

**BEACONSMIND LTD, STAEFA  
REPORT OF THE STATUTORY AUDITOR  
ON THE CONSOLIDATED FINANCIAL STATEMENTS  
FROM 1 JULY 2022 TO 31 DECEMBER 2022**

**Report of the Statutory Auditor  
to the General Meeting of  
beaconsmind Ltd, Staefa****Report on the Audit of the consolidated financial statements****Opinion**

We have audited the consolidated financial statements of beaconsmind Ltd (the Company) and its subsidiaries (the Group), which comprise the statement of consolidated balance sheet as at 31 December 2022, the consolidated statement of profit or loss from July 1 2022 till 31 December 2022 and the consolidated statement of comprehensive loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted under European Union regulations (EU) and comply with Swiss law.

**Basis for opinion**

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty related to going concern**

We draw your attention to note 26 to these consolidated financial statements, which states that the annual result is below budget expectations. The group's cash and cash equivalents as of 31 December 2022 were mostly consumed in the months after the balance sheet date due the still negative operating cash flow. Cash and cash equivalents are limited as of the date of authorization of issue. The going concern of the group depends on the refinancing of the group and the ability of the group to become profitable and whether it is able to generate positive operating cash flows. This, along with other matters as described in note 26, indicates the existence of a material uncertainty which may cast significant doubt about the ability of the group to continue as a going concern. Our opinion is not modified in respect of this matter.

## Other matters

The consolidated financial statements of beaconsmind Ltd for the year ended 30 June 2022 were audited by another firm of auditors, whose report, dated 4 April 2023, expressed an unmodified opinion on those statements.

## Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

|   |  |
|---|--|
| Overall Group materiality                       | CHF 110'000  |
| Benchmark applied                               | Balance sheet total  |
| Rationale for the materiality benchmark applied | Our benchmark was the balance sheet total as of the financial statement (company) as well as the consolidated financial statements (group). We consider this benchmark to be appropriate and representative, as the business growth is inherently capital intensive. |

## Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

The group comprises three group companies in Switzerland, Germany and United Arab Emirates whereby the Swiss company is the most significant to the group and therefore subject to a full scope audit by the group audit team.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the reporting period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.

| Key audit matters   | How our audit addressed the key audit matters  |
|---|--|
| <p>The financial statements include revenue from contracts with customers that contain either a single or multiple performance obligations. For contracts containing multiple performance obligations, the total transaction price is allocated to those performance obligations based on their relative fair values. Subsequently, revenue is recognized when the group satisfies a performance obligation by transferring a promised good or service to a customer either at a point in time or over time.</p> <p>We consider revenue recognition for Software-as-a-Service subscriptions, Services and Software-as-a-Service licensing to be a key audit matter for the following reasons:</p> <p>Revenue from these revenue streams, that are recognized over time, contribute significantly to total revenue. Management uses judgement and estimates in assessing and allocating the transaction price to separable performance obligations based on the underlying terms of an individual contract, with regard to the determination of when a performance obligation is satisfied. An incorrect estimate could have a significant impact on the revenue recorded, the related balance sheet amounts and the net profit of the group.</p> <p>The accounting policies regarding revenue recognition are further outlined in note 1.3 of the financial statements.</p> | <p>We obtained an understanding of the processes and controls around revenue recognition for contracts with multiple performance obligations and assessed whether the applied accounting policy is in line with International Financial Reporting Standards.</p> <p>We tested management's assessments around contracts with multiple performance obligations and the allocation of the transaction price to individual performance obligations, especially where judgement is involved.</p> <p>We selected a sample of revenue transactions to test the appropriateness of the separation of individual performance obligations.</p> <p>We assessed, on a sample basis, whether revenue transactions occurred and were recorded in the correct period.</p> <p>From the evidence obtained from our procedures, we obtained sufficient evidence to address the risks identified in connection with revenue recognition.</p> |

### **Board of Directors' responsibilities for the consolidated financial statements**

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safe-guards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

Based on our audit performed in accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing standard 890, we concluded that an internal control system with regard to the financial statement preparation, which has been designed in accordance with the instructions of the Board of Directors, is sufficiently documented but not implemented in all material aspects.

In our opinion, the internal control system does not comply with Swiss law and, accordingly, we cannot confirm the existence of internal control system with regard to the preparation of the financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

Additionally, we point out that contrary to the requirements of article 958 para. 3 CO, a business report was not prepared within six months of the end of the financial year and submitted to the general meeting of shareholders for approval. Furthermore, the annual general meeting did not convene within six months of the end of the financial year, which is contrary to the requirements of article 699 para. 2 CO.

### **SWA Swiss Auditors AG**

Franco A. Straub  
Licensed Audit expert  
Auditor in charge

Jannick Burri  
Licensed Audit expert

Pfäffikon/SZ, 26 August 2024

# **CONSOLIDATED FINANCIAL STATEMENTS**

**beaconsmind AG  
(Stäfa, Switzerland)  
Consolidated financial statements  
for the 6 months period ended 31 December 2022**

## CONSOLIDATED FINANCIAL STATEMENTS

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## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated statement of profit or loss

| CHF  | Note | 1 July 2022-<br>31 Dec 2022<br>(6 Months) | 1 July 2021-<br>30 June 2022<br>(12 Months) |
|--|------|---|---|
| <b>Net Revenue</b>   | 2    | <u>553'049</u>                            | <u>1'987'242</u>                            |
| Direct cost  | 3    | (95'121)                                  | (196'105)                                   |
| Personnel expenses   | 4    | (1'304'931)                               | (1'580'931)                                 |
| Other operating expenses   | 4    | <u>(2'330'721)</u>                        | <u>(2'456'504)</u>                          |
| <b>Loss before interest, taxes, depreciation and amortisation<br/>(EBITDA)</b> |      | <u>(3'177'724)</u>                        | <u>(2'246'298)</u>                          |
| Depreciation, amortisation and impairment                                      | 21   | <u>(404'867)</u>                          | <u>(219'700)</u>                            |
| <b>Loss before interest and taxes (EBIT)</b>                                   |      | <u>(3'582'591)</u>                        | <u>(2'465'998)</u>                          |
| Financial income   | 5    | 18'513                                    | 40'064                                      |
| Financial expenses   | 5    | <u>(99'593)</u>                           | <u>(73'211)</u>                             |
| <b>Loss before income taxes</b>  |      | <u>(3'663'671)</u>                        | <u>(2'499'144)</u>                          |
| Income tax reversal/(expense)  | 20   | <u>2'086</u>                              | <u>(7'283)</u>                              |
| <b>Loss for the period</b>   |      | <u>(3'661'586)</u>                        | <u>(2'506'427)</u>                          |
| <b>Earnings per share</b>  |      |   |   |
| Earnings and diluted earnings per share  | 23   | <u>(1,35)</u>                             | <u>(1,04)</u>                               |

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

## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated statement of comprehensive loss

| CHF   | Note | 1 July 2022-<br>31 Dec 2022<br>(6 Months) | 1 July 2021-<br>30 June 2022<br>(12 Months) |
|---|------|---|---|
| <b>Loss for the period</b>  |      | <b>(3'661'586)</b>                        | <b>(2'506'427)</b>                          |
| <u>Other comprehensive income</u>                                   |      |   |   |
| Items that will not be reclassified to profit or loss:              |      |   |   |
| Remeasurements of net defined benefit liability                     |      | -   | 38'282                                      |
| Income tax on items that will not be reclassified to profit or loss | 20   | -   | (7'274)                                     |
| Items that may be reclassified subsequently to profit or loss:      |      |   |   |
| Currency translation difference on translating foreign operations   |      | 12'781                                    | (39'465)                                    |
| Other comprehensive loss/(income), net of tax                       |      | <b>12'781</b>                             | <b>(8'457)</b>                              |
| <b>Total comprehensive (loss) for the period</b>                    |      | <b><u>(3'648'805)</u></b>                 | <b><u>(2'514'884)</u></b>                   |

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

# CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated balance sheet

| CHF                                    | Note | 31 Dec 2022      | 30 June 2022     |
|--|------|------------------|------------------|
| <b>Assets</b>                          |      |                  |                  |
| <b>Current assets</b>                  |      |                  |                  |
| Inventories                            | 9    | 90'000           | 90'000           |
| Trade and other receivables            | 10   | 202'185          | 1'306'078        |
| Prepaid expenses and other advances    | 11   | 64'631           | 419'068          |
| Cash and cash equivalents              | 12   | 547'026          | 2'968'898        |
| <b>Total current assets</b>            |      | <b>903'842</b>   | <b>4'784'044</b> |
| <b>Non-current assets</b>              |      |                  |                  |
| Advance for investment in subsidiaries | 24   | 2'008'240        | -                |
| Property, plant and equipment          | 6    | 297'104          | 353'211          |
| Right-of-use assets                    | 7    | 347'253          | 354'238          |
| Intangible assets                      | 8    | 276'875          | 276'078          |
| Financial Assets                       |      | 38'862           | 41'280           |
| Deferred tax assets                    | 20   | 14'370           | 13'251           |
| <b>Total non-current assets</b>        |      | <b>2'982'704</b> | <b>1'038'058</b> |
| <b>Total assets</b>                    |      | <b>3'886'546</b> | <b>5'822'102</b> |
| <b>Equity and Liabilities</b>          |      |                  |                  |
| <b>Current liabilities</b>             |      |                  |                  |
| Lease liabilities                      | 7    | 135'135          | 130'165          |
| Trade and other payables               | 18   | 851'646          | 1'032'542        |
| Accrued expenses and deferred income   | 17   | 602'604          | 685'584          |
| <b>Total current liabilities</b>       |      | <b>1'589'385</b> | <b>1'848'291</b> |
| <b>Non-current liabilities</b>         |      |                  |                  |
| Employee benefit obligations           | 16   | 62'650           | 66'718           |
| Borrowings                             | 19   | 18'528           | 18'528           |
| Lease liabilities                      | 7    | 233'866          | 246'000          |
| <b>Total non-current liabilities</b>   |      | <b>315'044</b>   | <b>331'246</b>   |
| <b>Total liabilities</b>               |      | <b>1'904'429</b> | <b>2'179'537</b> |
| <b>Equity</b>                          |      |                  |                  |
| Share capital                          | 14   | 284'438          | 268'888          |
| Capital Reserve                        | 14   | 16'481'616       | 14'508'811       |
| Translation reserve                    |      | (26'684)         | (39'465)         |
| Accumulated losses                     |      | (14'757'253)     | (11'095'669)     |
| <b>Total equity</b>                    |      | <b>1'982'117</b> | <b>3'642'565</b> |
| <b>Total equity and liabilities</b>    |      | <b>3'886'546</b> | <b>5'822'102</b> |

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

## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated statement of changes in equity

| CHF  | Share capital  | Capital reserve   | Translation reserve | Accumulated losses  | Total shareholders' equity |
|--|----------------|-------------------|---------------------|---------------------|----------------------------|
| <b>At 1 July 2021</b>                                      | <b>210'888</b> | <b>8'890'537</b>  | -                   | <b>(8'612'259)</b>  | <b>489'166</b>             |
| Loss for the 12 months period ended June 2022              | -              | -                 | -                   | (2'506'427)         | <b>(2'506'427)</b>         |
| Other comprehensive loss, net of tax                       | -              | -                 | (39'465)            | 31'008              | <b>(8'457)</b>             |
| <b>Total comprehensive income for the 12 months period</b> | -              | -                 | <b>(39'465)</b>     | <b>(2'475'419)</b>  | <b>(2'514'884)</b>         |
| Capital increase   | 58'000         | 5'618'274         | -                   | -                   | <b>5'676'274</b>           |
| Change in consolidation scope                              | -              | -                 | -                   | (7'990)             | <b>(7'990)</b>             |
| <b>Transactions with owners of the Company</b>             | <b>58'000</b>  | <b>5'618'274</b>  | -                   | <b>(7'990)</b>      | <b>5'668'284</b>           |
| <b>At 30 June 2022</b>                                     | <b>268'888</b> | <b>14'508'811</b> | <b>(39'465)</b>     | <b>(11'095'668)</b> | <b>3'642'566</b>           |
| Loss for the 6 months period ended December 2022           | -              | -                 | -                   | (3'661'586)         | <b>(3'661'586)</b>         |
| Other comprehensive loss, net of tax                       | -              | -                 | 12'781              | -                   | <b>12'781</b>              |
| <b>Total comprehensive income for the 6 months period</b>  | -              | -                 | <b>12'781</b>       | <b>(3'661'586)</b>  | <b>(3'648'805)</b>         |
| Capital increase   | 15'550         | 1'972'805         | -                   | -                   | <b>1'988'355</b>           |
| <b>Transactions with owners of the Company</b>             | <b>15'550</b>  | <b>1'972'805</b>  | -                   | -                   | <b>1'988'355</b>           |
| <b>At 31 December 2022</b>                                 | <b>284'438</b> | <b>16'481'616</b> | <b>(26'684)</b>     | <b>(14'757'253)</b> | <b>1'982'117</b>           |

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

## NOTES

### Consolidated statement of cash flows

| CHF   | Note | 1 July 2022-<br>31 Dec 2022<br>(6 Months) | 1 July 2021-<br>30 June 2022<br>(12 Months) |
|---|------|---|---|
| <b>Loss before taxes</b>  |      | <b>(3'663'671)</b>                        | <b>(2'499'144)</b>                          |
| Depreciation, amortisation and impairment                       | 21   | 404'867                                   | 219'699                                     |
| Movements in employee benefit obligation                        |      | (4'068)                                   | 13'916                                      |
| Interest (income)/expense net                                   |      | (377)                                     | 29'175                                      |
| Other non-cash items  |      | 116'060                                   | 208'191                                     |
| <i>Working capital adjustments:</i>                             |      |   |   |
| Changes in trade and other receivables                          |      | 1'103'893                                 | (1'188'863)                                 |
| Changes in prepaid expenses and accrued income                  |      | 354'437                                   | (220'484)                                   |
| Changes in inventories  |      | -   | (74'460)                                    |
| Changes in trade and other payables                             |      | (180'896)                                 | 981'118                                     |
| Changes in accrued expenses and deferred income                 |      | (90'906)                                  | -   |
| <b>Cash used for operations before interest and taxes</b>       |      | <b>(1'960'661)</b>                        | <b>(2'530'852)</b>                          |
| Interest paid, net  |      | (81'080)                                  | (69'575)                                    |
| Income tax reversals/ (payments)                                |      | 967                                       | (94)  |
| <b>Net cash used for operating activities</b>                   |      | <b>(2'040'774)</b>                        | <b>(2'600'521)</b>                          |
| (Purchase) of property, plant and equipment                     | 6    | (2'447)                                   | (350'013)                                   |
| (Purchase) of intangible assets                                 | 8    | (288'633)                                 | (237'784)                                   |
| (Investment) in subsidiary                                      | 24   | (2'008'240)                               | -   |
| <b>Net cash used for investing activities</b>                   |      | <b>(2'299'320)</b>                        | <b>(587'797)</b>                            |
| Increase in capital   |      | 15'550                                    | 58'000                                      |
| Increase in capital reserve                                     |      | 1'972'805                                 | 5'617'983                                   |
| (Repayment) of borrowings                                       |      | -   | (103'520)                                   |
| Payment of lease liabilities                                    | 7    | (70'134)                                  | (92'176)                                    |
| <b>Net cash from financing activities</b>                       |      | <b>1'918'221</b>                          | <b>5'480'287</b>                            |
| Effect of currency translation on cash                          |      | -   | 1'580                                       |
| <b>Net (decrease)/ increase in cash and cash equivalents</b>    |      | <b>(2'421'872)</b>                        | <b>2'293'549</b>                            |
| <b>Cash and cash equivalents at the beginning of the period</b> |      | <b>2'968'898</b>                          | <b>675'349</b>                              |
| <b>Cash and cash equivalents at the end of the period</b>       |      | <b>547'026</b>                            | <b>2'968'898</b>                            |

During the current period, beaconsmind AG has advanced to acquire 51% shares of Frederix Hotspot GmbH for an amount of CHF 2'008'240. This amount was financed by increase in the Capital reserve.

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

# NOTES

## Notes to the 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 consolidated financial statements are presented in Swiss Franc (CHF) and have been prepared based on the accounting principles described below. These financial statements have been approved for issue by the Board of Directors of the Group on 26 August 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 Significant accounting policies and estimates

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

##### ***Basis of preparation***

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

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

These financial statements are prepared for the 6 months period from 1<sup>st</sup> July 2022-31<sup>st</sup> December 2022, whereas the comparative figures are for the 12 months period from 1<sup>st</sup> July 2021-30<sup>th</sup> June 2022. Therefore, the figures may not be comparable.

The preparation of the 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 consolidated financial statements incorporate the financial statements of beaconsmind AG ("the Company") and entities controlled by the Company (its subsidiaries) made up to 31 December 2022. 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
- 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

## NOTES

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 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.

An overview of the subsidiaries is included in Note 25.

### **Related party transactions**

Transactions between the Group and the related parties are disclosed in Note 22. Transactions with related parties are performed at arm's length.

### **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 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:

| <b>Currency</b> | <b>Closing rate</b> |                  |
|-----------------|---------------------|------------------|
|                 | <b>31-Dec-22</b>    | <b>30-Jun-22</b> |
| EUR             | 0.9940              | 1.0458           |
| USD             | 0.9330              | 0.9122           |
| CNY             | 0.1340              | 0.1485           |
| GBP             | 1.1240              | -                |
| AED             | 0.25400             | 0.2698           |

| <b>Currency</b> | <b>Average Rate</b>                 |                                      |
|-----------------|-------------------------------------|--------------------------------------|
|                 | <b>1 July 2022-<br/>31 Dec 2022</b> | <b>1 July 2021-<br/>30 June 2022</b> |
| EUR             | 1.0048                              | 1.0680                               |
| USD             | n/a                                 | n/a                                  |
| CNY             | n/a                                 | n/a                                  |
| GBP             | n/a                                 | n/a                                  |
| AED             | 0.25988                             | 0.2547                               |

### **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.

## NOTES

The Group'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). 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

## NOTES

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. 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.

### **Financial assets**

Financial assets include cash and cash equivalents, trade receivables and other financial assets. These financial assets are classified as at amortized cost. The Company currently does not hold any financial instruments in the fair value (FVTPL or FVTOCI) category.

#### *Financial assets at amortized cost*

Financial assets at amortized cost mainly comprise trade receivables and cash and cash equivalents. A financial asset is measured at amortized cost if the asset is held as part of a business model whose objective is to hold financial assets to collect their contractual cash flows, and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets in this category are initially recognized at fair value plus transaction costs that are directly related to the purchase and subsequently measured at amortized cost.

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### *Impairment of financial assets*

beaconsmind AG applies a simplified approach to measuring expected credit losses for trade receivables. Under this approach, a provision is made for lifetime expected credit losses for the trade receivable. Expected credit losses on trade receivables are primarily based on expected default rates of beaconsmind AG's customers based on their credit rating. Impairment losses of 110'265 CHF were recorded during the period presented.

### *Cash and cash equivalents*

Cash and cash equivalents comprise of cash balances held for the purpose of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Where bank overdrafts are repayable on demand and form an integral part of beaconsmind AG's cash management, they are netted against cash and cash equivalents for the purposes of the statement of cash flows.

### **Financial liabilities**

Financial liabilities include borrowings, accrued expenses, deferred income and trade and other payables. Recognition depends on how the liability is classified. These financial liabilities are classified as at amortized cost. The Company currently does not hold any financial instruments in the fair value category. Financial liabilities are initially measured at fair value less, transaction costs that are directly related to the acquisition or issue of the financial liability.

### **Employee benefit liabilities**

The Group's Swiss pension scheme qualifies as a defined benefit plan established under Swiss pension legislation. Obligations are determined annually by independent qualified actuaries using the projected unit credit method and are derived from actuarial assumptions based on market expectations at the reporting date. The discount rates employed in determining the present value of the plan's liabilities are determined by reference to market yields at the reporting date on high-quality corporate bonds consistent with the currency and term of the associated post-employment benefit obligations.

The defined benefit pension asset or liability in the balance sheet comprises the total of the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Their fair value is based on market price information and their valuation is limited to the present value of any economic benefits available in the form of refunds from the plan and reductions in the future contributions to the plan.

The net interest cost recorded in the statement of profit or loss within financial expenses (income) is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements are included in the consolidated statement of profit or loss within employee benefit expenses.

The assumptions underlying the actuarial valuations from which the amounts recognized in the consolidated financial statements are determined, are updated annually based on current economic conditions and for any relevant changes to the terms and conditions of the pension plan. These assumptions can be affected by changes in the rates of return on high-quality corporate bonds (as far as the discount rate is concerned) and future labour market conditions (in regard to the estimates of future compensation levels).

Whilst management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect the obligations and expenses recognized in future accounting periods. The assets and liabilities of defined benefit pension plans may exhibit significant period-on-period volatility attributable primarily to changes in bond yields and longevity. In addition to future service contributions, cash contributions may be required to remediate past service deficits.

beaconsmind AG does not provide any defined contribution plans for the employees in the other group locations in Dubai and Germany following local regulations.

### **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.

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### **Taxation**

The consolidated statement of profit or loss includes all tax that is to be paid or received for the current year, adjustments relating to tax due for previous years, and changes in deferred tax. These taxes have been calculated at nominal amounts, in accordance with the tax regulations, and in accordance with tax rates that have either been decided or have been notified and can confidently be expected to be confirmed. For items recognized in the statement of profit or loss, associated tax effects are also recognized in the statement of profit or loss. The tax effects of items recognized directly against equity or in other comprehensive income are themselves recognized against equity or in other comprehensive income.

The liability method is used in accounting for deferred tax. This means that deferred tax is recognized on all temporary differences between the carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets relating to tax losses carried forward or other future tax allowances are recognized to the extent that it is probable that the allowance can be offset against taxable income in future taxation. Deferred tax assets and deferred tax liabilities are offset when there is a legal right to do so and when deferred taxes relate to the same tax authority.

beaconsmind AG measures each uncertain tax positions using either the most likely amount or the expected value, based on the method expected to reflect the outcome in the best way. Assessments are reconsidered when there is new information that affects earlier judgments.

### **Changes in accounting standards**

The following new or amended standards became applicable for the current reporting period and did not have any material effect on the financial statements:

- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and equipment – Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

### **New accounting pronouncements to be adopted on or after the reporting date**

The following IFRS standards and interpretations have been issued, but are not yet effective, as of the reporting date 31 December 2022. The future application of these standards and interpretations is not expected to have a material impact on the results and the financial position of beaconsmind AG.

| <b>Standard / Interpretation</b>  | <b>Effective date</b> |
|---|-----------------------|
| Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)                           | 1 January 2024        |
| IFRS 17 Insurance Contracts   | 1 January 2023        |
| Disclosure of Accounting Policies (Amendments to IAS 1)   | 1 January 2023        |
| Definition of Accounting Estimates (Amendments to IAS 8)  | 1 January 2023        |
| Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) | 1 January 2023        |
| International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12)                                | 1 January 2023        |
| Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)   | 1 January 2024        |
| Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)  | 1 January 2024        |

### **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 Company'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.

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- Post-retirement benefit obligations: Key actuarial and financial assumptions related to the measurement of defined benefit plans.
- 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: Judgement with regards to expected credit losses.
- Going concern: Note 27 explains why the financial statements are prepared on a going concern basis

## 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.

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 31 December 2022 and for the year ended 30 June 2022, respectively, by their nature as represented by the offered products and services.

| CHF   | 1 July 2022-<br>31 Dec 2022<br>(6 Months) | 1 July 2021-<br>30 June 2022<br>(12 Months) |
|---|---|---|
| Services revenue  | 38'223                                    | 339'072                                     |
| SaaS licensing revenue                                      | 442'143                                   | 1'460'258                                   |
| Sales of beacons and SaaS subscriptions - upfront revenue   | 72'683                                    | 39'461                                      |
| Sales of beacons and SaaS subscriptions - recurring revenue | -   | 148'450                                     |
| <b>Total from sales and services</b>                        | <b>553'049</b>                            | <b>1'987'242</b>                            |
| <b>Total Revenues</b>                                       | <b>553'049</b>                            | <b>1'987'242</b>                            |

### Disclosure by geographical regions

| CHF            | 1 July 2022-<br>31 Dec 2022<br>(6 Months) | 1 July 2021-<br>30 June 2022<br>(12 Months) |
|----------------|---|---|
| Switzerland    | 286'429                                   | 178'904                                     |
| Germany        | 209'032                                   | 183'034                                     |
| Austria        | 185                                       | 1'460'614                                   |
| Rest of Europe | 22'068                                    | 110'638                                     |
| Asia           | 18'770                                    | -   |
| North America  | 14'180                                    | 40'807                                      |
| South America  | 2'385                                     | 13'245                                      |
|                | <b>553'049</b>                            | <b>1'987'242</b>                            |

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### Disclosure by major customers

| CHF  | 1 July 2022-<br>31 Dec 2022<br>(6 Months) | 1 July 2021-<br>30 June 2022<br>(12 Months) |
|--|---|---|
| Client A   | 98'660                                    | 178'904                                     |
| Client B   | 71'413                                    | 40'807                                      |
| Client C   | 272'069                                   | 1'460'614                                   |
| Client D   | 66'408                                    | 183'034                                     |
| <b>Total &gt; 10%</b>                                | <b>508'550</b>                            | <b>1'863'359</b>                            |
| <b>Customers with net revenues of less than 10%:</b> |   |   |
| <b>Total &lt; 10%</b>                                | <b>44'499</b>                             | <b>123'883</b>                              |
| <b>Total net revenues from sales and services</b>    | <b>553'049</b>                            | <b>1'987'242</b>                            |

### 3. Direct cost

| CHF                       | 1 July 2022-<br>31 Dec 2022<br>(6 Months) | 1 July 2021-<br>30 June 2022<br>(12 Months) |
|---------------------------|---|---|
| Material expenses         | (47'494)                                  | (99'617)                                    |
| Services purchased        | (39'527)                                  | (71'487)                                    |
| Cost to obtain a contract | (8'100)                                   | (25'000)                                    |
| <b>Total</b>              | <b>(95'121)</b>                           | <b>(196'105)</b>                            |

### 4. Indirect cost

#### Personnel expense

| CHF   | Note | 1 July 2022-<br>31 Dec 2022<br>(6 Months) | 1 July 2021-<br>30 June 2022<br>(12 Months) |
|---|------|---|---|
| Salary and bonuses                                      |      | (1'087'458)                               | (1'357'276)                                 |
| Social security charges                                 |      | (99'533)                                  | (120'379)                                   |
| Current service costs on employee benefit pension plans | 16   | (10'849)                                  | 13'916                                      |
| Other personnel expenses                                |      | (107'091)                                 | (117'192)                                   |
| <b>Total</b>  |      | <b>(1'304'931)</b>                        | <b>(1'580'931)</b>                          |

Other personnel expenses relate to expense allowances, housing allowance, leave salary expenses and car expenses.

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### Other operating expenses

| CHF                                   | Note | 1 July 2022-<br>31 Dec 2022<br>(6 Months) | 1 July 2021-<br>30 June 2022<br>(12 Months) |
|---------------------------------------|------|---|---|
| Office related expenses               |      | (75'713)                                  | (77'054)                                    |
| Project costs                         |      | (60'432)                                  | (435'903)                                   |
| IT expenses                           |      | (136'242)                                 | (228'082)                                   |
| Insurance                             |      | (2'444)                                   | (3'634)                                     |
| Travel expenses                       |      | (59'042)                                  | (128'740)                                   |
| Selling and marketing expenses        |      | (15'895)                                  | (43'978)                                    |
| Consulting expenses                   |      | (1'361'326)                               | (1'317'804)                                 |
| Audit fees                            |      | (155'613)                                 | (171'259)                                   |
| Allowance for expected credit losses  | 10   | (359'947)                                 | -   |
| Allowance for impairment of inventory | 9    | (44'300)                                  | -   |
| Accounting fees                       |      | (53'269)                                  | (35'420)                                    |
| Other expense                         |      | (6'498)                                   | (14'628)                                    |
| <b>Total</b>                          |      | <b>(2'330'721)</b>                        | <b>(2'456'504)</b>                          |

### 5. Financial income and expenses, net

| CHF                                    | Notes | 1 July 2022-<br>31 Dec 2022<br>(6 Months) | 1 July 2021-<br>30 June 2022<br>(12 Months) |
|--|-------|---|---|
| <b>Financial income</b>                |       |   |   |
| Interest income                        |       | 11'320                                    | 3'636                                       |
| Foreign exchange gains                 |       | 7'193                                     | 36'428                                      |
| <b>Total</b>                           |       | <b>18'513</b>                             | <b>40'064</b>                               |
| <b>Financial expenses</b>              |       |   |   |
| Interest expenses and bank charges     |       | (4'706)                                   | (25'314)                                    |
| Interest expenses on lease liabilities | 7     | (5'619)                                   | (7'409)                                     |
| Interest expenses on employee benefits | 16    | (618)                                     | (89)  |
| Foreign exchange losses                |       | (88'650)                                  | (40'399)                                    |
| <b>Total</b>                           |       | <b>(99'593)</b>                           | <b>(73'211)</b>                             |
| <b>Total financial expenses net</b>    |       | <b>(81'080)</b>                           | <b>(33'147)</b>                             |

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### 6. Property, plant and equipment

Property, plant and equipment comprises owned assets related to IT hardware, office equipment and leasehold improvements added to the Company's leased head office. The carrying amounts of property, plant and equipment developed as follows during the reporting period:

| CHF   | Leasehold<br>improvements | Office<br>equipment | IT hardware    | Total           |
|---|---------------------------|---------------------|----------------|-----------------|
| <b>Cost</b>   |                           |                     |                |                 |
| <b>At 1 July 2021</b>                                       | <b>16'500</b>             | <b>12'847</b>       | <b>4'772</b>   | <b>34'119</b>   |
| Additions   | 275'390                   | 48'594              | 26'029         | 350'013         |
| <b>At 30 June 2022</b>                                      | <b>291'890</b>            | <b>61'441</b>       | <b>30'802</b>  | <b>384'132</b>  |
| <b>Accumulated depreciation and impairment</b>              |                           |                     |                |                 |
| <b>At 1 July 2021</b>                                       | (6'875)                   | (5'847)             | (2'102)        | (14'824)        |
| Depreciation charge(12 months period ended 30 June 2022)    | (8'766)                   | (3'813)             | (3'196)        | (15'775)        |
| Exchange difference   | (194)                     | (31)                | (97)           | (322)           |
| <b>At 30 June 2022</b>                                      | <b>(15'835)</b>           | <b>(9'691)</b>      | <b>(5'395)</b> | <b>(30'921)</b> |
| <b>Net carrying amount 30 June 2022</b>                     | <b>276'055</b>            | <b>51'750</b>       | <b>25'406</b>  | <b>353'211</b>  |
| <br>  |                           |                     |                |                 |
| CHF   | Leasehold<br>improvements | Office<br>equipment | IT hardware    | Total           |
| <b>Cost</b>   |                           |                     |                |                 |
| <b>At 1 July 2022</b>                                       | <b>291'890</b>            | <b>61'441</b>       | <b>30'802</b>  | <b>384'132</b>  |
| Additions   | -                         | 1'298               | 1'149          | 2'447           |
| Exchange difference   | (16'128)                  | (1'526)             | (1'453)        | (19'107)        |
| <b>At 31 December 2022</b>                                  | <b>275'762</b>            | <b>61'213</b>       | <b>30'497</b>  | <b>367'471</b>  |
| <b>Accumulated depreciation and impairment</b>              |                           |                     |                |                 |
| <b>At 1 July 2022</b>                                       | <b>(15'835)</b>           | <b>(9'691)</b>      | <b>(5'395)</b> | <b>(30'921)</b> |
| Depreciation charge(6 months period ended 31 December 2022) | (29'495)                  | (8'078)             | (2'928)        | (40'501)        |
| Exchange difference   | 810                       | 89                  | 155            | 1'054           |
| <b>At 31 December 2022</b>                                  | <b>(44'519)</b>           | <b>(17'680)</b>     | <b>(8'169)</b> | <b>(70'368)</b> |
| <b>Net carrying amount 31 December 2022</b>                 | <b>231'243</b>            | <b>43'533</b>       | <b>22'328</b>  | <b>297'104</b>  |

No assets were pledged as security against any of the group's liabilities as at 31 December 2022 and as at 30 June 2022.

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### 7. Leasing

beaconsmind AG exclusively leases properties in the form of office space and vehicles.

Property leases include rent payment indexation clauses and renewal options. beaconsmind AG assesses these renewal options to conclude whether it is reasonably certain that a renewal option may be exercised. beaconsmind AG's lease liabilities have been determined based on 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 discount rate applied to the capitalized lease is in between 1.90% and 4.00%.

#### **Right-of-use assets**

The carrying amounts of right-of-use assets related to leases entered into by beaconsmind AG developed as follows during the reporting period:

| CHF  | Cars           | Property       | Total            |
|--|----------------|----------------|------------------|
| <b>At 1 July 2021</b>  | <b>136'515</b> | <b>(6'211)</b> | <b>130'304</b>   |
| Additions  | 111'815        | 231'931        | <b>343'747</b>   |
| Cancellation (at net carrying value)                           | (14'481)       | -              | <b>(14'481)</b>  |
| Amortization expense(12 months period ended 30 June 2022)      | (47'363)       | (56'305)       | <b>(103'668)</b> |
| Adjustment as a result of remeasurement of the lease liability | -              | -              | -                |
| Exchange difference  | (131)          | (1'534)        | <b>(1'665)</b>   |
| <b>At 30 June 2022</b>   | <b>186'356</b> | <b>167'882</b> | <b>354'238</b>   |
| <b>At 1 July 2022</b>  | <b>186'356</b> | <b>167'882</b> | <b>354'238</b>   |
| Additions  | 72'335         | -              | <b>72'335</b>    |
| Transfers  | (28'368)       | 28'368         | -                |
| Cancellation (at net carrying value)                           | -              | -              | -                |
| Amortization expense(6 months period ended 31 December 2022)   | (31'979)       | (34'369)       | <b>(66'348)</b>  |
| Adjustment as a result of remeasurement of the lease liability | (2'256)        | -              | <b>(2'256)</b>   |
| Exchange difference  | -              | (10'716)       | <b>(10'716)</b>  |
| <b>At 31 December 2022</b>                                     | <b>196'088</b> | <b>151'165</b> | <b>347'253</b>   |

#### **Lease liabilities**

The below table provides an overview of the development in the carrying amounts of beaconsmind's lease liabilities during the reporting period:

| CHF  | 1 July 2022-<br>31 Dec 2022 | 1 July 2021-<br>30 June 2022 |
|--|-----------------------------|------------------------------|
| <b>At 1 July</b>   | <b>376'164</b>              | <b>132'014</b>               |
| Arising on acquisition   | -                           | -                            |
| Additions  | 72'335                      | 343'747                      |
| Disposals  | -                           | (14'743)                     |
| Accretion of interest  | 5'619                       | 7'409                        |
| Payments   | (70'134)                    | (92'176)                     |
| Exchange difference  | (12'616)                    | (86)                         |
| Adjustment as a result of remeasurement of the lease liabilities | (2'367)                     | -                            |
| <b>At 30 June</b>  | <b>369'001</b>              | <b>376'164</b>               |
| thereof current  | 135'135                     | 130'165                      |
| thereof non-current  | 233'866                     | 246'000                      |

The maturity of the lease liabilities is included in note 15.

## NOTES

### *Amounts recognized in the statement of profit or loss*

The following amounts related to the Group's activities as a lessee and are recognized in the statement of profit or loss during the reporting period:

| CHF   | Note | 1 July 2022-<br>31 Dec 2022<br>(6 Months) | 1 July 2021-<br>30 June 2022<br>(12 Months) |
|---|------|---|---|
| Amortization expense on right-of-use assets | 21   | (68'604)                                  | (103'668)                                   |
| Interest expense on lease liabilities       | 5    | (5'619)                                   | (7'409)                                     |
| <b>Total</b>                                |      | <b>(74'223)</b>                           | <b>(111'077)</b>                            |

The total cash outflow for leases for the 6-months period ended 31 December 2022 amounted to CHF 70'134 (FY 2021/2022: CHF 92'176).

## 8. Intangible assets

The carrying amounts of intangible assets developed as follows during the reporting period:

| CHF   | IT software      | Total            |
|---|------------------|------------------|
| <b>Cost</b>   |                  |                  |
| <b>At 1 July 2021</b>                                 | <b>238'787</b>   | <b>238'787</b>   |
| Additions   | 237'784          | 237'784          |
| <b>At 30 June 2022</b>                                | <b>476'571</b>   | <b>476'571</b>   |
| <b>Accumulated amortization</b>                       |                  |                  |
| <b>At 1 July 2021</b>                                 | <b>(100'236)</b> | <b>(100'236)</b> |
| Amortization (12 months period ended 30 June 2022)    | (100'257)        | (100'257)        |
| <b>At 30 June 2022</b>                                | <b>(200'493)</b> | <b>(200'493)</b> |
| <b>Net carrying amount 30 June 2022</b>               | <b>276'078</b>   | <b>276'078</b>   |
| CHF   | IT software      | Total            |
| <b>Cost</b>   |                  |                  |
| <b>At 1 July 2022</b>                                 | <b>476'571</b>   | <b>476'571</b>   |
| Additions   | 288'633          | 288'633          |
| <b>At 31 December 2022</b>                            | <b>765'204</b>   | <b>765'204</b>   |
| <b>Accumulated amortization</b>                       |                  |                  |
| <b>At 1 July 2022</b>                                 | <b>(200'493)</b> | <b>(200'493)</b> |
| Amortization (6 months period ended 31 December 2022) | (287'836)        | (287'836)        |
| <b>At 31 December 2022</b>                            | <b>(488'329)</b> | <b>(488'329)</b> |
| <b>Net carrying amount 31 December 2022</b>           | <b>276'875</b>   | <b>276'875</b>   |

No assets were pledged as security against any of the group's liabilities as at 31 December 2022 and as at 30 June 2022.

## NOTES

### 9. Inventories

The below table presents the position of the inventories, consisting of the following main categories:

| CHF  | 31-Dec-22      | 30-Jun-22     |
|--|----------------|---------------|
| Custom solution hardware bundle              | -              | -             |
| Beacons                                      | 47'996         | 59'215        |
| Converter                                    | 17'286         | 20'238        |
| Housings                                     | 35'168         | 3'927         |
| Feeder                                       | 19'525         | -             |
| Other material                               | 14'325         | 6'619         |
| <b>Total</b>                                 | <b>134'300</b> | <b>90'000</b> |
| Less allowance for impairment of inventories | (44'300)       | -             |
| <b>Total</b>                                 | <b>90'000</b>  | <b>90'000</b> |

Inventories recognized as an expense during the 6 months period ended, 31<sup>st</sup> December 2022 amounted to CHF 47,494 (30 June 2022: 174'078.36). These were included in cost of sales and cost of providing services.

### 10. Trade and other receivables

The below table presents the position of trade and other receivables:

| CHF                                  | 31-Dec-22      | 30-Jun-22        |
|--------------------------------------|----------------|------------------|
| Trade receivables from third parties | 587'060        | 1'366'815        |
| Other receivables from third parties | 85'337         | 49'527           |
|                                      | <b>672'397</b> | <b>1'416'342</b> |
| Allowance for expected credit losses | (470'212)      | (110'265)        |
| <b>Total</b>                         | <b>202'185</b> | <b>1'306'078</b> |

As on 31.12.2022 the other receivable from third parties mainly consists of VAT receivables and receivables from employees.

**Details about ageing of trade receivables are the following:**

| CHF                                  | 31-Dec-22      | 30-Jun-22        |
|--------------------------------------|----------------|------------------|
| Neither past due nor impaired        | 192'093        | 1'297'908        |
| Past due but not impaired:           | 10'092         | 8'170            |
| <i>Less than 30 days</i>             | -              | -                |
| <i>30 to 60 days</i>                 | -              | 8'170            |
| <i>More than 60 days</i>             | 10'092         | -                |
| Impaired (partial or full provision) | 470'212        | 110'265          |
| <b>Total</b>                         | <b>672'397</b> | <b>1'416'342</b> |

**Details about movement in allowance for expected credit losses during the period are the following:**

| CHF  | Total            |
|--|------------------|
| <b>At 1 July 2021</b>  | (188'265)        |
| Written-off as uncollectible during the period                     | 78'000           |
| <b>At 30 June 2022</b>   | <b>(110'265)</b> |
| <b>At 1 July 2022</b>  | <b>(110'265)</b> |
| Increase in allowance for expected credit losses during the period | (359'947)        |
| <b>At 31 December 2022</b>   | <b>(470'212)</b> |

Information about the impairment of trade receivables and beaconsmind AG's exposure to credit risk and foreign currency risk can be found in note 15.

## NOTES

### 11. Prepaid expenses and other advances

The below table presents the position of prepaid expenses, accrued income and other current assets:

| CHF                       | 31-Dec-22     | 30-Jun-22      |
|---------------------------|---------------|----------------|
| Prepaid expenses          |               |                |
| Thereof prepaid expenses  | 42'477        | 227'234        |
| Thereof rent deposits     | 10'637        | 38'014         |
| Thereof advanced payments | 11'517        | 153'820        |
| <b>Total</b>              | <b>64'631</b> | <b>419'068</b> |

Prepaid expenses comprise of travel expenses, insurance premiums and other expenses paid in advance.

### 12. Cash and cash equivalents

| CHF                           | 31-Dec-22      | 30-Jun-22        |
|-------------------------------|----------------|------------------|
| Bank balance CHF              | 120'274        | 2'542'110        |
| Bank balance other currencies | 426'752        | 426'788          |
| <b>Total</b>                  | <b>547'026</b> | <b>2'968'898</b> |

Bank balances are held in CHF and other currencies comprising CNY (CHF 1'740), AED (CHF 88'940) and EUR (CHF 336'072).

### 13. Cash flow-related information

The below table presents the components of beaconsmind AG's net debt. As per 31.12.2022 beaconsmind AG has a positive net debt position due to beaconsmind AG's cash reserves exceeding the debt comprising of lease liabilities and borrowings.

| CHF                                 |     | 31-Dec-22      | 30-Jun-22        |
|-------------------------------------|-----|----------------|------------------|
| Lease liabilities                   | CHF | (369'001)      | (376'165)        |
| Borrowings                          | CHF | (18'528)       | (18'528)         |
| Cash and cash equivalents (in CHF)  | CHF | 120'274        | 2'542'110        |
| Cash and cash equivalents (in CNY)  | CHF | 1'740          | 1'973            |
| Cash and cash equivalents (in EUR)  | CHF | 336'072        | 403'094          |
| Cash and cash equivalents (in AED)  | CHF | 88'940         | 21'721           |
| <b>Net cash /(debt) by currency</b> |     | <b>159'497</b> | <b>2'574'205</b> |

#### Movement in opening to closing net cash/(debt):

| CHF   | Note    | Leases           | Borrowings      | Cash and cash equivalents | Total            |
|---|---------|------------------|-----------------|---------------------------|------------------|
| <b>Net cash as of 1 July 2021</b>             |         | (117'270)        | (125'574)       | 675'349                   | 432'505          |
| Cash flows                                    | 7,19,12 | 84'768           | 107'046         | 2'293'549                 | 2'485'363        |
| Non-cash effective changes                    |         |                  |                 |                           | -                |
| <i>New leases</i>                             | 7       | (343'747)        | -               | -                         | (343'747)        |
| <i>Cancellation of leases</i>                 | 7       | -                | -               | -                         | -                |
| <i>Remeasurements of leases</i>               | 7       | -                | -               | -                         | -                |
| <i>Effect of currency translation</i>         |         | 86               | -               | -                         | 86               |
| <b>Net cash/(debt) as of 30 June 2022</b>     |         | <b>(376'164)</b> | <b>(18'528)</b> | <b>2'968'898</b>          | <b>2'574'206</b> |
| <b>Net cash as of 1 July 2022</b>             |         | <b>(376'164)</b> | <b>(18'528)</b> | <b>2'968'898</b>          | <b>2'574'206</b> |
| Cash flows                                    | 7,19,12 | 64'515           | -               | (2'421'872)               | (2'357'357)      |
| Non-cash effective changes                    |         |                  |                 |                           |                  |
| <i>New leases</i>                             | 7       | (72'335)         | -               | -                         | (72'335)         |
| <i>Cancellation of leases</i>                 | 7       | -                | -               | -                         | -                |
| <i>Remeasurements of leases</i>               | 7       | 2'367            | -               | -                         | 2'367            |
| <i>Effect of currency translation</i>         |         | 12'616           | -               | -                         | 12'616           |
| <b>Net cash/(debt) as of 31 December 2022</b> |         | <b>(369'001)</b> | <b>(18'528)</b> | <b>547'026</b>            | <b>159'497</b>   |

## NOTES

### 14. Equity

#### Share capital

The share capital on 31 December 2022 consists of 2'844'384 registered shares (2021: 2'688'884) with a nominal value of CHF 0.10 each, amounting to CHF 284'438 (2021: CHF 268'888). 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                        | <b>31-Dec-22</b> | <b>30-Jun-22</b> |
| Ordinary shares fully paid | 284'438          | 268'888          |
| <b>Total share capital</b> | <b>284'438</b>   | <b>268'888</b>   |
| Number of shares           |                  |                  |
|                            | <b>31-Dec-22</b> | <b>30-Jun-22</b> |
| Ordinary shares fully paid | 2'844'384        | 2'688'884        |
| <b>Total shares</b>        | <b>2'844'384</b> | <b>2'688'884</b> |

#### Capital reserves

Capital reserves of total CHF 16'481'616 (30 June 2022: CHF 14'508'811) consist mainly of reserves from capital contribution.

#### Dividends

No dividends have been paid out during the period from 1 July 22 to 31 December 2022 and during 2021/2022 financial year.

### 15. Financial instruments

beaconsmind AG is exposed to a variety of financial risks, namely market risk in the form of currency risk, interest rate risk, credit risk and liquidity risk.

beaconsmind AG operates a centralized risk management system that distinguishes between strategic and operating risks and encompasses beaconsmind AG's financial risk management. beaconsmind AG's overall risk management program seeks to minimize the potential adverse effects on beaconsmind AG's financial condition or performance.

#### Currency risk

beaconsmind AG operates internationally and is exposed to foreign exchange risk from its day-to-day activities that are conducted in currencies other than CHF. These currencies are mainly EUR, CNY, AED and USD.

The following table provides an overview of beaconsmind AG's gross exposure to foreign currencies as represented by financial assets denominated in foreign currencies as of the reporting date.

#### Carrying amount at 30 June 2022

| CHF                       | EUR            | USD          | CNY          | AED           | Total          |
|---------------------------|----------------|--------------|--------------|---------------|----------------|
| Trade receivables         | 436'318        | 3'149        | -            | -             | 439'467        |
| Cash and cash equivalents | 403'094        | -            | 1'973        | 21'721        | 426'788        |
| <b>Net exposure</b>       | <b>839'413</b> | <b>3'149</b> | <b>1'973</b> | <b>21'721</b> | <b>866'254</b> |

#### Carrying amount at 31 December 2022

| CHF                       | EUR            | USD          | CNY          | AED           | Total          |
|---------------------------|----------------|--------------|--------------|---------------|----------------|
| Trade receivables         | 269'073        | 3'579        | -            | -             | 272'652        |
| Cash and cash equivalents | 336'072        | -            | 1'740        | 88'940        | 426'752        |
| <b>Net exposure</b>       | <b>605'145</b> | <b>3'579</b> | <b>1'740</b> | <b>88'940</b> | <b>699'404</b> |

## NOTES

### Exchange rate sensitivity

The following table shows the impact of a possible change in the EUR, USD, AED and CNY against CHF in regard to the measurement of trade receivables and cash and cash equivalents. In order to derive the potential impact on the balance sheet and statement of profit or loss, the spot exchange rate as of the reporting date is altered as compared to the spot exchange rates applied to the closing balances of these line items as presented in CHF above while all other variables are held constant.

|         | 31-Dec-22           |         | 1 July 2022- 31 Dec 2022         |              |
|---------|---------------------|---------|----------------------------------|--------------|
|         | Net exposure in CHF |         | Impact on post-tax profit in CHF |              |
|         | Sensitivity         |         | Increase +5%                     | Decrease -5% |
| EUR/CHF | +/- 5%              | 605'145 | 30'257                           | (30'257)     |
| USD/CHF | +/- 5%              | 3'579   | 179                              | (179)        |
| CNY/CHF | +/- 5%              | 1'740   | 87                               | (87)         |
| AED/CHF | +/- 5%              | 88'940  | 4'447                            | (4'447)      |

  

|         | 30-Jun-22           |         | 1 July 2021- 30 June 2022        |              |
|---------|---------------------|---------|----------------------------------|--------------|
|         | Net exposure in CHF |         | Impact on post-tax profit in CHF |              |
|         | Sensitivity         |         | Increase +5%                     | Decrease -5% |
| EUR/CHF | +/- 5%              | 839'413 | 41'971                           | (41'971)     |
| USD/CHF | +/- 5%              | 3'149   | 157                              | (157)        |
| CNY/CHF | +/- 5%              | 1'973   | 99                               | (99)         |
| AED/CHF | +/- 5%              | 21'721  | 1'086                            | (1'086)      |

### Interest rate risk

beaconsmind AG's interest rate risk arises mainly from its lease liabilities and, to a minor extent, from cash and cash equivalents held in interest-bearing bank balances. The risk related to the latter is not considered material. A sensitivity analysis for beaconsmind AG's lease liabilities is not performed given the interest rate applied in measuring these liabilities (which are not measured at fair value) is not subject to regular reassessment.

### Liquidity risk

Rolling forecasts of beaconsmind AG's liquidity requirements are established on a regular basis to ensure sufficient cash is available to meet operational needs. The table below summarizes the maturity profile of beaconsmind AG's financial liabilities based on contractual undiscounted cash flows. All interest payments and repayments of financial liabilities are based on contractual agreements.

#### Contractual maturity table as of 30.06.2022

| CHF                                  | Carrying amount  | Contractual cash flow | Within 1 year    | Between 1 and 2 years | Between 2 and 3 years | Between 3 and 5 years | On demand     |
|--------------------------------------|------------------|-----------------------|------------------|-----------------------|-----------------------|-----------------------|---------------|
| Borrowings                           | 18'528           | 18'528                | -                | -                     | -                     | -                     | 18'528        |
| Lease liabilities                    | 376'165          | 394'373               | 140'580          | 131'611               | 102'466               | 19'716                | -             |
| Trade and other payables             | 1'032'542        | 1'032'542             | 1'032'542        | -                     | -                     | -                     | -             |
| Accrued expenses and deferred income | 685'584          | 685'584               | 685'584          | -                     | -                     | -                     | -             |
| <b>Total financial liabilities</b>   | <b>2'112'819</b> | <b>2'131'028</b>      | <b>1'858'707</b> | <b>131'611</b>        | <b>102'466</b>        | <b>19'716</b>         | <b>18'528</b> |

#### Contractual maturity table as of 31.12.2022

| CHF                                  | Carrying amount  | Contractual cash flow | Within 1 year    | Between 1 and 2 years | Between 2 and 3 years | Between 3 and 5 years | On demand     |
|--------------------------------------|------------------|-----------------------|------------------|-----------------------|-----------------------|-----------------------|---------------|
| Borrowings                           | 18'528           | 18'528                | -                | -                     | -                     | -                     | 18'528        |
| Lease liabilities                    | 369'001          | 385'964               | 245'075          | 67'392                | 49'070                | 24'426                | -             |
| Trade and other payables             | 851'646          | 851'646               | 851'646          | -                     | -                     | -                     | -             |
| Accrued expenses and deferred income | 602'604          | 280'539               | 280'539          | -                     | -                     | -                     | -             |
| <b>Total financial liabilities</b>   | <b>1'841'779</b> | <b>1'536'677</b>      | <b>1'377'260</b> | <b>67'392</b>         | <b>49'070</b>         | <b>24'426</b>         | <b>18'528</b> |

## NOTES

### **Credit risk**

Credit risk arises when a customer or counterparty may fail to perform its contractual obligations. The maximum exposure to credit risk is represented in the balance sheet by the carrying value of each financial asset. beaconsmind AG periodically assesses the financial reliability of its customers and their credit limits.

On that basis, the loss allowance for expected credit losses as of the reporting dates presented in these financial statements was determined to be immaterial, and not recorded as a consequence. During the periods presented no impairment losses were incurred that would otherwise have been recognized in statement of profit or loss in relation to impaired financial assets.

As per general policy, trade and other receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with beaconsmind AG, and a failure to make contractual payments for a period of greater than 180 days past due.

### **Fair value estimation**

The fair value of current financial assets and liabilities at amortized cost is assumed to approximate their carrying amounts due to the short-term nature of these financial instruments.

## **16. Employee benefit liabilities**

Per Swiss law, employers must provide pension plans to their employees. The Group partners with Swisslife for Occupational Benefits in providing a pension plan to its Swiss employees that insures a retirement pension and lump sum payment as well as death and disability benefits.

|                                   | <b>31-Dec-22</b> | <b>30-Jun-22</b> |
|-----------------------------------|------------------|------------------|
| Active members                    |                  |                  |
| Number of members                 | 9                | 9                |
| Average age in years              | 35               | 35               |
| Total annual insured salary (CHF) | 502'301          | 497'328          |

### **Key actuarial assumptions**

The following table provides an overview of the key actuarial assumptions used in the valuation of the defined benefit obligation as of the respective valuation dates:

|                                     | <b>31-Dec-22</b> | <b>30-Jun-22</b> |
|-------------------------------------|------------------|------------------|
| Discount rate                       | 2.10%            | 2.10%            |
| Salary increases                    | 1.00%            | 1.00%            |
| Pension increase                    | 0.00%            | 0.00%            |
| Interest credit rate                | 2.10%            | 2.10%            |
| Proportion of pension at retirement | 60%              | 60%              |
| Mortality tables                    | BVG 2020 (GT)    | BVG 2020 (GT)    |

As of 31 December 2022, the weighted average duration of the defined benefit obligation was 15.9 years (15.9 years per 30 June 2022) and the plan solely included active members.

## NOTES

### ***Movement in the net defined-benefit liability over 2021-2022***

The following table provides a movement schedule for both the defined benefit obligation and the fair value of the plan assets and further indicates the amounts recorded in the statement of profit or loss and in other comprehensive loss for the periods presented.

| CHF  | Defined benefit obligation | Fair value of plan assets | Net defined benefit liability |
|--|----------------------------|---------------------------|-------------------------------|
| <b>At 1 July 2022</b>                            | <b>(348'400)</b>           | <b>281'683</b>            | <b>(66'717)</b>               |
| <u>Included in profit or loss</u>                |                            |                           |                               |
| Current service cost                             | (10'849)                   | -                         | (10'849)                      |
| Past service cost                                | -                          | -                         | -                             |
| Interest (expense) / income                      | (3'704)                    | 3086                      | (618)                         |
| <u>Included in other comprehensive income</u>    |                            |                           |                               |
| Actuarial (loss) / gain arising from:            | -                          | -                         | -                             |
| - Demographic assumptions                        | -                          | -                         | -                             |
| - Financial assumptions (Revised)                | -                          | -                         | -                             |
| - Experience adjustment                          | -                          | -                         | -                             |
| Return on plan assets excluding interest expense |                            |                           |                               |
| <u>Other</u>                                     |                            |                           |                               |
| Contributions paid:                              |                            |                           |                               |
| - Employees                                      | (15'534)                   | 15'534                    | -                             |
| - Employers                                      | -                          | 15'534                    | 15'534                        |
| Benefits paid                                    | 6'719                      | (6'719)                   | -                             |
| <b>At 31 December 2022</b>                       | <b>(371'768)</b>           | <b>309'118</b>            | <b>(62'650)</b>               |
| CHF  | Defined benefit obligation | Fair value of plan assets | Net defined benefit liability |
| <b>At 1 July 2021</b>                            | <b>(120'131)</b>           | <b>77'869</b>             | <b>(42'262)</b>               |
| <u>Included in profit or loss</u>                |                            |                           |                               |
| Current service cost                             | (16'845)                   | -                         | (16'845)                      |
| Past service cost                                | -                          | -                         | 0                             |
| Interest (expense) / income                      | (306)                      | 217                       | (89)                          |
| <u>Included in other comprehensive income</u>    |                            |                           |                               |
| Actuarial (loss) / gain arising from:            |                            |                           |                               |
| - Demographic assumptions                        | -                          | -                         | -                             |
| - Financial assumptions (Revised)                | 78'518                     | -                         | 78'518                        |
| - Experience adjustment                          | (117'362)                  | -                         | (117'362)                     |
| Return on plan assets excluding interest expense | -                          | 562                       | 562                           |
| <u>Other</u>                                     |                            |                           |                               |
| Contributions paid:                              |                            |                           |                               |
| - Employees                                      | (30'761)                   | 30'761                    | 0                             |
| - Employers                                      | -                          | 30'761                    | 30'761                        |
| Benefits paid                                    | (141'513)                  | 141'513                   | 0                             |
| <b>At 30 June 2022</b>                           | <b>(348'400)</b>           | <b>281'683</b>            | <b>(66'717)</b>               |

Plan assets consist of the following asset categories:

| <b>Assets Category</b> | <b>31-Dec-22</b> | <b>30-Jun-22</b> |
|------------------------|------------------|------------------|
| Cash                   | 1.8%             | 1.8%             |
| Equities               | 11.2%            | 11.2%            |
| Bonds                  | 52.4%            | 52.4%            |
| Property               | 22.7%            | 22.7%            |
| Other                  | 11.9%            | 11.9%            |
| <b>Total Assets</b>    | <b>100%</b>      | <b>100%</b>      |

## NOTES

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as shown in the following.

The defined benefit obligation as per the reporting date would be increased or reduced by the following amounts in reaction to a reasonably possible change in the valuation parameters shown in the below table.

| <i>in CHF</i>                          | <b>31-Dec-22</b><br><b>+ 0.5%</b> | <b>30-Jun-22</b><br><b>+ 0.5%</b> |
|--|-----------------------------------|-----------------------------------|
| Discount rate for calculation purposes | (27'778)                          | (26'032)                          |
| Future salary change                   | 961                               | 901                               |
| Pension increase                       | 10'966                            | 10'277                            |
|  | <b>31-Dec-22</b><br><b>- 0.5%</b> | <b>30-Jun-22</b><br><b>- 0.5%</b> |
| Discount rate for calculation purposes | 31'665                            | 29'675                            |
| Future salary change                   | (1'043)                           | (977)                             |
| Pension increase                       | N/A                               | N/A                               |

The Group does not provide any defined contribution plans for the employees in the other group locations in Dubai and Germany following local regulations.

### 17. Accrued expenses and deferred income

| CHF  | <b>31-Dec-22</b> | <b>30-Jun-22</b> |
|--|------------------|------------------|
| <b>Accrued expenses</b>                    |                  |                  |
| Social security charges                    | 88'726           | 53'197           |
| Professional consulting and audit services | 27'722           | 107'616          |
| Other accrued expenses                     | 164'091          | 60'620           |
| Deferred income short-term                 | 322'065          | 464'152          |
| <b>Total</b>                               | <b>602'604</b>   | <b>685'584</b>   |

### 18. Trade payables

| CHF            | <b>31-Dec-22</b> | <b>30-Jun-22</b> |
|----------------|------------------|------------------|
| Trade payables | 616'564          | 951'275          |
| Other payables | 235'082          | 81'267           |
| <b>Total</b>   | <b>851'646</b>   | <b>1'032'542</b> |

Trade payable balances are held mainly in CHF. Other payables include credit card expense and travel expenses.

## NOTES

### 19. Borrowings

| CHF                        | 31-Dec-22     | 30-Jun-22     |
|----------------------------|---------------|---------------|
| <b>Current</b>             |               |               |
| Loans due to shareholder   | -             | -             |
| <b>Total</b>               | <u>-</u>      | <u>-</u>      |
| <b>Non-Current</b>         |               |               |
| Loans due to third parties | -             | -             |
| Loans due to shareholder   | 18'528        | 18'528        |
| <b>Total</b>               | <u>18'528</u> | <u>18'528</u> |

The loan due to shareholder is interest free and is repayable on demand.

### 20. Taxes

#### Taxes expensed and recorded in other comprehensive income

Income tax expense recognized in the statement of profit or loss and the statement of comprehensive income consists of the following items:

| CHF   | 1 July 2022-<br>31 Dec 2022<br>(6 Months) | 1 July 2021-<br>30 June 2022<br>(12 Months) |
|---|---|---|
| <b>Taxes recorded in the Statement of profit or loss</b>  |   |   |
| Current tax reversal/(expense)  | 967                                       | (4'906)                                     |
| Deferred tax income / (expense) relating to the origination and reversal of temporary differences | 1'119                                     | (2'377)                                     |
| <b>Total</b>  | <u>2'086</u>                              | <u>(7'283)</u>                              |
| <b>Taxes recorded in the statement of comprehensive income</b>                                    |   |   |
| Deferred tax expense on defined benefit liabilities   | -   | (7'274)                                     |
| <b>Total</b>  | <u>-</u>                                  | <u>(7'274)</u>                              |

#### Analysis of deferred tax assets and liabilities

Deferred tax liabilities are recognized in the statement of financial position in non-current liabilities. beaconsmind AG offsets tax assets and liabilities only if it has a legally enforceable right to offset current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The movement between 1 July 2022 and 31 December 2022 of the components of deferred tax assets and liabilities is as follows:

| CHF   | Balance sheet |               | Statement of comprehensive income         |   |
|---|---------------|---------------|---|---|
|   | 31-Dec-22     | 30-Jun-22     | 1 July 2022-<br>31 Dec 2022<br>(6 Months) | 1 July 2021-<br>30 June 2022<br>(12 Months) |
| Leases - right-of-use assets                      | (23'570)      | (30'075)      | (6'505)                                   | (13'297)                                    |
| Leases - lease liabilities                        | 24'232        | 30'390        | 6'158                                     | 250   |
| Inventory   | -             | -             | -   | -   |
| Employee benefits                                 | 13'709        | 12'936        | (773)                                     | (2'627)                                     |
| <b>Deferred tax expense</b>                       |               |               | <u>(1'119)</u>                            | <u>(15'674)</u>                             |
| <b>Deferred tax asset, net</b>                    | <u>14'370</u> | <u>13'251</u> |   |   |
| <i>Thereof recorded as deferred tax asset</i>     | 14'370        | 13'251        |   |   |
| <i>Thereof recorded as deferred tax liability</i> | -             | -             |   |   |

## NOTES

### *Unused tax losses for which no deferred tax asset was recognized-*

| CHF  | 31. Dec 22         | 30. June 22        |
|--|--------------------|--------------------|
| Expiry 2023  | (193'172)          | (193'172)          |
| Expiry 2024  | (327'449)          | (327'449)          |
| Expiry 2025  | (205'277)          | (205'277)          |
| Expiry 2026  | (242'679)          | (242'679)          |
| Expiry 2027  | (549'303)          | (549'303)          |
| Expiry 2028  | (1'817'113)        | (1'817'113)        |
| Expiry 2029  | (4'729'152)        | -                  |
| <b>Total unrecognised tax losses carried forward</b> | <b>(8'064'145)</b> | <b>(3'334'993)</b> |

## 21. Depreciation, amortization, and impairment

| CHF   | Note | 1 July 2022-<br>31 Dec 2022<br>(6 Months) | 1 July 2021-<br>30 June 2022<br>(12 Months) |
|---|------|---|---|
| Depreciation of property, plant and equipment | 6    | 40'501                                    | 15'775                                      |
| Amortisation of right of use assets           | 7    | 68'604                                    | 103'668                                     |
| Amortisation of intangible assets             | 8    | 287'836                                   | 100'257                                     |
| Other impairment expenses                     |      | 7'926                                     | -   |
| <b>Total</b>                                  |      | <b>404'867</b>                            | <b>219'700</b>                              |

## 22. Related Parties

As of 31 December 2022, the Group's related parties include key management (Board of Directors and Executive Committee) and significant shareholders. The following transactions were carried out with related parties:

### *Transactions with related parties*

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. Per the definition included in IFRS, such affiliates include legal entities and natural persons that are able to exert significant influence on the Company and its subsidiaries or over which the Company can exercise significant influence. This includes the relationship between the Company and its subsidiaries, shareholders, directors and other key management personnel. Transactions are transfers of resources, services or obligations, regardless of whether anything has been charged.

All transactions with related parties were entered into within the normal course of business.

The following transactions were entered into with related parties during the reporting period related to investment in subsidiaries and loans:

| CHF                         | 1 July 2022- 31 Dec 2022 |               |  |  |
|-----------------------------|--------------------------|---------------|--|--|
|                             | Interest received        | Interest paid | amounts<br>owed by<br>related<br>party | amounts<br>owed to<br>related<br>party |
| Transactions with           |                          |               |  |  |
| Key management personnel    | -                        | -             | -                                      | -                                      |
| Shareholders of the company | -                        | -             | -                                      | 18'528                                 |
| Minority shareholders       | -                        | -             | -                                      | -                                      |
| <b>Total</b>                | <b>-</b>                 | <b>-</b>      | <b>-</b>                               | <b>18'528</b>                          |

## NOTES

| CHF   | 1 July 2021- 30 June 2022 |               |                               |                               |
|---|---------------------------|---------------|-------------------------------|-------------------------------|
|   | Interest received         | Interest paid | amounts owed by related party | amounts owed to related party |
| Transactions with   |                           |               |                               |                               |
| Entities controlled by shareholders with significant influence over the company | -                         | -             | -                             | -                             |
| Key management personnel  | -                         | -             | -                             | -                             |
| Shareholders of the company   | -                         | -             | -                             | 18'528                        |
| Minority shareholders   |                           |               |                               | -                             |
| <b>Total</b>  | <b>-</b>                  | <b>-</b>      | <b>-</b>                      | <b>18'528</b>                 |

The interest rate on the amounts owed to related party amounts to 0% p.a.

### **Key management personnel remuneration**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. During the periods presented, the CEO and the COO/CHRO as well as the Board of Directors responsible for the management of the Company are considered the key management personnel of beaconsmind AG. No advance payments or guarantees have been extended to key management personnel, or any family members of such persons.

The table below specifies the remuneration of key management personnel during the periods presented.

| CHF                          | 1 July 2022-<br>31 Dec 2022<br>(6 Months) | 1 July 2021-<br>30 June 2022<br>(12 Months) |
|------------------------------|---|---|
| Short-term employee benefits | 315'392                                   | 577'414                                     |
| Post-retirement benefits     | 4'608                                     | 9'217                                       |
| <b>Total</b>                 | <b>320'000</b>                            | <b>586'631</b>                              |

### **Short-term employee benefits**

Short-term employee benefits of the key management personnel of the Group relate to salaries and bonus accruals for the same period.

### **Post-retirement benefits**

The post-retirement benefits are measured by reference to the current service costs incurred for key management personnel of the Group that participate in the Group's pension plan. See note 16 for further details on that plan.

## **23. 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 beaconsmind 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-22     | 30-Jun-22     |
|--|---------------|---------------|
| Share of net income attributable to equity holders     | (5'514'988)   | (2'506'427)   |
| Weighted average number of shares outstanding (number) | 2'714'801     | 2'420'336     |
| <b>Basic and diluted earnings per share (in CHF)</b>   | <b>(2.03)</b> | <b>(1.04)</b> |

## NOTES

### 24. Advance for investment in subsidiaries

During the 6 months period ended 31 December 2022, beaconsmind advanced an amount of CHF 2'008'240 to acquire 51% of the share capital of Frederix GmbH, a market leading Hotspot provider with a large and international customer base mainly from retail and real estate industry. The Group considers that this acquisition will allow beaconsmind to further develop the product offering and at the same time open direct contacts to the Frederix customer base in order to win the Frederix customers also for the beaconsmind AG location-based marketing solution. Frederix itself acquired 100% of the shares of Ingenieurbüro Netopsie helping to further grow its Hotspot business.

The closing of this transaction was executed on February 2nd, 2023, and therefore the financial results of the subsidiary Frederix GmbH for the 6 months period from June to December 2022 were not considered for consolidation of these financial statements.

### 25. Subsidiaries

|                                      |     | Share Capital |           | Ownership |           |
|--------------------------------------|-----|---------------|-----------|-----------|-----------|
|                                      |     | 31-Dec-22     | 30-Jun-22 | 31-Dec-22 | 30-Jun-22 |
| <b>Group companies</b>               |     |               |           |           |           |
| beaconsmind AG, Stäfa                | CHF | 284'438       | 268'888   |           |           |
| 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%       |

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, non-controlling interest does not exist.

### 26. Going Concern

The negative (post-COVID) impact of the Corona pandemic (COVID-19 crisis) on the group's business activities was still felt in the financial year 2022. There was a delay in the implementation and roll-out of the group's software and hardware solutions mainly due to budget allocations and project pauses on the part of anchor customers, which is why the roll-out operations materialised less strongly than planned. The impact of the Ukraine conflict and the unstable market situation, primarily in Europe on the group should also be highlighted. Following the start of the conflict in the first quarter of 2022, roll-out operations for existing anchor customers in the Ukraine and Russian markets had to be discontinued.

Therefore the annual result is below budget expectations. The group's cash and cash equivalents as of 31 December 2022 were mostly consumed in the months after the balance sheet date due to the still negative operating cash flow. The going concern of the group depends on the refinancing of the group and the ability of the group to become profitable and whether it is able to generate positive operating cash flows.

The Board of Directors expects that the capital required for the continuation of the group has been contributed in the meantime and that the entity will reach sufficient profitability levels until the end of 2023 to fund the needs of the operating business. Especially as significant cost measures have been taken to reduce the cost structure. For this reason, the Board of Directors has prepared the financial statements on a going concern basis.

After the balance sheet date of December 2022, measures were taken to provide the Group with further growth capital. In order to provide the Group with further growth capital, additional financing measures have been realized by the Group in a first follow-on financing in the form of a shareholder loan in the amount of EUR 1m. Additional growth capital of EUR 3'412'062.50 based on two capital increases which new registered shares in the months of March and April 2023. A third capital increase has been successfully executed on 23 August 2023 for a total amount of EUR 1.5m.

## NOTES

Above that, the Board of Directors states that further capital increases are to be carried out if needed. New shares shall be issued through conditional capital or, if necessary, authorized capital or via the capital band of the group based on the revised articles of association of the group companies.

### 27. Events after the balance sheet date

After the balance sheet date beaconsmind AG had the following major developments.

On 30 April 2023, beaconsmind AG acquired 100% of the shares of **SOCIALWAVE GMBH**. Socialwave is a fully automated location-based marketing service provider offering guest Wi-Fi and additional online (Bluetooth) and offline (NFC, QR-codes) technologies for collecting guest data to enhance marketing campaigns, recommendation marketing, and customer analytics. This acquisition supports the development of beaconsmind's product offering and provides access to the customer base of other subsidiary companies. Socialwave GmbH is also the 100% holding company of Freefii GmbH and MeinHotspot GmbH, facilitating the growth of the Hotspot business.

In February 2023, beaconsmind AG acquired 62% of the shares of **FREDERIX HOTSPOT GMBH**, located at Oskar-Winter-Straße 9, 30161 Hannover, Germany. FREDERIX is a leading Hotspot provider with a large international customer base primarily from the retail and real estate industries. FREDERIX offers CloudWiFi solutions, a modular system that can be tailored to customer needs. An additional 11% share was acquired in October 2023.

On 31 December 2023, beaconsmind AG acquired 100% of the shares of **LINDENTOR GMBH**, which includes two component companies: **KADSOFT COMPUTER GMBH AND T2 VERTRIEB GMBH**. Kadsoft Computer GmbH, located at Poisenttalstrasse 112, 01705 Freital, Germany, specializes in planning, realizing, and implementing new IT systems. It operates in three segments: IT infrastructure (hardware) and cabling, IT media infrastructure and consulting, and Internet provider and services. T2 Vertrieb GmbH, located at Stauffenbergstraße 3-5, 32791 Lage, Germany, focuses on healthcare, communication, and consulting, with operations spanning three segments: installation, remote maintenance software, and client service.

## NOTES

The details of the new business acquisitions are as follows:

### Fair value of consideration transferred (CHF)

|  | Socialwave<br>GmbH | Frederix<br>GmbH | Lindentor<br>GmbH | Total             |
|--|--------------------|------------------|-------------------|-------------------|
| <b>Fair value of consideration transferred (CHF)</b> |                    |                  |                   |                   |
| Amount settled in cash                               | 6'675'149          | -                | 1'287'243         | 7'962'392         |
| Fair value of consideration settled in kind:         |                    |                  |                   |                   |
| Share capital  | 35'000             | 15'550           | 30'000            | 80'550            |
| Capital reserves                                     | 2'450'000          | 2'000'690        | 1'278'480         | 5'729'170         |
|  | <b>9'160'149</b>   | <b>2'016'240</b> | <b>2'595'723</b>  | <b>13'772'112</b> |

### Recognized amount of identifiable net assets (CHF)

|  |            |                  |                  |                  |                   |
|--|------------|------------------|------------------|------------------|-------------------|
| Property, plant and equipment            |            | 3'744            | 489'968          | 309'946          | 803'658           |
| Intangible assets                        |            | 7'560'384        | 1'444'865        | 2'132'197        | 11'137'446        |
| <b>Total non-current assets</b>          | <b>(a)</b> | <b>7'564'128</b> | <b>1'934'833</b> | <b>2'442'143</b> | <b>11'941'104</b> |
| Inventory                                |            | 21'398           | 173'485          | 180'852          | 375'735           |
| Trade and other receivables              |            | 1'525'732        | 279'039          | 565'964          | 2'370'735         |
| Cash and cash equivalents                |            | 130'712          | 643'179          | 81'266           | 855'157           |
| <b>Total current assets</b>              | <b>(b)</b> | <b>1'677'842</b> | <b>1'095'703</b> | <b>828'082</b>   | <b>3'601'627</b>  |
| Borrowings                               |            | -                | 559'164          | 232'425          | 791'589           |
| Deffered tax liabilities                 |            | 1'716'674        | 256'897          | 378'979          | 2'352'550         |
| <b>Total non-current liabilities</b>     | <b>(c)</b> | <b>1'716'674</b> | <b>816'061</b>   | <b>611'404</b>   | <b>3'144'139</b>  |
| Trade and other payables                 |            | 240'017          | 416'641          | 448'102          | 1'104'760         |
| Tax and general provisions               |            | 46'961           | 179'935          | -                | 226'896           |
| <b>Total current liabilities</b>         | <b>(d)</b> | <b>286'978</b>   | <b>596'576</b>   | <b>448'102</b>   | <b>1'331'656</b>  |
| <b>Identifiable net assets (a+b-c-d)</b> | <b>(e)</b> | <b>7'238'318</b> | <b>1'617'899</b> | <b>2'210'719</b> | <b>11'066'936</b> |
| Non-controlling interest on acquisition  |            | -                | 217'671          | -                | 217'671           |
| <b>Goodwill on acquisition</b>           |            | <b>1'921'831</b> | <b>616'012</b>   | <b>385'004</b>   | <b>2'922'847</b>  |

The details of the acquisition of an additional stake after gaining control of Frederix GmbH are as follows:

|   | 31-Dec-23        |
|---|------------------|
| Amount settled in cash  | 475'000          |
| Fair value of consideration settled in shares (note 14)           | 7'500            |
| Fair value of consideration settled in capital reserves (note 14) | 459'500          |
| <b>Total consideration transferred</b>                            | <b>942'000</b>   |
| Less: Non-controlling interest                                    | (48'865)         |
|   | <b>(893'135)</b> |

## NOTES

The Group structure after the sequential events of acquisitions and disposals as at the reporting date is as below:

|   |     | Share Capital  |             | Ownership      |             | NCI            |                |
|---|-----|----------------|-------------|----------------|-------------|----------------|----------------|
|   |     | 31-Dec-2023    | 31-Dec-2022 | 31-Dec-2023    | 31-Dec-2022 | 31-Dec-2023    | 31-Dec-2022    |
| <u>Parent company</u><br>beaconsmind AG,<br>Stäfa                       | CHF | 284'438        | 268'888     | 100%           | 100%        | 0%             | 0%             |
| <u>Subsidiary companies</u><br>beaconsmind<br>Mena Data L.L.C;<br>Dubai | AED | 300'000        | 300'000     | 49%            | 49%         | See note below | See note below |
| Socialwave<br>GmbH  | EUR | 42'154         | 0%          | 100%           | 0%          | 0%             | 0%             |
| Frederix GmbH   | EUR | 25'000         | 0%          | 62%            | 0%          | 38%            | -              |
| Lindentor GmbH  | EUR | 78'686         | 0%          | 100%           | 0%          | 0%             | 0%             |
| beaconsmind<br>Deutschland<br>GmbH; Munich                              | EUR | See note below | 25'000      | See note below | 100%        | See note below | 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.

Furthermore, beaconsmind Deutschland GmbH, Munich, was derecognized from the consolidation scope during the year 2023.as there were no operations conducted during the year and thus no reported assets or liabilities as on the reporting date.

Additionally, beaconsmind AG successfully completed three equity raise projects: The first one of CHF 1'937'062.50 to increase the share capital from authorised capital with 258'275 new shares issued. The new shares are entitled to participate in profits from 29 March 2023 onwards. The second cash capital increase was successfully completed on 21 April 2023 and amounted to CHF 1.475 million. The new shares are entitled to participate in profits from 21 April 2023 onwards. The third equity raise amounted to EUR 1.5 million and was successfully completed on 23 August 2023. As a result of this third capital increase in the capital band, the share capital of beaconsmind AG increased to CHF 394'265.60.

Michal Krupinski has resigned from the Board of Directors on 28 March 2023 and Martin Niederberger and Jonathan Sauppe joined the Board of Directors of beaconsmind AG on 29 March 2023. Jörg Hensen left the Board of Directors on 15 June 2023 and Max Weiland left the Board on 31 July 2023. In addition Andreas Wyss joined the Board of beaconsmind AG on 5 October 2023 and Christian Legros on 8 August 2024. With Michael Ambros, Jonathan Sauppe, Martin Niederberger, Andreas Wyss and Christian Legros, the Board of Directors currently consists of five members.

Besides the above mentioned, no material subsequent event occurred between the 31 December 2022 and 26 August 2024, being the date when beaconsmind AG consolidated financial statements were authorized for publication.