

**beaconsmind[®]
group**



FREDERIX
hotspot 

NETOPSIE

SOCIALWAVE 

T2
vertrieb 

KADSOFT 
Informations- und Medientechnik

Financial Report

for the first half-year of 2023

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Short Portrait

Founded in Switzerland in 2015, beaconsmind AG is at the forefront of location-based marketing (LBM) software, WiFi infrastructure systems, and WiFi Guest Hotspots, catering to sectors such as retail chains, hospitality, healthcare, and the public sector. The beaconsmind Group with its subsidiaries under the beaconsmind umbrella is recognized for its expertise in digital transformation, Location-Based Marketing, infrastructure, and Wi-Fi services for SaaS clients. Through intelligent, entirely cloud-based technologies, we deliver tangible added value to our clients, empowering their omnichannel strategies with enhanced success.

By fitting stores with Bluetooth beacons and WiFi Hotspots that precisely locate and identify customers, and by integrating its Software Suite, beaconsmind opens a brand-new channel for retailers to interact with their customers concurrently laying the foundational infrastructure for a digital horizon.

Through its innovative solutions, beaconsmind enables retailers to seamlessly merge digital and in-store shopping experiences, effectively bridging the convenience disparities inherent in each. Beyond offering Software as a Service (SaaS) with beacons and WiFi hotspots tailored for retailers, we extend our solutions to public sectors, hospitality, and healthcare industries. The specialists at beaconsmind are committed to delivering top-tier, dependable infrastructure systems—including LAN, WiFi, Coax, DSL, WAN, and Firewalls—to ensure our clients are primed for the digital future.

Enabling customers to fundamentally transform the shopping experience for customers in physical stores, beaconsmind offers the beaconsmind software suite, coupled with Bluetooth iBeacons and WiFi to be installed at point-of-sale. Our localisation technology and beaconsmind software suite allows our customers to converge digital and physical shopping and create a seamless customer journey.

beaconsmind has been awarded with different prizes since inception that underpin its outstanding product, technological edge, and customer-oriented approach. It was awarded with the Best Enterprise solution prize in 2016 and Best-In-Store Solution and Top Retail Supplier prize in 2017 by Reta Europe. Additionally, it also won a Microsoft BizSpark Plus Program sponsoring from Microsoft.

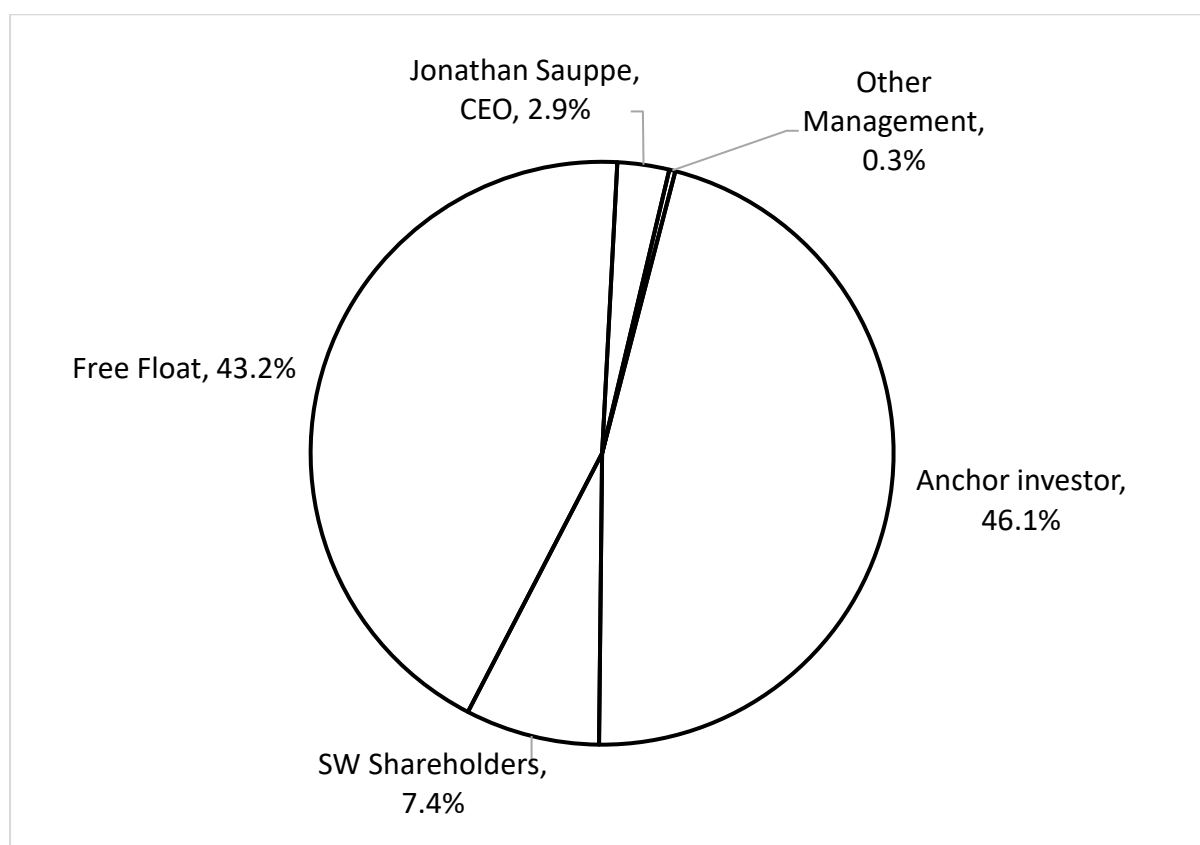
The beaconsmind specialists are strategically positioned in offices across Stäfa (Switzerland), Munich, Dresden, Hannover (Germany), and Dubai (UAE). They are dedicated to empowering our international clientele to spearhead successful location-based marketing campaigns and to develop steadfast IT infrastructure systems. The shares of the company (ISIN: CH0451123589 – Ticker: MLBMD) are listed on the Frankfurt Stock Exchange with XETRA trading and on Euronext in Paris.

For more information, please visit www.beaconsmind.com

beaconsmind Share

Share Class	Ordinary shares
Number of shares	3,649,326 ⁽¹⁾ / 4,699,326 ⁽²⁾
Market Capitalization	21,146,967 ⁽³⁾
ISIN	CH0451123589
Ticker	A2QN5W

Shareholder Split



Note: (1) As of 30/06/2023 (2) As of 24/10/2023, including cash capital increase of 450,000 new shares as of 18. Oct and 300,000 shares capital increase in kind as of 24. Oct (3) Market Cap of Xetra Stock Exchange as close of 23/10/2023 with share price of EUR 4.50

Balance Sheet as of 30.06.2023

beaconsmind Group AG, Stäfa

<i>in CHF</i>	<u>Jun-23A</u>	<u>Dec-22A</u>
<u>Assets</u>		
Current assets		
Inventories	570,043	90,000
Trade and other receivables	2,081,099	202,185
Accrued income and prepaid expenses	419,713	64,631
Cash and cash equivalents	798,268	547,026
Total current assets	3,869,123	903,842
Non-current assets		
Investment in subsidiaries	-	2,008,240
Property, plant and equipment	832,767	297,104
Right-of-use assets	435,503	347,252
Intangible assets	504,760	276,875
Financial Assets	37,256	38,862
Goodwill	10,413,254	-
Deferred tax assets	14,370	14,370
Total non-current assets	12,237,910	2,982,704
Total assets	16,107,033	3,886,546
<u>Equity and Liabilities</u>		
Current liabilities		
Lease liabilities	215,570	135,135
Trade and other payables	646,653	851,646
Accrued expenses and deferred income	1,404,042	602,604
Borrowings – Current portion	994,000	-
Total current liabilities	3,260,265	1,589,385
Non-current liabilities		
Employee benefit obligations	62,650	62,650
Borrowings	5,804,129	18,528
Lease liabilities	223,722	233,866
Total non-current liabilities	6,090,501	315,044
Total liabilities	9,350,766	1,904,429
Equity		
Share capital	364,933	284,438
Capital Reserve	22,221,274	16,481,616
Accumulated losses	(267,754)	(26,684)
Translation reserve	(15,856,449)	(14,757,253)
Equity	6,462,004	1,982,117
Non-controlling interests	294,264	-
Total equity	6,756,268	1,982,117
Total equity and liabilities	16,107,033	3,886,546

Profit and Loss Statement as of 30.06.2023

beaconsmind Group AG, Stäfa

<i>in CHF</i>	H1 2023A	FY22A
Net Revenue	2,664,448	1,987,242
Direct cost	(198,058)	(196,105)
Personnel expenses	(1,572,527)	(1,580,931)
Other operating expenses	(1,418,097)	(2,456,504)
EBITDA	(524,234)	(2,246,298)
Depreciation, amortisation and impairment	(346,898)	(219,699)
EBIT	(871,132)	(2,465,997)
Financial income	97	40,064
Financial expenses	(125,001)	(73,211)
EBT	(996,036)	(2,499,144)
Income tax reversal/(expense)	3,776	(7,283)
Net Income/(Loss)	(992,260)	(2,506,427)
Earnings per share		
Earnings and diluted earnings per share	(0.31)	(1.04)
Other comprehensive loss/(income)	(260,943)	(8,457)
Net Income/(Loss)	(1,253,203)	(2,514,884)

Management report

The following business report is a condensed status report that primarily focuses on deviations from the previous year's annual financial statements. For a comprehensive overview, please refer to the annual report as of December 31, 2022. This report half-year report is the first report of beaconsmind Group ("Group") in which the fiscal year and calendar year are aligned. The financial year of beaconsmind Group has changed from 01st July – 30th June to 01st January – 31st December.

A. Company Fundamentals

I. Business Activities

The business model has been strengthened by three consecutive acquisitions (Frederix, Netopsie and Socialwave) that have been concluded in H1 2023. These acquisitions are expected to be accretive for the financial profile of the Group, which will be reflected in the first half year results of 2023. The one-off costs incurred by the acquisitions are also reflected in this half year result.

II. Market and Portfolio

Through the strategic acquisitions of Frederix, Netopsie, and Socialwave, the beaconsmind Group has substantially bolstered its WiFi Hotspot division, infrastructure, and Software as a Service (SaaS) segment. Frederix and Netopsie both bring significant and growing customer relationships into the group. Specifically, Frederix enhances the WiFi profile by contributing extensive expertise in WiFi services and network infrastructure, thereby reinforcing beaconsmind Group's overall prowess. Simultaneously, Netopsie, with its specialized knowledge in network technology and digital transformation within the Healthcare and Hospitality sectors, marks a critical expansion point.

The acquisition of Socialwave dramatically expands the beaconsmind Group's SaaS portfolio, augmenting it with thousands of successful customer relationships. As a market leader in Germany for WiFi Hotspot Marketing, Socialwave aligns seamlessly with beaconsmind's Bluetooth marketing solutions, enabling the group to offer customers an even broader range of solutions in location-based marketing.

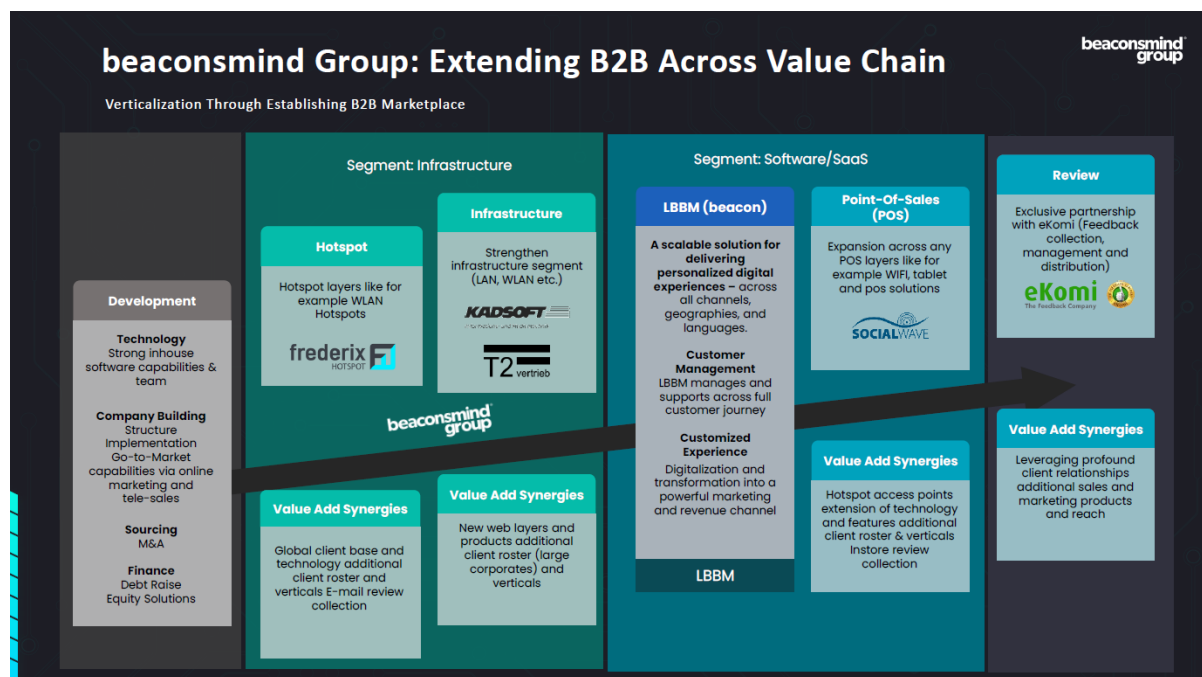
The Management at beaconsmind anticipates robust synergies emerging from these acquisitions, attributed to their complementary business models and substantial potential for upselling and cross-selling, which will materialize progressively.

With the acquisitions of the two companies beaconsmind Group has concluded the strategic transformation into two synergetic segments: Infrastructure and Software/SaaS and will provide reporting of financials on these two segments going forward.

beaconsmind Group's Infrastructure segment mainly includes the backbone Frederix, Netopsie and newly acquired T2 and Kadsoft businesses while the Software/SaaS segment is composed of the Socialwave and former beaconsmind Suite product offering. The new management team has established a new beaconsmind Group offering selecting a best-in-class

infrastructure and software offering on a modular basis. As part of the strategic alignment, the Group is poised to unveil an integrated product that will merge the advantages of the WiFi solutions provided by Frederix and Socialwave with beaconsmind's Bluetooth-based LBM software. This all-encompassing product will feature a cloud-driven WiFi solution and hotspot system, furnishing clients with real-time, detailed statistics and data, thereby facilitating the evaluation of usage metrics across various locations. This insight is pivotal for retailers to comprehend their customer base more profoundly and to craft optimal marketing campaigns.

First customer PoCs have started across all product offerings confirming revenue synergies next to the already implemented cost synergies being fully realized.



In addition to these advancements, beaconsmind is actively pursuing a trajectory of continued growth through further strategic acquisitions. We are steadfast in our commitment to identifying and integrating companies that align with our vision and enhance our product offerings, market reach, and technological capabilities. This deliberate expansion strategy is integral to our objective of maintaining leadership and setting innovative standards in location-based services and solutions, thereby delivering unparalleled value to our customers and stakeholders.

Moreover, in our continuous effort to innovate and simplify digital transformation for our retail clients, we have recently developed a new white-label app specifically designed for location-based marketing. This cutting-edge application, crafted over the past few months, features an integrated customer loyalty program, making it even more convenient for retail clients to navigate their digital transition. By offering a customizable platform that retailers can adapt to their branding while leveraging sophisticated location-based technologies, we are further empowering them to engage with their customers in a more personalized and efficient manner. This development underscores our dedication to facilitating our clients' digital journeys and enhancing their customer engagement strategies through innovative technological solutions.

B. Special Events

With respect to reporting, the financial year of beaconsmind Group has been amended from 1 July to 30 June to 1 January to 31 December. Hence, FY2023 is beaconsmind's first fiscal year, which will correspond to the respective calendar year and thus, H1 2023 reports the period from the 1 January to the 30 June 2023.

Strategically, beaconsmind finalized three add-on acquisitions, namely Frederix (2 February 2023), Netopsie (23 February) and Socialwave (21 April 2023).

- Strategically beaconsmind finalized the acquisition of 51% of the shares of Frederix GmbH, a market leading Hotspot provider with a large and international customer base mainly from the retail and real estate industry. The closing of this transaction was completed on 2 February 2023. The total purchase price for this acquisition was EUR 2MM fully financed by issuing 155,500 new beaconsmind shares to the seller. As part of this acquisition, the beaconsmind offering will be expanded in the future to include the SaaS review platform of eKomi, which offers end-to-end solutions for B2B customers. On 27 July the share ownership was increased to 62%.
- Furthermore, Frederix also acquired 100% of the shares of Netopsie for a total purchase price of EUR 500k fully financed by liquidity at hand at Frederix on February 27, 2023. Netopsie DSL and Netopsie Koaxial are solutions to quickly and easily build a network and provide internet in every room, e.g. in a hospital or nursing home, without having to lay new cables. In addition, the company supports the planning and realisation of complex infrastructure solutions for the connection of modern IOT solutions. Through this transformative acquisition, beaconsmind will significantly expand its value chain and massively diversify its customer and revenue base.
- Lastly, beaconsmind acquired 100% of the shares of Socialwave GmbH further expanding its business model as a B2B Point-of-Sales solution provider and adds to the range of solutions that are already offered. The total purchase price was set at EUR 10MM through a combination of low-coupon debt, cash and 350,000 new beaconsmind shares to the sellers. The transaction finalized on 21 April 2023. This acquisition will allow beaconsmind to further develop the product offering and at the same time increase its customer base having direct access to existing Socialwave customers, whereby beaconsmind's AG location-based marketing solution can be offered.

On 24 October 2023 beaconsmind Group successfully announced further strategic add-on acquisitions with the acquisition of T2 Vertrieb ("T2") and KADSOFT ("Kadsoft")

With the acquisition of both companies, beaconsmind is continuing to expand its business activities in the newly formed Infrastructure segment in line with its overall business strategy.

- Kadsoft is a technology company specializing in the planning, realization, and implementation of new IT systems, as well as the enhancement of existing system solutions.
- T2 is a technology firm primarily dedicated to the deployment and growth of telecommunication systems, with a core mission of guaranteeing the smooth establishment and improvement of infrastructure for its valued clients.

The combined run-rate revenue of both companies amounts to EUR 3.2MM and EUR 550k EBITDA including cost synergies. Accretive effect on Group financials will be fully captured in the FY2024 annual figures with an expected closing still in November 2023.

The acquisition is financed via EUR 1.6MM cash that was raised via an add-on equity placement from Oct 16th and a capital increase in kind with 300,000 shares issued to the sellers with a customary lockup. Through the newly issued capital increase in kind the share capital of beaconsmind AG rises from CHF 439,932.60 by CHF 30,000.00 to CHF 469,932.60.

With the acquisitions of the two companies beaconsmind Group has concluded its strategic transformation into two synergetic segments: Infrastructure and Software/SaaS and will provide reporting of financials on these two segments going forward.

beaconsmind Group's Infrastructure segment mainly includes the backbone Frederix, Netopsie and newly acquired T2 and Kadsoft businesses while the Software/SaaS segment is composed of the Socialwave and former beaconsmind Suite product offering.

Apart from the beforementioned acquisitions, beaconsmind has successfully completed three equity raises in the first half-year of 2023 with a total volume of CHF 5.7 million.

- The first cash capital increase of CHF 1.86MM increased the share capital by 258,275 new shares. The new shares are entitled to participate in profits from 29 March 2023 onwards.
- The second capital increase in kind was successfully completed on 31 March 2023 amounted to CHF 2.4MM and issued 350,000 new shares to Socialwave shareholders.
- The third cash capital increase was successfully completed on 21 April 2023 amounted to CHF 1.42MM and increased the share capital by 196,667 new shares.
- On July 28th a cash capital increase of CHF 1.44MM and capital increase in kind of issuance of 75,000 new shares to the seller of FREDERIX were announced.
- On October 16th a cash capital increase of CHF 1.62MM and on October 24th the capital increase in kind of issuance of 300,000 shares to the seller of Kadsoft and T2 were announced

Lastly, there have been changes to management and board composition at beaconsmind. Michal Krupinski has resigned from the Board of Directors on 28 March 2023 and Martin Niederberger and Jonathan Sauppe have joined the Board of Directors of beaconsmind AG on 29 March 2023 and Andreas Wyss has joined the Board of Directors on 15 September 2023. Further, Jörg Hensen left the Board of Directors on 15 June 2023. With Jonathan Sauppe, Michael Ambros, Martin Niederberger and Andreas Wyss the Board of Directors currently consists of four members.

C. Financial situation

Summary

In the first half of 2023, beaconsmind AG embarked on comprehensive cost optimization initiatives and sought to leverage synergies at its headquarters in Stäfa and through its recent acquisitions, Frederix, Netopsie, and Socialwave. These strategic measures are set to manifest significant financial and operational benefits in the second half of 2023 and throughout 2024.

Part of the overarching group strategy involved targeted efforts to capitalize on synergies and boost efficiency. This included reducing staff at the headquarters level while concurrently bolstering expertise by expanding specialist roles. Both the marketing and international sales functions were restructured to operate as unified entities, enhancing efficiency and solidifying market positioning.

Moreover, the software divisions of Frederix, Socialwave, and the beaconsmind Suite were amalgamated to promote operational efficiency and a cohesive product development strategy. The Dubai office underwent a realignment focused exclusively on the international promotion of the group's new products, thereby reinforcing our global presence and potential for international growth.

These measures are foundational for a robust standing in 2024, positioning the company for sustained growth. Through these strategic moves, beaconsmind AG ensures optimal readiness to build on current successes and seize forthcoming opportunities in the rapidly evolving digital landscape.

With the new management change, the Group has announced a cost-cutting programme of total CHF 1.0MM that has been fully implemented through centralizing its range of products and services, critical functions and operations and should be fully reflected in 2024ff. financials

Earnings position

In the first half of 2023, the beaconsmind Group AG achieved revenues of CHF 2.7 million (compared to CHF 0.6 million in the second half of 2022). The revenues are primarily attributed to the latest acquisitions of Socialwave, Frederix and Netopsie. The group posted an EBITDA of -0.5 million for the reporting period (compared to -3.2 million in H2 2022). On an EBITDA level, FREDERIX made the largest EBITDA contribution within the Group.

The cost of purchased goods and services amounted to CHF 0.2 million, which marks an increase of 9.8% comparing to the reference period. The increase is mainly stemming from cost-cutting strategies applied in beaconsmind AG.

Balance Sheet

Total assets as of 30 June 2023 stood at CHF 16.1MM which marks an increase of 12.3MM compared to the period ending in December 2022. The increase is a result of the recent M&A activity at the Group level resulting in the acquisitions of Socialwave, Frederix and Netopsie. The Group posted a cash position of 0.8MM as of 30 June 2023, which is an increase of 0.3MM compared to last year, driven by recent capital increases. Trade receivables increased to 2.1MM (CHF 0.2 MM, December-22) driven by new client demand from new subsidiaries.

Through the recent and previous capital increases beaconsmind Group has been fully capitalized with CHF 6.8MM equity reflected in 30 June 2023. A total of CHF 5.7MM equity was raised in the first half year of 2023, thereof CHF 3.3MM cash capital increase and CHF 2.4MM

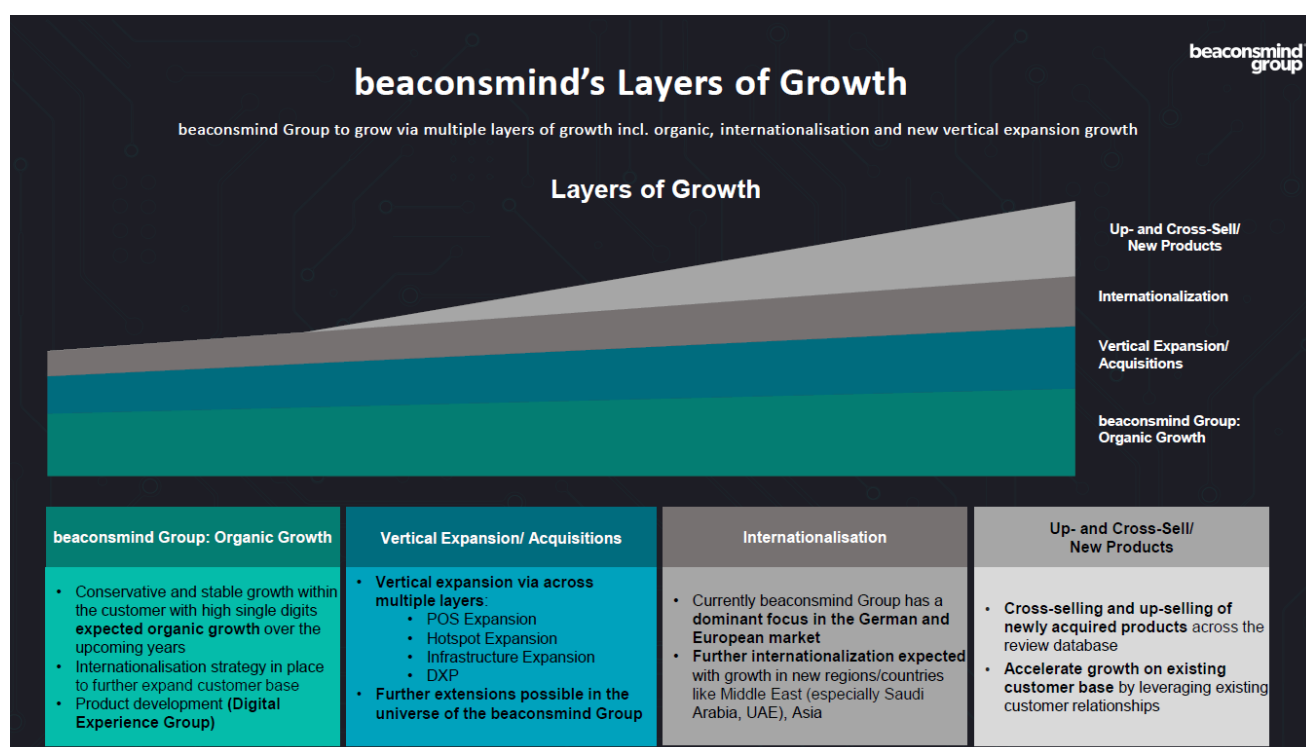
capital increase in kind. Total equity of CHF 10.4MM has been raised 2023 year-to-date including the recently announced cash capital increase and the newly issued capital increase in kind to the sellers of T2 and Kadsoft expected to be raised in FY2023.

On the liability side, it is worth noting that trade payables have been reduced to CHF 0.6MM driven by cost cutting strategy. Furthermore, borrowing stood at CHF 6.8MM coming from additional shareholder loans as well as term loan from Socialwave.

Capital reserves as of June 2023 stood at CHF 22.2MM (CHF 16.5MM December-22). The total equity position increased from CHF 2.0MM (December-22) to 6.8MM driven by consolidation of the new acquisitions.

D. Opportunities, Risks and Outlook

Opportunities



- Operational Integration and Synergies Through New Product Offering

beaconsmind Group is expected to grow via multiple layers of growth including organic, internationalization and new vertical expansion growth. Conservative and stable organic growth within the customer base with high single digits is expected over the upcoming years. beaconsmind Group further expands its vertical across multiple layers through acquisitions, including POS expansion, Hotspots Expansion, and Infrastructure expansion. Currently beaconsmind Group has a dominant focus in the German and European market and further internationalization is expected with growth in new regions/countries like Middle East. Furthermore, cross-selling and up-selling of newly acquired products are expected across the new customer base.

- **Internationalization through Dubai Franchise Enabler**

The institutionalization of the Dubai franchise enabler is a pivotal development in the Group's internationalization strategy. This initiative is particularly significant for recent acquisitions like Frederix and Socialwave, which until now, haven't had a presence in the Middle East region. The establishment in Dubai presents enormous opportunities for growth, allowing these entities to tap into a vibrant, burgeoning market. This move not only diversifies their market reach but also creates a conduit for the introduction of our comprehensive suite of services to a new, high-potential customer base. The strategic positioning in Dubai serves as a linchpin for the Group's expansion efforts, providing a gateway to untapped markets and a multitude of growth opportunities in the region and beyond.

- **Value Creation from Add-on Acquisitions**

The strategic add-on acquisitions are integral to the Group's value creation, especially evident in the diversification and expansion of our product portfolio. These acquisitions have allowed us to offer a broader, more comprehensive range of products and services that address a wider array of client needs. Particularly, the integration of new entities has enriched our offerings, allowing clients to benefit from a one-stop solution, enhancing customer experience, and positioning us as a full-service provider. This expanded product portfolio not only stands as a testament to our Group's growth but also enhances our market appeal, providing a competitive edge and setting the stage for increased revenue opportunities. A dynamic M&A strategy stands at the forefront of our plan for sustained growth. By identifying and integrating valuable acquisitions, we're poised to expand our business portfolio, enter new markets, and tap into fresh revenue potentials.

- **Enhanced Lead Generation and Customer Engagement**

Our strategic approach to lead generation leverages the existing business framework, significantly bolstered by the recent acquisitions of Socialwave and Frederix. These new additions have brought thousands of new customers into the Group, vastly expanding our market reach and potential for customer engagement. This influx of clients provides a fertile ground for cross-selling and up-selling opportunities, allowing us to present a broader range of our now-enhanced service portfolio. By effectively engaging these new and existing customers, we're set to boost customer retention, maximize revenue from each client, and drive sustainable growth. The integration of these customer bases into our Group creates a synergy that not only enhances our market position but also allows us to innovate and offer tailored solutions, catering to a more diverse set of needs and maximizing customer satisfaction.

- **Streamlined Solutions and Comprehensive Customer Journeys**

The debut of our new Whitelabel-App and the consolidation of our software systems represent a transformative stride in enhancing the customer experience. These advancements are designed to drastically improve onboarding times and provide a seamless, integrated platform for our users. Our unified software environment addresses a broad customer journey, ensuring that every touchpoint is intuitive, consistent, and value-driven.

This strategic amalgamation of technology enables us to offer a more comprehensive, end-to-end customer journey. It allows clients to navigate through our ecosystem, from initial onboarding to advanced utilization, with ease and efficiency. By catering to a wide spectrum of customer needs and touchpoints, we are positioned to deepen client engagement, foster loyalty, and drive sustainable growth through repeat business and referrals. The breadth and depth of the customer journey we now address underscore our commitment to delivering not just products, but complete solutions that resonate with and create value for our clients.

Risks

Effective Integration of Acquisitions and Internal Processes

The seamless integration of new add-on acquisitions and the expedited advancement of internal processes are pivotal to unleashing anticipated synergies and maintaining operational coherence. The complexity of merging new entities into our existing structure presents considerable challenges, from aligning corporate cultures to integrating operational systems and processes. Swift and strategic integration is essential to prevent disruption, maximize the potential of our expanded capabilities, and deliver on the promise of these investments. Any delay or inefficiency not only hinders our immediate performance but also poses long-term risks to innovation and market responsiveness, potentially ceding advantages to competitors. By recognizing these risks, we underscore the necessity for a structured, agile approach to our integration strategies, ensuring that we capture the full value of our acquisitions while sustaining momentum in our ongoing operations.

Geopolitical Instabilities

The ongoing conflict in Ukraine and the resulting instability in the market, especially in Europe, pose significant risks. This volatile environment could affect supply chains, consumer confidence, and overall market stability, potentially impacting our operational efficiency and profit margins.

Speed of Digital Transformation

The pace of digital transformation is another significant risk factor, as delays can lead to a loss of competitive edge. It's crucial that we and our clients adapt swiftly to digital changes to capitalize on market opportunities and maintain relevance in a rapidly evolving digital landscape.

Economic Climate in Central Europe

Despite the current subdued economic atmosphere in Central Europe, our industry, particularly the IT sector, continues to witness robust investment trends. Sectors such as Retail, Healthcare, and Public Services are on the cusp of substantial digital transformation programs. This paradigm shift not only buffers us against broader economic headwinds but also heralds significant growth opportunities. The urgency for digitalization across these sectors is accelerating, driven by the need for efficiency, customer-centric solutions, and innovative service delivery. This climate presents us with a fertile landscape for expansion and the chance to position ourselves as integral partners in our clients' digital transformation journeys. By leveraging our expertise and solutions in these burgeoning areas, we foresee a future replete with possibilities, allowing us to thrive even amidst general economic uncertainties.

In accordance with its risk policy, beaconsmind AG only takes on risks that are unavoidable in the context of value creation, but which can be controlled. An internal control system (ICS) is established and in use in the company and is periodically adjusted based on the given dynamics. beaconsmind AG also regularly reviews its business objectives, processes, and control measures. Despite regular review and further development of risk management, risks cannot be completely excluded.

Outlook

Looking ahead, beaconsmind Group is strategically poised for a period of robust growth and innovation. Our focus will be on streamlining our core areas of growth, seamlessly integrating our product offerings into a comprehensive portfolio, and unlocking cost efficiencies through the centralization of key group functions. The recent acquisitions of Frederix, Netopsie, and Socialwave have notably broadened our business scope within the Wi-Fi Hotspot vertical, enabling us to provide our customers with a richer array of cutting-edge solutions from a unified platform, thereby propelling our ongoing growth trajectory.

As we advance, we are optimistic about the fiscal landscape that lies before us. For the upcoming financial year, we are projecting revenue growth in the double-to-triple-digit range and a breakeven EBITDA. By the close of FY2023, we anticipate elevating our revenues beyond the CHF 7 million benchmark, driven by the genesis of new revenue channels emerging from our integrated product suite, catered to both our current clientele and prospective customers. This progression is not just about hitting financial milestones; it's about solidifying our profitability as a bedrock for sustained growth into FY 2024 and beyond. Current run rate figures that will be visible for 2024 financials are around CHF 12.6MM and EBITDA of CHF 2.2MM on a Group level.

Our vision extends further than organic growth; we are actively scanning the horizon for lucrative acquisition opportunities that align with our mission and enhance our value proposition. Additionally, we are committed to deepening our involvement across the value chain, ensuring we remain pivotal in the digital transformation narratives of businesses in various sectors.

In essence, the road ahead for beaconsmind Group is one of expansion, innovation, and unwavering commitment to delivering unparalleled value to our customers, stakeholders, and the broader market.

Stäfa, 24 October 2023

The Board of Directors

Additional Information

Disclaimer

This report contains forward-looking statements based on the current assessments and forecasts of the board of directors, as well as the currently available market information. These forward-looking statements should not be interpreted as guarantees of expected developments and results.

Instead, future developments and results are subject to a variety of risks and uncertainties and are based on assumptions that may prove to be incorrect. We do not undertake any obligation to update these forward-looking statements.

Neither the company nor any of its affiliated entities shall be liable for losses arising directly or indirectly from the use of this report.

Mathematical Roundings

Percentage figures and numbers in the tables, graphics, and text of this report may contain rounding differences for computational reasons.

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Impressum

beaconsmind Group AG

Seestrasse 3

8712 Stäfa (Zurich)

Switzerland

Telefon: +41 44 / 380 73 73

E-Mail: press@beaconsmind.com

Website: www.beaconsmind.com

Board of Directors:

Jonathan Sauppe (CEO / Chairman), Michael Ambros, Martin Niederberger, Andreas Wyss

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**beaconsmind AG
(Stäfa, Switzerland)
Condensed interim consolidated financial statements
for the 6 months period ended 30 June 2023**

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of profit or loss

CHF	1 Jan 2023- 30 Jun 2023	1 July 2022- 31 Dec 2022
	(6 Months)	(6 Months)
Net Revenue	<u>2'664'448</u>	<u>553'049</u>
Direct cost	(198'058)	(95'121)
Personnel expenses	(1'572'527)	(1'304'931)
Other operating expenses	<u>(1'418'097)</u>	<u>(2'330'721)</u>
Loss before interest, taxes, depreciation and amortisation (EBITDA)	<u>(524'234)</u>	<u>(3'177'724)</u>
Depreciation, amortisation and impairment	(346'898)	(404'867)
Loss before interest and taxes (EBIT)	<u>(871'132)</u>	<u>(3'582'591)</u>
Financial income	97	18'513
Financial expenses	(125'001)	(99'593)
Loss before income taxes	<u>(996'036)</u>	<u>(3'663'671)</u>
Income tax reversal/(expense)	3'776	2'086
Loss for the period	<u>(992'260)</u>	<u>(3'661'586)</u>
<u>Earnings per share</u>		
Earnings and diluted earnings per share	<u>(0.31)</u>	<u>(1.35)</u>
<u>Total loss attributable to:</u>		
Equity holders of beaconsmind AG	(1'099'196)	(3'661'586)
Non-controlling interests	106'936	-
	<u>(992'260)</u>	<u>(3'661'586)</u>

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of comprehensive income or loss

CHF	1 Jan 2023- 30 June 2023 (6 Months)	1 July 2022- 31 Dec 2022 (6 Months)
Loss for the period	(992,260)	(3,661,586)
<u>Other comprehensive income</u>		
Items that will not be reclassified to profit or loss:		
Remeasurements of net defined benefit liability	-	-
Income tax on items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss:		
Currency translation difference on translating foreign operations	(260,943)	12,781
Other comprehensive loss/(income), net of tax	(260,943)	12,781
Total comprehensive (loss) for the period	<u>(1,253,203)</u>	<u>(3,648,805)</u>
<u>Other comprehensive loss attributable to:</u>		
Equity holders of beaconsmind AG	(241,070)	12,781
Non-controlling interests	(19,873)	-
	<u>(260,943)</u>	<u>12,781</u>

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Consolidated balance sheet

CHF	30 June 2023	31 Dec 2022
Assets		
Current assets		
Inventories	570,043	90,000
Trade and other receivables	2,081,099	202,185
Prepaid expenses and other advances	419,713	64,631
Cash and cash equivalents	798,268	547,026
Total current assets	3,869,123	903,842
Non-current assets		
Advance for investment in subsidiaries	-	2,008,240
Property, plant and equipment	832,767	297,104
Right-of-use assets	435,503	347,253
Intangible assets	504,760	276,875
Financial assets	37,256	38,862
Goodwill	10,413,254	-
Deferred tax assets	14,370	14,370
Total non-current assets	12,237,910	2,982,704
Total assets	16,107,033	3,886,546
Equity and Liabilities		
Current liabilities		
Lease liabilities - current portion	215,570	135,135
Trade and other payables	646,652	851,646
Accrued expenses, deferred income and other provisions	1,404,042	602,604
Borrowings - Current portion	994,000	-
Total current liabilities	3,260,264	1,589,385
Non-current liabilities		
Employee benefit obligations	62,650	62,650
Borrowings - Non-current portion	5,804,129	18,528
Lease liabilities - Non-current portion	223,722	233,866
Total non-current liabilities	6,090,501	315,044
Total liabilities	9,350,765	1,904,429
Equity		
Share capital	364,933	284,438
Capital reserve	22,221,274	16,481,616
Translation reserve	(267,754)	(26,684)
Accumulated losses	(15,856,449)	(14,757,253)
Total equity	6,462,004	1,982,117
Equity attributable to:		
Equity holders of beaconsmind AG	6,462,004	1,982,117
Non-controlling interests	294,264	-
Total equity	6,756,268	1,982,117
Total equity and liabilities	16,107,033	3,886,546

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Consolidated statement of changes in equity

CHF	Share capital	Capital reserve	Translation reserve	Accumulated losses	Total shareholders' equity	Attributable to non-controlling interests	Attributable to equity others of the parent
At 1 July 2022	268'888	14'508'811	(39'465)	(11'095'668)	3'642'566	-	3'642'566
Loss for the 6 months period ended December 2022	-	-	-	(3'661'586)	(3'661'586)	-	(3'661'586)
Other comprehensive loss, net of tax	-	-	12'781	-	12'781	-	12'781
Total comprehensive income for the 6 months period	-	-	12'781	(3'661'586)	(3'648'805)	-	(3'648'805)
Increase in share capital and capital reserve	15'550	1'972'805	-	-	1'988'355	-	1'988'355
Transactions with owners of the Company	15'550	1'972'805	-	-	1'988'355	-	1'988'355
At 31 December 2022	284'438	16'481'616	(26'684)	(14'757'253)	1'982'117	-	1'982'117
Non-controlling interest as on acquisition	-	-	-	-	-	207'201	207'201
Loss for the 6 months period ended June 2023	-	-	-	(1'099'196)	(1'099'196)	106'936	(992'260)
Other comprehensive loss, net of tax	-	-	(241'070)	-	(241'070)	(19'873)	(260'943)
Total comprehensive income for the 6 months period	-	-	(241'070)	(1'099'196)	(1'340'266)	294'264	(1'046'002)
Increase in share capital and capital reserve	80'495	5'739'658	-	-	5'820'153	-	5'820'153
Transactions with owners of the Company	80'495	5'739'658	-	-	5'820'153	-	5'820'153
At 30 June 2023	364'933	22'221'274	(267'754)	(15'856'449)	6'462'004	294'264	6'756'268

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of cash flows

CHF	1 Jan 2023- 30 June 2023	1 July 2022- 31 Dec 2022
	(6 Months)	(6 Months)
Loss before taxes	(996,036)	(3,663,671)
Depreciation, amortisation and impairment	346,898	404,867
Share of profit/ (loss) to Non-controlling interests	(106,936)	-
Movements in employee benefit obligation	-	(4,068)
Interest (income)/expense net	124,326	(377)
Other non-cash items	(257,789)	116,060
<i>Working capital adjustments:</i>		
Changes in trade and other receivables	(1,878,914)	1,103,893
Changes in prepaid expenses and accrued income	(355,082)	354,437
Changes in inventory	(492,093)	-
Changes in trade and other payables	(204,993)	(180,896)
Changes in accrued expenses, deferred income and other provisions	801,438	(90,906)
Cash used for operations before interest and taxes	(3,019,181)	(1,960,661)
Interest paid	(124,904)	(81,080)
Income tax reversals/ (payments)	3,776	967
Net cash used for operating activities	(3,140,309)	(2,040,774)
(Purchase) of property, plant and equipment	(682,562)	(2,447)
(Purchase) of intangible assets	(312,335)	(288,633)
Increase in ROU asset	(195,951)	-
Investment in subsidiary	2,008,240	(2,008,240)
Net cash generated from / (used in) investing activities	817,392	(2,299,320)
Increase in capital	80,495	15,550
Increase in capital reserve	5,739,658	1,972,805
Increase in Goodwill	(10,413,254)	-
Increase in NCI	294,264	-
Loans taken/(repayment) of borrowings	6,779,601	-
Increase in leases	195,951	-
(Payment) of lease liabilities	(102,556)	(70,134)
Net cash generated from financing activities	2,574,159	1,918,221
Effect of currency translation on cash	-	-
Net increase / (decrease) in cash and cash equivalents	251,242	(2,421,872)
Cash and cash equivalents at the beginning of the period	547,026	2,968,898
Cash and cash equivalents at the end of the period	798,268	547,026

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Notes to the condensed interim consolidated financial statements

1.0 Accounting policies and basis of preparation

1.1 General information

beaconsmind AG and its subsidiaries ("the Group" or "beaconsmind") is a location-based marketing software provider with headquarters in Stäfa, near Zurich, Switzerland. Its registered office and principal place of business is Seestrasse 3, 8712 Stäfa, Switzerland.

These condensed interim consolidated financial statements are presented in Swiss Franc (CHF) and have been prepared based on the accounting principles described below. These condensed interim consolidated financial statements have been approved for issue by the Board of Directors of the Company October 24, 2023.

The figures shown are rounded in every table. As the calculations are made with a higher level of numerical accuracy, it is possible that small rounding differences may occur.

1.2 Significant accounting policies and estimates

This note provides a list of the significant accounting policies adopted in the preparation of these condensed interim consolidated financial statements. These policies have been consistently applied, unless otherwise stated.

Basis of preparation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and apply the historical cost convention unless stated otherwise.

All amounts included in the condensed interim consolidated financial statements are presented in Swiss Francs ("CHF") except where otherwise indicated.

These financial statements are prepared for the 6 months period from 1st January 2023-30th June 2023, whereas the comparative figures are for the 6 months period from 1st July 2022-31st December 2022. Therefore, the figures may not be comparable.

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires the use of significant accounting estimates. It also requires management to exercise judgement when applying the Group's accounting policies. Areas with material assumptions and estimates are disclosed in section "Significant accounting estimates and judgments" below.

Basis for consolidation and consolidation scope

The condensed interim consolidated financial statements incorporate the financial statements of beaconsmind AG and entities controlled by the Company (its subsidiaries) made up to 30 June. Control is achieved when the Company:

- Has the power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee
- Has the ability to use its power to affect its returns

beaconsmind AG reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When beaconsmind AG has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. beaconsmind AG considers all relevant facts and circumstances in assessing whether or not its voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- Potential voting rights held by the Company, other vote holders or other parties
- Rights arising from other contractual arrangements

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- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the condensed interim consolidated financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

An overview of subsidiaries included in the preparation of condensed interim consolidated financial statements are given below.

		Share Capital		Ownership	
		30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
Group companies					
beaconsmind AG, Stäfa	CHF	364,933	284,438		
beaconsmind Deutschland GmbH; Munich	EUR	25,000	25,000	100%	100%
beaconsmind Mena Data L.L.C; Dubai	AED	300,000	300,000	49%	49%
Socialwave GMBH	EUR	42,154	-	100%	-
Frederix GMBH	EUR	25,000	-	51%	-

beaconsmind Mena Data L.L.C, Dubai is fully consolidated as beaconsmind AG has full control over the subsidiary. Also, the counterparty does not participate with any share capital nor does the counterparty participate in any gains or losses that beaconsmind Mena Data L.L.C. generates, therefore, no non-controlling interest exists. However, in the case of Frederix GMBH there exists a non-controlling interest to the extent of 51% holding in Frederix GMBH.

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The reported Goodwill amounting to CHF 10'413'254 (previous period is nil) comprises of CHF 1'765'985 and CHF 8'647'269 on acquisition of Frederix GMBH and Socialwave GMBH respectively.

Foreign currencies

Functional and reporting currency

Items included in the condensed interim consolidated financial statements of subsidiaries are measured using the currency of the primary economic environment in which the entity operates. Functional currencies of beaconsmind AG's subsidiaries are either Arabian Emirates Dirham ("AED") or Euro ("EUR"). The condensed interim consolidated financial statements are presented in Swiss Francs ("CHF").

The following exchange rates were applied for the conversion of positions and companies in foreign currency:

Currency	Closing rate	
	30-Jun-23	31-Dec-22
EUR	0.9761	0.9940
USD	0.8946	0.9330
CNY	0.1231	0.1340
GBP	1.1374	1.1240
AED	0.2435	0.2540

Currency	Average Rate	
	1 Jan 2023- 30 June 2023	1 July 2022- 31 Dec 2022
EUR	0.9982	1.0048
USD	0.9286	n/a
CNY	0.1346	n/a
GBP	1.1366	n/a
AED	0.2527	0.2599

Revenue recognition

Revenue is recognized when beaconsmind AG satisfies a performance obligation by transferring a promised good or service to a customer. The good or service is transferred when the customer acquires control over the asset, which may happen either over time or at a particular point in time.

At the beginning of the customer contract beaconsmind AG determines whether the goods and/or services that are promised in the agreement comprise a single or several separate performance obligations. beaconsmind AG has determined that most of its standard offerings consist of several distinct performance obligations. A performance obligation is defined as a distinct promise to transfer a good or a service to the customer. A promised good or service is distinct if both of the following criteria are met:

- a) The customer can benefit from the good or service separately or together with other resources that are readily available to the customer; and
- b) beaconsmind AG's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

The Groups's main revenue streams can be described as follows:

1) Revenue from sales of beacons and SaaS subscriptions

beaconsmind AG sells a bundled solution allowing the customer targeted point-of-sale marketing and data collection through Bluetooth-based beacon hardware. The bundle consists of a sale of the beacon hardware, its installation and configuration and the subscription to the beaconsmind Suite, a Software-as-a-Service (SaaS) solution with a modular setup, allowing the customer different levels of data collection and analysis, the implementation of push-notification based marketing, beacon hardware management functionalities as well as ongoing support from beaconsmind AG.

This bundle is considered to include the distinct performance obligations (i) sale of the beacon hardware (revenue recorded at the time of delivery of the beacons to the customer), (ii) installation and configuration (revenue recorded at the time the service is provided) and (iii) SaaS subscription (revenue recorded over the minimum contract term on a linear basis).

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SaaS subscriptions typically include renewal options, allowing the customer to renew the subscription on identical terms as the ones originally agreed. Depending on the terms originally agreed, such renewal options may represent material rights provided to the customer, resulting in the deferral of a part of the initial revenue and its recognition over the time of the renewal period.

2) SaaS licensing revenue

Distribution licensing: beaconsmind AG has provided a license to address the above-described bundle in four European markets. Revenue from this agreement is recorded on a linear basis over the term of the agreement.

Software licensing: beaconsmind AG offers the development of customised shopping Apps based on the needs of the customer to accompany the use of the beacons for point-of-sale marketing purposes. Apps are designed using the beaconsmind AG's modular App construction kit and can include multiple features as required by the customer. Revenue from such licenses is recorded at the time of delivery of the finished App to the customer.

3) Services revenue

beaconsmind AG offers further services in the form of content management for the beaconsmind AG suite, custom software programming such as for interfaces between the beaconsmind AG Suite and the customer's other applications and general advisory services related to digitised marketing. Revenue from these services is recorded either at a point in time or over time, depending on the nature of the services.

When revenue is recorded at a point in time beaconsmind AG assesses at which point in time the criteria for the recognition of revenue are fulfilled. This is typically the case when customer acceptance occurs, at which point in time beaconsmind AG has a present right to receive payment for its goods/ services. When recording revenue over time, beaconsmind AG oftentimes may present deferred revenue balances as the timing of payment from the customer precedes the recognition of revenue.

Determining the transaction price, beaconsmind AG uses list prices for individual components that are included in a bundle of goods/ services sold to the customer. beaconsmind AG takes into account variable consideration, such as discounts offered on certain elements of the beaconsmind AG Suite bundle. These discounts are allocated between the different performance obligations identified in the offering to the customer based on relative stand-alone selling prices as represented by the list prices.

No customer contracts within the Group are assessed to contain a significant financing component.

Intangible assets

Upon acquisition, an intangible asset is capitalized at cost or at fair value in case the asset is acquired in the context of a business combination and is separately identifiable from goodwill. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The carrying values of intangible assets are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

Intangible assets are amortized on a straight-line basis over their useful lives. beaconsmind AG's intangible assets comprise of software (beaconsmind AG Suite), which was developed by third parties and through internal resources. The useful lives of which are estimated at 3 years. Estimates of useful lives, expected patterns of consumption and residual values are regularly reviewed. Changes in these factors are accounted for by changing the amortization period or method as appropriate on a prospective basis. For purposes of impairment testing, items of intangible assets are grouped with other assets of their respective cash-generating unit unless it can be clearly demonstrated that an intangible asset should be tested for impairment on a stand-alone basis.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures directly attributable to the acquisition of the asset. Subsequent expenditure is capitalized if it is probable that economic benefits associated with the asset will flow to beaconsmind AG, and if the cost can be reliably measured. Expenditure on repairs and maintenance is expensed as incurred. The depreciable amount of an item of property, plant and equipment is its cost less its estimated residual value.

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This amount is depreciated over the estimated useful life, which beaconsmind AG determines as follows per the respective classes of property, plant and equipment:

- IT hardware 5 years
- Leasehold improvements 3 years
- Office equipment 5 years

The residual values and useful lives are reviewed regularly and adjusted when necessary. Gains or losses on the disposal of items of property, plant and equipment are recognized in the statement of profit or loss as other income or other operating expenses, respectively, and consist of the difference between the selling price and the carrying value at the time of disposal.

Leases

beaconsmind AG assesses at the inception of the contract whether a contract contains a lease. A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For leases other than short-term leases and leases of low-value assets, beaconsmind AG recognizes a right-of-use asset and a lease liability at the commencement date of the lease.

The lease liability is initially measured at the present value of the future minimum lease payments over the lease term, discounted using the interest rate implicit in the lease, or, if it cannot be determined, the incremental borrowing rate. The lease term is the non-cancellable contractual term of the lease adjusted for any renewal or termination options which are reasonably certain to be exercised. Variable lease payments that do not depend on an index or a rate and rentals relating to low value assets or short-term leases are recognized as an expense in the period in which they are incurred. After initial recognition, the lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future minimum lease payments or when the Company changes its assessment of whether it is reasonably certain to exercise an option within the contract. A corresponding adjustment is made to the carrying amount of the right-of-use asset.

The right-of-use asset is initially measured at cost, which comprises the lease liability adjusted for any payments made at or before the commencement date, initial direct costs incurred, lease incentives received and an estimate of the cost to dismantle or restore the underlying asset or the site on which it is located at the end of the lease term. The right-of-use asset is amortized over the lease term or, where a purchase option is reasonably certain to be exercised, over the useful life of the underlying leased asset in line with depreciation rates for owned property, plant and equipment. The right-of-use asset is tested for impairment if an impairment indicator exists.

Lease payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

Inventory

Inventory include only purchased inventory. Costs are assigned to individual items of inventory on the basis of weighted average costs determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2. Segment Reporting

The Group consists of a single business unit (segment) whose purpose is to sell location-based marketing software to enable retailers to fundamentally transform the shopping experience for customer in physical stores. The Group offers the beaconsmind Suite software, coupled with beaconsmind Track Bluetooth-Beacons to be installed in physical stores. beaconsmind's localisation technology and software Suite allows retailers to converge digital and physical shopping and address the convenience gaps of each beaconsmind's client portfolio includes companies from the retail, wholesale and food service industries. The solution is a B2B product, sold to global retailers that want to transform the way shoppers experience physical stores.

The financial management of the company by the board of directors and management is based on net sales by market and revenue stream, as well as the income statement, balance sheet and cash flow statement.

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Segment reporting is in accordance with IFRS 8.31 et seq. (single reportable segment) and valuation is in accordance with the same principles as the annual financial statements. The basics for the revenue recognition are identical for all product areas and markets. The geographic distribution of net sales is based on the customer's domicile.

Disclosure by product and services

The table below illustrates the disaggregation of recognised revenues for the 6 months period ended 30 June 2023 and for the period ended 31 December 2022, respectively, by their nature as represented by the offered products and services.

CHF	1 Jan 2023- 30 Jun 2023 (6 Months)	1 July 2022- 31 Dec 2022 (6 Months)
Services revenue	-	38,223
SaaS licensing revenue	-	442,143
Sales of beacons and SaaS subscriptions - upfront revenue	-	72,683
Sales of beacons and SaaS subscriptions - recurring revenue	2,664,448	-
Total from sales and services	2,664,448	553,049

3. Depreciation, amortization, and impairments

Depreciation of property, plant and equipment and the amortization of other intangible assets, including impairment amounting to CHF 243'399 (previous period CHF 336'263). Amortization of right-of-use assets from leases was CHF 103'499 (previous period CHF 68'604).

4. Equity

Share capital

The share capital on 30 June 2023 consists of 3'649'334 registered shares (2022: 2'844'384) with a nominal value of CHF 0.10 each, amounting to CHF 364'933 (2022: CHF 284'438). Ordinary shares entitle the holder to participate in dividends, hold one vote per share at general meetings of the Company and share in the liquidation proceeds of the Company in proportion to the number of and amounts paid on the shares held.

The share capital is fully paid in.

CHF	30-Jun-23	31-Dec-22
Ordinary shares fully paid	364'933	284'438
Total share capital	364'933	284'438

Number of shares

	30-Jun-23	31-Dec-22
Ordinary shares fully paid	3'649'334	2'844'384
Total shares	3'649'334	2'844'384

Capital reserves

Capital reserves of total CHF 22,221,274 (31 December 2022: CHF 16'481'616) consist mainly of reserves from capital contribution.

Dividends

No dividends have been paid out during the period from 1 January 23 to 30 June 2023 and 2022/2021 financial year.

5. Earnings per Share

Basic and diluted EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of beaconsmind by the weighted average number of ordinary shares outstanding during the year.

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The following table reflects the income and share data used in the basic and diluted EPS calculations:

CHF	30-Jun-23	31-Dec-22
Share of net income attributable to equity holders	(992'260)	(3'661'586)
Weighted average number of shares outstanding (number)	3'188'522	2'714'801
Basic and diluted earnings per share (in CHF)	<u>(0.31)</u>	<u>(1.35)</u>

6. Investment in subsidiaries

Strategically beaconsmind finalized the acquisition of 51% of the shares of Frederix GmbH, a market leading Hotspot provider with a large and international customer base mainly from the retail and real estate industry. The closing of this transaction was completed on 2 February 2023. The total purchase price for this acquisition was EUR 2MM fully financed by issuing 155,500 new beaconsmind shares to the seller. As part of this acquisition, the beaconsmind offering will be expanded in the future to include the SaaS review platform of eKomi, which offers end-to-end solutions for B2B customers. On 27 July the share ownership was increased to 62%.

Furthermore, Frederix also acquired 100% of the shares of Netopsie for a total purchase price of EUR 500k fully financed by liquidity at hand at Frederix on February 27, 2023. Netopsie DSL and Netopsie Koaxial are solutions to quickly and easily build a network and provide internet in every room, e.g. in a hospital or nursing home, without having to lay new cables. In addition, the company supports the planning and realisation of complex infrastructure solutions for the connection of modern IOT solutions. Through this transformative acquisition, beaconsmind will significantly expand its value chain and massively diversify its customer and revenue base.

Lastly, beaconsmind acquired 100% of the shares of Socialwave GmbH further expanding its business model as a B2B Point-of-Sales solution provider and adds to the range of solutions that are already offered. The total purchase price was set at EUR 10MM through a combination of low-coupon debt, cash and 350,000 new beaconsmind shares to the sellers. The transaction finalized on 21 April 2023. This acquisition will allow beaconsmind to further develop the product offering and at the same time increase its customer base having direct access to existing Socialwave customers, whereby beaconsmind's AG location-based marketing solution can be offered.

7. Events after the balance sheet date

After the balance sheet date beaconsmind AG has following major development.

On July 28th a cash capital increase of CHF 1.44MM and capital increase in kind of issuance of 75,000 new shares to the seller of FREDERIX were announced.

On October 16th a cash capital increase of CHF 1.62MM and on October 24th the capital increase in kind of issuance of 300,000 shares to the seller of Kadsoft and T2 were announced.

On 24 October 2023 beaconsmind successfully announced further strategic add-on acquisitions with the acquisition of T2 Vertrieb ("T2") and KADSOFT ("Kadsoft"). The acquisition is financed via EUR 1.6MM cash that was raised via an add-on equity placement from Oct 16th and a capital increase in kind with 300,000 shares issued to the sellers with a customary lockup. Through the newly issued capital increase in kind the share capital of beaconsmind AG rises from CHF 439,932.60 by CHF 30,000.00 to CHF 469,932.60.