remuneration and incentives

The remuneration of the Management Board consists of fixed remuneration and benefits. There is no variable compensation. They are aligned with the shareholders through their shares. Along with the Executive Board, key personnel have invested between EUR 400k and EUR 800k in innoscripta.

Supervisory board

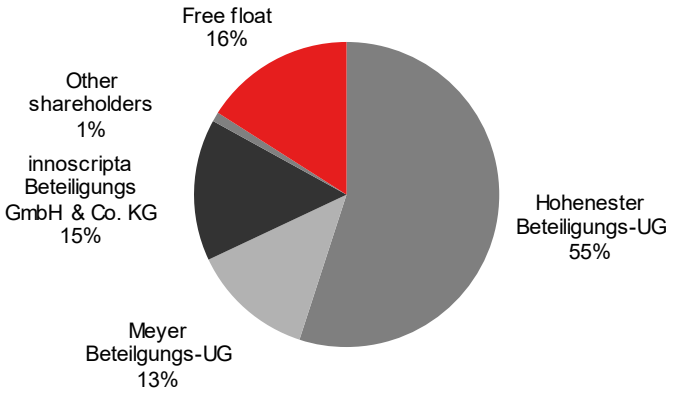
The board consists of:

- Philip v. Ilberg (Chairman) – Chairman of the Supervisory Board of CompuGroup,
- Dr. Erik Massmann – former CFO of various listed companies such as Birkenstock, P&I or Compugroup,
- Kai Andrjewski – former CFO of SIXT,
- Christoph Möller – Lawyer at CM Legal,
- Stefan Berndt-von Bülow – Future CEO of US-listed green tech company,
- Duygu Uysal – Director of Recruiting, innoscripta.

Shareholder structure

The majority of the shares are currently controlled by senior management. CEO Michael Hohenester holds approx. 55% of the shares directly and 7.35% indirectly via innoscripta Beteiligungs GmbH & Co. KG. CFO Alexander Meyer holds approx. 13% directly and 0.01% indirectly through innoscripta Beteiligungs GmbH & Co. KG. innoscripta uses equity ownership as an incentive to retain key employees who shape the future of the company.

Shareholders



Sources: Deutsche Boerse, innoscripta, Warburg Research

Analyst
Andreas Wolf
awolf@warburg-research.com
+49 40 309537-140

Analyst
Fabio Hölscher
fhoelscher@warburg-research.com
+49 40 309537-240

DCF model

	Detailed forecast period			Transitional period										Term. Value
Figures in EUR m	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	
Sales	102.6	138.5	177.2	225.1	281.3	348.9	425.6	510.7	587.3	657.8	723.6	774.2	789.7	
Sales change	*58.5 %*	*35.0 %*	*28.0 %*	*27.0 %*	*25.0 %*	*24.0 %*	*22.0 %*	*20.0 %*	*15.0 %*	*12.0 %*	*10.0 %*	*7.0 %*	*2.0 %*	*2.0 %*
EBIT	55.7	76.6	98.0	124.5	155.6	192.9	235.4	282.4	324.8	363.8	400.1	428.2	436.7	
EBIT-margin	*54.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	*55.3 %*	
Tax rate (EBT)	*33.0 %*	*33.0 %*	*33.0 %*	*33.5 %*	*33.5 %*	*33.5 %*	*33.5 %*	*33.5 %*	*33.5 %*	*33.5 %*	*33.5 %*	*33.5 %*	*33.5 %*	
NOPAT	37.3	51.3	65.7	82.8	103.5	128.3	156.5	187.8	216.0	241.9	266.1	284.7	290.4	
Depreciation	0.7	1.0	1.2	1.1	2.1	3.5	4.3	5.1	5.9	6.6	7.2	7.7	7.9	
in % of Sales	*0.7 %*	*0.7 %*	*0.7 %*	*0.5 %*	*0.8 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	18.9	16.7	17.8	22.6	27.0	32.4	36.8	40.9	36.8	33.8	31.6	24.3	7.4	
- Capex	0.4	0.6	0.6	1.1	2.1	3.5	4.3	5.1	5.9	6.6	7.2	7.7	7.9	
Capex in % of Sales	*0.4 %*	*0.4 %*	*0.3 %*	*0.5 %*	*0.8 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	18.7	35.0	48.5	60.1	76.5	95.9	119.7	147.0	179.2	208.1	234.5	260.4	283.0	289
PV of FCF	18.7	31.9	40.4	45.6	52.9	60.6	69.0	77.2	85.9	91.0	93.6	94.8	93.9	1,257
share of PVs	**4.31 %**			**36.20 %**										**59.50 %**

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.25
Cost of debt (after tax)	2.7 %	Liquidity (share)	1.25
Market return	8.25 %	Cyclicality	1.00
Risk free rate	2.75 %	Transparency	1.25
		Others	1.50
WACC	**9.63 %**	**Beta**	**1.25**

Valuation (m)

Present values 2037e	856		
Terminal Value	1,257		
Financial liabilities	7		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	24	No. of shares (m)	10.0
Equity Value	**2,129**	**Value per share (EUR)**	**212.95**

Sensitivity Value per Share (EUR)

		Terminal Growth						
Beta	WACC	1.25 %	1.50 %	1.75 %	**2.00 %**	2.25 %	2.50 %	2.75 %
1.34	10.1 %	186.69	189.65	192.79	196.13	199.67	203.45	207.48
1.30	9.9 %	193.96	197.18	200.61	204.25	208.13	212.28	216.71
1.27	9.7 %	198.54	201.94	205.55	209.40	213.50	217.89	222.59
1.25	9.6 %	201.70	205.22	208.96	**212.95**	217.21	221.77	226.66
1.23	9.5 %	204.93	208.58	212.46	216.60	221.02	225.76	230.85
1.20	9.4 %	209.95	213.80	217.90	222.28	226.96	231.99	237.39
1.16	9.1 %	218.77	222.99	227.49	232.30	237.47	243.03	249.02

		Delta EBIT-margin						
Beta	WACC	-2.0 pp	-1.5 pp	-1.0 pp	**+0.0 pp**	+1.0 pp	+1.5 pp	+2.0 pp
1.34	10.1 %	188.27	190.23	192.20	196.13	200.05	202.02	203.98
1.30	9.9 %	196.09	198.13	200.17	204.25	208.33	210.37	212.42
1.27	9.7 %	201.04	203.13	205.22	209.40	213.58	215.67	217.76
1.25	9.6 %	204.45	206.58	208.70	**212.95**	217.20	219.32	221.44
1.23	9.5 %	207.97	210.13	212.28	216.60	220.92	223.08	225.23
1.20	9.4 %	213.43	215.64	217.85	222.28	226.70	228.91	231.13
1.16	9.1 %	223.07	225.38	227.69	232.30	236.92	239.23	241.53

- Company's short- and medium-term growth levers reflected in DCF model.
- Sustained high margins assumed based on lean and efficient operational model.

Valuation

	2022	2023	2024	2025e	2026e	2027e
Price / Book	n.a.	n.a.	n.a.	19.0 x	11.3 x	7.5 x
Book value per share ex intangibles	1.27	1.79	3.50	5.29	8.90	13.38
EV / Sales	n.a.	n.a.	n.a.	9.6 x	7.0 x	5.3 x
EV / EBITDA	n.a.	n.a.	n.a.	17.5 x	12.4 x	9.4 x
EV / EBIT	n.a.	n.a.	n.a.	17.7 x	12.6 x	9.6 x
EV / EBIT adj.*	n.a.	n.a.	n.a.	17.4 x	12.6 x	9.6 x
P / FCF	n.a.	n.a.	n.a.	38.3 x	26.8 x	21.0 x
P / E	n.a.	n.a.	n.a.	27.3 x	19.8 x	15.4 x
P / E adj.*	n.a.	n.a.	n.a.	27.3 x	19.8 x	15.4 x
Dividend Yield	n.a.	n.a.	n.a.	1.1 %	1.5 %	1.9 %
FCF Potential Yield (on market EV)	n.a.	n.a.	n.a.	3.8 %	5.4 %	7.1 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2022	2023	2024	2025e	2026e	2027e
Sales	**27.3**	**39.4**	**64.7**	**102.6**	**138.5**	**177.2**
Change Sales yoy	37.6 %	44.4 %	64.3 %	58.5 %	35.0 %	28.0 %
Increase / decrease in inventory	-0.9	-0.1	0.4	-0.1	-0.1	-0.2
Own work capitalised	0.0	0.0	0.0	0.0	0.0	0.0
Total Sales	**26.4**	**39.3**	**65.1**	**102.5**	**138.4**	**177.0**
Material expenses	0.7	1.3	1.8	2.9	3.5	4.4
Gross profit	**25.7**	**38.0**	**63.3**	**99.6**	**134.9**	**172.6**
Gross profit margin	*94.2 %*	*96.5 %*	*97.8 %*	*97.1 %*	*97.4 %*	*97.4 %*
Personnel expenses	11.7	16.8	18.0	28.5	38.1	48.7
Other operating income	0.2	0.2	0.2	0.7	0.3	0.4
Other operating expenses	4.8	5.8	8.0	15.4	19.5	25.0
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	**9.3**	**15.6**	**37.5**	**56.4**	**77.6**	**99.2**
Margin	*34.2 %*	*39.7 %*	*57.9 %*	*55.0 %*	*56.0 %*	*56.0 %*
Depreciation of fixed assets	0.2	0.2	0.2	0.7	1.0	1.2
EBITA	**9.2**	**15.5**	**37.3**	**55.7**	**76.6**	**98.0**
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**9.2**	**15.5**	**37.3**	**55.7**	**76.6**	**98.0**
Margin	*33.7 %*	*39.3 %*	*57.6 %*	*54.3 %*	*55.3 %*	*55.3 %*
EBIT adj.	**9.2**	**15.5**	**38.0**	**56.7**	**76.6**	**98.0**
Interest income	0.1	0.1	0.2	0.1	0.1	0.1
Interest expenses	0.1	0.1	0.1	0.7	0.8	0.8
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0
EBT	**9.2**	**15.5**	**37.4**	**55.1**	**75.8**	**97.3**
Margin	*33.9 %*	*39.2 %*	*57.8 %*	*53.7 %*	*54.8 %*	*54.9 %*
Total taxes	3.1	5.2	12.3	18.2	25.0	32.1
Net income from continuing operations	**6.1**	**10.3**	**25.1**	**36.9**	**50.8**	**65.2**
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	**6.1**	**10.3**	**25.1**	**36.9**	**50.8**	**65.2**
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**6.1**	**10.3**	**25.1**	**36.9**	**50.8**	**65.2**
Margin	*22.4 %*	*26.1 %*	*38.8 %*	*36.0 %*	*36.7 %*	*36.8 %*
Number of shares, average	10.0	10.0	10.0	10.0	10.0	10.0
EPS	**0.61**	**1.03**	**2.51**	**3.69**	**5.08**	**6.52**
EPS adj.	0.61	1.03	2.51	3.69	5.08	6.52

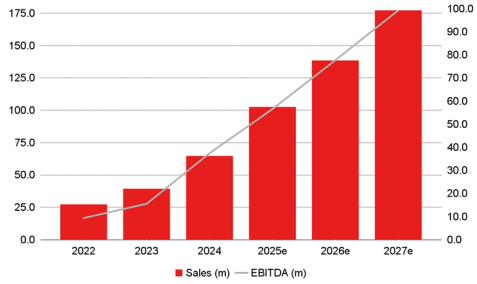
*Adjustments made for:

Guidance: n.a.

Financial Ratios

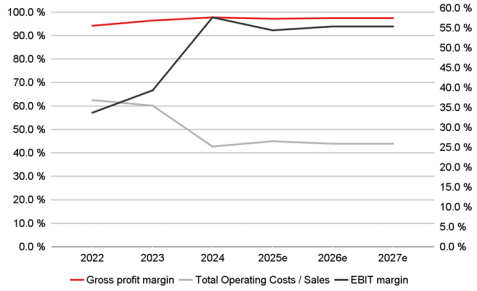
	2022	2023	2024	2025e	2026e	2027e
Total Operating Costs / Sales	62.5 %	60.1 %	42.7 %	44.9 %	43.9 %	43.9 %
Operating Leverage	0.4 x	1.5 x	2.2 x	0.8 x	1.1 x	1.0 x
EBITDA / Interest expenses	164.9 x	200.3 x	425.7 x	80.6 x	96.9 x	124.1 x
Tax rate (EBT)	34.0 %	33.5 %	32.9 %	33.0 %	33.0 %	33.0 %
Dividend Payout Ratio	82.0 %	77.9 %	95.6 %	30.1 %	29.9 %	30.1 %
Sales per Employee	115,568	171,939	200,328	262,969	266,325	262,544

Sales, EBITDA
in EUR m



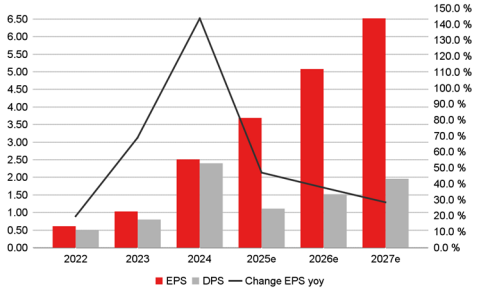
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

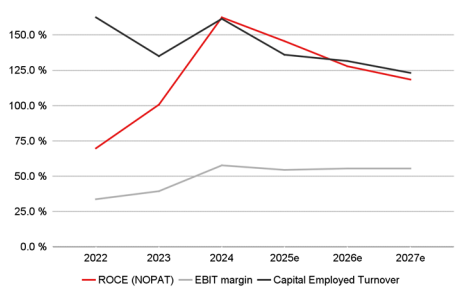
Consolidated balance sheet

In EUR m	2022	2023	2024	2025e	2026e	2027e
Assets						
Goodwill and other intangible assets	0.0	0.1	0.1	0.1	0.1	0.1
thereof other intangible assets	0.0	0.1	0.1	0.1	0.1	0.1
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.4	0.4	0.3	0.0	-0.3	-1.0
Financial assets	0.1	0.2	0.2	0.2	0.2	0.2
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	**0.5**	**0.7**	**0.6**	**0.3**	**-0.1**	**-0.7**
Inventories	0.7	0.6	1.0	2.6	3.5	4.4
Accounts receivable	14.8	19.5	31.6	49.2	65.3	82.5
Liquid assets	12.6	13.7	23.9	26.1	48.8	76.5
Other short-term assets	1.5	0.9	1.8	1.8	1.8	1.8
Current assets	**29.6**	**34.7**	**58.2**	**79.7**	**119.4**	**165.2**
Total Assets	**30.0**	**35.4**	**58.8**	**80.0**	**119.3**	**164.5**
Liabilities and shareholders' equity						
Subscribed capital	0.0	5.0	10.0	10.0	10.0	10.0
Capital reserve	5.0	0.5	1.0	1.0	1.0	1.0
Retained earnings	7.6	12.4	24.0	36.9	73.0	117.8
Other equity components	0.0	0.1	0.1	5.1	5.1	5.1
Shareholders' equity	12.7	18.1	35.1	53.0	89.1	133.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	**12.7**	**18.1**	**35.1**	**53.0**	**89.1**	**133.9**
Provisions	7.7	6.7	13.6	16.5	19.5	19.5
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	7.3	8.6	6.5	6.5	6.5	6.5
Short-term financial liabilities	0.8	0.9	2.2	2.2	2.2	2.2
Accounts payable	0.3	0.4	0.5	0.9	1.2	1.5
Other liabilities	2.1	1.7	3.0	3.0	3.0	3.0
Liabilities	**17.3**	**17.4**	**23.7**	**26.9**	**30.2**	**30.5**
Total liabilities and shareholders' equity	**30.0**	**35.4**	**58.8**	**80.0**	**119.3**	**164.5**

Financial Ratios

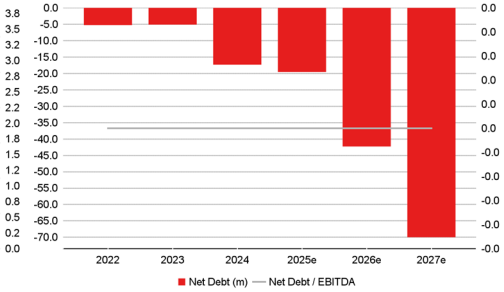
	2022	2023	2024	2025e	2026e	2027e
Efficiency of Capital Employment						
Operating Assets Turnover	1.7 x	1.9 x	2.0 x	2.0 x	2.1 x	2.1 x
Capital Employed Turnover	3.7 x	3.0 x	3.6 x	3.1 x	3.0 x	2.8 x
ROA	1286.6 %	1505.1 %	4447.5 %	12888.8 %	-61130.3 %	-9005.1 %
Return on Capital						
ROCE (NOPAT)	69.7 %	100.7 %	162.5 %	145.6 %	127.8 %	118.6 %
ROE	52.4 %	66.8 %	94.3 %	83.7 %	71.5 %	58.4 %
Adj. ROE	52.4 %	66.8 %	94.3 %	83.7 %	71.5 %	58.4 %
Balance sheet quality						
Net Debt	-5.2	-5.1	-17.3	-19.6	-42.3	-70.0
Net Financial Debt	-5.2	-5.1	-17.3	-19.6	-42.3	-70.0
Net Gearing	-41.3 %	-28.2 %	-49.3 %	-36.9 %	-47.5 %	-52.2 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	1.3	1.8	3.5	5.3	8.9	13.4
Book value per share ex intangibles	1.3	1.8	3.5	5.3	8.9	13.4

ROCE Development



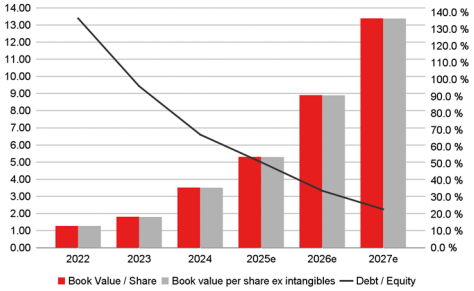
Source: Warburg Research

Net debt
in EUR m



Source: Warburg Research

Book Value per Share
in EUR



Source: Warburg Research

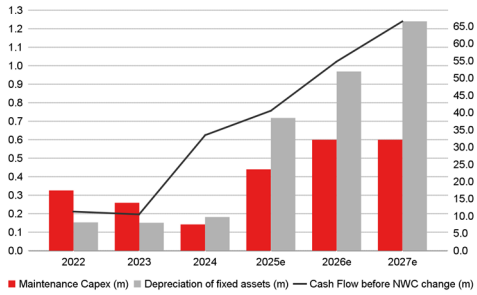
Consolidated cash flow statement

In EUR m	2022	2023	2024	2025e	2026e	2027e
Net income	6.1	10.3	25.1	36.9	50.8	65.2
Depreciation of fixed assets	0.2	0.2	0.2	0.7	1.0	1.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in long-term provisions	1.3	-1.2	-2.1	2.9	3.0	0.0
Other non-cash income and expenses	3.8	1.3	10.3	0.0	0.0	0.0
Cash Flow before NWC change	**11.3**	**10.5**	**33.5**	**40.5**	**54.8**	**66.4**
Increase / decrease in inventory	0.0	0.0	0.0	-1.6	-0.9	-0.9
Increase / decrease in accounts receivable	-4.1	-4.9	-14.9	-17.6	-16.1	-17.2
Increase / decrease in accounts payable	1.7	-0.3	1.5	0.4	0.3	0.3
Increase / decrease in other working capital positions	0.0	0.0	0.0	5.0	0.0	0.0
Increase / decrease in working capital (total)	-2.4	-5.2	-13.4	-13.9	-16.7	-17.8
Net cash provided by operating activities [1]	**8.9**	**5.3**	**20.1**	**26.7**	**38.1**	**48.6**
Investments in intangible assets	0.0	-0.2	0.0	0.0	0.0	0.0
Investments in property, plant and equipment	-0.3	-0.1	-0.1	-0.4	-0.6	-0.6
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	-0.1	0.0	0.0	0.0	0.0
Income from asset disposals	0.1	0.1	0.3	0.0	0.0	0.0
Net cash provided by investing activities [2]	**-0.2**	**-0.3**	**0.2**	**-0.4**	**-0.6**	**-0.6**
Change in financial liabilities	4.6	1.1	-1.9	0.0	0.0	0.0
Dividends paid	-4.0	-5.0	-8.0	-24.0	-14.8	-20.3
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Other	-0.1	-0.1	-0.1	0.0	0.0	0.0
Net cash provided by financing activities [3]	**0.5**	**-4.0**	**-9.9**	**-24.0**	**-14.8**	**-20.3**
Change in liquid funds [1]+[2]+[3]	**9.2**	**0.9**	**10.3**	**2.2**	**22.7**	**27.7**
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	12.6	13.5	23.9	26.1	48.8	76.5

Financial Ratios

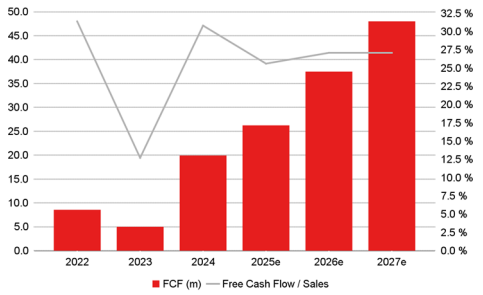
	2022	2023	2024	2025e	2026e	2027e
Cash Flow						
FCF	8.6	5.0	19.9	26.2	37.5	48.0
Free Cash Flow / Sales	31.4 %	12.7 %	30.8 %	25.6 %	27.1 %	27.1 %
Free Cash Flow Potential	5.8	10.2	25.0	37.8	51.9	66.5
Free Cash Flow / Net Profit	140.4 %	48.6 %	79.4 %	71.1 %	73.8 %	73.7 %
Interest Received / Avg. Cash	1.6 %	0.5 %	1.2 %	0.2 %	0.2 %	0.1 %
Interest Paid / Avg. Debt	1.1 %	1.0 %	1.2 %	10.7 %	12.2 %	12.2 %
Management of Funds						
Investment ratio	1.2 %	0.7 %	0.2 %	0.4 %	0.4 %	0.3 %
Maint. Capex / Sales	1.2 %	0.7 %	0.2 %	0.4 %	0.4 %	0.3 %
Capex / Dep	213.1 %	171.5 %	78.0 %	61.3 %	61.9 %	48.4 %
Avg. Working Capital / Sales	51.1 %	44.4 %	40.1 %	40.4 %	42.8 %	43.2 %
Trade Debtors / Trade Creditors	4954.7 %	5582.0 %	5845.3 %	5466.7 %	5441.7 %	5500.0 %
Inventory Turnover	0.9 x	2.1 x	1.9 x	1.1 x	1.0 x	1.0 x
Receivables collection period (days)	198	181	178	175	172	170
Payables payment period (days)	162	98	109	114	127	124
Cash conversion cycle (Days)	423	256	266	391	415	409

CAPEX and Cash Flow
in EUR m



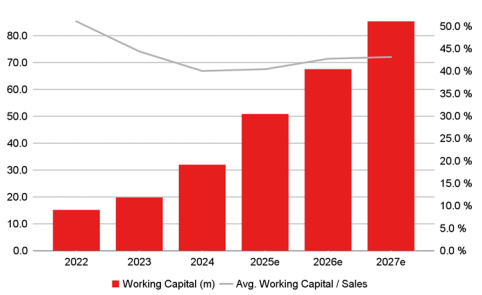
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
innoscripta	2, 5	https://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A40QVM8.htm

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-B-	**Buy:**	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	**Hold:**	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	**Sell:**	The price of the analysed financial instrument is expected to fall over the next 12 months.
"-"	**Rating suspended:**	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

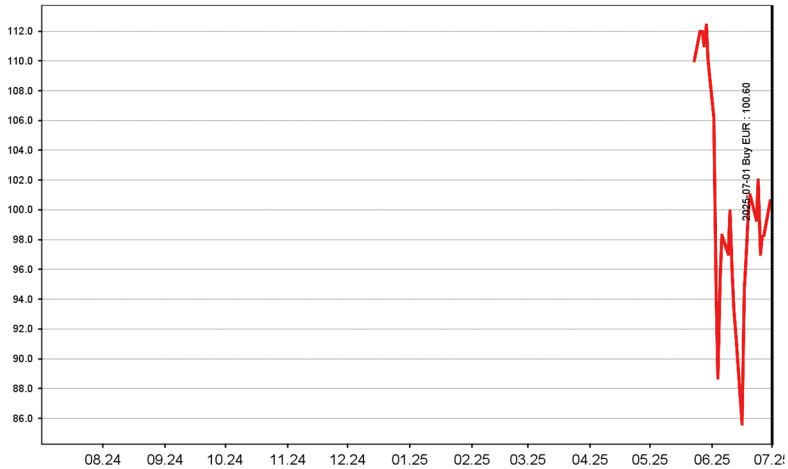
Rating	Number of stocks	% of Universe
Buy	142	70
Hold	49	24
Sell	6	3
Rating suspended	5	2
Total	**202**	**100**

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING …

… taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	37	73
Hold	10	20
Sell	1	2
Rating suspended	3	6
Total	**51**	**100**

PRICE AND RATING HISTORY INNOSCRIPTA AS OF 01.07.2025



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

EQUITIES

Matthias Rode +49 40 3282-2678
Head of Equities mrode@mmwarburg.com

RESEARCH

Henner Rüschmeier +49 40 309537-270
Head of Research hrueschmeier@warburg-research.com

Stefan Augustin +49 40 309537-168
Cap. Goods, Engineering saugustin@warburg-research.com

Christian Cohrs +49 40 309537-175
Industrials & Transportation ccohrs@warburg-research.com

Dr. Christian Ehmann +49 40 309537-167
BioTech, Life Science cehmann@warburg-research.com

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

Marius Fuhrberg +49 40 309537-185
Financial Services mfuhrberg@warburg-research.com

Fabio Hölscher +49 40 309537-240
Automobiles, Car Suppliers fhoelscher@warburg-research.com

Philipp Kaiser +49 40 309537-260
Real Estate, Construction pkaiser@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Hannes Müller +49 40 309537-255
Software, IT hmueller@warburg-research.com

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplaesier@warburg-research.com

Malte Schaumann +49 40 309537-170
Technology mschaumann@warburg-research.com

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Simon Stippig +49 40 309537-265
Real Estate, Telco sstippig@warburg-research.com

Marc-René Tonn +49 40 309537-259
Automobiles, Car Suppliers mtonn@warburg-research.com

Robert-Jan van der Horst +49 40 309537-290
Technology rvanderhorst@warburg-research.com

Andreas Wolf +49 40 309537-140
Software, IT awolf@warburg-research.com

INSTITUTIONAL EQUITY SALES

Klaus Schilling +49 69 5050-7400
Head of Equity Sales, Germany kschilling@mmwarburg.com

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Jens Buchmüller +49 69 5050-7415
Scandinavia, Austria jbuchmueller@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom, Ireland mfritsch@mmwarburg.com

Rudolf Alexander Michaelis +49 40 3282-2649
Germany rmichaelis@mmwarburg.com

Roman Alexander Niklas +49 69 5050-7412
Switzerland, Poland, Italy rniklas@mmwarburg.com

Sascha Propp +49 40 3282-2656
France spropp@mmwarburg.com

Leyan Ilkbahar +49 40 3282-2695
Roadshow/Marketing lilkbahar@mmwarburg.com

Antonia Möller +49 69 5050-7417
Roadshow/Marketing amoeller@mmwarburg.com

Juliane Niemann +49 40 3282-2694
Roadshow/Marketing jniemann@mmwarburg.com

SALES TRADING

Oliver Merckel +49 40 3282-2634
Head of Sales Trading omerckel@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

Christian Salomon +49 40 3282-2685
Sales Trading csalomon@mmwarburg.com

DESIGNATED SPONSORING

Sebastian Schulz +49 40 3282-2631
Designated Sponsoring sschulz@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Designated Sponsoring jtreptow@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

Our research can be found under:

Warburg Research	research.mmwarburg.com/en/index.html	LSEG	www.lseg.com
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For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com