

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**beaconsmind AG
(Stäfa, Switzerland)
Interim Condensed Consolidated Financial Statements
for the 6 months period ended 30 June 2024**

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INDEX

Details	Page no
Condensed Consolidated Statement of Profit or Loss	3
Condensed Consolidated Statement of Comprehensive Loss	4
Condensed Consolidated Statement of Financial Position	5
Condensed Consolidated Statement of Changes in Equity	6
Condensed Consolidated Statement of Cash Flows	7
Notes to the Interim Condensed Consolidated Financial Statements	8-14
Accounting policies and basis of preparation	8
Segment Reporting and Revenue	12
Equity	12
Borrowings	13
Earnings per share	13
Going concern	14
Events after the balance sheet date	14

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

CHF	1 Jan 2024- 30 June 2024 (6 Months)	1 Jan 2023- 30 June 2023 (6 Months)
Revenue	5'788'607	2'664'448
Other income	132'034	-
	<u>5'920'641</u>	<u>2'664'448</u>
Direct cost	(553'971)	(198'058)
Personnel expenses	(2'077'863)	(1'572'527)
Other operating expenses	(2'709'552)	(1'418'097)
Profit (loss) before interest, taxes, depreciation and amortisation (EBITDA)	<u>579'255</u>	<u>(524'234)</u>
Depreciation, amortisation and impairment	(764'101)	(346'898)
Loss before interest and taxes (EBIT)	<u>(184'846)</u>	<u>(871'132)</u>
Financial income	-	97
Financial expenses	(381'456)	(125'001)
Loss before income taxes	<u>(566'302)</u>	<u>(996'036)</u>
Income tax	-	3'776
Loss for the period	<u>(566'302)</u>	<u>(992'260)</u>
<u>Total loss attributable to:</u>		
Equity holders of beaconsmind AG	(716'343)	(1'099'196)
Non-controlling interests	150'041	106'936
	<u>(566'302)</u>	<u>(992'260)</u>
<u>Earnings per share</u>		
Earnings and diluted earnings per share	<u>(0.152)</u>	<u>(0.31)</u>

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

CHF	1 Jan 2024- 30 June 2024 (6 Months)	1 Jan 2023- 30 June 2023 (6 Months)
Loss for the period	(566'302)	(992'260)
<u>Other comprehensive income</u>		
Items that will not be reclassified to profit or loss:		
Currency translation difference on translating foreign operations	(36'451)	(260'943)
Other comprehensive (loss) net of tax	(36'451)	(260'943)
Total comprehensive (loss) for the period	<u>(602'753)</u>	<u>(1'253'203)</u>
<u>Other comprehensive loss attributable to:</u>		
Equity holders of beaconsmind AG	(36'145)	(241'070)
Non-controlling interests	<u>(306)</u>	<u>(19'873)</u>
	<u>(36'451)</u>	<u>(260'943)</u>

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CHF	30 June 2024	31 Dec 2023
<u>Assets</u>		
Current assets		
Inventories	665'144	501'919
Trade and other receivables	3'788'075	2'721'684
Work-in-progress	756'480	-
Prepaid expenses and other advances	516'727	32'418
Cash and cash equivalents	269'017	754'533
Total current assets	5'995'443	4'010'554
Non-current assets		
Goodwill	2'922'847	2'922'847
Property, plant and equipment	818'953	993'476
Right-of-use assets	374'698	409'392
Intangible assets	10'393'449	10'974'625
Financial assets	-	27'891
Total non-current assets	14'509'947	15'328'231
Total assets	20'505'390	19'338'785
<u>Equity and Liabilities</u>		
Current liabilities		
Lease liabilities - current portion	62'501	253'873
Accrued expenses, deferred income and other provisions	2'754'159	1'209'555
Trade and other payables	697'913	1'026'711
Borrowings - current portion	660'431	873'703
Deferred tax liabilities	2'190'750	2'190'750
Total current liabilities	6'365'754	5'554'592
Non-current liabilities		
Employee benefit obligations	62'650	62'650
Borrowings - noncurrent portion	7'240'956	6'416'287
Lease liabilities - noncurrent portion	315'408	181'881
Total non-current liabilities	7'619'014	6'660'818
Total liabilities	13'984'768	12'215'410
Equity		
Share capital	469'933	469'933
Capital reserve	26'874'104	26'874'104
Translation reserve	(352'676)	(316'531)
Accumulated losses	(20'810'246)	(20'093'903)
Total equity	6'181'115	6'933'603
Equity attributable to:		
Equity holders of beaconsmind AG	6'181'115	6'933'603
Non-controlling interests (NCI)	339'507	189'772
Total equity	6'520'622	7'123'375
Total equity and liabilities	20'505'390	19'338'785

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHF	Share capital	Capital reserve	Translation reserve	Accumulated losses	Total shareholders' equity	Attributable to non-controlling interests	Total shareholders' equity
At 31 December 2022	284'438	16'481'616	(26'684)	(14'757'254)	1'982'116	-	1'982'116
Loss for the 6 months period ended 30 June 2023	-	-	-	(1'099'196)	(1'099'196)	106'936	(992'260)
Other comprehensive loss, net of tax for the period ended 30 June 2023	-	-	(241'070)	-	(241'070)	(19'873)	(260'943)
Loss for the 6 months period ended 31 Dec 2023	-	-	-	(3'241'100)	(3'241'100)	(76'828)	(3'317'928)
Other comprehensive loss, net of tax for the period ended 31 December 2023	-	-	(48'777)	-	(48'777)	10'731	(38'046)
Total comprehensive loss for the year ended 31 December 2023	-	-	(289'847)	(4'340'296)	(4'630'143)	20'966	(4'609'177)
Increase in share capital and capital reserve	185'495	10'392'488	-	-	10'577'983	-	10'577'983
Non-controlling interest as on the date of acquisition	-	-	-	-	-	217'671	217'671
Acquisition of an additional stake after obtaining control over Frederix GmbH	-	-	-	(893'135)	(893'135)	(48'865)	(942'000)
Dividends paid during the year	-	-	-	(103'219)	(103'219)	-	(103'219)
Transactions with shareholders of the Group	185'495	10'392'488	-	(996'354)	9'581'629	168'806	9'750'435
At 31 December 2023	469'933	26'874'104	(316'531)	(20'093'903)	6'933'603	189'772	7'123'375
Loss for the 6 months period ended 30 June 2024	-	-	-	(716'343)	(716'343)	150'041	(566'302)
Other comprehensive loss, net of tax for the period ended 30 June 2024	-	-	(36'145)	-	(36'145)	(306)	(36'451)
Total comprehensive loss for the 6 months period ended 30 June 2024	-	-	(36'145)	(716'343)	(752'488)	149'735	(602'753)
At 30 June 2024	469'933	26'874'104	(352'676)	(20'810'246)	6'181'115	339'507	6'520'622

The accompanying notes form an integral part of these condensed interim consolidated financial statements

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

CHF	1 Jan 2024- 30 June 2024 (6 Months)	1 Jan 2023- 31 Dec 2023 (12 Months)
Loss before taxes	(566'302)	(4'266'119)
Depreciation, amortisation and impairment	764'101	1'631'588
Interest expense/(income) net	381'456	455'327
Other non-cash items	7'464	(205'869)
Working capital adjustments:		
Changes in trade and other receivables	(1'066'391)	(121'524)
Changes in prepaid expenses and accrued income	(484'309)	32'213
Changes in work in progress	(756'480)	-
Changes in inventories	(163'225)	(36'184)
Changes in trade and other payables	(328'798)	(929'695)
Changes in accrued expenses, deferred income and other provisions	1'544'604	380'055
Cash used in operations before interest and taxes	(667'880)	(3'060'208)
Interest paid	(381'456)	(436'340)
Interest received	-	278
Income tax (payments) reversals	-	(191'499)
Net cash used in operating activities	(1'049'336)	(3'687'769)
(Purchase) of property, plant and equipment	(193'082)	(165'139)
Sale proceeds from property, plant and equipment	203'349	14'455
Increase in financial assets	-	10'971
(Purchase) of intangible assets	-	(665'855)
Acquisition of subsidiaries, net of cash acquired	-	(7'107'235)
Acquisition of an additional stake after gaining control over Frederix GmbH	-	(475'000)
Net cash from (used in) investing activities	10'268	(8'387'803)
Increase in capital	-	112'995
Increase in capital reserve	-	6'303'234
Dividend paid during the year	-	(103'219)
Net movement in borrowings	611'397	6'479'873
Payment of lease liabilities	(57'845)	(290'557)
Net cash from financing activities	553'552	12'502'326
Effect of currency translation on cash and cash equivalents	-	(219'247)
Net (decrease) increase in cash and cash equivalents	(485'516)	207'507
Cash and cash equivalents at the beginning of the period year	754'533	547'026
Cash and cash equivalents at the end of the period year	269'017	754'533

The accompanying notes form an integral part of these condensed interim consolidated financial statements

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1.1 Accounting policies and basis of preparation

1.2 General information

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

These interim condensed consolidated financial statements are presented in Swiss Francs (CHF) and have been prepared based on the accounting principles described below. These interim condensed consolidated financial statements have been approved for issue by the Board of Directors of the Group on 30 September 2024.

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.

1.3 Material accounting policies and estimates

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

Basis of preparation

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted under European Union regulations (EU IFRS).” and apply the historical cost convention unless stated otherwise.

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

These interim condensed consolidated financial statements are for the six months period 1st January 2024 to 30th June 2024.

Basis for consolidation and consolidation scope

The condensed interim consolidated financial statements incorporate the financial statements of beaconsmind AG (“the Company”) and entities controlled by the Company (its subsidiaries) made up to 30 June 2024. 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.

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

		Share Capital		Ownership		NCI	
		30 June 2024	31 Dec 2023	30 June 2024	31 Dec 2023	30 June 2024	31 Dec 2023
<u>Parent company</u>							
beaconsmind AG, Stäfa	CHF	469'933	469'933	100%	100%	0%	0%
<u>Subsidiary companies</u>							
beaconsmind Mena Data L.L.C; Dubai	AED	300'000	300'000	49%	49%	See note below	
Socialwave GmbH	EUR	42'154	42'154	100%	100%	0%	0%
Frederix GmbH	EUR	25'000	25'000	62%	62%	38%	38%
Lindentor GmbH	EUR	78'686	78'686	100%	100%	0%	0%

Beaconsmind Mena Data L.L.C, based in Dubai, is fully consolidated as beaconsmind AG has full control over this subsidiary. The counterparty does not participate with any share capital nor in any gains or losses generated by beaconsmind Mena Data L.L.C. Therefore, no non-controlling interest exists.

Foreign currencies

Functional and reporting currency

Items included in the 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"), which is the functional currency of the parent.

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

Currency	Closing rate	
	30-June-24	31-Dec-23
EUR	0.9634	0.9297
USD	n/a	0.8416
CNY	n/a	0.1187
GBP	n/a	n/a
AED	0.2447	0.2292

Currency	Average Rate	
	1 Jan 2023-30 June 2024	1 Jan 2023-30 June 2023
EUR	0.9615	0.9982
USD	n/a	0.9286
CNY	n/a	0.1346
GBP	n/a	1.1366
AED	0.2421	0.2527

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Revenue recognition

Revenue is recognized when the Group satisfies a performance obligation by transferring a promised good or service to a customer. The transfer occurs when the customer acquires control over the asset, which can happen either over time or at a specific point in time.

Performance obligations

At the inception of a customer contract, the Group determines whether the promised goods or services constitute one or multiple performance obligations. Most standard offerings include several distinct performance obligations. A performance obligation is defined as a distinct promise to transfer a good or service to the customer. A promised good or service is considered distinct if:

- The customer can benefit from the good or service either on its own or together with other readily available resources.
- The promise to transfer the good or service is separately identifiable from other promises in the contract.

The Groups's main revenue streams are as follows:

- 1) Revenue from sales of beacons and SaaS subscriptions
- 2) SaaS licensing revenue
- 3) Services revenue

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. The intangible assets of the Group comprises of software and customer lists. The software was developed by third parties and through internal resources. The customer lists are recognized at fair value based on the business combination. The useful lives of these intangible assets are estimated to be between 5 to 10 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 the Group, 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. This amount is depreciated over the estimated useful life, which the Group determines as follows per the respective classes of property, plant and equipment:

Leasehold improvements	3 years
Office equipment	2-15 years
IT hardware	3-5 years
Motor Vehicle	5 years
Building	10-15 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.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses. 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).

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Accounting estimates and judgments

The preparation of consolidated financial statements requires management to exercise judgement and to make estimates and assumptions that affect the application of policies, reported amounts of revenues, expenses, assets and liabilities, and disclosures. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual future results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting policies which involve significant estimates, assumptions or judgements, the actual outcome of which could have a material impact on the Group's results and financial position relate the following items:

- Revenue: Judgement as to the term over which renewal options representing material rights are expected to be exercised.
- Leases: Judgement as to the (reasonably certain) lease term based on the existence of renewal and termination options.
- Impairment of non-financial assets and goodwill: In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.
- Non-financial assets: Judgment with regards to the use-full lives as well as with regards to impairment considerations.
- Recoverability of trade and other receivables: Judgment with regards to expected credit losses.
- Going concern: Note 6 explains why the financial statements are prepared on a going concern basis

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. Segment Reporting and Revenue

a) Segment Reporting

The Group's primary focus is on selling location-based marketing software as a service (SaaS) to enable retailers to transform the shopping experience for customers in physical stores. This service includes a comprehensive suite of software, Track Bluetooth-Beacons, and software for Wi-Fi management and marketing, all designed to be installed in physical stores. The Group's localization technology and software suite empower retailers to merge digital and physical shopping experiences, addressing the convenience gaps inherent in each. This B2B solution, supported by necessary hardware, is marketed primarily to the retail market, aiming to revolutionize the way customers experience physical stores.

The financial management of the Group 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. The acquisitions did not change the Group's primary focus and accordingly, the Group still consists of one single reportable segment. The entity-wide segment disclosure requirements in accordance with IFRS 8.31ff are included in the section "revenue" below. The basics for revenue recognition are identical across all product areas and markets. The geographic distribution of net sales is based on the customer's domicile.

b) Revenue from Contracts with Customers

Disclosure of revenue by product and services

The table below illustrates the disaggregation of recognised revenues for the 6 months period ended 30 June 2024 (6 months period ended 30 June 2023), respectively, by their nature as represented by the offered products and services.

CHF	1 Jan 2024- 30 June 2024 (6 Months)	1 Jan 2023- 30 June 2023 (6 Months)
Services revenue	2'995'000	-
SaaS licensing and subscription revenue	3'084'863	2'664'448
Revenue from sales and services	6'079'864	2'664'448

3. Equity

Share capital

The share capital on 30 June 2024 consists of 4'699'326 registered shares (31 December 2023: 4'699'326) with a nominal value of CHF 0.10 each, amounting to CHF 469'933 (31 December 2023: 469'933). 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-June-24	31-Dec-23
Ordinary shares fully paid	469'933	469'933
Total share capital	469'933	469'933

Number of shares	30-June-24	31-Dec-23
Ordinary shares fully paid	4'699'326	4'699'326
Total shares	4'699'326	4'699'326

Dividends

No dividends have been paid out during the period from 1 January 2024 to 30 June 2024. In the previous year ended 31st December 2023, dividend amounting to CHF 103'219 were paid out by one of the subsidiary.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. Borrowings

CHF	30-June-24	31-Dec-23
Bank borrowings	7'802'939	7'055'456
Other borrowings	98'449	234'534
Total	7'901'388	7'289'990
Thereof recorded as current liabilities (amount due within 12-months)	660'431	873'703
Thereof recorded as non- current liabilities	7'240'957	6'416'287

5. Earnings per Share

The company does not hold any dilutive instruments. EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

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

CHF	31-Dec-23	31-Dec-23
Share of net loss attributable to equity holders	(716'343)	(4'340'296)
Weighted average number of shares outstanding (number)	4'699'326	3'602'535
Basic and diluted earnings per share (in CHF)	(0.152)	(1.2048)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. Going Concern

Growth Strategy and Market Expansion

The annual results underscore the effective growth strategy employed in the core markets, notably the Middle East/GCC and Europe. This strategic focus has been instrumental in driving the Group's expansion and success in these regions. As part of our ongoing efforts to optimize our global presence and resources, we have decided to close our operations in Shanghai, China Mainland, during the current financial year. This strategic decision will allow us to reallocate resources more effectively.

In line with this, we are excited to announce the opening of a new branch in Spain, which will serve as a critical hub for our European operations.

Acquisitions and Financial Stability

Significant strides have been made in terms of acquisitions, reflecting our commitment to strengthening our portfolio and market presence. In the 2023 financial year, we successfully acquired four new companies. These acquisitions are of strategic importance as they involve companies with robust sales and EBITDA profitability, thereby enhancing our financial stability. The integration of these companies into our portfolio is expected to provide substantial synergies and contribute positively to our bottom line.

Operational Challenges and Sales Performance

We faced some challenges in the implementation and roll-out of our software and hardware solutions. These delays were primarily due to extended lead times in project implementation and the complexities associated with synergy realization within the newly formed group. Despite these hurdles, it is noteworthy that our sales have materialized as planned. This achievement underscores the resilience of our business model and the effectiveness of our growth strategy, highlighting the Group's positive development trajectory.

Financial Position and Liquidity

The successful financing round completed in 2022/2023, coupled with the increase in sales and the successful acquisitions, has significantly bolstered our financial position. We are pleased to report that the Group expects its liquidity reserves to be secured for at least the next 12 months, even without the necessity for another financing round. Our financial soundness is further supported by local financing partners, including savings banks and cooperative banks, which provide us with long-term financing and endorse our strategic growth objectives. As of 31 May, Socialwave has obtained an additional loan of EUR 2'500'000 to finance the further expansion of the business and to finance the current operations and complete the current restructuring of the group.

Future Financing and Acquisitions

To propel our international growth, we have planned additional financing measures for 2023. These measures will enable the issuance of new registered shares from authorized capital to one or more investors. This strategic move is aimed at raising capital to fund our expansion plans. Furthermore, we are planning additional acquisitions and integrations of high-revenue and EBITDA-profitable companies. These targeted acquisitions will further strengthen our financial power and market position, enabling us to continue our growth trajectory.

Risks and Outlook

While we are optimistic about our future, we acknowledge the risks that persist due to the current tense overall economic situation and the restructuring costs associated with establishing a group of companies. Despite these challenges, the Board of Directors sees no significant uncertainty regarding the Group's ability to continue as a going concern. We remain confident in our clear strategy and solid financial foundation, which position us well to navigate these risks.

In conclusion, the Board of Directors is optimistic about the future. With a clear strategy and a robust financial basis, we are convinced that we can continue to grow and further strengthen our market position. We are committed to driving our business forward and delivering value to our stakeholders.

7. Events after the balance sheet date

No adjusting or significant non-adjusting events have occurred between the 30 June 2024 and 30 September 2024.