innoscripta SE
Tutzing

Consolidated Half-year Financial Statements as of June 30, 2026

Translation notice:

This consolidated half-year financial statements and review report are a translation of the German Original. In the event of any discrepancy between German text and translation, the German version shall prevail

innoscripta SE, Tutzing
Consolidated Balance Sheet
as of 30 June 2026

Assets		30.06.2026 EUR	30.06.2025 EUR
A.	**Fixed assets**		
I.	**Intangible assets**		
1.	Concessions acquired against consideration, industrial property rights and similar rights and values as well as licenses to such rights and values	57.500,00	87.500,00
		57.500,00	**87.500,00**
II.	**Property, plant and equipment**		
1.	Other equipment, operating and business equipment	1.122.585,14	306.599,02
		1.122.585,14	**306.599,02**
III.	**Financial assets**		
1.	Shares in affiliated companies	161.747,43	171.748,43
2.	Other Investments	50,00	50,00
		161.797,43	**171.798,43**
		1.341.882,57	**565.897,45**
B.	**Current assets**		
I.	**Inventories**		
1.	Work in Progress	1.123.743,22	913.577,98
		1.123.743,22	**913.577,98**
II.	**Receivables and other assets**		
1.	Trade receivables	47.383.064,41	34.292.650,73
2.	Receivables from affilated companies	138.577,62	35.268,64
3.	Other assets	2.944.272,29	1.810.572,95
		50.465.914,32	**36.138.492,32**
III.	**Cash on hand, cash at banks**	**30.047.557,78**	**19.922.982,65**
		81.637.215,32	**56.975.052,95**
C.	**Prepaid expenses**	**555.850,05**	**121.826,76**
		83.534.947,94	**57.662.777,16**

Equity and Liabilities		30.06.2026 EUR	30.06.2025 EUR
A.	**Equity**		
I.	**Subscribed capital**	**10.000.000,00**	**10.000.000,00**
II.	**Equity reserve**		
1.	Statutory reserve	1.000.000,00	1.000.000,00
2.	Other equity reserve	25.000,00	25.000,00
		1.025.000,00	**1.025.000,00**
III.	**Equity difference from currency translation**	**147.043,89**	**150.990,81**
IV.	**Consolidated retained earnings**	**27.209.547,55**	**15.988.913,52**
		38.381.591,44	**27.164.904,33**
B.	**Provisions**		
1.	Tax provisions	24.707.841,55	17.812.464,06
2.	Other provisions	3.883.076,09	3.336.011,44
		28.590.917,64	**21.148.475,50**
C.	**Liabilites**		
1.	Liabilities to banks - thereof term more than one year EUR 8.266.680,00 (EUR 3.400.000,00)	11.656.614,06	5.601.497,07
2.	Advances received on orders	36.500,00	0,00
3.	Trade payables	1.736.719,00	1.109.205,08
4.	Liabilities to affilated companies	0,00	52.250,00
5.	Other liabilities of which from taxes: EUR 1.524.027,66 (prior period: EUR 1.640.762,20) of which from social security: EUR 464.926,30 (prior period: EUR 351.321,26)	3.007.455,80	2.410.671,37
		16.437.288,86	**9.173.623,52**
D.	**Deferred revenues**	**125.150,00**	**175.773,81**
		83.534.947,94	**57.662.777,16**

Consolidated Statement of Profit and Loss
of innoscripta SE, Tutzing
for the period from 01 January to 30 June 2026

		01.01.-30.06.2026 EUR	01.01.-30.06.2025 EUR
1.	Revenue	63.098.394,03	44.102.048,09
2.	Increase or decrease of work in progress	-25.817,51	-61.310,01
3.	Other operating income of which income from currency translation: EUR 9.458,17 (01.01. - 30.06.2025: EUR 3.984,90)	82.024,28	64.722,95
4.	Cost of materials		
	Expense for purchased services	-2.600.141,72	-1.890.275,70
5.	Personnel expense		
	a) Wages and salaries	-14.031.860,77	-10.996.388,99
	b) Social security contributions and expenses for pension and other benefits of which for pensions: EUR -8.801,76 (01.01. - 30.06.2025: EUR -2.826,91)	-2.190.335,18	-1.825.199,02
6.	Depreciation and amortization on intangible fixed assets and property, plant and equipment	-216.976,89	-117.320,27
7.	Other operation expenses of which expenses from currency translation: EUR -32.090,32 (01.01. - 30.06.2025: EUR -56.560,57)	-8.211.635,96	-5.473.146,14
8.	Other interest and similar income	419.263,36	114.491,74
9.	Depreciation on financial assets	0,00	-717,69
10.	Interest and similar expenses	-184.815,25	-31.849,38
11.	Taxes on income	-11.477.125,26	-7.892.077,60
12.	**Consolidated net income after taxes**	**24.660.973,13**	**15.992.977,99**
13.	Other taxes	-1.009,96	-620,11
14.	**Consolidated net income for the period**	**24.659.963,17**	**15.992.357,87**

innoscripta SE, Tutzing

Statement of Changes in Equity for the period from 01 January to 30 June 2026

EUR	Subscribed capital	Reserves			Equity difference from currency translation	Consolidated net profit			Group equity
		Statutory reserve	Other reserves	Total		Parent company's annual results	Retained Earnings	Total	
Balance of 01 January 2025	**10.000.000,00**	1.000.000,00	25.000,00	**1.025.000,00**	**123.544,55**	25.090.747,07	-1.094.191,42	**23.996.555,65**	**35.145.100,20**
Currency conversion					27.446,26				27.446,26
Other changes						-25.090.747,07	25.090.747,07	0,00	0,00
Consolidated net income for the period						15.992.357,87		15.992.357,87	15.992.357,87
Dividends paid to shareholders							-24.000.000,00	-24.000.000,00	-24.000.000,00
Balance of 30 June 2025	**10.000.000,00**	1.000.000,00	25.000,00	**1.025.000,00**	**150.990,81**	15.992.357,87	-3.444,35	**15.988.913,52**	**27.164.904,34**
Balance of 01 January 2026	**10.000.000,00**	1.000.000,00	25.000,00	**1.025.000,00**	**150.593,00**	42.609.047,00	-3.444,35	**42.605.602,65**	**53.781.195,65**
Currency conversion					-3.549,11				-3.549,11
Other changes						-42.609.047,00	42.609.047,00		0,00
Consolidated net income for the period						24.659.963,17		24.659.963,17	24.659.963,17
Change in the scope of consolidation							-56.018,27	-56.018,27	-56.018,27
Dividends paid to shareholders							-40.000.000,00	-40.000.000,00	-40.000.000,00
Balance of 30 June 2026	**10.000.000,00**	1.000.000,00	25.000,00	**1.025.000,00**	**147.043,89**	24.659.963,17	2.549.584,38	**27.209.547,55**	**38.381.591,44**

innoscripta SE, Tutzing

Consolidated Statement of Cash Flows
for the period from 01 January to 30 June 2026

	01.01.- 30.06.2026 EUR	01.01.- 30.06.2025 EUR
Consolidated net income for the period	**24.659.963,17**	**15.992.357,87**
+ Depreciation and amortization of fixed assets	216.976,89	118.037,96
+ Increase in provisions	962.453,56	1.258.514,80
+ Other non-cash expenses / income	683.496,34	816.749,05
- Increase in inventories, trade accounts receivable and other assets not allocable to investment and financing activities	918.109,66	-3.579.940,46
+/- Increase / decrease in trade accounts payable and other liabilities not allocable to investment and financing activities	-2.867.288,56	151.655,10
+/- Profit/loss from the disposal of fixed assets	1,00	0,00
+/- Interest expenses / interest income	-234.448,11	-82.642,36
+ Income tax expense	11.477.125,26	7.892.077,60
- Income tax payments	-10.840.001,38	-1.578.501,55
= Cash flow from operating activities	**24.976.387,83**	**20.988.308,01**
- Payments made for investments in property, plants and equipment	-1.006.908,56	-122.170,75
- Payments made for investments in financial assets	0,00	-11.747,43
+ Interest received	417.385,36	112.043,06
= Cash flow from investment activities	**-589.523,20**	**-21.875,12**
- Dividends paid to shareholders	-40.000.000,00	-24.000.000,00
- Payments from the redemption of bonds and (financial) loans	-960.417,00	-1.087.500,00
- Interest paid	-184.815,25	-31.218,75
= Cash flow from financing activities	**-41.145.232,25**	**-25.118.718,75**
Cash-effective changes in cash and cash equivalents	-16.758.367,62	-4.152.285,85
- Changes In Cash and Cash equivalents resulting from Changes In the Scope of consolidation	7.461,96	0,00
+ Cash and cash equivalents at the beginning of the period	46.481.432,39	23.861.271,43
= Cash and cash equivalents at the end of the period	**29.730.526,73**	**19.708.985,58**
Cash on hand, bank balances and checks	30.047.557,78	19.922.982,65
Current liabilities to banks	-317.031,05	-213.997,07
Composition of cash and cash equivalents	**29.730.526,73**	**19.708.985,58**

Notes to the Consolidated Financial Statements

for the period from January 1 through June 30, 2026

of

innoscripta SE, Tutzing

I. GENERAL INFORMATION ON THE FINANCIAL STATEMENTS

innoscripta SE is headquartered in Tutzing and is registered under number HRB 302244 in the commercial register at the Munich Local Court.

These interim consolidated financial statements were prepared for the period from January 1 to June 30, 2026, in accordance with Sections 290 et seq. of the German Commercial Code (HGB). They were prepared on a voluntary basis.

The presentation of the consolidated balance sheet complies with Section 266(2) and (3) of the German Commercial Code (HGB). The presentation of the consolidated statement of income follows the total cost method in accordance with Section 275(2) of the German Commercial Code (HGB).

In the first half of 2026 innoscripta SE established several subsidiaries in the legal form of a GmbH & Co. KG, to which a significant portion of the employees via partial business transfers was transferred. The partial business transfers took place on May 1, 2026, and June 1, 2026, respectively. This restructuring has not resulted in any changes to the duties employees' or to innoscripta's business model. The newly established subsidiaries provide services to innoscripta SE and these services are billed to innoscripta SE using the cost-plus method on the basis of intra-group service agreements

The change in the Group structure has no impact on the consolidated balance sheet or consolidated statement of profit and loss as the newly established subsidiaries provide intra-Group services that are eliminated when preparing the consolidated financial statements.

II. SCOPE OF CONSOLIDATION

In the first half year of 2026 the number of subsidiaries increased significantly as a result of the new subsidiaries. The scope of consolidation includes innoscripta SE as well as the subsidiaries listed below:

Company Name	***Company Headquarters***	***Ownership Interest (%)***
innoscripta Austria GmbH (formerly Mittelstand Connect GmbH)	Vienna, Austria	100% (direct)
Mittelstand Connect Bilişim Teknolojileri A.Ş.	Istanbul, Turkey	100% (direct)
innoscripta North America Inc.	New York, USA	100% (direct)
innoscripta France SARL	Balma, France	100% (direct)
innoscripta CSM Verwaltungs GmbH	Munich, Germany	100% (direct)
innoscripta CSM GmbH & Co. KG	Munich, Germany	100% (direct, as a limited partner)
innoscripta HR Verwaltungs GmbH	Munich, Germany	100% (direct)
innoscripta HR GmbH & Co. KG	Munich, Germany	100% (direct, as a limited partner)
innoscripta Service & Support Verwaltungs GmbH	Munich, Germany	100% (direct)
innoscripta Case Management GmbH & Co. KG	Munich, Germany	100% (direct, as a limited partner)
innoscripta Corporate Munich GmbH & Co. KG	Munich, Germany	100% (direct, as a limited partner)
innoscripta Enterprise Cologne GmbH & Co. KG	Cologne, Germany	100% (direct, as a limited partner)
innoscripta Enterprise Munich GmbH & Co. KG	Munich, Germany	100% (direct, as a limited partner)
innoscripta Projekt Management GmbH & Co. KG	Munich, Germany	100% (direct, as a limited partner)
innoscripta Relations GmbH & Co. KG	Munich, Germany	100% (direct, as a limited partner)
innoscripta Scale Cologne GmbH & Co. KG	Cologne, Germany	100% (direct, as a limited partner)
innoscripta Scale Munich GmbH & Co. KG	Munich, Germany	100% (direct, as a limited partner)
innoscripta Service & Support GmbH & Co. KG	Munich, Germany	100% (direct, as a limited partner)
innoscripta Frankfurt Verwaltungs GmbH	Frankfurt am Main, Germany	100% (direct)
innoscripta Frankfurt GmbH & Co. KG	Frankfurt am Main, Germany	100% (direct, as a limited partner)
innoscripta Hamburg Verwaltungs GmbH	Hamburg, Germany	100% (direct)
innoscripta Hamburg GmbH & Co. KG	Hamburg, Germany	100% (direct, as a limited partner)

In accordance with the option provided under Section 296(2) of the German Commercial Code (HGB), the following subsidiaries, each of which is wholly owned by innoscripta SE, were not included in the consolidated financial statements because they are of minor significance for the presentation of the Group's financial position, results of operations, and cash flows:

Company Name	***Company head-quarters***	***Ownership Interest (%)***	***Equity in thousands***	***Net Income in thousands***
Mittelstand Connect BV	Dordrecht, Netherlands	100% (direct)	EUR -2.25 (2024)	EUR -9.12 (2024)
Clusterix GmbH	Munich, Germany	100% (direct)	EUR 95.06 (2024)	EUR -2.94 (2024)
innoscripta UK Limited	Bolton, United Kingdom	100% (direct)	GBP -112.73 (2024)	GBP -122.73 (2024)
innoscripta Canada R&D Software Ltd. *	Toronto, Canada	100% (direct)	*	*
innoscripta Middle East FZCO *	Dubai, United Arab Emirates	100% (direct)	*	*
innoscripta Smart Munich GmbH & Co. KG*	Munich, Germany	100% (direct, as a limited partner)	*	*

**) Full annual financial statements are not yet available, as they were not founded/established until 2026.*

The changes relative to the half-year consolidated financial statements as of June 30, 2026 compared to half-year consolidated financial statements as of June 30, 2025, are of minor significance for the presentation of financial position, results of operations, and cash flows the Group's and relate to the following subsidiaries:

Company Name	***June 2026***	***June 2025***
innoscripta North America Inc.	First-time inclusion in the scope of consolidation	Reported as equity in affiliated companies
innoscripta France SARL	First-time inclusion in the scope of consolidation	Reported as equity in affiliated companies
innoscripta Canada R&D Software Ltd.	Reported as equity in affiliated companies	Not yet a subsidiary or not yet established
innoscripta Middle East FZCO	Reported as equity in affiliated companies	Not yet a subsidiary or not yet established

innoscripta SE prepares the consolidated financial statements for both the smallest and biggest scope of companies.

III. ACCOUNTING AND VALUATION METHODS

The interim financial statements of the companies included in the interim consolidated financial statements of innoscripta SE were prepared in accordance with uniform accounting and valuation principles. The following accounting and valuation methods were primarily applied.

1. Property, Plant, and Equipment

Property, plant, and equipment are stated at acquisition or production cost less scheduled depreciation. Depreciation is calculated on a straight-line basis in accordance with the following normal useful lives:

Intangible Assets	2-5 years
Other assets, plant, and office equipment	3–13 years

Low-value fixed assets with a net value of up to EUR 250.00 are recognized as an expense in the year of acquisition. Low-value fixed assets with individual acquisition costs of up to EUR 800.00 net are fully depreciated in the year of acquisition and recognized as a disposal in the fiscal year.

2. Financial Assets

Financial assets are stated at cost or the lower fair value.

3. Inventories

Work in progress is stated at production cost. Production cost includes direct costs. If the fair values were lower as of the balance sheet date, those amounts were used.

4. Receivables and Other Assets

Receivables and other assets are generally recognized at their nominal values. Specific allowance for doubtful accounts is provided to account for the specific credit risks associated with trade receivables as of the balance sheet date. General credit risk is accounted for through a general allowance for doubtful accounts.

5. Cash and Cash Equivalents

Cash and cash equivalents are stated at their par values.

6. Prepaid Expenses and Deferred Charges

On the assets side, prepayments made prior to the balance sheet date are reported as prepaid expenses, to the extent that they represent expenses for a specific period after that date.

On the liability side, deferred income includes revenue received prior to the balance sheet date to the extent that it represents income for a specific period after that date.

7. Tax provisions and other provisions

Provisions account for all uncertain liabilities and potential losses arising from pending transactions and are recognized in each case in the amount necessary for settlement based on sound business judgment (i.e., including future cost and price increases).

8. Liabilities

Liabilities are recognized at their settlement amount.

IV. CONSOLIDATION PRINCIPLES

1. Equity Consolidation

Capital consolidation is performed using the revaluation method in accordance with Section 301 of the German Commercial Code (HGB).

In this process, the carrying amount of the shares held by the parent company is offset against the portion of the subsidiary's equity attributable to those shares. Equity is recognized at an amount equal to the fair value, as of the acquisition date, of the assets, liabilities, deferred items, and special items to be included in the consolidated financial statements. Any difference remaining after the offset is recognized, if it arises on the assets side, as goodwill, and, if it arises on the liabilities side, under the item “Difference from equity consolidation” following equity.

2. Elimination of Intercompany Profits

Assets to be included in the consolidated financial statements that are based wholly or partly on goods or services provided between the companies included in the consolidated financial statements are recognized in the consolidated balance sheet at consolidated acquisition or production cost.

3. Consolidation of Liabilities

Trade receivables and payables arising from transactions between the companies included in the consolidated financial statements are offset.

4. Consolidation of Expenses and Revenues

Expenses and revenues arising from transactions between the companies included in the consolidated financial statements are offset.

5. Deferred Taxes

To determine deferred taxes arising from temporary or quasi-permanent differences between the carrying amounts of assets, liabilities, and deferred items and their tax bases, or arising from tax loss carryforwards, the amounts of the resulting tax charges and credits are measured using the entity-specific tax rate at the time the differences are resolved and are not discounted.

Deferred tax assets and liabilities are reported net of each other. Any excess of deferred tax assets is not recognized.

Deferred taxes are recognized for differences between carrying amounts on the financial statements and for tax purposes that arise from the consolidation of equity, liabilities, expenses, and income, as well as the elimination of intercompany results, provided that their effects are expected to reverse in subsequent years. Deferred taxes are calculated based on an income tax rate of 32.6%.

6. Principles of Currency Translation

Conversion of Financial Statement Items Denominated in Foreign Currencies

To the extent that the individual financial statements contain items based on amounts denominated in foreign currencies or originally denominated in foreign currencies, the conversion to euros was performed using the exchange rate in effect at the time of the transaction. Balance sheet items are converted as of the reporting date using the mid-market spot exchange rate. Unrealized exchange gains are not recognized if the remaining term exceeds one year.

Conversion of Financial Statements in Foreign Currencies

Individual financial statements in foreign currencies are generally translated using the “modified balance sheet date method,” whereby balance sheet items are translated at the mid-market spot exchange rate on the balance sheet date and income statement items are translated at the average exchange rate for the fiscal year. Any resulting difference is reported separately as such in equity.

V. NOTES TO THE CONSOLIDATED BALANCE SHEET

1. Fixed Assets

The changes in the individual items of non-current assets, including depreciation and amortization for the period from January 1 to June 30, 2026, are presented in the statement of changes in group fixed assets, which is included as an appendix to these consolidated financial statements.

2. Receivables and Other Assets

Trade receivables with a remaining term of more than one year amount to TEUR 1.164 (previous year: TEUR 2,234). The remaining items under receivables and other assets are due within a remaining term of one year.

With regard to trade receivables outstanding as of the balance sheet date, innoscripta SE entered into factoring agreements and thereby sold receivables for the purpose of improving liquidity. As a result of the factoring, liquidity increased by TEUR 17,145 as of the balance sheet date (previous year: TEUR 10,385). Financing costs related to factoring amounted to TEUR 540 (TEUR 465) in the fiscal year.

3. Equity

The change in equity from July 1, 2025, to June 30, 2026, as well as its composition, is shown alongside the net income for the second half of 2025 (26,617 TEUR) and for the first half of 2026 (24,660 TEUR), the change in the foreign currency translation adjustment (–3 TEUR), and the effects of changes in the scope of consolidation (–56 TEUR) due to the following transactions:

- Distribution of a dividend in the amount of EUR 40,000,000 to shareholders from retained earnings as of December 31, 2025

As of June 30, 2026, the share capital of innoscripta SE amounts to EUR 10,000,000. It consists of 10,000,000 no-par value shares.

Authorized Capital 2025/I

The Executive Board is authorized by a resolution of the Annual General Meeting of April 1, 2025, with the approval of the Supervisory Board, to increase the share capital by March 31, 2030, through the issuance, on one or more occasions, of up to 5,000,000 new bearer common shares and/or non-voting preferred shares, each with a par value of EUR 1.00, in exchange for cash or non-cash contributions, to increase the share capital by a total of up to EUR 5,000,000 (Authorized Capital 2025/I)
In the case of cash capital increases, shareholders are generally entitled to subscription rights. The shares may also be acquired by one or more financial institutions with the obligation to offer them to shareholders for subscription. However, the Executive Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in the case of capital increases against cash contributions in certain cases specified in Section 3(8) of the Company's Articles of Association.

Contingent Capital 2025/I

The Company's share capital is conditionally increased by up to EUR 5,000,000.00 through the issuance of up to 5,000,000 no-par bearer shares (common stock or non-voting preferred stock, depending on which class of stock is to be issued) (Conditional Capital 2025/I).
The conditional capital increase is intended exclusively for the issuance of new shares to holders of conversion or option rights granted by the Company or by companies in which the Company holds a direct or indirect majority interest, pursuant to the authorization granted by the Annual General Meeting on April 1, 2025, in accordance with the resolution on Agenda Item 11. The shares will be issued at the conversion or option price to be determined in each case in accordance with the resolution described above. The conditional capital increase will be carried out only to the extent that the holders of conversion or option rights exercise their conversion or option rights or fulfill conversion obligations arising from such bonds. The new shares shall participate in profits from the beginning of the fiscal year for which no resolution on the appropriation of profits has yet been adopted at the time of their issuance. The Supervisory Board is authorized to amend the wording of Section 3(8) of the Company's Articles of Association in accordance with the respective issuance of subscription shares, as well as to make all other related amendments to the Company's Articles of Association that concern only the wording. The same applies in the event that the authorization to issue conversion or option rights is not exercised after the expiration of the authorization period, as well as in the event that the conditional capital is not utilized after the expiration of the deadlines for exercising the conversion or option rights.

4. Other Provisions

Other provisions are broken down as follows:

	June 30, 2026	June 30, 2025
	TEUR	TEUR
Post-sales support for customer orders	1,814	1,515
Personnel expenses	1,281	956
Process costs	485	229
Supervisory Board compensation	106	121
Financial statement and audit costs	66	54
Costs for retention obligations	15	15
Accounting costs	14	8
Decommissioning Obligation	0	52
Other	102	386
	3,883	3,336

The provision for post-sales support for customer orders includes personnel expenses incurring after the grant has been approved for continued customer support.

5. Liabilities

Liabilities, broken down by remaining maturity, are composed as follows:

Remaining Terms	Up to 1 year TEUR	1–5 years TEUR	5 years or more TEUR	Total TEUR
to				
Credit institutions	3,390	6,933	1,334	11,657
Previous year	*(2,202)*	*(3,400)*	*(0)*	*(5,602)*
Advance payments received	37	0	0	37
Previous year	*(0)*	*(0)*	*(0)*	*(0)*
from sales and				
services	1,736	0	0	1,737
Previous year	*(1,109)*	*(0)*	*(0)*	*(1,109)*
to affiliated				
companies	0	0	0	0
Previous year	*(52)*	*(0)*	*(0)*	*(52)*
Other	3,007	0	0	3,007
Previous year	*(2,411)*	*(0)*	*(0)*	*(2,411)*
	8,170	6,933	1,334	16,437
Previous year	*(5,774)*	*(3,400)*	*(0)*	*(9,174)*

VI. NOTES TO THE CONSOLIDATED STATEMENT OF INCOME

REVENUE

Revenue comprises commission income generated from the provision of services in the following areas:

	January 1, 2026 – June 30, 2026		January 1, 2025 – June 30, 2025	
	EUR million	*%*	*EUR million*	*%*
Tax Research funding	63.04	99.9	43.64	99.0
Project Business and Other	0.06	0.1	0.46	1.0
	63.1	***100.0***	***44.1***	***100.0***

Revenue was generated almost exclusively in Germany. Revenue abroad remains well below 1 percent.

VII. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Cash and cash equivalents consist of the balance sheet item "Cash on hand and balances with banks" as well as current liabilities to banks.

	2026 TEUR	2025 TEUR
Cash on hand and bank balances	30,048	19,923
less current liabilities to financial institutions	-317	-214
cash and cash equivalents	29,730	19,709

VIII. NOTES TO THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Of the consolidated equity generated as of June 30, 2026, an amount of EUR 27,168,317.50 is attributable to the retained earnings of innoscripta SE

IX. OTHER DISCLOSURES

1. Other Financial Obligations

There are off-balance-sheet financial obligations arising from rental and lease agreements as well as other obligations as follows:

Remaining terms	Up to 1 year	1 to 5 years	5 years or more	Total
	TEUR	TEUR	TEUR	TEUR
	4,541	17,764	4,431	26,736

This includes operating leases intended to finance hardware, as well as operating and office equipment. Obligations arising from these leases amount to TEUR 64 (June 30, 2025: TEUR 73).

2. Number of Employees

In the first half of 2026, the Group employed an average of 396 employees (prior year: 337). Of these, 137 employees were in sales, 116 in project management, and 143 in other departments (e.g., IT) during the first half of 2026.

3. Corporate Bodies

The company’s Executive Board is composed as follows:

- Mr. Michael Hohenester
- Mr. Alexander Meyer
- Mr. Sebastian Schwertlein

The members of the Executive Board perform their duties for innoscripta SE on a full-time basis.

The disclosures required under Section 314 Paragraph 1 Number 6 of the German Commercial Code (HGB) regarding the total compensation of the members of the Executive Board are omitted pursuant to Section 286 Paragraph 4 of the German Commercial Code (HGB).

There are receivables from clearing accounts against two Executive Board Members totaling 184 TEUR; these bear interest at a rate of one percent.

The company's Supervisory Board is composed as follows:

- Mr. Philipp von Ilberg, attorney-at-law, managing director of Mayer Sitzmöbel GmbH & Co. KG and gesund arbeiten GmbH, Chairman of the Supervisory Board
- Mr. Stefan Berndt-von Bülow, Vice President of Finance at Isar Aerospace SE
- Dr. Erik Massmann, former Chief Financial Officer of Birkenstock Group AG

Total compensation for the Supervisory Board amounted to TEUR 118 during the reporting period.

4. Events After the Balance Sheet Date

There are no events of particular significance that occurred and after June 30, 2026, that are not reflected in either in the income statement for the period from January 1 to June 30, 2026, or in the balance sheet as of June 30, 2026, to report .

Tutzing, August 12, 2026

innoscripta SE
- Executive Board -

Michael Hohenester	Alexander Meyer	Sebastian Schwertlein

Statement of Changes in Group Fixed Assets of innoscripta SE, Tutzing for the period from 01 January to 30 June 2026

		Cost					Accumulated amortization / depreciation						Book values	
		Balance 01.01.2026 EUR	Change in scope of consolidation EUR	Additions EUR	Disposals EUR	Balance 30.06.2026 EUR	Balance 01.01.2026 EUR	Currency translation EUR	Change in scope of consolidation EUR	Additions EUR	Disposals EUR	Balance 30.06.2026 EUR	Balance 30.06.2026 EUR	Balance 31.12.2025 EUR
I.	**Intangible assets**													
	Concessions acquired against consideration, industrial property rights and similar rights and values as well as licenses to such rights and values	150.000,00	0,00	0,00	0,00	150.000,00	77.500,00	0,00	0,00	15.000,00	0,00	92.500,00	57.500,00	72.500,00
II.	**Property, plant and Equipment**													
	Other equipment, operating and business equipment	1.022.462,77	0,00	1.006.908,56	65.755,82	1.963.615,51	704.374,39	434,91	0,00	201.976,89	65.755,82	841.030,37	1.122.585,14	318.088,38
III.	**Financial assets**													
1.	Shares in affiliates companies	171.748,43	-10.000,00	0,00	1,00	161.747,43	0,00	0,00	0,00	0,00	0,00	0,00	161.747,43	171.748,43
2.	Other Investments	50,00	0,00	0,00	0,00	50,00	0,00	0,00	0,00	0,00	0,00	0,00	50,00	50,00
		171.798,43	-10.000,00	0,00	1,00	161.797,43	0,00	0,00	0,00	0,00	0,00	0,00	161.797,43	171.798,43
		1.344.261,20	-10.000,00	1.006.908,56	65.756,82	2.275.412,94	781.874,39	434,91	0,00	216.976,89	65.755,82	933.530,37	1.341.882,57	562.386,81

Innoscripta SE Interim Management Report
for the period from January 1 to June 30, 2026

I. Overview of the Company and the Group

1. Business Model

innoscripta SE (hereinafter: "innoscripta") is the parent company of the innoscripta Group (hereinafter: "Group") and, with its core product "Clusterix," is a software company that enables companies to plan, execute, and manage projects, primarily in the areas of research and (product) development (hereinafter: "R&D"). The software is tailored to the application for tax incentives (e.g., under the Research Allowance Act, FZulG) for innovative projects, including the planning and GoBD-compliant documentation of the funded projects and the allocation of personnel to them.

The Group's range of services includes the following components:

- Simplification, transparency, and audit compliance in R&D funding through the provision of the Clusterix software tool, thanks to continuous and clear project management (milestones / interim reports / final reports / time tracking).
- As part of the software onboarding process, support—particularly for major clients—in
  - developing a funding-eligible and commercially viable overall concept for R&D and innovation projects,
  - submitting applications for funding for innovative projects and R&D activities,
  - Project creation and management,
  - Preparing submissions of R&D certificates and grant award notices,
  - Compliance and documentation
- Selection and recruitment of research and corporate partners with the appropriate expertise for a specific innovation project (existing projects nearing completion, i.e., within the framework of funding programs with the exception of tax-based research funding, in particular the Central Innovation Program for SMEs).

2. Research and Development

Applied research and development make companies future-proof. That is why innoscripta has continuously invested in its own development since the company was founded in 2012.

AI-based algorithms support the management of R&D projects, reporting requirements, and the guideline-specific administration of funded projects.

Currently, our software developers, as well as external freelancers, are continuously working on further expanding the functionalities of Clusterix; among other things, they are developing various cloud solutions. In the first half of 2026, the Group incurred approximately MEUR 3.8 (first half of 2025: MEUR 3.0) in research and development expenses, primarily for the further development of Clusterix.

II. Business Report

1. Macroeconomic and Industry-Specific Conditions

The Group's industry-specific market environment—the development and sale of enterprise software designed to assist with applications for grants for R&D projects—is largely independent of general economic trends and developments in individual industries. In Germany, for example, this is also evident when looking at the general economic indicator ("GDP") and interest rates: Despite moderate growth in German GDP of 0.4% in the first quarter and 0.2% in the second quarter of 2026, the Group once again recorded significant increases in revenue and profit.

2. Business Performance

In the first half of 2026, the Group continued the very strong performance of recent years, which is attributable in particular to the investments made in recent years in the development of our software (including Clusterix).

At MEUR 24.7, the Group's net income for the first half of the year is significantly higher than that of the first half of 2025 (MEUR 16.0). During the reporting period, the number of grant applications submitted rose significantly; as a result, the Group's revenue and EBIT also increased substantially. innoscripta's Executive Board is satisfied with this business performance and anticipates continued positive development of business activities in the future.

3. Financial Performance Indicators

For internal corporate management purposes, the Group uses the following key performance indicators: the number of applications submitted for R&D certificates under the tax-based research incentive program, the number of applications submitted for tax incentives outside Germany, the number of grant applications submitted under other funding programs, revenue, and EBIT.

The volume of submitted applications for R&D certificates under the tax-based research incentive program, as well as applications for funding under other grant programs, corresponds to the net commission volume of all applications submitted to the relevant project administrators. Whether such an application is ultimately approved or rejected is irrelevant to this metric, as it merely describes whether and how many applications were fully prepared by the Group and submitted by the clients.

The commission on submitted funding applications (including those not yet decided) amounted to MEUR 52.9 in the first half of 2026 (first half of 2025: MEUR 44.3). Consequently, in the first half of 2026, a significant year-over-year increase was achieved in the number of funding applications submitted relative to production, driven by a growing workforce within the Group and further efficiency gains .

4. Financial Position

a) Earnings Situation

In the first half of 2026, the Group generated operating revenue of MEUR 63.1 (previous year: MEUR 44.1) due to the increased volume of approved grant applications compared to the first half-year of the previous year .

The Group's continued growth and the expansion of service quality require highly qualified personnel. As a result of investments in new staff, the average number of employees rose to 396 in the first half of 2026 (previous year: 337). Personnel expenses increased by TEUR 3,400 to TEUR 16,222. This is primarily attributable to the hiring of new employees and higher variable employee compensation resulting from strong revenue growth.

Other operating expenses rose from TEUR 5,473 to TEUR 8,212 compared to the prior year. They include, among other items, rent (TEUR 1,176, prior year: TEUR 703), costs related to recruitment and the establishment of partnerships (TEUR 1,007 , prior year: TEUR 0), legal and consulting fees (TEUR 1,187; prior year: TEUR 972), data center costs (882 TEUR; prior year: 396 TEUR), and other operating expenses (TEUR 3,960, prior year: TEUR 3,402 TEUR).

EBIT rose from TEUR 23,803 in the prior year to TEUR 35,904, primarily as a result of the increase in revenue.

Taking into account income taxes of TEUR 11,477 (previous year: TEUR 7,892), consolidated net income for the first half of the year amounts to TEUR 24,660 (previous year: TEUR 15,992).

b) Financial Position

The equity ratio decreased from 47.11% to 45.95%. This decrease, despite an absolute increase in equity, is attributable to a significant increase in total assets. In the first half of 2026, a dividend of EUR 40,000,000 was distributed to shareholders from the retained earnings as of December 31, 2025. The Group was financed primarily through positive cash flow from operating activities. Sufficient liquidity was fully guaranteed at all times. As of the reporting date, cash and cash equivalents amounted to TEUR 30,048 (previous year: TEUR 19,923)

c) Net Asset Position

Total assets as of June 30, 2026, amounted to TEUR 83,535, significantly higher than the previous year's level (TEUR 57,663).

Work in progress increased by TEUR 210 to TEUR 1,124 (previous year: TEUR 914). Grant applications completed as of the balance sheet date are valued at the personnel costs incurred by the employees assigned to them, for which no final decision had yet been received as of that date. The increase in work in progress results from the fact that the number of grant applications submitted has risen significantly compared to the previous year, and thus also the number of those for which a final decision had not yet been made as of the balance sheet date.

Trade receivables increased by TEUR 13,090 due to the higher volume of grant applications and the payment terms agreed upon with customers.

With regard to trade receivables outstanding as of the balance sheet date, innoscripta entered into factoring agreements and thereby sold receivables for the purpose of improving liquidity as of the balance sheet date. As a result of the factoring, liquidity as of June 30, 2026, increased by TEUR 17,145 (previous year: TEUR 10,385). Financing costs related to factoring amounted to TEUR 540 for the period from January 1 to June 30, 2026 (previous year: TEUR 465).

III. Forecast, Opportunities, and Risk Report

1. Forecast Report

The economic and geopolitical challenges of the first half of 2026—in particular, geopolitical tensions stemming from the Iran conflict, inflation and interest rate risks, and the ongoing Ukraine crisis—remain relevant for the second half of the year as well and significantly shape the economic outlook. In Germany, for example, the IMF lowered its GDP forecast to 0.8% for 2026, while the DIW expects a more moderate 1.0%. As a result, the overall economic outlook for 2026 remains marked by uncertainty.

However, an important distinction emerges when looking at actual economic performance: Germany grew steadily in the first half of 2026, with +0.4% in Q1 and +0.2% in Q2, driven primarily by exports and expansionary fiscal policy. This suggests that economic slowdowns will be more moderate than was at times feared.

This development is favorable for the Group: Its industry-specific business model—the development and sale of enterprise software to support R&D grant applications—is largely independent of general economic weakness. Rather, the Group benefits from stable or rising public investment in innovation and research funding. Expansionary fiscal policy and government investment programs contribute to economic stabilization and create favorable conditions for private R&D investment.

Notwithstanding these macroeconomic uncertainties, innoscripta's Executive Board expects business conditions for the Group to continue improving in the second half of 2026. The expansion of the software business to include Clusterix with enhanced features, the positive development of funding framework conditions, and strong sales performance should collectively lead to increased sales opportunities. The innoscripta Executive Board therefore anticipates a significant increase in submitted funding applications, rising revenue, and a markedly improved EBIT for the second half of 2026.

2. Opportunity Report

Identifying, creating, and capitalizing on opportunities is a key component of our growth strategy and our corporate success to date. In this regard, we see the following opportunities in particular within our specific context:

a. Expanded Funding Frameworks and Increased Incentives for Corporate R&D
Governments, particularly in Germany, are continuously expanding funding programs and tax incentives for research and development. On January 1, 2026, significant amendments to the Research Tax Credit Act (FZulG) took effect: The maximum tax credit base was increased to €12 million per year, and a flat-rate overhead allowance of 20% was introduced. These changes make research funding more attractive for companies of all sizes and directly create new incentives to plan and carry out innovation projects. This presents immediate opportunities and growth potential for the Group and Clusterix.

b. Global Innovation Competition and Pressure to Innovate
The German economy is facing increasing competitive pressure regarding R&D investments: Although Germany spent 3.17% of its gross domestic product on research and development in 2024— a new national record—it still lags behind countries such as Israel, South Korea, Sweden, the U.S., and Japan on the international stage. At the same time, the world's leading technology companies are experiencing a significant surge in investment: U.S. companies increased their R&D spending by 11 percent in 2025, while European companies increased theirs by only 5 percent. This "pressure to innovate" is creating a stronger incentive for both small and medium-sized enterprises and large corporations alike to systematically plan innovations and secure funding. Our Clusterix supports companies in doing exactly that—which is why we expect this global trend to lead to rising demand for our software solution.

c. International Expansion Potential for Clusterix
An initial internal evaluation of the international landscape regarding government business incentives reveals fundamental growth potential: France offers one of Europe's most generous R&D tax incentives—the Crédit d'Impôt Recherche (CIR)—at up to 30%; the United Kingdom has established R&D tax credit programs; and other European countries are also continuously expanding their funding instruments. This structural similarity to Germany creates opportunities to introduce Clusterix outside of Germany as well, thereby tapping into new markets.

3. Risk Report
Management defines risk as a negative deviation from corporate goals and key performance indicators, particularly the danger of failing to meet profit targets or jeopardizing cash flows. In the context of the Group, we identify the following significant risks:

a.) Funding Guidelines and Programs
The allocation of funding is subject to recurring changes in guidelines. These can lead to temporary payment suspensions or even the exclusion of entire customer groups from funding programs, which directly impacts revenue and cash flow. To mitigate this risk, we continuously monitor proposed legislation and maintain close stakeholder contacts with funding agencies.

b.) Processing times by project administrators
As demonstrated by past business practice, the processing speed of the responsible project agencies has a significant impact on revenue and cash flow timing. Longer processing times lead to delays in revenue recognition.

c.) Rejection Rates and Competition
Rising demand for funding can lead to higher rejection rates, which reduces the number of customers and thus revenue. At the same time, increased competition in the market could lead to declining commission structures. Our protection lies in Clusterix's high quality and specialization.

d.) Macroeconomic Factors
We currently assess rising interest rates, inflationary pressures, and the Ukraine crisis as posing a low to moderate risk to our business segment. However, there is a risk of spillover effects on, for example, the German subsidy landscape and the solvency of business customers.

e.) Shortage of Skilled Workers
The ongoing shortage of qualified professionals—particularly engineers and IT specialists—poses a significant risk and may hinder strategic goals and growth. We are addressing this through measures such as improved employer branding initiatives.

f.) Liquidity and default risk
Economic uncertainty, volatile markets, and changing payment behavior increase the risk of default and strain liquidity. We counter this through strict credit management and default reserve processes.

g.) Cybersecurity and IT system failures
The increasing digitization of our core platform, Clusterix, makes us vulnerable to cyberattacks, data breaches, and system failures. Disruptions could lead to financial losses as well as reputational damage and a loss of trust among customers and partners. We continuously invest in IT security infrastructure, regular security audits, and incident response processes.

Risk Reporting on the Use of Financial Instruments

The financial instruments held by the Group primarily consist of receivables, liabilities, and balances with financial institutions.

Default and credit risks associated with financial assets are mitigated through appropriate valuation allowances. To minimize default risks on receivables with the Group maintain an adequate accounts receivable management system. Derivative financial instruments are generally not held for trading or speculative purposes.

Interest rate risk is defined as the risk of rising interest expense and falling interest income from financial positions. In general, interest rate risk is considered immaterial, as an increasing number of long-term loan agreements with fixed interest rates have been entered into.

Tutzing, August 12, 2026

Michael Hohenester   Alexander Meyer   Sebastian Schwertlein

Review Report

To innoscripta SE, Tutzing

We have conducted a review of the half-year consolidated financial statements of innoscripta SE and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 30 June 2026, the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period from 01 January to 30 June 2026, as well as the notes thereto including the presentation of the recognition and measurement policies and the interim group management report for the period from 01 January to 30 June 2026. The preparation of the half-year consolidated financial statements and the interim management group report in accordance with German commercial law is the responsibility of the Company's legal representatives. Our responsibility is to issue a report on the half-year consolidated financial statements based on our review.

We conducted our review in accordance with the German Principles for Review of Financial Statements as promulgated by the Institute of Auditors [Institut der Wirtschaftsprüfer, (IDW)]. Those principles require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the half-year consolidated financial statements have not been prepared, in material respects, in accordance with German commercial law or that they, in compliance with generally accepted accounting principles, do not give a true and fair view of the net assets, financial position and results of operations of the Group or the interim group management report does not comply with German legal requirements, does not provide a true and fair view of the Company's position, or does not accurately present the significant opportunities and risks of future development. A review is limited primarily to inquiries of Group’s personnel and analytical procedures and therefore does not provide the assurance that can be obtained through an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the half-year consolidated financial statements have not been prepared in accordance with German commercial law, or in compliance with generally accepted accounting principles, do not give a true and fair view of the net assets, financial position and the results of operations, or the interim group management report does not comply with German legal requirements, does not provide a true and fair view of the Company's position, or does not accurately present the significant opportunities and risks of future development.

Munich, 12 August 2026

Nexia GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Hansjörg Zelger
Wirtschaftsprüfer
(German Public Accountant)

Daniel Schön
Wirtschaftsprüfer
(German Public Accountant)

[Translator's notes are in square brackets]

General Engagement Terms

for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]

as of July 1, 2026

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprüferinnen/Wirtschaftsprüfer) or German Public Audit Firms (Wirtschaftsprüfungsgesellschaften) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing (Textform) or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties. A German Public Auditor is also entitled to invoke objections (Einwendungen) and defences (Einreden) arising from the contractual relationship with the engaging party to third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (Grundsätze ordnungsmäßiger Berufsausübung). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (betriebswirtschaftliche Prüfungen), the consideration of foreign law requires an express agreement in writing (Textform).

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information submitted as well as the explanations and statements provided in a statement as drafted by the German Public Auditor in a legally accepted written form (gesetzliche Schriftform) or any other form determined by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in a legally accepted written form (gesetzliche Schriftform) or in writing (Textform) as part of the work in executing the engagement, only that presentation is authoritative. Drafts of such presentations are non-binding. Except as otherwise provided for by law or contractually agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing (Textform). Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's consent be issued in writing (Textform), unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for subsequent performance (Nacherfüllung) in writing (Textform) without delay. Claims for subsequent performance pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: Handelsgesetzbuch], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: Wirtschaftsprüferordnung], § 203 StGB [German Criminal Code: Strafgesetzbuch]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, claims for damages due to negligence arising out of the contractual relationship between the engaging party and the German Public Auditor, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: Produkthaftungsgesetz], are limited to € 4 million pursuant to

§ 54 a Abs. 1 Number 2 WPO. This applies equally to claims against the German Public Auditor made by third parties arising from, or in connection with, the contractual relationship.

(3) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(4) The maximum amount under paragraph 2 relates to an individual case of damages. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million.

(5) A claim for damages expires if a suit is not filed within six months subsequent to the written statement (Textform) of refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

(6) § 323 HGB remains unaffected by the rules in paragraphs 2 to 5.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report (Bestätigungsvermerk), he may no longer use this auditor's report. If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's consent, issued in a legally accepted written form (gesetzliche Schriftform), and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

(4) Any claims by the engaging party for information about, inspection of, or handing over of the German Public Auditor's working papers may be asserted only after the respective engagement has ended and only within one year from that point in time.

(5) The German Public Auditor is not obliged to provide information about, grant access to, or hand over the German Public Auditor's working papers to the engaging party to the extent that this would conflict with the German Public Auditor's trade secrets or confidentiality obligations.

(6) The engaging party shall reimburse the German Public Auditor for costs incurred in satisfying any claims for information about, inspection of, or receipt of the German Public Auditor's working papers.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any material errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing (Textform), ongoing tax advice encompasses the following work during the contract period:

a) preparation and electronic transmission of annual tax returns, including financial statements for tax purposes in electronic format, for income tax, corporate tax and business tax, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
b) examination of tax assessments in relation to the taxes referred to in (a)
c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing (Textform).

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (Steuerberatungsvergütungsverordnung) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (Textform).

(6) Work relating to special individual issues for income tax, corporate tax, business tax and valuation assessments for property units as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

a) work on non-recurring tax matters, e.g. in the field of estate tax and real estate sales tax;
b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (Textform) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (Verbraucherschlichtungsstelle) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (Verbraucherstreitbeilegungsgesetz).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.