



This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program 3.0.

38/2023/AR

January 20, 2023

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
<b>Brand24</b>	<b>Not rated</b>	<b>31.6</b>	<b>Not rated</b>	Sobieslaw Pająk, CFA

**Event: IP Box eligibility.**

On January 20 (Friday), at 1.30 p.m. the Company informed that it obtained a positive individual interpretation with respect to the IP BOX tax relief issued by the tax authority which confirms the Company's eligibility to apply this tax relief (which means the preferential 5% tax rate for the income (from subscriptions) from the software created and offered in the SaaS mode.

*Our comment: **Positive information.** Given that c. 90% of Brand24's income should fall under the preferential tax rate (IP box tax relief), we estimate the effective income tax rate for the Company will reach 6.5-7%. This assumption, in turn, increases (ceteris paribus) our assessment of the Company's 12M DCF EFV by the extent from c. PLN 2.0 per share (provided that the eligibility for IP Box tax relief refers to the definite forecast period which is the next decade) to c. PLN 3.7 per share (provided that the eligibility for IP Box tax relief will apply in the residual period as well, which is to infinity).*

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*The report is not a recommendation within the meaning of Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest.*