

beaconsmind AG reports second half year 2022 results – with acceleration of growth and profitability in FY2023 post turnaround

- **Reported revenues of around CHF 0.6MM**
- **Gross margin at 82.8 percent**
- **Successful alignment of corporate structure reflecting beaconsmind Group**
- **cash capital increase and capital increase in kind with a total volume of CHF 9.6 million successfully implemented in the 2023 financial year. Company well positioned to reach the break-even point**
- **Outlook 2023: Further value-enhancing acquisitions to be completed. Significant increase in revenues and earnings expected following successful turnaround**

Zurich, Switzerland – September 5, 2023 – Second half year 2022 results, which corresponds to the short financial year 2022/2023, are reported by beaconsmind AG (“beaconsmind”) (ISIN: CH0451123589 – Ticker: MLBMD), a leading SaaS provider in the field of location-based marketing (LBM) & analytics. The company’s half year results were negatively impacted by its single product focus in beaconsmind as well as high one-off costs stemming from M&A-related costs. In addition, the financial ratios were negatively impacted by costs inflicted by reorganization measures introduced in FY2022 by Management. Financials of FREDERIX Hotspot GmbH (“FREDERIX”) were not yet consolidated in FY2022, whereas costs related to the acquisition are fully reflected in the financial statements.

beaconsmind has prepared consolidated financial statements in accordance with IFRS and reports its key financial figures in Swiss francs. For the second half year of 2022, beaconsmind posted revenues of CHF 0.55MM and Earnings before interest, taxes, depreciation, and amortisation (EBITDA) of CHF -3.18MM including aforementioned one-off costs. The Gross Profit margin remained stable at 82.8 percent (prior second half year 2021: 85.4 percent). Annual recurring revenues (ARR) of the beaconsmind Suite software made up around 93 percent of total revenues. Services, hardware, and installation revenues accounted for the remaining 7 percent.

FY2023 is beaconsmind's first fiscal year, which will correspond to the respective calendar year with being on track for breakeven by FY2023 end.

Following a challenging year 2022 and a successful conclusion of its restructuring measures including change of strategy in 2023, product chain and management, beaconsmind is set for growth. Under its new Group structure, beaconsmind Group continues to increase its service offerings through selected add-on acquisitions such as FREDERIX, Netopsie or Socialwave. In July 2023, the Board of Directors of beaconsmind has appointed Jonathan Sauppe as new CEO of beaconsmind Group to focus on cost-cutting, efficiency and install profitable growth. Through its leadership, beaconsmind Group has already implemented a cost-cutting programme of total CHF 1.0MM by leveraging its range of products and services and centralizing critical functions and operations.

In November 2022, a majority stake in FREDERIX, provider of cloud Wi-Fi solutions for businesses and developer of intelligent, cloud-based Wi-Fi hotspot technologies, was acquired. In February 2023, the DSL provider Netopsie was acquired and in March 2023, Socialwave, provider of guest Wi-Fi and marketing solutions. Through these bolt-on acquisitions, beaconsmind will strengthen its Wi-Fi Hotspot vertical and increase its reach significantly in the market whilst unlocking sales and cost synergies between Socialwave, Frederix,

Netopsie and beaconsmind. Respective run-rate EBITDA contributions from Socialwave and Frederix including Netopsie amount to ca. CHF 1.5MM and CHF 0.7MM p.a.

For FY2023, beaconsmind Group expects to increase its revenues well beyond the EUR 8MM threshold on the back of new revenue streams due to an integrated product portfolio available to both existing and new costumers. In 2023, beaconsmind expects to reach profitability, laying the foundation for further growth in 2024 and beyond. Moving forward, beaconsmind Group plans to further explore accretive acquisition opportunities, as well as delve deeper into the value chain.

beaconsmind successfully carried out a capital increase in kind and a cash capital increase with a total volume of CHF 9.6 million in the current financial year. The company is well positioned to reach break-even in 2023.

Jonathan Sauppe, CEO of beaconsmind: "The second half year 2022 results were below our expectations and include certain write-offs in conjunction with decisions by previous Management. Since the strategic and operational re-focus under my leadership the Group has taken significant improvement measures to ensure a profitable growth trajectory on the back of a lean cost structure. Those measures were costly and fully reflected in our second half year 2022 financials including necessary write offs. We are now switching into growth mode into 2024. At beaconsmind Group, the central, strong growth areas will be bundled in the future, the product offerings will be dovetailed into an integrated product portfolio and synergies will be created by centralising the most important Group functions. With the acquisitions of FREDERIX, Netopsie and Socialwave, we have significantly expanded our business activities to offer our customers further innovative solutions from a single source. This should lead to a further growth boost, so that we are optimistic about the future and expect to continue our dynamic development in FY2023."

The second half year financial report 2022 is available for download on beaconsmind's website (www.beaconsmind.com) in the "Investor Relations" section. The 1H 2023 IFRS financials will be available until end of October 2023 reflecting for the first time part of the acquired profitable assets.

About beaconsmind

Founded in 2015 in Switzerland, beaconsmind AG is a pioneer in the field of location-based marketing (LBM) software for retail chains. By fitting stores with Bluetooth beacons that precisely locate and identify customers, and by integrating its Software Suite, beaconsmind opens a brand-new channel for retailers to interact with their customers. Thanks to its solution, retailers can converge digital and physical shopping and address the convenience gaps of each. The shares of the company (ISIN: CH0451123589 – Ticker: MLBMD) are listed on the Frankfurt Stock Exchange with XETRA trading and on Euronext in Paris.

For more information, please visit www.beaconsmind.com

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