beaconsmind AG

Stäfa

Report of the statutory auditor
to the Board of Directors

on the (IFRS) financial statements 2020/21

Report of the statutory auditor

to the Board of Directors of beaconsmind AG

Stäfa

Report on the audit of the (IFRS) financial statements

Opinion

We have audited the financial statements of beaconsmind AG (the company), which comprise the statement of profit or loss and statement of comprehensive loss for the year ended 30 June 2021, the balance sheet as at 30 June 2021, the statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 30 June 2021 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS).

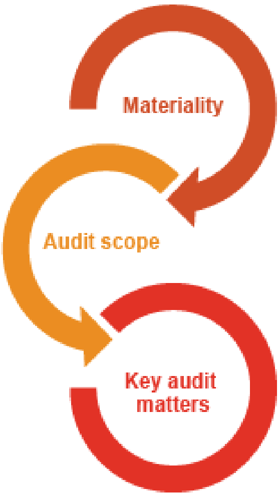
Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the company in accordance with the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of 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.

Our audit approach

Overview



Overall materiality: CHF 100'000

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

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

Revenue Recognition

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the 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 financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the 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 financial statements as a whole.

Overall materiality	CHF 100'000
Benchmark applied	Loss before income taxes
Rationale for the materiality benchmark applied	We chose loss before tax as the benchmark because, in our view, it is the benchmark against which the performance of the company is most commonly measured, and it is a generally accepted benchmark.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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

Key audit matters

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

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, including delivery of hardware, software as a service subscriptions, service and licensing. For contracts containing multiple performance obligations, the total transaction price is allocated to the performance obligations based on their relative fair values. Subsequently, revenue is recognized when the company 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, service and licensing to be a key audit matter for the following reasons: Revenue from these items that are recognised over time contribute significantly to total revenue. Management uses	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 challenged 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.

judgement and estimates in assessing and allocating the transaction price to separable performance obligations based on the underlying terms of an individual contract and regarding the determination when a performance obligation is satisfied. An incorrect estimate could have a significant impact on the recorded revenue, the related balance sheet amounts and the net profit of the company.

The accounting policies regarding revenue recognition are further outlined in note 1.3 of the financial statements.

We assessed, on a sample basis, whether revenue transactions occurred and were recorded in the correct period.

The carried-out procedures gave us sufficient evidence to address the risks identified in connection with revenue recognition.

Other information in the annual report

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of the Board of Directors for the financial statements

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

In preparing the financial statements, the Board of Directors is responsible for assessing the company'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 company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs and Swiss Auditing Standards 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 company'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 company'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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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.

PricewaterhouseCoopers AG

Thomas Wallmer	Kevin Mueller
Audit expert Auditor in charge	Audit expert

Zürich, 25 March 2022

Enclosure:

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

BEACONSMIND AG
(Stäfa, Switzerland)
Financial statements
for the period ended 30 June 2021

Statement of profit or loss

CHF	Note	1 July 2020 - 30 June 2021	1 July 2019 - 30 June 2020
Net Revenue	2	**568'526**	**474'122**
Direct cost	3	(34'770)	(73'784)
Personnel expenses	4	(563'285)	(294'337)
Other operating expenses	4	(4'622'693)	(2'608'105)
Loss before interest, taxes, depreciation and amortisation (EBITDA)		**(4'652'223)**	**(2'502'105)**
Depreciation, amortisation and impairment		(119'517)	(84'420)
Loss before interest and taxes (EBIT)		**(4'771'740)**	**(2'586'525)**
Financial expenses	5	(12'057)	(11'920)
Loss before income taxes		**(4'783'797)**	**(2'598'445)**
Income tax	19	(817)	1'731
Loss for the period		**(4'784'614)**	**(2'596'715)**
Earnings per share			
Earnings and diluted earnings per share	21	**(2.40)**	**(1.44)**

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

Statement of comprehensive loss

CHF	Note	1 July 2020 - 30 June 2021	1 July 2019 - 30 June 2020
Loss for the period		**(4'784'614)**	**(2'596'715)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements of net defined benefit liability	15	(14'442)	(8'823)
Income tax on items that will not be reclassified to profit or loss	19	2'744	1'676
Other comprehensive income, net of tax		**(11'698)**	**(7'147)**
Total comprehensive (loss) for the period		**(4'796'312)**	**(2'603'861)**

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

Balance sheet

CHF	Note	30.06.2021	30.06.2020	01.07.2019
Assets				
Non-current assets				
Property, plant and equipment	6	19'295	22'955	9'120
Right-of-use assets	7	130'303	90'607	50'462
Intangible assets	8	138'551	58'477	59'805
Deferred tax assets	19	8'355	6'135	2'267
Total non-current assets		**296'504**	**178'174**	**121'654**
Current assets				
Inventories		15'540	18'275	10'827
Trade and other receivables	9	117'215	33'387	11'622
Accrued income and prepaid expenses	10	52'250	14'866	1'940
Cash and cash equivalents	11	675'349	68'472	3'730
Total current assets		**860'354**	**135'000**	**28'119**
Total assets		**1'156'858**	**313'174**	**149'773**
Equity and Liabilities				
Equity				
Share capital	13	210'888	181'144	179'244
Capital Reserve		8'890'537	3'533'228	1'045'535
Retained earnings		(8'758'593)	(3'962'281)	(1'358'420)
Total equity		**342'832**	**(247'909)**	**(133'641)**
Non-current liabilities				
Employee benefit obligations	15	42'262	31'651	22'757
Borrowings	18	60'000	130'210	52'289
Lease liabilities	7	68'241	22'843	35'320
Other non-current liabilities		-	5'844	-
Deferred income	16	16'171	26'929	1'653
Total non-current liabilities		**186'674**	**217'477**	**112'019**
Current liabilities				
Borrowings	18	62'047	-	-
Lease liabilities	7	63'773	68'401	15'143
Trade and other payables	17	129'627	188'938	123'012
Accrued expenses and deferred income	16	371'904	86'266	33'241
Total current liabilities		**627'351**	**343'605**	**171'395**
Total liabilities		**814'026**	**561'082**	**283'414**
Total equity and liabilities		**1'156'858**	**313'174**	**149'773**

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

Statement of changes in equity

		Attributable to owners of the			
CHF	Notes	Share capital	Capital reserve	Retained earnings	**Total equity**
At 1 July 2019		**179'244**	**1'045'535**	**(1'358'420)**	**(133'641)**
Loss for the period		-	-	(2'596'715)	**(2'596'715)**
Other comprehensive loss, net of tax	15, 19	-	-	(7'147)	**(7'147)**
Total comprehensive income for the period		-	-	**(2'603'861)**	**(2'603'861)**
Capital increase	13	1'900	468'003	-	**469'903**
Share based compensation	13	-	2'019'690		**2'019'690**
Dividends provided for or paid during the period		-	-	-	-
Transactions with owners of the Company		**1'900**	**2'487'693**	-	**2'489'593**
At 30 June 2020		**181'144**	**3'533'228**	**(3'962'281)**	**(247'909)**
Loss for the period		-	-	(4'784'614)	**(4'784'614)**
Other comprehensive loss, net of tax	15, 19	-	-	(11'698)	**(11'698)**
Total comprehensive income for the period		-	-	**(4'796'312)**	**(4'796'312)**
Capital increase	13	11'680	2'878'964	-	**2'890'644**
Exercise of options	13	18'064			**18'064**
Share based compensation	13		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**	**(8'758'593)**	**342'832**

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

Statement of cash flows

CHF	Note	1 July 2020 - 30 June 2021	1 July 2019 - 30 June 2020
Loss before taxes		**(4'783'797)**	**(2'598'445)**
Depreciation and impairment of property, plant and equipment	6,7	72'319	29'107
Amortisation and impairment of intangible assets	8	47'487	52'749
Movements in allowance for bad debts		(5'399)	8'800
Interest expense/(income) net		12'057	11'920
Share based payment expenses	13	2'478'345	2'019'690
Other non-cash items		(5'714)	(9'713)
Working capital adjustments:			
Changes in trade and other receivables		(83'828)	(21'765)
Changes in prepaid expenses and accrued income		(48'142)	12'349
Changes in inventory		2'735	(7'448)
Changes in trade and other payables and accrued expenses		226'327	118'951
Cash used for operations before interest and taxes		**(2'087'610)**	**(383'806)**
Interest paid		(7'086)	(3'593)
Income tax paid		(293)	(461)
Net cash used for operating activities		**(2'094'989)**	**(387'861)**
Purchase of property, plant and equipment	6	(5'791)	(19'208)
Purchase of intangible assets	8	(127'561)	(51'421)
Net cash used for investing activities		**(133'352)**	**(70'629)**
Proceeds from capital increase	13	2'908'708	469'903
Proceeds/(repayment) from borrowings	18	(8'163)	77'921
Payment of lease liabilities	12	(64'719)	(24'593)
Net cash generated from financing activities		**2'835'826**	**523'231**
Effect of currency translation on cash		(608)	-
Net increase in cash and cash equivalents		**606'877**	**64'742**
Cash and cash equivalents at 1 July		**68'472**	**3'730**
Cash and cash equivalents at 30 June		**675'349**	**68'472**

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

Notes to the financial statements

1.1 Accounting policies and basis of preparation

1.2 General information

BEACONSMIND AG ("the Company" 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 financial statements are presented in Swiss Franc (CHF), which is the Company's functional currency, 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 March 25, 2022.

1.3 Significant accounting principles applied in the preparation of the financial statements

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 and first-time adoption of IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and apply the historical cost convention unless stated otherwise.

These financial statements represent the first set of financial statements prepared by the Company under IFRS and, as such, have been prepared considering the guidance of the standard IFRS 1 "First-time adoption of International Financial Reporting Standards". Following IFRS 1, BEACONSMIND has prepared these financial statements in compliance with IFRS applicable as of the reporting date 30 June 2021, together with the comparative period data for the year ended 30 June 2020, as described in the below summary of significant accounting policies. In preparing these financial statements, BEACONSMIND's opening statement of financial position was prepared as of 1 July 2019. No IFRS standards or interpretations not yet in effect as of 30 June 2021 are early adopted.

The principal adjustments made by BEACONSMIND in restating the statutory financial statements of the Company from Swiss Code of Obligations ("Swiss GAAP") to IFRS as of 1 July 2019 and for the years ended 30 June 2020 and 30 June 2021 relate to the items described below. The adjustments to the opening balance sheet as of 1 July 2019 have been made against 'Retained Earnings' within equity.

Reconciliation of equity as at 1 July 2019 (date of transition to IFRS)

CHF	Note	Swiss Code of Obligations	Remasurements	IFRS as at 1 July 2019
Assets				
Non-current assets				
Property, plant and equipment		9'120	-	9'120
Right-of-use assets	A	-	50'462	50'462
Intangible assets		59'805	-	59'805
Deferred tax assets	E	-	2'267	2'267
Total non-current assets		**68'925**	**52'729**	**121'654**
Current assets				
Inventories	B	1	10'826	10'827
Trade and other receivables		11'622	-	11'622
Accrued income and prepaid expenses		1'940	-	1'940
Cash and cash equivalents		3'730	-	3'730
Total current assets		**17'293**	**10'826**	**28'119**
Total assets		**86'218**	**63'555**	**149'773**
Equity and Liabilities				
Equity				
Share capital		179'244	-	179'244
Capital Reserve		1'045'535	-	1'045'535
Retained earnings		(1'346'276)	(12'144)	(1'358'420)
Total equity		**(121'497)**	**(12'144)**	**(133'641)**
Non-current liabilities				
Employee benefit obligations	C	-	22'757	22'757
Borrowings		52'289	-	52'289
Lease liabilities	A	-	35'320	35'320
Deferred income	D	-	1'653	1'653
Total non-current liabilities		**52'289**	**59'730**	**112'019**
Current liabilities				
Lease liabilities	A	-	15'143	15'143
Trade and other payables		123'012	-	123'012
Accrued expenses and deferred income	D	32'414	827	33'241
Total current liabilities		**155'426**	**15'969**	**171'395**
Total liabilities		**207'715**	**75'699**	**283'414**
Total equity and liabilities		**86'218**	**63'555**	**149'773**

Reconciliation of equity as at 30 June 2020

CHF	Note	Swiss Code of Obligations	Remasurements	IFRS as at 30 June 2020
Assets				
Non-current assets				
Property, plant and equipment		22'955	-	22'955
Right-of-use assets	A	-	90'607	90'607
Intangible assets		58'477	-	58'477
Deferred tax assets	E	-	6'135	6'135
Total non-current assets		**81'432**	**96'742**	**178'174**
Current assets				
Inventories	B	18'275	-	18'275
Trade and other receivables		33'387	-	33'387
Accrued income and prepaid expenses		14'866	-	14'866
Cash and cash equivalents		68'472	-	68'472
Total current assets		**135'000**	-	**135'000**
Total assets		**216'431**	**96'742**	**313'174**
Equity and Liabilities				
Equity				
Share capital		181'144	-	181'144
Capital Reserve	F	1'513'538	2'019'690	3'533'228
Retained earnings		(1'875'631)	(2'086'650)	(3'962'281)
Total equity		**(180'949)**	**(66'960)**	**(247'909)**
Non-current liabilities				
Employee benefit obligations	C	-	31'651	31'651
Borrowings		130'210	-	130'210
Lease liabilities	A	-	22'843	22'843
Other non-current liabilities		5'844	-	5'844
Deferred income	D	-	26'929	26'929
Total non-current liabilities		**136'054**	**81'423**	**217'477**
Current liabilities				
Lease liabilities	A	-	68'401	68'401
Trade and other payables		188'938	-	188'938
Accrued expenses and deferred income	D	72'388	13'878	86'266
Total current liabilities		**261'326**	**82'279**	**343'605**
Total liabilities		**397'380**	**163'702**	**561'083**
Total equity and liabilities		**216'431**	**96'742**	**313'174**

Reconciliation of total comprehensive loss for the year ended 30 June 2020

CHF		Swiss Code of Obligations	Remasurements	IFRS as at 30 June 2020
Net Revenue	D	**512'448**	**(38'326)**	**474'122**
Direct costs	B	(62'958)	(10'826)	(73'784)
Personnel expenses	A	(309'472)	15'135	(294'337)
Other operating expenses	A, F	(597'865)	(2'010'240)	(2'608'105)
Loss before interest, taxes, depreciation and amortisation (EBITDA)		**(457'847)**	**(2'044'258)**	**(2'502'105)**
Depreciation, amortisation and impairment	A	(60'687)	(23'733)	(84'420)
Loss before interest and taxes (EBIT)		**(518'534)**	**(2'067'991)**	**(2'586'525)**
Financial expenses	A	(10'360)	(1'560)	(11'920)
Loss before income taxes		**(528'894)**	**(2'069'551)**	**(2'598'445)**
Income tax (expense)/ income	E	(461)	2'192	1'731
Loss for the period		**(529'355)**	**(2'067'359)**	**(2'596'714)**
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Remeasurements of net defined benefit liability	C	-	(8'823)	(8'823)
Income tax on items that will not be reclassified to profit or loss	E	-	1'676	1'676
Other comprehensive income, net of tax		-	**(7'147)**	**(7'147)**
Total comprehensive (loss) for the period		**(529'355)**	**(2'074'506)**	**(2'603'861)**

Reconciliation of equity as at 30 June 2021

CHF

	Note	Swiss Code of Obligations	Remasurements	IFRS as at 30 June 2021
Assets				
Non-current assets				
Property, plant and equipment		19'295	-	19'295
Right-of-use assets	A	-	130'303	130'303
Intangible assets		138'551	-	138'551
Deferred tax assets	E	-	8'355	8'355
Total non-current assets		**157'846**	**138'658**	**296'504**
Current assets				
Inventories	B	15'540	-	15'540
Trade and other receivables		117'215	-	117'215
Accrued income and prepaid expenses		52'250	-	52'250
Cash and cash equivalents		675'349	-	675'349
Total current assets		**860'354**	-	**860'354**
Total assets		**1'018'200**	**138'658**	**1'156'858**
Equity and Liabilities				
Equity				
Share capital		210'888	-	210'888
Capital Reserve	F	4'392'502	4'498'035	8'890'537
Retained earnings		(3'973'290)	(4'785'303)	(8'758'593)
Total equity		**630'100**	**(287'268)**	**342'832**
Non-current liabilities				
Employee benefit obligations	C	-	42'262	42'262
Borrowings		60'000	-	60'000
Lease liabilities	A	-	68'241	68'241
Deferred income	D	-	16'171	16'171
Total non-current liabilities		**60'000**	**126'674**	**186'674**
Current liabilities				
Borrowings		62'047	-	62'047
Lease liabilities	A	-	63'773	63'773
Trade and other payables		129'627	-	129'627
Accrued expenses and deferred income	D	136'425	235'479	371'904
Total current liabilities		**328'100**	**299'252**	**627'351**
Total liabilities		**388'100**	**425'926**	**814'026**
Total equity and liabilities		**1'018'200**	**138'658**	**1'156'858**

Reconciliation of total comprehensive loss for the year ended 30 June 2021

CHF		Swiss Code of Obligations	Remasurements	IFRS as at 30 June 2021
Net Revenue	D	**779'369**	**(210'843)**	**568'526**
Direct costs	B	(34'770)	-	(34'770)
Personnel expenses	A	(599'498)	36'213	(563'285)
Other operating expenses	A,F	(2'176'748)	(2'445'945)	(4'622'693)
Loss before interest, taxes, depreciation and amortisation (EBITDA)		**(2'031'647)**	**(2'620'576)**	**(4'652'223)**
Depreciation, amortisation and impairment	A	(56'649)	(62'868)	(119'517)
Loss before interest and taxes (EBIT)		**(2'088'296)**	**(2'683'444)**	**(4'771'740)**
Financial expenses	A	(9'071)	(2'986)	(12'057)
Loss before income taxes		**(2'097'367)**	**(2'686'430)**	**(4'783'797)**
Income tax expense	E	(293)	(524)	(817)
Loss for the period		**(2'097'660)**	**(2'686'954)**	**(4'784'614)**
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Remeasurements of net defined benefit liability	C	-	(14'442)	(14'442)
Income tax on items that will not be reclassified to profit or loss	E	-	2'744	2'744
Other comprehensive income, net of tax		-	**(11'698)**	**(11'698)**
Total comprehensive (loss) for the period		**(2'097'660)**	**(2'698'652)**	**(4'796'312)**

A – Right of use assets and lease liabilities

Under Swiss GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, as explained in below, a lessee applies a single recognition and measurement approach for all leases, except for short-erm leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the transition to IFRS, the Company applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to IFRS. Right-of use assets were measured at the amount equal to the lease liabilities.

As a consequence of this adjustment, the presentation of the financial statements is affected as follows:

- Balance sheet: the Company recognised an increase of CHF 50'462 as of 1 July 2019 (30 June 2020 CHF 90'607; 30 June 2021 CHF 130'303)) on the right-of-use assets and an increase of CHF 35'320 for the non-current lease liabilities as of 1 July 2019 (30 June 2020 CHF 22'843; 30 June 2021 CHF 68'241) and an increase of CHF 15'143 as of 1 July 2019 (30 June 2020 CHF 68'401, 30 June 2021 CHF 63'773) for the current lease liabilities.
- Statement of profit or loss for the year ended 30 June 2020: Reversal of personnel expenses (car leasing) of CHF 15'143 and operating expenses (leasing of buildings) of CHF 9'450 recorded for the lease payments under Swiss GAAP and recognition of amortisation charges on the right-of-use asset of CHF 23'733 and of interest expenses on the lease liability of CHF 1'497.
- Statement of profit or loss for the year ended 30 June 2021: Reversal of personnel expenses (car leasing) of CHF 36'213 and operating expenses (leasing of buildings) of CHF 32'400 recorded for the lease payments under Swiss GAAP and recognition of amortisation charges on the right-of-use asset of CHF 62'868 and of interest expenses on the lease liability of CHF 2'923.

B - Inventories

While, for Swiss GAAP purposes, in the 12-month period ending 30 June 2019, inventory purchases were recognized as expense in the period in which they occur, these were capitalized for IFRS purposes and only recognized as cost of sales in a sales transaction as explained below. As at 30 June 2020 inventory has been capitalized for statutory purposes too, using the same accounting principles as under IFRS. As a result, the reconciliation item as at 30 June 2019 could be reversed as at 30 June 2020 and the presentation of the financial statements is affected as follows:

- Balance sheet: the Company recognised an increase of inventories of CHF 10'826 as of 1 July 2019 (30 June 2020 CHF 0, 30 June 2021 CHF 0).
- Statement of profit or loss for the year ended 30 June 2020: increase of direct expense of CHF 10'826.
- Statement of profit or loss for the year ended 30 June 2021: no impact.

C – Employee benefit obligation

Under Swiss GAAP, the Company recognised contributions related to its retirement benefit plan as expenses as and when these were made to the plan administrator. Under IFRS, the plan qualifies as a defined benefit plan and, accordingly, is recorded on the balance sheet as a defined benefit obligation, measured in accordance with the projected unit credit method and presented net of related plan assets.

As a consequence of this adjustment, the presentation of the financial statements is affected as follows:

- Balance sheet: Inclusion of a defined benefit liability of about CHF 22'757 (30 June 2020 CHF 31'651; 30 June 2021 CHF 42'262) and deferred tax asset of CHF 4'324 (30 June 2020 CHF 6'014, 30 June 2021 CHF8'030) against a reduction in retained earnings as of 1 July 2019.
- Statement of profit or loss for the year ended 30 June 2020: Reversal of costs for the employer contributions to the plan and recording of the current service costs with a net impact of CHF 8 in favour of the personnel expenses and recording of net financial expenses of about CHF 63.
- Statement of profit or loss for the year ended 30 June 2021: Reversal of costs for the employer contributions to the plan and recording of the current service costs with a net impact of CHF 3'894 in favour of the personnel expenses and recording of net financial expenses of about CHF 63.
- Statement of comprehensive income for the period ended 30 June 2020: Recognition of other

comprehensive income related to actuarial gains of about CHF 7’147 (net of tax).
- Statement of comprehensive income for the period ended 30 June 2021: Recognition of other comprehensive income related to actuarial gains of about CHF 11’698 (net of tax).

D –Deferred Revenue

Under Swiss GAAP discounts granted to customers on individual items in sales of beacons and SaaS subscriptions are not reallocated between the individual elements included in the contract. For IFRS purposes, the reallocation is performed, resulting in the deferral of revenue related to both revenues on SaaS subscriptions and consideration allocated to material renewal rights. As a consequence of these adjustments, the presentation of the financial statements is affected as follows:
- Balance sheet as of 1 July 2019: increase of deferred income of CHF 827 (short term) and CHF 1’653 (long term) against a reduction of retained earnings
- Balance sheet as per 30 June 2020: increase of deferred income of CHF 13’878 (short term) and CHF 26’929 (long term) against a reduction of revenues of CHF 38’326 and against a reduction of retained earnings of CHF 2’480.
- Balance sheet as per 30 June 2021: increase of deferred income of CHF 235’479 (short term) and CHF 16’171 (long term) against a reduction of revenues of CHF 210’843 and against a reduction of retained earnings of CHF 40’807.
- Statement of profit or loss for the period ended 30 June 2020: reduction of revenues of CHF 38’326 against deferred income
- Statement of profit or loss for the period ended 30 June 2021: reduction of revenues of CHF 210’843 against deferred income

E – Deferred tax assets/liabilities

The above mentioned IFRS adjustments result in deferred tax adjustments. As a consequence of these adjustments, the presentation of the financial statements is affected as follows:
- Balance sheet as of 1 July 2019: increase of deferred tax asset of CHF 2’267 against retained earnings
- Balance sheet as of 30 June 2020: increase of deferred tax asset of CHF 6’135
- Balance sheet as of 30 June 2021: increase of deferred tax asset of CHF 8’355
- Statement of profit or loss for the period ended 30 June 2020: reduction of tax expenses against deferred tax asset of CHF 2’192
- Statement of profit or loss for the period ended 30 June 2021: increase of tax expenses against deferred tax asset of CHF 524
- Statement of comprehensive income for the period ended 30 June 2020: increase of CHF 1’676.
- Statement of comprehensive income for the period ended 30 June 2021: increase of CHF 2’744.

F – Equity settled transactions

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. Under Swiss GAAP, the Company recognised an increase of share capital in the amount of the exercise price only. For IFRS purposes the costs of the exercised share options 2020 and 2021 are determined based on the fair value of the granted options and recognised in administrative expenses (consulting expenses and share based payment expenses), together with a corresponding increase in equity (capital reserve). As a consequence of these adjustments, the presentation of the financial statements is affected as follows:
- Balance sheet as 30 June 2020: increase of capital reserve of CHF 2’019’690.
- Balance sheet as 30 June 2021: increase of capital reserve of CHF 2’478’345.
- Statement of profit or loss for the period ended 30 June 2020: increase of other operating expenses of CHF 2’019’690.
- Statement of profit or loss for the period ended 30 June 2021: increase of other operating expenses of CHF 2’478’345.

Estimates

The estimates as of the date of transition from Swiss GAAP to IFRS (1 July 2019) as well as per subsequent balance sheet dates (30 June 2020 and at 30 June 2021) are mainly consistent with those made in accordance with Swiss GAAP, after adjustments to reflect any differences in accounting policies. The estimates are consistent except in relation to the following areas, where the application of Swiss GAAP did not require estimation because an accounting standard is either not applicable under Swiss GAAP or the accounting standard differs significantly between Swiss GAAP and IFRS:

- Pensions and other post-employment benefits
- Leases
- Revenue

The estimates used by the Company to present these amounts in accordance with IFRS reflect conditions at 1 July 2019, the date of transition to IFRS, as at 30 June 2020 and as at 30 June 2021.

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:

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business – Amendments to IFRS 3
- Definition of Material – Amendments to IAS 1 and IAS 8
- Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7

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 2021. 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.

Standard / Interpretation	Effective date
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
Annual Improvements to IFRS Standards 2018-2020	1 January 2022
Property, Plant and equipment – Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022
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 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.

Foreign currencies
The functional currency of BEACONSMIND is CHF, as this is the currency of the primary economic environment in which the company operates. The financial statements are presented in CHF.

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at year-end rates. Any resulting exchange differences are taken to the statement of profit or loss. All foreign exchange gains and losses are presented in the statement of profit or loss within financial income and financial expenses, respectively.

The following exchange rates are applied to monetary assets and liabilities as of the reporting date:

	30 June 2021	30 June 2020	1 July 2019
USD/CHF	0.91	0.95	0.98
EUR/CHF	1.09	1.07	1.12
CNY/CHF	0.14	0.13	n/a

Revenue recognition

Revenue is recognized when the Company 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 the Company determines whether the goods and/or services that are promised in the agreement comprise a single or several separate performance obligations. The Company 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) The Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

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

1) Revenue from sales of beacons and SaaS subscriptions

The Company 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 the Company.

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: The Company 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: The Company 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 Company'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

The Company offers further services in the form of content management for the BEACONSMIND suite, custom software programming such as for interfaces between the BEACONSMIND 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, the Company 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 the Company has a present right to receive payment for its goods/ services. When recording revenue over time, the Company oftentimes may present deferred revenue balances as the timing of payment from the customer precedes the recognition of revenue.

Determining the transaction price, the Company uses list prices for individual components that are included in a bundle of goods/ services sold to the customer. The Company takes into account variable consideration, such as discounts offered on certain elements of the BEACONSMIND 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's intangible assets comprise of software (BEACONSMIND 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, 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 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 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 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 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 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’s customers based on their credit rating. No impairment losses (neither expected nor incurred) were recorded during the periods presented. The expected loss provision has been assessed to be immaterial.

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’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 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 Company’s 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 statement of profit or loss within employee benefit expenses.

The assumptions underlying the actuarial valuations from which the amounts recognized in the 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.

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 13 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 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 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.

2. Segment Reporting

The company consist 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 Company offers the beaconsmind® Suite software, coupled with beaconsmind® Track Bluetooth-Beacons4 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 2021 and 2020, respectively, by their nature as represented by the offered products and services.

CHF	1 July 2020 - 30 June 2021	1 July 2019 - 30 June 2020
Services revenue	246'774	202'140
SaaS licensing revenue	172'123	-
Sales of beacons and SaaS subspriptions - upfront revenue	25'937	48'464
Sales of beacons and SaaS subspriptions - recurring revenue	123'692	223'518
Total net revenue	**568'526**	**474'122**

Contract liabilities included in the balance sheet line item “deferred income” amounted to CHF 266’354 as of 30 June 2021 (30 June 2020: CHF 41,633, 1 July 2019: CHF 2’480). For 30 June 2021, these balances mostly relate 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 2021 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 2020 - 30 June 2021	1 July 2019 - 30 June 2020
Switzerland, Germany, Austria	488'399	335'776
Rest of Europe	29'672	45'055
North Ameria	32'081	93'292
South America	18'374	-
	568'526	**474'122**

Disclosure by major customers

CHF	1 July 2020 - 30 June 2021	1 July 2019 - 30 June 2020
Customers with net revenues of more than 10%:		
Client A	54'485	65'526
Client B	60'961	154'873
Client C	159'910	165'000
Client D	177'123	-
Total > 10%	**452'478**	**385'399**
Customers with net revenues of less than 10%:		
Total < 10%	**116'048**	**88'723**
Total net revenues	**568'526**	**474'122**

3. Direct cost

CHF	1 July 2020 - 30 June 2021	1 July 2019 - 30 June 2020
Material expenses	(6'874)	(52'755)
Services purchased	(24'592)	(16'544)
Cost to obtain a contract	(3'303)	(4'484)
Total	**(34'770)**	**(73'784)**

4. Indirect cost

Personnel expense

CHF	Note	1 July 2020 - 30 June 2021	1 July 2019 - 30 June 2020
Salary and bonuses		(508'526)	(252'898)
Social security charges		(31'345)	(25'876)
Current service costs on employee benefit pension plans	15	(9'036)	(9'309)
Other personnel expenses		(14'378)	(6'254)
Total		**(563'285)**	**(294'337)**

The company received CHF 13'873 short time compensation for the period ended 30 June 2021 (CHF 32'102 for the period ended 30 June 2020). The short time compensation is deducted from the salary and bonus expenses.

Other personnel expenses relate to expense allowances and car expenses.

Other operating expenses

CHF	1 July 2020 - 30 June 2021	1 July 2019 - 30 June 2020
Office related expenses	(24'145)	(61'097)
Project costs	(746'725)	-
IT expenses	(23'094)	(2'376)
Research and development expenses	-	(5'787)
Insurance	(3'675)	(524)
Travel expenses	(29'690)	(679)
Selling and marketing expenses	(24'241)	(14'078)
Consulting expenses	(1'811'478)	(867'484)
Share based payment expenses	(1'893'145)	(1'542'790)
Audit fees	(43'650)	(90'040)
Accounting fees	(22'850)	(23'250)
Total	**(4'622'693)**	**(2'608'105)**

The significant increase in consulting expenses is mainly due to the Initial Public Offering of shares of the Company at the Euronext in Paris. In the financial year 2021/2020 CHF 585'200 of the consulting expenses are compensated in share options (FY 2020/2019 CHF 476'900). The difference between the fair value of the services rendered and the fair value of the granted share options to compensate these services are included in the share-based payment expenses. For further information regarding share-based compensation please refer to note 13.

5. Financial income and expenses, net

CHF	Notes	1 July 2020 - 30 June 2021	1 July 2019 - 30 June 2020
Interest income	15	-	-
Interest expenses	7, 15	(7'149)	(3'656)
Foreign exchange gains		-	-
Foreign exchange losses		(4'908)	(8'264)
Total financial expenses, net		**(12'057)**	**(11'920)**

Interest expenses include interest expenses on bank charges of CHF 4’163 (FY 2020/2019: CHF 2’097), on lease liabilities of CHF 2’923 (FY 2020/2019: CHF 1’497) and on employee benefit liabilities of CHF 63 (FY 2020/2019: CHF 63). See notes 7 and 15 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 2019	-	**5'920**	**3'200**	**9'120**
Additions	16'500	2'708	-	**19'208**
Disposals	-	-	-	-
Transfers / reclassifications	-	-	-	-
At 30 June 2020	**16'500**	**8'628**	**3'200**	**28'328**
Accumulated depreciation and impairment				
At 1 July 2019	-	-	-	-
Depreciation charge	(1'375)	(2'718)	(1'280)	**(5'373)**
Disposals	-	-	-	-
Transfers / reclassifications	-	-	-	-
Impairment losses	-	-	-	-
At 30 June 2020	**(1'375)**	**(2'718)**	**(1'280)**	**(5'373)**
Net carrying amount 30 June 2020	**15'125**	**5'910**	**1'920**	**22'955**

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 2021	**9'625**	**7'000**	**2'670**	**19'295**

No assets were pledged as security for liabilities as at 30 June 2021, 30 June 2020 and at 1 July 2019.

7. Leasing

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

Property leases may include rent payment indexation clauses and renewal options. BEACONSMIND assesses these renewal options to conclude whether it is reasonably certain that a renewal option may be exercised. BEACONSMIND'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 developed as follows during the reporting period:

CHF	Cars	Property	Total
At 1 July 2019	**50'462**	-	**50'462**
Arising on acquisition	-	-	-
Additions	-	63'878	63'878
Amortization expense	(14'418)	(9'316)	(23'733)
Adjustment as a result of remeasurement of the lease liability	-	-	-
At 30 June 2020	**36'045**	**54'563**	**90'607**
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 liability	-	-	-
At 30 June 2021	**136'515**	**(6'211)**	**130'303**

The additions to and disposals of right-of-use assets during the period 2020/2021 related to leases of company cars exclusively while the additions and disposals during the period 2019/2020 related to the lease of the Company's head office space in the context of a relocation of its office premises.

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 2020 - 30 June 2021	1 July 2019 - 30 June 2020
At 1 July		**91'244**	**50'462**
Arising on acquisition		-	-
Additions		131'413	63'878
Disposals		(28'836)	-
Accretion of interest	5	2'923	1'497
Payments		(64'719)	(24'593)
Remeasurements		(13)	-
At 30 June		**132'014**	**91'244**
thereof current		63'773	68'401
thereof non-current		68'241	22'843

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 2020 - 30 June 2021	1 July 2019 - 30 June 2020
Amortization expense on right-of-use assets		(62'868)	(23'733)
Interest expense on lease liabilities	5	(2'923)	(1'497)
Total		**(65'791)**	**(25'230)**

The total cash outflow for leases in FY 2021/2020 amounted to CHF 64'719 (FY 2019/2020: CHF 24'593).

8. Intangible assets

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

CHF	IT software	Total
Cost		
At 1 July 2019	**59'805**	**59'805**
Additions	51'421	**51'421**
At 30 June 2020	**111'226**	**111'226**
Accumulated amortization and impairment		
At 1 July 2019	-	-
Amortization	(52'749)	**(52'749)**
At 30 June 2020	**(52'749)**	**(52'749)**
Net carrying amount 30 June 2020	**58'477**	**58'477**

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)**
At 30 June 2021	**(100'236)**	**(100'236)**
Net carrying amount 30 June 2021	**138'551**	**138'551**

In the period, no write-downs for impairment of software were recognized. No assets were pledged as security for liabilities in FY 2021/2020 and FY 2020/2019.

9. Trade and other receivables

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

CHF	30.06.2021	30.06.2020	01.07.2019
Trade receivables from third parties	31'357	18'342	11'619
Other receivables	85'858	15'045	3
Total	**117'215**	**33'387**	**11'622**

As per 30.06.2021 the other receivables mainly consist of VAT receivables in the amount of CHF 22'452 (30.06.2020 CHF 15'042), credit card receivables of CHF 10'903 (30.06.2020 CHF 0) and receivables from shareholders of CHF 52'501 (30.06.2020 CHF 1).

The below table presents the aging of trade receivables:

CHF	30.06.2021	30.06.2020	01.07.2019
Neither past due nor impaired	19'293	9'350	9'387
Past due but not impaired:	12'064	8'992	2'232
Less than 30 days	-	-	*2'232*
30 to 60 days	*12'064*	*6'016*	-
More than 60 days	-	*2'976*	-
Impaired (partial or full provision)	-	-	-
Total	**31'357**	**18'342**	**11'619**

Information about the impairment of trade receivables and BEACONSMIND's exposure to credit risk and foreign currency risk can be found in note 14.

10. Accrued income and prepaid expenses

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

CHF	30.06.2021	30.06.2020	01.07.2019
Prepaid expenses	**52'250**	**14'866**	**1'940**
Thereof prepaid expenses	*52'250*	*10'000*	*1'940*
Thereof social security benefits	-	*4'866*	-
Accrued income	-	-	-
Total	**52'250**	**14'866**	**1'940**

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

11. Cash and cash equivalents

CHF	30.06.2021	30.06.2020	01.07.2019
Bank balance CHF	668'890	68'472	3'730
Bank balance other currencies	6'459	-	-
Cash at hand	-	-	-
Total	**675'349**	**68'472**	**3'730**

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

12. Cash flow-related information

The below table presents the components of BEACONSMIND's net debt. As per 30.06.2021 BEACONSMIND has a positive net debt position due to BEACONSMIND's significant cash reserves exceeding the debt in form of lease liabilities and borrowings. As per 30.06.2020 and 01.07.2019 BEACONSMIND's net debt position was negative due to limited cash reserves.

CHF	Note	30.06.2021	30.06.2020	01.07.2019
Lease liabilities	7	(132'014)	(91'244)	(50'462)
Borrowings	18	(122'047)	(130'210)	(52'289)
Total debt		**(254'061)**	**(221'454)**	**(102'751)**
Cash and cash equivalents	11	675'349	68'472	3'730
Total cash and cash equivalents		**675'349**	**68'472**	**3'730**
Net cash/(debt)		**421'288**	**(152'982)**	**(99'021)**

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

CHF	Note	Leases	Borrowings	cash	Total
Net cash 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	7	*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**
Net cash/(debt) as of 1 July 2019		(50'462)	(52'289)	3'730	(99'021)
Cash flows	7, 18	23'096	(77'921)	64'742	9'917
Non-cash effective changes					
New leases	7	*(63'878)*	-	-	*(63'878)*
Remeasurements of leases	7	-	-	-	-
Effect of currency translation		-	-	-	-
Net cash/(debt) as of 30 June 2020		**(91'244)**	**(130'210)**	**68'472**	**(152'982)**

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

CHF		30.06.2021	30.06.2020	01.07.2019
Lease liabilities	CHF	(132'014)	(91'244)	(50'462)
Borrowings	CHF	(122'047)	(130'210)	(52'289)
Cash and cash equivalents (in CHF)	CHF	668'890	68'472	3'730
Cash and cash equivalents (in CNY)	CHF	6'459	-	-
Net cash /(debt) by currency		**421'288**	**(152'982)**	**(99'021)**

13. Equity

Share capital

The share capital on 30 June 2021 comprised of 2'108'884 registered shares (2020: 1'811'440; 2019: 1'792'440) with a nominal value of CHF 0.10 each, amounting to CHF 210'888 (2020: CHF 181'144; 2019: CHF 179'244). 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	30.06.2021	30.06.2020	01.07.2019
Ordinary shares fully paid	210'888	181'144	179'244
Total share capital	**210'888**	**181'144**	**179'244**

Number of shares	30.06.2021	30.06.2020	01.07.2019
Ordinary shares fully paid	2'108'884	1'811'440	1'792'440
Total shares	**2'108'884**	**1'811'440**	**1'792'440**

Capital reserves

Capital reserves of total CHF 5'454'602 (30 June 2020 CHF 1'990'438) consist mainly of reserves from capital contribution. The distribution of these reserves as dividends is not subject to income taxes in Switzerland for individuals and can be effected free of Swiss withholding tax.

Share-based compensation

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 (FY 2020/2019: CHF 476’900). 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 (FY2020/2019 CHF 1’542’790).

Dividends
No dividends have been paid out since July 1, 2019.

14. Financial instruments

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

Currency risk
BEACONSMIND 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 and USD.

The following table provides an overview of BEACONSMIND'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 2021

CHF	EUR	USD	CNY	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**

Carrying amount at 30 June 2020

CHF	EUR	USD	CNY	Total
Trade receivables	4'680	665	-	**5'345**
Cash and cash equivalents	-	-	-	-
Net exposure	**4'680**	**665**	-	**5'345**

Carrying amount at 1 July 2019

CHF	EUR	USD	CNY	Total
Trade receivables	736	686	-	**1'422**
Cash and cash equivalents	-	-	-	-
Net exposure	**736**	**686**	-	**1'422**

Exchange rate sensitivity
The following table shows the impact of a possible change in the EUR, USD 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.

		30.06.2021		**2021/2020**
		Net exposure in CHF	Impact on post-tax profit in CHF	
	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)

		30.06.2020		**2020/2019**
		Net exposure in CHF	Impact on post-tax profit in CHF	
	Sensitivity		Increase +5%	Decrease -5%
EUR/CHF	+/- 5%	4'680	234	(234)
USD/CHF	+/- 5%	665	33	(33)
CNY/CHF	+/- 5%	0	0	0

Interest rate risk
BEACONSMIND'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'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'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'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 30.06.2021

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**	**776'169**	**629'770**	**43'961**	**41'975**	**45'464**	**15'000**

Contractual maturity table as of 30.06.2020

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	130'210	130'210	-	32'710	-	82'500	15'000
Lease liabilities	91'245	93'207	47'543	38'093	7'571	-	-
Trade and other payables	188'938	188'938	188'938	-	-	-	-
Accrued expenses and deferred income	113'195	113'195	86'267	*13'464*	*13'464*	-	-
Total financial liabilities	**523'588**	**525'550**	**322'747**	**84'267**	**21'036**	**82'500**	**15'000**

Contractual maturity table as of 01.07.2019

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	52'289	52'289	-	37'289	-	-	15'000
Lease liabilities	50'462	53'000	15'143	15'143	15'143	7'571	-
Trade and other payables	123'012	123'012	123'012	-	-	-	-
Accrued expenses and deferred income	34'894	34'894	33'241	*827*	*827*	-	-
Total financial liabilities	**260'657**	**263'195**	**171'396**	**53'259**	**15'970**	**7'571**	**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 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, 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.

15. 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.

	30.06.2021	30.06.2020	01.07.2019
Active members			
Number of members	4	3	3
Average age in years	39.7	37.2	36.2
Total annual insured salary (CHF)	207'740	145'755	145'755

Principal actuarial assumptions

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

	30.06.2021	30.06.2020	01.07.2019
Discount rate	0.25%	0.25%	0.35%
Salary increases	1.00%	1.00%	1.00%
Pension increase	0.00%	0.00%	0.00%
Interest credit rate	0.75%	0.75%	0.85%
Proportion of pension at retirement	60%	60%	60%
Mortality tables	BVG 2020 (GT)	BVG 2020 (GT)	BVG 2020 (GT)

As of 30 June 2021, the weighted average duration of the defined benefit obligation was 18.9 years (18.5 years per 30 June 2020 and 18.0 as per 1 July 2019) and the plan solely included active members.

Movement in the net defined-benefit liability over 2020-2021

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 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)**

CHF	Defined benefit obligation	Fair value of plan assets	**Net defined benefit liability**
At 1 July 2019	**(68'745)**	**45'988**	**(22'757)**
Included in profit or loss			
Current service cost	(9'309)	-	
Interest (expense) / income	(248)	185	
Included in other comprehensive income			
Actuarial (loss) / gain arising from:			
- Demographic assumptions			
- Financial assumptions (Revised)	(1'077)	-	
- Experience adjustment	(8'021)	-	
Return on plan assets excluding interest expense	-	275	
Other			
Contributions paid:			
- Employers	(9'301)	9'301	
- Employees	-	9'301	
Benefits paid	4'944	(4'944)	
At 30 June 2020	**(91'757)**	**60'106**	**(31'651)**

Plan assets consist of the following asset categories:

Assets Category	**30.06.2021**	**30.06.2020**	**01.07.2019**
Cash	0.8%	1.5%	3.0%
Equities	10.9%	11.8%	10.3%
Bonds	56.0%	56.4%	59.0%
Property	21.4%	20.3%	17.1%
Other	10.6%	10.0%	10.6%
Total Assets	**100%**	**100%**	**100%**

For 2021/2022, the Company expects to incur the following expenses in relation to the plan:

CHF	**2021/2022**
Current service cost (net of employee contributions)	16'845
Net interest	89
Net Periodic Benefit Cost	**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	**2021/2022**
Employer	13'399
Employee	13'399
Total	**26'798**

The expected future benefit payments for the next fiscal year amounts to CHF 9'015.

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.

	30.06.2021	**30.06.2020**	**01.07.2019**
in CHF	**+ 0.5%**	**+ 0.5%**	**+ 0.5%**
Discount rate for calculation purposes	(10'781)	(8'087)	(5'887)
Future salary change	668	427	167
Pension increase	3'289	2'367	1'661

	30.06.2021	**30.06.2020**	**01.07.2019**
in CHF	**- 0.5%**	**- 0.5%**	**- 0.5%**
Discount rate for calculation purposes	12'800	9'621	7'003
Future salary change	(622)	(815)	(477)
Pension increase	N/A	N/A	N/A

16. Accrued expenses and deferred income

CHF	30.06.2021	30.06.2020	01.07.2019
Accrued expenses			
Social security charges	47'170	12'600	8'500
Professional consulting and audit services	39'000	46'339	9'500
Other accrued expenses	-	-	14'414
Deferred income short-term	285'734	27'327	827
Total	**371'904**	**86'266**	**33'241**

CHF	30.06.2021	30.06.2020	01.07.2019
Deferred income			
Deferred income short-term	285'734	27'327	827
Deferred income long-term	16'171	26'929	1'653
Total	**301'905**	**54'256**	**2'480**

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

17. Trade payables

CHF	30.06.2021	30.06.2020	01.07.2019
Trade payables	101'485	154'204	30'265
Other payables	28'142	34'734	92'747
Total	**129'627**	**188'938**	**123'012**

Trade payable balances are held mainly in CHF. Other payables include social security charges and travel expenses.

18. Borrowings

CHF	30.06.2021	30.06.2020	01.07.2019
Current			
Loans due to third parties	-	-	-
Loans due to shareholder	62'047	-	
Total	**62'047**	-	-
Non-Current			
Loans due to third parties	45'000	45'000	-
Loans due to shareholder	15'000	85'210	52'289
Total	**60'000**	**130'210**	**52'289**

BEACONSMIND received a COVID-19 loan of CHF 45'000 on 26 March 2020 (non-current loans due to third parties). This loan currently bears interest at 0.0%, and these interest conditions can be adjusted by the Federal Council on 31 March of each year. The term of the loan is 5 years from the granting of the loan by the bank. The loan amount of CHF 45'000 is to be repaid in the full at the latest at the end of the term together with the outstanding interest at that time. During the period of the joint guarantee, profit distributions and the granting and repayment of loans to shareholders of related parties are prohibited. The impact of the interest-free element is not material; therefore the loan has been accounted at nominal value.
The non-current loans due to shareholder are subordinated in the amount of CHF 15'000 (30 June 2020 CHF 15'000 and 1 July 2019 CHF 15'000).

Due Dates

in CHF	30.06.2021	30.06.2020	01.07.2019
Within 1 year	62'047	-	-
Between 1 and 5 years	45'000	115'210	37'289
More than 5 years	15'000	15'000	15'000
Total loans and borrowings	**122'047**	**130'210**	**52'289**

Movement of current financial liabilities

CHF	2020/2021	2019/2020
1 July	-	-
Cashflow from raise/(repayment) of current financial liabilities	62'047	-
30 June	**62'047**	-

Movement of non-current financial liabilities

CHF	2020/2021	2019/2020
1 July	**130'210**	**52'289**
Cashflow from repayment of non-current financial liabilities	(70'210)	-
Cashflow from raise of non-current financial liabilities	-	77'921
Transfer to current financial liabilities	-	-
30 June	**60'000**	**130'210**

19. 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 2020 - 30 June 2021	1 July 2019 - 30 June 2020
Taxes recorded in the Statement of profit or loss		
Current tax expense	(293)	(461)
Deferred tax income / (expense) relating to the origination and reversal of temporary differences	(524)	2'192
Total	**(817)**	**1'731**
Taxes recorded in the statement of comprehensive income		
Deferred tax expense on defined benefit liabilities	2'744	1'676
Total	**2'744**	**1'676**

Analysis of deferred tax assets and liabilities

Deferred tax liabilities are recognized in the statement of financial position in non-current liabilities. BEACONSMIND 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 2019 and 30 June 2021 of the components of deferred tax assets and liabilities is as follows:

CHF	Balance sheet			Statement of profit or loss	
	30.06.2021	30.06.2020	01.07.2019	1 July 2020 - 30 June 2021	1 July 2019 - 30 June 2020
Leases - right-of-use assets	(24'758)	(17'215)	(9'588)	(352)	(163)
Leases - lease liabilities	25'083	17'336	9'588	555	284
Inventory	-	-	(2'057)	-	2'057
Employee benefits	8'030	6'014	4'324	(728)	13
Deferred tax expense				**(524)**	**2'192**
Deferred tax asset, net	**8'355**	**6'135**	**2'267**		
Thereof recorded as deferred tax asset	*8'355*	*6'135*	*4'324*		
Thereof recorded as deferred tax liability	*-*	*-*	*(2'057)*		

Unused tax losses for which no deferred tax asset was recognized

CHF	30.06.2021	30.06.2020	01.07.2019
Expiry 2026	(432'981)	(432'981)	(432'981)
Expiry 2027	(549'603)	(549'603)	-
Expiry 2028	(2'097'660)	-	-
Total unrecognised tax losses carried forward	**(3'080'244)**	**(982'584)**	**(432'981)**

20. Related Parties

As of 30 June 2021, 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.

The following transactions were entered into with related parties during the reporting period:

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)**

CHF	Financial year 2020/2019			
	Interest reveived	Interest paid	amounts owed by related party	amounts owed to related party
Transactions with				
Key management personnel				
Shareholders of the company	-	(500)	-	(85'211)
Total	**-**	**(500)**	**-**	**(85'211)**

Transactions with related parties during the reporting period are only related to loans. The interest rate on the amounts owed to related party amounts to 3% p.a..

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

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 Board of Directors responsible for the management of the Company are considered the key management personnel of BEACONSMIND. 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 2020 - 30 June 2021	1 July 2019 - 30 June 2020
Short-term employee benefits	344'798	163'750
Post-retirement benefits	3'699	3'699
Total	**348'497**	**167'449**

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 15 for further details on that plan.

21. 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	2021	2020
Share of net income attributable to equity holders	(4'784'614)	(2'596'715)
Weighted average number of shares outstanding (number)	1'996'354	1'802'906
Basic and diluted earnings per share (in CHF)	**(2.40)**	**(1.44)**

22. Events after the balance sheet date

After the balance sheet date BEACONSMIND was able to close a financing round through a capital increase from authorized capital in the amount of CHF 5.8m as of December 16, 2021, against the issuance of 580’000 new shares, increasing the share capital from 2’108’884 to a new total of 2’688’884. The contribution of 5.8m CHF will flow to the company as equity and will increase the capital reserve.

Beside the before mentioned no material subsequent event occurred between the 30 June 2021 and March 25 2022, being the date when BEACONSMIND financial statements were authorized for publication.