beaconsmind AG

Stäfa

Report of the statutory auditor
to the General Meeting

on the consolidated financial statements 2021/22

Report of the statutory auditor

to the General Meeting of beaconsmind AG

Stäfa

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of beaconsmind AG and its subsidiaries (the Group), which comprise the consolidated statement of profit or loss and the consolidated statement of comprehensive loss for the year ended 30 June 2022, the consolidated balance sheet as at 30 June 2022, 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 30 June 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) 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.

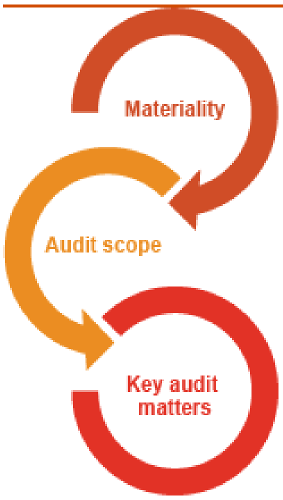
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw your attention to note 26 to these financial statements, which states that the Group experienced liquidity issues after the balance sheet date. 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.

Our audit approach

Overview	Overall Group materiality: CHF 90'000 We concluded full scope audit work at one reporting unit in one country. Our audit scope addressed 100% of the Group's revenue.



As key audit matter the following area of focus has been identified:

Revenue Recognition

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 90’000
Benchmark applied	Loss before income tax.
Rationale for the materiality benchmark applied	We chose loss before income tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark.

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 comprise 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 judgement, were of most significance in our audit of the consolidated financial statements of the current 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. In addition to the matter described in the 'Material uncertainty related to going concern' section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Revenue Recognition

Key audit matter	How our audit addressed the key audit matter
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. 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: Revenue from these revenue streams, that are recognised 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. The accounting policies regarding revenue recognition are further outlined in note 1.3 of the financial statements.	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. 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. We selected a sample of revenue transactions to test the appropriateness of the separation of individual performance obligations. We assessed, on a sample basis, whether revenue transactions occurred and were recorded in the correct period. From the evidence obtained from our procedures, we obtained sufficient evidence to address the risks identified in connection with revenue recognition.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 safeguards 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

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

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

PricewaterhouseCoopers AG

Thomas Wallmer	Kevin Mueller
Licensed audit expert Auditor in charge	Licensed audit expert

Zurich, 4 April 2023

Enclosure:

- Consolidated financial statements (consolidated statement of profit or loss, consolidated statement of comprehensive loss, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements)

beaconsmind AG
(Stäfa, Switzerland)
Consolidated financial statements
for the period ended 30 June 2022

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of profit or loss

CHF	Note	1 July 2021 - 30 June 2022	1 July 2020 - 30 June 2021*
Net Revenue	2	**1’987’242**	**568’526**
Direct cost	3	(196’105)	(34’770)
Personnel expenses	4	(1’580’931)	(563’285)
Other operating expenses	4	(2’456’504)	(4’476’359)
Loss before interest, taxes, depreciation and amortisation (EBITDA)		**(2’246’298)**	**(4’505’889)**
Depreciation, amortisation and impairment		(219’699)	(119’517)
Loss before interest and taxes (EBIT)		**(2’465’997)**	**(4’625’406)**
Financial income	5	40’064	-
Financial expenses	5	(73’211)	(12’057)
Loss before income taxes		**(2’499’144)**	**(4’637’463)**
Income tax	20	(7’283)	(817)
Loss for the period		**(2’506’427)**	**(4’638’280)**
Earnings per share			
Earnings and diluted earnings per share	22	**(1.04)**	**(2.32)**

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

*Restated - please refer to Note 24 for details regarding the restatement for 2021.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of comprehensive loss

CHF	Note	1 July 2021 - 30 June 2022	1 July 2020 - 30 June 2021*
Loss for the period		**(2’506’427)**	**(4’638’280)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements of net defined benefit liability		38’282	(14’442)
Income tax on items that will not be reclassified to profit or loss	20	(7’274)	2’744
Items that may be relassified subsequently to profit or loss:			
Currency translation difference on translating foreign operations		(39’465)	-
Other comprehensive income, net of tax		**(8’456)**	**(11’698)**
Total comprehensive (loss) for the period		**(2’514’883)**	**(4’649’978)**

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

*Restated - please refer to Note 24 for details regarding the restatement for 2021.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

CHF	Note	**30.06.22**	**30.06.2021***
Assets			
Current assets			
Inventories	9	90’000	15’540
Trade and other receivables	10	1’306’078	117’215
Accrued income and prepaid expenses	11	419’068	198’584
Cash and cash equivalents	12	2’968’898	675’349
Total current assets		**4’784’044**	**1’006’688**
Non-current assets			
Property, plant and equipment	6	353’211	19’295
Right-of-use assets	7	354’238	130’303
Intangible assets	8	276’078	138’551
Financial Assets		41’279	-
Deferred tax assets	20	13’251	8’355
Total non-current assets		**1’038’058**	**296’504**
Total assets		**5’822’102**	**1’303’192**
Equity and Liabilities			
Current liabilities			
Borrowings	19	-	62’047
Lease liabilities	7	130’165	63’773
Trade and other payables	18	1’032’542	129’627
Accrued expenses and deferred income		685’584	371’904
Total current liabilities		**1’848’291**	**627’351**
Non-current liabilities			
Employee benefit obligations	16	66’717	42’262
Borrowings	19	18’528	60’000
Lease liabilities	7	246’000	68’241
Other non-current liabilities		-	-
Deferred income	17	-	16’171
Total non-current liabilities		**331’245**	**186’674**
Total liabilities		**2’179’536**	**814’026**
Equity			
Share capital	14	268’888	210’888
Capital Reserve		14’508’811	8’890’537
Retained earnings		(11’095’669)	(8’612’259)
Cumultative Translation Adjustment		(39’465)	-
Total equity		**3’642’566**	**489’166**
Total equity and liabilities		**5’822’102**	**1’303’192**

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

*Restated - please refer to Note 24 for details regarding the restatement for 2021.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of changes in equity

CHF	Notes	Share capital	Capital reserve	Translation reserve	Retained earnings*	Total shareholders' equity
		Attributable to owners of the Company				
At 1 July 2020		**181’144**	**3’533’228**	**-**	**(3’962’281)**	**(247’909)**
Loss for the period		-	-	-	(4’638’280)	**(4’638’280)**
Other comprehensive loss, net of tax	16, 20	-	-	-	(11’698)	**(11’698)**
Total comprehensive income for the period		-	-	-	**(4’649’978)**	**(4’649’978)**
Capital increase	14	11’680	2’878’964	-	-	**2’890’644**
Exercise of options	14	18’064	-	-	-	**18’064**
Share based compensation	14		2’478’345	-	-	**2’478’345**
Dividends provided for or paid during the period		-	-	-	-	-
Transactions with owners of the Company		**29’744**	**5’357’309**	-	-	**5’387’053**
At 30 June 2021		**210’888**	**8’890’537**	**-**	**(8’612’259)**	**489’166**
Loss for the period		-	-	-	(2’506’427)	**(2’506’427)**
Other comprehensive loss, net of tax	16, 20	-	-	(39’465)	31’008	**(8’456)**
Total comprehensive income for the period		-	-	**(39’465)**	**(2’475’419)**	**(2’514’883)**
Capital increase	14	58’000	5’618’274	-	-	**5’676’274**
Change in consolidation scope		-	-	-	(7’991)	(7’991)
Exercise of options	14	-	-	-	-	**-**
Dividends provided for or paid during the period		-	-	-	-	-
Transactions with owners of the Company		**58’000**	**5’618’274**	-	**(7’991)**	**5’668’283**
At 30 June 2022		**268’888**	**14’508’811**	**(39’465)**	**(11’095’669)**	**3’642’566**

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

*Restated - please refer to Note 24 for details regarding the restatement for 2021.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of cash flows

CHF	Note	1 July 2021 - 30 June 2022	1 July 2020 - 30 June 2021*
Loss before taxes		**(2’499’144)**	**(4’637’463)**
Depreciation and impairment of property, plant and equipment	6,7	119’442	72’319
Amortisation and impairment of intangible assets	8	100’257	47’487
Movements in allowance for bad debts		-	(5’399)
Movements in employee benefit obligation		13’916	-
Interest expense/(income) net		29’175	12’057
Share based payment expenses	14	-	2’478’345
Other non-cash items		208’191	(5’714)
Working capital adjustments:			
Changes in trade and other receivables		(1’188’863)	(83’828)
Changes in prepaid expenses and accrued income		(220’484)	(194’476)
Changes in inventory		(74’460)	2’735
Changes in trade and other payables and accrued expenses		981’117	226’327
Cash used for operations before interest and taxes		**(2’530’852)**	**(2’087’610)**
Interest paid		(69’575)	(7’086)
Income tax paid		(94)	(293)
Net cash used for operating activities		**(2’600’521)**	**(2’094’989)**
Purchase of property, plant and equipment	6	(350’013)	(5’791)
Purchase of intangible assets	8	(237’784)	(127’561)
Net cash used for investing activities		**(587’797)**	**(133’352)**
Proceeds from capital increase	14	5’675’983	2’908’708
Proceeds/(repayment) from borrowings	19	(103’520)	(8’163)
Payment of lease liabilities	13	(92’176)	(64’719)
Net cash generated from financing activities		**5’480’287**	**2’835’826**
Effect of currency translation on cash		1’580	(608)
Net increase in cash and cash equivalents		**2’293’549**	**606’877**
Cash and cash equivalents at 1 July 2021		**675’349**	**68’472**
Cash and cash equivalents at 30 June 2022		**2’968’898**	**675’349**

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

*Restated - please refer to Note 24 for details regarding the restatement for 2021.

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, near Zurich, 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 Company on April 4, 2023.

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

1.3 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 issued by the International Accounting Standards Board (“IASB”) 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.

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 and entities controlled by the Company (its subsidiaries) made up to 30 June each year. 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

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. Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value.
Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.
Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

An overview of the subsidiaries is included in Note 22

Related party transactions

Transactions between the Group and related parties are disclosed in Note 20. 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").

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

	Closing rate	
Currency	30.06.22	30.06.21
EUR	1.0458	1.0900
USD	0.9122	0.9100
CNY	0.1485	0.1400
AED	0.2698	n/a

	Average Rate	
Currency	2022/2021	2021/2020
EUR	1.0680	n/a
USD	n/a	n/a
CNY	n/a	n/a
AED	0.2547	n/a

NOTES

Revenue recognition

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

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

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

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

1) Revenue from sales of beacons and SaaS subscriptions

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

This bundle is considered to include the distinct performance obligations (i) sale of the beacon hardware (revenue recorded at the time of delivery of the beacons to the customer), (ii) installation and configuration (revenue recorded at the time the service is provided) and (iii) SaaS subscription (revenue recorded over the minimum contract term on a linear basis). SaaS subscriptions typically include renewal options, allowing the customer to renew the subscription on identical terms as the ones originally agreed. Depending on the terms originally agreed, such renewal options may represent material rights provided to the customer, resulting in the deferral of a part of the initial revenue and its recognition over the time of the renewal period.

2) SaaS licensing revenue

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

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

3) Services revenue

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

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

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

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

Intangible assets

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

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

Property, plant and equipment

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

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.

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 188'265 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 and trade and other payables. Recognition depends on how the liability is classified. beaconsmind AG classifies financial liabilities in the categories: financial liabilities at amortized cost and financial liabilities at fair value through profit or loss. Financial liabilities are initially measured at fair value less, for a financial liability that is not measured at fair value through profit or loss, transaction costs that are directly related to the acquisition or issue of the financial liability. After initial recognition, financial liabilities are recognized either at amortized cost applying the effective interest rate method or at fair value through profit or loss, depending on the classification 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.

Share-based compensation

The Company set up an equity-settled share-based compensation plan for purposes of compensating third-party advisors that supported its IPO during the calendar years 2020 and 2021. As a result of this plan, the Company's advisors were compensated with share options on the Company's ordinary shares, exercisable at a price equal to the nominal value of the underlying shares.

The cost of these share options is determined as of the date when the advisory services are rendered to the Company using the Black-Scholes model and recognised in other operating expenses (consulting expenses and share-based payment expenses), together with a corresponding increase in equity (capital reserve). Based on the vesting conditions related to the share option grants, the related expenses are recorded at the time when the respective services are rendered rather than recognised over the vesting period. Refer to Note 14 for further details.

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.

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 30 June 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.

Standard / Interpretation	Effective date
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	1 January 2023
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

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.
- 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.

Changes to the group of consolidated companies
With effect from this period 2021/2022 the entities beaconsmind Mena LLC, which has been newly established during this period, and beaconsmind Germany GmbH are fully consolidated.

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 periods ended 30 June 2022 and 2021, respectively, by their nature as represented by the offered products and services.

CHF	1 July 2021 - 30 June 2022	1 July 2020 - 30 June 2021
Services revenue	339’072	246’774
SaaS licensing revenue	1’460’258	172’123
Sales of beacons and SaaS subscriptions - upfront revenue	39’461	25’937
Sales of beacons and SaaS subscriptions - recurring revenue	148’450	123’692
Total from sales and services	**1’987’242**	**568’526**
Total Revenues	**1’987’242**	**568’526**

As of 30 June 2022 there are no Contract liabilities included in the balance sheet line item “deferred income” (30 June 2021: CHF 266’354). For 30 June 2021, these balances mostly related to prepayments received in the course of the Company’s newly established licensing activities. At the previous reporting dates, these balances relate to sales of beacons and SaaS subscriptions in which, for some customers, the rebates provided on the SaaS subscription service results in a deferral of revenue that is subsequently recognised over the expected subscription period. Deferred income related to these sales is typically recorded in revenue over three years from the beginning of the contract while the deferred income balance recorded on 30 June 2022 related to the Company's licensing activities is expected to be included in revenue over the 12 months following the reporting date.

Disclosure by geographical regions

CHF	1 July 2021 - 30 June 2022	1 July 2020 - 30 June 2021
Switzerland	178'904	307'817
Germany	183'034	8'088
Austria	1'460'614	172'495
Rest of Europe	110'638	29'672
North Ameria	40'807	32'081
South America	13'245	18'374
	1'987'242	**568'526**

Disclosure by major customers

CHF	1 July 2021 - 30 June 2022	1 July 2020 - 30 June 2021
Customers with net revenues of more than 10%:		
Client A	178'904	54'485
Client B	40'807	60'961
Related Party C	1'460'614	159'910
Client D	183'034	177'123
Total > 10%	**1'863'359**	**452'478**
Customers with net revenues of less than 10%:		
Total < 10%	**123'883**	**116'048**
Total net revenues from sales and services	**1'987'242**	**568'526**

For further information regarding transactions with related parties please refer to note 21.

3. Direct cost

CHF	1 July 2021 - 30 June 2022	1 July 2020 - 30 June 2021
Material expenses	(99'617)	(6'874)
Services purchased	(71'487)	(24'592)
Cost to obtain a contract	(25'000)	(3'303)
Total	**(196'105)**	**(34'770)**

4. Indirect cost

Personnel expense

CHF	Note	1 July 2021 - 30 June 2022	1 July 2020 - 30 June 2021
Salary and bonuses		(1'357'276)	(508'526)
Social security charges		(120'379)	(31'345)
Current service costs on employee benefit pension plans	16	13'916	(9'036)
Other personnel expenses		(117'192)	(14'378)
Total		**(1'580'931)**	**(563'285)**

The company received no short time compensation for the period ended 30 June 2022 (CHF 13'873 for the period ended 30 June 2021). The short time compensation was deducted from the salary and bonus expenses.

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

Other operating expenses

CHF	1 July 2021 - 30 June 2022	1 July 2020 - 30 June 2021*
Office related expenses	(77'054)	(24'145)
Project costs	(435'903)	(600'391)
IT expenses	(228'082)	(23'094)
Insurance	(3'634)	(3'675)
Travel expenses	(128'740)	(29'690)
Selling and marketing expenses	(43'978)	(24'241)
Consulting expenses	(1'317'804)	(1'811'478)
Share based payment expenses	-	(1'893'145)
Audit fees	(171'259)	(43'650)
Accounting fees	(35'420)	(22'850)
Other expense	(14'628)	-
Total	**(2'456'504)**	**(4'476'359)**

*Restated - please refer to Note 24 for details regarding the restatement for 2021.

In the financial year 2021/2022 no consulting expenses are compensated in share options (2020/2021 CHF 585'200).

In prior years the difference between the fair value of the services rendered and the fair value of the granted share options to compensate these services has been included in the share-based payment expenses. For further information regarding share-based compensation please refer to note 14.

5. Financial income and expenses, net

CHF	Notes	1 July 2021 - 30 June 2022	1 July 2020 - 30 June 2021
Interest income	16	3’636	-
Interest expenses and bank charges	7, 16	(32’812)	(7’149)
Foreign exchange gains		36’428	-
Foreign exchange losses		(40’399)	(4’908)
Total financial expenses, net		**(33’147)**	**(12’057)**

Interest expenses include interest expenses and bank charges of CHF 28’602 (FY 2020/2021: CHF 4’163), on lease liabilities of CHF 4’210 (FY 2020/2021: 2’923) and on employee benefit liabilities of CHF 89 (FY 2020/2021: CHF 63). See notes 7 and 16 respectively for further details.

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 improvements	Office equipment	IT hardware	**Total**
Cost				
At 1 July 2020	16'500	**8'628**	**3'200**	**28'328**
Additions	-	4'219	1'572	**5'791**
Disposals	-	-	-	**-**
Transfers / reclassifications	-	-	-	**-**
At 30 June 2021	**16'500**	**12'847**	**4'772**	**34'119**
Accumulated depreciation and impairment				
At 1 July 2020	(1'375)	(2'718)	(1'280)	**(5'373)**
Depreciation charge	(5'500)	(3'129)	(822)	**(9'451)**
Disposals	-	-	-	-
Transfers / reclassifications	-	-	-	-
Impairment losses	-	-	-	-
At 30 June 2021	**(6'875)**	**(5'847)**	**(2'102)**	**(14'824)**
Net carrying amount 30 June 2020	**9'625**	**7'000**	**2'670**	**19'295**

CHF	Leasehold improvements	Office equipment	IT hardware	**Total**
Cost				
At 1 July 2021	**16'500**	**12'847**	**4'772**	**34'119**
Additions	275'390	48'594	26'029	350'013
Disposals	-	-	-	-
Transfers / reclassifications	-	-	-	-
Exchange difference	-	-	-	-
At 30 June 2022	**291'890**	**61'441**	**30'802**	**384'132**
Accumulated depreciation and impairment				
At 1 July 2021	**(6'875)**	**(5'847)**	**(2'102)**	**(14'824)**
Depreciation charge	(8'766)	(3'813)	(3'196)	**(15'775)**
Disposals	-	-	-	-
Transfers / reclassifications	-	-	-	-
Impairment losses	-	-	-	-
Exchange difference	(194)	(31)	(97)	**(322)**
At 30 June 2022	**(15'835)**	**(9'691)**	**(5'395)**	**(30'921)**
Net carrying amount 30 June 2022	**276'055**	**51'750**	**25'406**	**353'211**

No assets were pledged as security for liabilities as at 30 June 2022 and 30 June 2021.

7. Leasing

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

Property leases may 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 1.50% and 2.93%.

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
At 1 July 2020	**36’045**	**54’563**	**90’607**
Additions	131’399	-	131’399
Cancellation (at net carrying value)	-	(28’835)	(28’835)
Amortization expense	(30’929)	(31’939)	(62’868)
Adjustment as a result of remeasurement of the lease liab	-	-	-
At 30 June 2021	**136’515**	**(6’211)**	**130’303**
At 1 July 2021	**136’515**	**(6’211)**	**130’303**
Additions	111’815	231’931	343’747
Cancellation (at net carrying value)	(14’481)	-	(14’481)
Amortization expense	(47’363)	(56’305)	(103’668)
Adjustment as a result of remeasurement of the lease liability		-	-
Exchange difference	(131)	(1’534)	(1’665)
At 30 June 2022	**186’356**	**167’882**	**354’238**

The additions to right-of-use assets during the period 2021/2022 relate mainly to the lease of the office space in Dubai while the additions to and disposals of right-of-use assets during the period 2020/2021 related to leases of company cars exclusively.

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	Note	**1 July 2021 - 30 June 2022**	**1 July 2020 - 30 June 2021**
At 1 July		**132'014**	**91'244**
Arising on acquisition		-	-
Additions		343'747	131'413
Disposals		(14'743)	(28'836)
Accretion of interest	5	7'409	2'923
Payments		(92'176)	(64'719)
Exchange difference		(86)	(13)
At 30 June		**376'165**	**132'014**
thereof current		130'165	63'773
thereof non-current		246'000	68'241

The maturity of the lease liabilities is included in note 14.

Amounts recognized in the statement of profit or loss

The following amounts related to the Company's activities as a lessee have been recognized in the statement of profit or loss during the reporting period:

CHF	Note	**1 July 2021 - 30 June 2022**	**1 July 2020 - 30 June 2021**
Amortization expense on right-of-use assets		(103'668)	(62'868)
Interest expense on lease liabilities	5	(7'409)	(2'923)
Total		**(111'077)**	**(65'791)**

The total cash outflow for leases in FY 2022/2021 amounted to CHF 136'420 (FY 2020/2021: CHF 64'719).

8. Intangible assets

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

CHF	IT software	**Total**
Cost		
At 1 July 2020	**111’226**	**111’226**
Additions	127’561	**127’561**
At 30 June 2021	**238’787**	**238’787**
Accumulated amortization and impairment		
At 1 July 2020	**(52’749)**	**(52’749)**
Amortization	(47’487)	**(47’487)**
Disposals	-	**-**
Currency translation differences	-	**-**
Exchange difference	-	**-**
At 30 June 2021	**(100’236)**	**(100’236)**
Net carrying amount 30 June 2021	**138’551**	**138’551**

CHF	IT software	**Total**
Cost		
At 1 July 2021	238’787	**238’787**
Additions	237’784	**237’784**
Disposals	-	-
Transfers / reclassifications	-	-
Currency translation differences	-	-
At 30 June 2022	**476’571**	**476’571**
Accumulated amortization and impairment		
At 1 July 2021	**(100’236)**	**(100’236)**
Amortization	(100’257)	**(100’257)**
At 30 June 2022	**(200’493)**	**(200’493)**
Net carrying amount 30 June 2022	**276’078**	**276’078**

In the period, no write-downs for impairment of software were recognized. No assets were pledged as security for liabilities in FY 2022/2021 and FY 2021/2020.

9. Inventories

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

CHF	30.06.22	30.06.21
Custom solution hardware bundle	-	15’540
Beacons	59’215	-
Converter	20’238	-
Housings	3’927	-
Other material	6’619	-
Total	**90’000**	**15’540**

Inventories recognised as an expense during the year ended 30 June 2022 amounted to CHF 174'078.36 (2021: CHF 4'138.29). 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	30.06.22	30.06.21
Trade receivables from third parties	244’560	31’357
Allowance for doubtful accounts	(110’265)	-
Other receivables third parties	49’527	85’858
Other receivables related parties	1’122’255	-
Total	**1’306’078**	**117’215**

As per 30.06.2022 the other receivables mainly consist of VAT receivables in the amount of CHF 28’061 (30.06.2021 CHF 22’452), credit card receivables of CHF 0 (30.06.2021 CHF 10’903), receivables from employees of CHF 13'310 (30.06.2021 CHF 0) and receivables from shareholders of CHF 0 (30.06.2021 CHF 52’501). Additional information regarding other receivables related parties in Note 21.

Details about trade receivables from third parties are the following:

CHF	30.06.22	30.06.21
Neither past due nor impaired	126’126	19’293
Past due but not impaired:	8’170	12’064
Less than 30 days	-	-
30 to 60 days	8’170	*12’064*
More than 60 days	-	-
Impaired (partial or full provision)	110’265	-
Total	**244’560**	**31’357**

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.

11. Accrued income and prepaid expenses

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

CHF	30.06.22	30.06.2021*
Prepaid expenses	**419'068**	**198'584**
Thereof prepaid expenses	*227'234*	*198'584*
Thereof social security benefits	-	-
Thereof rent deposits	*38'014*	-
Thereof advanced payments	*153'820*	-
Accrued income	-	-
Total	**419'068**	**198'584**

*Restated - please refer to Note 24 for details regarding the restatement for 2021.

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

12. Cash and cash equivalents

CHF	30.06.22	30.06.21
Bank balance CHF	2'542'110	668'890
Bank balance other currencies	426'788	6'459
Cash at hand	-	-
Total	**2'968'898**	**675'349**

Bank balances are held mainly in CHF. Balances held in other currencies comprise CNY, AED and EUR. See note 15 for further details.

13. Cash flow-related information

The below table presents the components of beaconsmind AG's net debt. As per 30.06.2022 beaconsmind AG has a positive net debt position due to beaconsmind AG's significant cash reserves exceeding the debt in form of lease liabilities and borrowings.

CHF	Note	30.06.22	30.06.21
Lease liabilities	7	(376'165)	(132'014)
Borrowings	19	(18'528)	(122'047)
Total debt		**(394'692)**	**(254'061)**
Cash and cash equivalents	12	2'968'898	675'349
Total cash and cash equivalents		**2'968'898**	**675'349**
Net cash/(debt)		**2'574'206**	**421'288**

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

CHF	Note	Leases	Borrowings	Cash and cash equivalents	**Total**
Net cash as of 1 July 2021		(132'014)	(122'047)	675'349	421'288
Cash flows	7, 18	84'768	103'519	606'877	795'163
Non-cash effective changes					
New leases	7	*(343'747)*	-	-	*(343'747)*
Cancellation of leases	7	-	-	-	-
Remeasurements of leases	7	-	-	-	-
Effect of currency translation		*86*	-	-	*86*
Net cash/(debt) as of 30 June 2022		**(390'908)**	**(18'528)**	**1'282'226**	**872'790**
Net cash/(debt) as of 1 July 2020		(91'244)	(130'210)	68'472	(152'982)
Cash flows	7, 18	61'795	8'163	606'877	676'835
Non-cash effective changes					
New leases	7	*(131'413)*	-	-	*(131'413)*
Cancellation of leases		*28'835*	-	-	*28'835*
Remeasurements of leases	7	*13*	-	-	*13*
Effect of currency translation		-	-	-	-
Net cash/(debt) as of 30 June 2021		**(132'014)**	**(122'047)**	**675'349**	**421'289**

The currency profile of the Company's net (debt)/cash is as follows:

CHF		30.06.22	30.06.21
Lease liabilities	CHF	(376'165)	(132'014)
Borrowings	CHF	(18'528)	(122'047)
Cash and cash equivalents (in CHF)	CHF	2'542'110	668'890
Cash and cash equivalents (in CNY)	CHF	1'973	6'459
Cash and cash equivalents (in EUR)	CHF	403'094	-
Cash and cash equivalents (in AED)	CHF	21'721	-
Net cash /(debt) by currency		**2'574'206**	**421'288**

14. Equity

Share capital

The share capital on 30 June 2022 consists of 2'688'884 registered shares (2021: 2'108'884) with a nominal value of CHF 0.10 each, amounting to CHF 268'888 (2021: CHF 210'888). 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	30.06.2022	30.06.2021
Ordinary shares fully paid	268'888	210'888
Total share capital	**268'888**	**210'888**

Number of shares	30.06.2022	30.06.2021
Ordinary shares fully paid	2'688'884	2'108'884
Total shares	**2'688'884**	**2'108'884**

Capital reserves

Capital reserves of total CHF 14’508’811 (30 June 2021: CHF 8’890’537) consist mainly of reserves from capital contribution.

Share-based compensation

In 2022/2021 no share-based compensation took place.

In 2021/2020 the following share-based compensation happened:
On 4 May 2020 the Company set up a share-based compensation plan for purposes of compensating two external advisors for their advisory work related to the preparation of the Company’s IPO that took place in February 2021. The plan comprises exclusively of equity-settled share options with the following key characteristics:

Number of options granted	180,644 options
Exercise price per option	CHF 0.1
Vesting conditions	Tranche 1: 54,193 options vest immediately upon grant (4 May 2020) Tranche 2: 54,193 options vest upon submission of the required listing documentation to Euronext Tranche 3: 72,258 options vest upon the successful IPO at Euronext
Option term	Exercisable any time between vesting date and 4 May 2030

The Board of Directors of the Company decided on 2 December 2020 to accelerate the vesting of tranche 3 to 7 December 2020. The following table provides an overview of the development of the number of share options under the plan:

Number of share options	Period ended 30.06.2021	Period ended 30.06.2020
Outstanding at the beginning of the period	**180'644**	**-**
Granted during the period	-	180'644
Forfeited during the period	-	-
Exercised during the period	180'644	-
Expired during the period	-	-
Outstanding at the end of the period	-	180'644
Thereof exercisable at the end of the period	**-**	**54'193**

All share options were exercised on 6 October and 7 December 2020, respectively. As of these dates, the share price of an ordinary share amounted to CHF 25 and was derived based on the value of newly issued shares of the Company in the context of a capital increase performed on 15 September 2020 and 21 December 2020, respectively.

The average fair value per share option granted is determined using the Black-Scholes model and amounts to CHF 24.90. The fair value of the services rendered by the external advisors which have been compensated with these share options are in turn valued based on the agreed daily fee for advisory services and the days of services provided in the respective financial year. As a result, CHF 5.88 of the average fair value per share option granted of CHF 24.90 are attributable to consulting expense recorded in other operating expenses amounting to CHF 585’200 for FY 2021/2020. CHF 19.02 of the average fair value per share option is not directly attributable to service and recorded as share based payment expenses in other operating expenses in the amount of CHF 1’893’145 for FY 2021/2020.

Dividends

No dividends have been paid out during the 2021/2022 and 2020/2021 financial year.

15. Financial instruments

beaconsmind AG is exposed to a variety of financial risks, namely market risk in the form of currency as well as interest rate risk, as well as 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	**405'067**
Net exposure	**839'413**	**3'149**	**1'973**	**21'721**	**844'534**

Carrying amount at 30 June 2021

CHF	EUR	USD	CNY	AED	**Total**
Trade receivables	11'098	965	-	-	**12'063**
Cash and cash equivalents	(28)	-	6'516	-	6'488
Net exposure	**11'070**	**965**	*6'516*	-	**18'551**

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.

		30.06.22	**2022/2021**	
		Net exposure in CHF	Impact on post-tax	
	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)

		30.06.21	**2020/2021**	
		Net exposure in CHF	Impact on post-tax	
	Sensitivity		Increase +5%	Decrease -5%
EUR/CHF	+/- 5%	11'070	554	(554)
USD/CHF	+/- 5%	965	48	(48)
CNY/CHF	+/- 5%	6'516	326	(326)

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	Over 5 years
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		-	-	-
Total financial liabilities	**2'112'819**	**2'131'028**	**1'858'707**	**131'612**	**102'467**	**19'716**	**18'528**

Contractual maturity table as of 30.06.2021

CHF	**Carrying amount**	**Contractual cash flow**	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
Borrowings	122'047	122'047	62'047	-	-	45'000	15'000
Lease liabilities	132'014	136'420	66'192	35'875	33'889	464	-
Trade and other payables	129'627	129'627	129'627	-	-	-	-
Accrued expenses and deferred income	388'075	388'075	371'904	8'086	8'086	-	-
Total financial liabilities	**771'763**	**776'170**	**629'770**	**43'962**	**41'976**	**45'464**	**15'000**

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 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 company 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.

	30.06.2022	**30.06.2021**
Active members		
Number of members	9	4
Average age in years	35	39.7
Total annual insured salary (CHF)	497'328	207'740

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:

	30.06.2022	30.06.2021
Discount rate	2.10%	0.25%
Salary increases	1.00%	1.00%
Pension increase	0.00%	0.00%
Interest credit rate	2.10%	0.75%
Proportion of pension at retirement	60%	60%
Mortality tables	BVG 2020 (GT)	BVG 2020 (GT)

As of 30 June 2022, the weighted average duration of the defined benefit obligation was 15.9 years (18.9 years per 30 June 2021) and the plan solely included active members.

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 income for the periods presented.

CHF	Defined benefit obligation	Fair value of plan assets	**Net defined benefit liability**
At 1 July 2021	**(120’131)**	**77’869**	**(42’262)**
Included in profit or loss			
Current service cost	(16’845)	-	
Past service cost	-	-	
Interest (expense) / income	(306)	217	
Included in other comprehensive income			
Actuarial (loss) / gain arising from:			
- Demographic assumptions	-	-	
- Financial assumptions (Revised)	78’518	-	
- Experience adjustment	(117’362)	-	
Return on plan assets excluding interest expense	-	562	
Other			
Contributions paid:			
- Employers	(30’761)	30’761	
- Employees	-	30’761	
Benefits paid	(141’513)	141’513	
At 30 June 2022	**(348’400)**	**281’683**	**(66’717)**

NOTES

CHF	Defined benefit obligation	Fair value of plan assets	**Net defined benefit liability**
At 1 July 2020	**(91'757)**	**60'106**	**(31'651)**
Included in profit or loss			
Current service cost	(9'036)	-	
Past service cost	-	-	
Interest (expense) / income	(235)	172	
Included in other comprehensive income			
Actuarial (loss) / gain arising from:			
- Demographic assumptions	-	-	
- Financial assumptions (Revised)	-	-	
- Experience adjustment	(14'872)	-	
Return on plan assets excluding interest expense	-	430	
Other			
Contributions paid:			
- Employers	(12'930)	12'930	
- Employees	-	12'930	
Benefits paid	8'699	(8'699)	
At 30 June 2021	**(120'131)**	**77'869**	**(42'262)**

Plan assets consist of the following asset categories:

Assets Category	**30.06.2022**	**30.06.2021**
Cash	1.8%	0.8%
Equities	11.2%	10.9%
Bonds	52.4%	56.0%
Property	22.7%	21.4%
Other	11.9%	10.6%
Total Assets	**100%**	**100%**

For 2022/2023, the Company expects to incur the following expenses in relation to the plan:

CHF	**2022/2023**	**2021/2022**
Current service cost (net of employee contributions)	21’696	16’845
Net interest	1’075	89
Net Periodic Benefit Cost	**22’771**	**16’934**

Estimated future contributions and benefit payments

The Company expects the following contributions to be payable in the next fiscal year for both employer and employees:

CHF	**2022/2023**	**2021/2022**
Employer	31’069	13’399
Employee	31’069	13’399
Total	**62’138**	**26’798**

The expected future benefit payments for the next fiscal year amount to CHF 22’771.

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.

in CHF	30.06.2022 + 0.5%	30.06.2021 + 0.5%
Discount rate for calculation purposes	(26'032)	(10'781)
Future salary change	901	668
Pension increase	10'277	3'289

in CHF	30.06.2022 - 0.5%	30.06.2021 - 0.5%
Discount rate for calculation purposes	29'675	12'800
Future salary change	(977)	(622)
Pension increase	N/A	N/A

The company 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	30.06.22	30.06.21
Accrued expenses		
Social security charges	53’197	47’170
Professional consulting and audit services	107’616	39’000
Other accrued expenses	60’620	-
Deferred income short-term	464’152	285’734
Total	**685’584**	**371’904**

Deferred income relates mainly to contract liabilities. For further details please refer to Note 2.

18. Trade payables

CHF	30.06.22	30.06.21
Trade payables	951’275	101’485
Other payables	81’267	28’142
Total	**1’032’542**	**129’627**

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

19. Borrowings

CHF	30.06.22	30.06.21
Current		
Loans due to shareholder	-	62’047
Total	**-**	**62’047**
Non-Current		
Loans due to third parties	-	45’000
Loans due to shareholder	18’528	15’000
Total	**18’528**	**60’000**

beaconsmind AG received a COVID-19 loan of CHF 45’000 on 26 March 2020 (non-current loans due to third parties) which has been fully repaid during 2021/2022. The non-current loans due to shareholder are subordinated in the amount of CHF 15’000 (30 June 2021 CHF 15’000).

Due Dates

in CHF	30.06.22	30.06.21
Within 1 year	-	62’047
Between 1 and 5 years	-	45’000
More than 5 years	18’528	15’000
Total loans and borrowings	**18’528**	**122’047**

Movement of current financial liabilities

CHF	2021/2022	2020/2021
1 July	62’047	-
Cashflow from raise/(repayment) of current financial liabilities	(62’047)	62’047
30 June	**-**	**62’047**

Movement of non-current financial liabilities

CHF	2021/2022	2020/2021
1 July	**60’000**	**130’210**
Cashflow from repayment of non-current financial liabilities	(45’000)	(70’210)
Cashflow from raise of non-current financial liabilities	-	-
Transfer to current financial liabilities	-	-
30 June	**15’000**	**60’000**

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 2021 - 30 June 2022	1 July 2020 - 30 June 2021
Taxes recorded in the Statement of profit or loss		
Current tax expense	4’906	(293)
Deferred tax income / (expense) relating to the origination and reversal of temporary differences	2’377	(524)
Total	**7’283**	**(817)**
Taxes recorded in the statement of comprehensive income		
Deferred tax expense on defined benefit liabilities	(7’274)	2’744
Total	**(7’274)**	**2’744**

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 2020 and 30 June 2022 of the components of deferred tax assets and liabilities is as follows:

CHF	Balance sheet		Statement of profit or loss	
	30.06.22	30.06.21	1 July 2021 - 30 June 2022	1 July 2020 - 30 June 2021
Leases - right-of-use assets	(30'075)	(24'758)	(13'297)	(352)
Leases - lease liabilities	30'390	25'083	250	555
Inventory	-	-	-	-
Employee benefits	12'936	8'030	(2'627)	(728)
Deferred tax expense			**(15'674)**	**(524)**
Deferred tax asset, net	**13'252**	**8'355**		
Thereof recorded as deferred tax asset	*13'252*	*8'355*		

Unused tax losses for which no deferred tax asset was recognized

CHF	30.06.22	30.06.21	30.06.20
Expiry 2026	(432'981)	(432'981)	(432'981)
Expiry 2027	(549'603)	(549'603)	(549'603)
Expiry 2028	(2'097'660)	(2'097'660)	-
Expiry 2029	(2'513'498)	-	-
Total unrecognised tax losses carried forward	**(5'593'742)**	**(3'080'244)**	**(982'584)**

21. Related Parties

As of 30 June 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 loans:

NOTES

CHF	Financial year 2022/2021			
	Interest reveived	Interest paid	amounts owed by related party	amounts owed to related party
Transactions with				
Key management personnel	-	-	-	-
Shareholders of the company	-	-	-	18'528
Total	**-**	**-**	**-**	**18'528**

CHF	Financial year 2021/2020			
	Interest reveived	Interest paid	amounts owed by related party	amounts owed to related party
Transactions with				
Key management personnel	-	-	52'500	-
Shareholders of the company	-	(2'636)	-	(77'047)
Total	**-**	**(2'636)**	**52'500**	**(77'047)**

The interest rate on the amounts owed to related party amounts to 0% p.a. (2021/2020 3%).

In addition to that during the the 2021/2022 financial year, the beaconsmind AG realised two projects with one of its minority shareholders (shareholding <5%), Suxxess Holding AG.

Between July 2021 and December 2021, beaconsmind AG had commissioned services in the areas of corporate consulting services, blockchain ICO conceptualisation and related legal opinions as well as in the areas of IT, marketing and software.

In the first half of 2021/2022, beaconsmind AG actively sought growth financing and was already in contact with various capital providers from the private equity sector as well as with institutional investors, including in the context of organised roadshows. The desired financing commitments failed to materialise in this phase due to the current difficult market situation and the company's minority shareholder, Suxxess Holding AG, was to be involved in order to provide parallel support within the framework of an ICO, so that further equity could be raised via this new financing measure.

After the company received a financing commitment of CHF 5,500,000 from its institutional investor (anchor investor), who is still active today, in December 2021 and a capital increase was successfully carried out, the company was in a position to complete the measures commissioned with Suxxess Holding AG.

Between January 2022 and June 2022, beaconsmind AG commissioned Suxxess Holding AG to drive forward the development of sales in selected countries. In addition to sales development itself, services in the area of market-specific legal opinions (DSGVO/app terms and conditions/use and consumer information) as well as concept development and consulting for the implementation of the beaconsmind Suite software in partner apps and shops were also taken on.

The total expenditure for the two projects in the business year amounted to CHF 393,940.

Within the framework of a sales licence, beaconsmind also offers its beaconsmind Suite software to third-party providers in the form of a white-label solution so that they can offer the beaconsmind Suite software directly to end customers without having to actively involve beaconsmind in the sales process. beaconsmind offers ongoing technical support and consulting services on demand as part of the licence. Suxxess One GmbH, a company of Suxxess Holding AG, is one of the licensees of beaconsmind AG. In the 2021/2022 financial year, the licensing expenses amounted to CHF 1,460,614 as revenue for the company within the scope of technology use in the markets of Austria, Portugal, Spain and the Czech Republic.

With the setup of the beaconsmind Suite software as a white label solution within the framework of a licensing model, the distribution partner can use the beaconsmind Suite software to establish a new sales and marketing channel for their end customers, which they would not be able to establish themselves due to a lack of expertise, budget and technology. The using company therefore benefits from a mature software solution, which is already implemented in over 40 countries and can be used immediately, without the risk of significantly higher investments in the development of in-house software to develop it and which lacks a crucial time-to-market component.

At the end of June 2022, beaconsmind AG had receivables of CHF 1,122,255 from the Suxxess Holding AG.

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 2021 - 30 June 2022	1 July 2020 - 30 June 2021
Short-term employee benefits	577’414	344’798
Post-retirement benefits	9’217	3’699
Total	**586’631**	**348’497**

Short-term employee benefits
Short-term employee benefits of the key management personnel of the Company 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 Company that participate in the Company’s pension plan. See note 16 for further details on that plan.

22. Earnings per Share

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

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

CHF	2022	2021*
Share of net income attributable to equity holders	(2’506’427)	(4’638’280)
Weighted average number of shares outstanding (number)	2’420’336	1’996’354
Basic and diluted earnings per share (in CHF)	**(1.04)**	**(2.32)**

*Restated - please refer to Note 24 for details regarding the restatement for 2021.

23. Subsidiaries

		Share Capital		Ownership	
		30.06.2022	30.06.2021	30.06.2022	30.06.2021
Group companies					
beaconsmind AG, Stäfa	CHF	268’888	210’888		
beaconsmind Deutschland GmbH; Munich	EUR	25’000	25’000	100%	100%
beaconsmind Mena Data L.L.C; Dubai	AED	300’000	-	49%	0%

beaconsmind Mena Data L.L.C, Dubai is fully consolidated as beaconsmind AG has full control over the subsidiary. Also, the counterparty does not participate with any share capital nor does the counterparty participate in any gains or losses that beaconsmind Mena Data L.L.C. generates, therefore, no non-controlling interest exists.

24. Correction of Error 2020/2021

During 2020/2021 a prepayment for a project that occurred from April 2021 to March 2022 was incorrectly recorded for the full prior period as other operating expenses. The amount referring to financial year 2021/2022 (CHF 146'334) was corrected through prepayments.

Income statement (extract) CHF	**1 July 2020 - 30 June 2021**	**Increase/(Decrease)**	**1 July 2020 - 30 June 2021 (restated)**
Other operating expenses	(4’622’693)	146’334	(4’476’359)
Loss before interest, taxes, depreciation and amortisation (EBITDA)	**(4’652’223)**	**146’334**	**(4’505’889)**
Loss for the period	**(4’784’614)**	**146’334**	**(4’638’280)**

Statement of Comprehensive Income (extract) CHF	**1 July 2020 - 30 June 2021**	**Increase/(Decrease)**	**1 July 2020 - 30 June 2021 (restated)**
Loss for the period	**(4’784’614)**	**146’334**	**(4’638’280)**
Other comprehensive income, net of tax	**(11’698)**	-	**(11’698)**
Total comprehensive (loss) for the period	**(4’796’312)**	**146’334**	**(4’649’978)**

Balance sheet (extract) CHF	**30.06.2021**	**Increase/(Decrease)**	**30.06.2021 (restated)**
Assets			
Current assets			
Accrued income and prepaid expenses	52’250	146’334	198’584
Total assets	**1’156’858**	**146’334**	**1’303’192**
Equity and Liabilities			
Retained earnings	(8’758’593)	146’334	(8’612’259)
Total equity and liabilities	**1’156’858**	**146’334**	**1’303’192**

Statement of cash flows (extract) CHF	30.06.2021	Increase/(Decrease)	30.06.2021 (restated)
Loss before taxes	**(4’783’797)**	146’334	**(4’637’463)**
Changes in prepaid expenses and accrued income	(48’142)	(146’334)	(194’476)
Cash used for operations before interest and taxes	**(2’087’610)**	-	**(2’087’610)**
Net cash used for operating activities	**(2’094’989)**	**-**	**(2’094’989)**

Basic and diluted earnings per share have also been restated. The loss per share increased by 0.08 CHF and amounts to CHF (2.32) based on the correction.

25. Events after the balance sheet date

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

Strategically beaconsmind finalized the acquisition of 51% of the shares of Frederix GmbH, a market leading Hotspot provider with a large and international customer base mainly from retail and real estate industry. The closing of this transaction was executed on February 2nd, 2023. The financial effects of this transaction can not be quantified at this point of time.

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.

Secondly beaconsmind AG finalized the company foundation process of the new subsidiary beaconsmind (Shanghai) Co., Ltd. in Shanghai, China. Which reflects the next milestone in the rollout of the internationalization strategy leading to further market entries in KSA and the USA which are currently prepared for 2023.

Furthermore beaconsmind finalized the acquisition of 100% of the shares of Socialwave GmbH in a further acquisition and coherent extension of its business model as a B2B Point-of-Sales solution provider. The signing of this transaction was executed on March 31st, 2023.
The financial effects of this transaction can not be quantified at this point of time.

Socialwave is a fully automated location-based marketing service provider offering guest Wi-Fi as well as additional online (Bluetooth) and offline (NFC, QR-codes) technologies collecting guest data for efficient review collections, marketing campaigns, recommendation marketing, and customer analytics. 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.

Additionally beaconsmind AG successfully completed an equity raise 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.

Lastly Michal Krupinski has resigned from the Board of Directors on March 28th, 2023 and Martin Niederberger and Jonathan Sauppe joined the Board of Directors of beaconsmind AG on March 29th, so with Michael Ambros, Max Weiland and Jörg Hensen the Board of Directors consists of five members since then.

Beside the before mentioned no material subsequent event occurred between the 30 June 2022 and 4 April 2023, being the date when beaconsmind AG financial statements were authorized for publication.

26. Going Concern

The annual result is below budget expectations. The group's cash and cash equivalents as of 30 June 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.

The downstream (post-COVID) impact of the Corona pandemic (COVID-19 crisis) on the group`s business activities was still felt in the financial year, but not to the same extent as in the previous financial year. 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.

The Board of Directors states that further capital increases are to be carried out. Based on the group`s budget and cash flow planning, the projection is showing a positive cash flow situation in the second half of the fiscal year of 2023. After the balance sheet date of June 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 0.5M in March 2023, as well as a further planned follow-on financing in the amount of EUR 0.5M, which is expected in April 2023.

Additional financing measures were taken to provide the group with further growth capital of EUR 3M or more based on a capital increase which new registered shares shall be issued to one or several investors in order to repay the existing shareholder loan and at the same time to carry out planned group acquisitions. However, acquisition plans would be discontinued if capital cannot be raised as planned. 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 company.

The Board of Directors expects that the capital required for the continuation of the group can be contributed and that the entity will reach sufficient profitability levels until second half of 2023 to fund the needs of the operating business. For this reason, the Board of Directors has prepared the financial statements on a going concern basis. The going concern of the group would be endangered if the above measures are not materializing in the course of the financial year for the upcoming period end. This includes the risks that the group may not be able to operate profitable as currently expected nor that sufficient funds can be accessed to ensure the future operation of the business.

As a consequence, this would endanger the group’s liquidity situation. In this respect and in the event that neither the budgeted, projected figures nor the required growth capital can be successfully achieved, a material uncertainty exists that may cast significant doubt on the group’s ability to continue as a going concern and, therefore, that the group may be unable to realize its assets and discharge its liabilities in the normal course of business.