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beaconsmind Group accelerates transformation under new leadership and concludes further strategic acquisitions

- **Successful acquisition of KADSOFT and T2 Vertrieb with EUR 3.0MM revenues and EUR 0.6MM run-rate EBITDA**
- **Total purchase price of total EUR 3.0MM through a combination of cash and 300,000 new beaconsmind shares to the sellers**
- **Strategic transformation concluded – Infrastructure segment and Software/SaaS segment as new pillars of beaconsmind Group**
- **Company confirms EBITDA breakeven and strong revenue growth and profitability for 2024 with ca. CHF 12.6MM and EBITDA of CHF 2.2MM as guidance**
- **Strong balance sheet with CHF 6.8MM equity and confirmed cash breakeven; 1H 2023 still with low legacy revenues and EBITDA**

Zurich, Switzerland – 25 October 2023 – beaconsmind Group (ISIN: CH0451123589 – Ticker: MLBMD), a leading SaaS provider in the field of location-based marketing (LBM) & analytics, successfully concluded further strategic add-on acquisitions with the acquisition of T2 Vertrieb ("T2") and KADSOFT ("Kadsoft")

With the acquisition of both companies, beaconsmind is continuing to expand its business activities in the newly formed Infrastructure segment in line with its overall business strategy.

- Kadsoft is a technology company specializing in the planning, realization, and implementation of new IT systems, as well as the enhancement of existing system solutions. The Company operates in three segments: IT infrastructure (hardware) and cabling, IT media infrastructure and consulting as well as internet services.
- T2 is a technology firm primarily dedicated to the deployment and growth of telecommunication systems, with a core mission of guaranteeing the smooth establishment and improvement of infrastructure for its valued clients. The Company operates in three segments: Installation, Remote maintenance software, and client services.

The combined run-rate revenue of both companies amounts to EUR 3.2MM and EUR 0.6MM EBITDA including cost synergies. Accretive effect on Group financials will be fully captured in the FY2024 annual figures with an expected closing still in November 2023.

The acquisition is financed via EUR 1.6MM cash that was recently raised via an add-on equity placement from Oct 16th and a capital increase in kind with 300,000 shares issued to the sellers with a customary lockup. Through the newly issued capital increase in kind the share capital of beaconsmind AG rises from CHF 439,932.60 by CHF 30,000.00 to CHF 469,932.60.

With the acquisitions of the two companies beaconsmind Group has concluded the strategic transformation into two synergetic segments: Infrastructure and Software/SaaS and will provide reporting of financials on these two segments going forward.

beaconsmind Group's Infrastructure segment mainly includes the backbone Frederix, Netopsie and newly acquired T2 and Kadsoft businesses while the Software/SaaS segment is composed of the Socialwave and former beaconsmind Suite product offering. The new management team has established a new beaconsmind Group offering selecting a best-in-class infrastructure and software offering on a modular basis. First customer PoCs have started across all product offerings confirming revenue synergies next to the already

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implemented cost synergies being fully realized. The previously announced cost-cutting programme of total CHF 1.0MM has been fully implemented through centralizing its range of products and services, critical functions and operations.

As part of this press release beaconsmind Group also has issued the first half year 2023 figures. The company's half year results were still negatively by its single product focus in beaconsmind as well as high one-off costs stemming from M&A-related and restructuring costs inflicted by reorganization measures introduced in FY2022 by Management. For the first time financials of FREDERIX Hotspot GmbH ("FREDERIX") and Socialwave GmbH were partially reflected due to the closing in February and May 2023, respectively.

beaconsmind Group has prepared consolidated financial statements in accordance with IFRS and reports its key financial figures in Swiss francs. For the first half year of 2023, beaconsmind Group posted revenues of CHF 2.7MM vs. previous 2H 2022 of CHF 0.6MM and Earnings before interest, taxes, depreciation, and amortisation (EBITDA) of CHF -0.5MM vs. previous 2H 2022 of CHF -3.18MM. The Gross Profit margin remained stable at 92.3 percent (prior second half year 2022: 82.8 percent). Annual recurring revenues (ARR) of the new software segment made up around 70 percent of total revenues. Services, hardware, and installation revenues accounted for the remaining 30 percent.

Through the recent and previous capital increases beaconsmind Group has been fully capitalized with CHF 6.8MM equity reflected in 30 June 2023. A total of CHF 5.7MM equity was raised in the first half year of 2023, thereof CHF 3.3MM cash capital increase and CHF 2.4MM capital increase in kind. Total equity of CHF 10.4 has been raised 2023 year-to-date including the recently announced cash capital increase and the newly issued capital increase in kind to the sellers of T2 and Kadsoft expected to be raised in FY2023.

As part of this transaction and the concluded strategic transformation and capitalization beaconsmind is EBITDA and cash break even and will not require further capital to sustain the financing of the Group.

The Company is on track to reach EBITDA breakeven in the second half year of 2023, laying the foundation for a solidly financed and profitable business based on fully consolidated financials for 2024 and beyond. Current run rate figures that will be visible for 2024 financials are around CHF 12.6MM and EBITDA of CHF 2.2MM on a Group level. Moving forward, beaconsmind Group plans to further explore accretive acquisition opportunities, as well as delve deeper into the value chain and focus on multiple layers of growth including organic growth through its nascent businesses and harvesting cross selling the entire product offering across all existing customers, further internationalization and accretive acquisitions. Beaconsmind Group will only target strategic add-on acquisitions at very attractive acquisition prices of around 1x revenues and 5-7x pre-synergies EBITDA.

The first half year financial report 2023 is available for download on beaconsmind's website (www.beaconsmind.com) in the "Investor Relations" section. The new company presentation could also be downloaded in the same section.

Explanatory part

Both add-ons Kadsoft and T2 are technology companies specializing in IT infrastructure with their headquarters in Germany.

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Kadsoft designs and offers hardware providing invoice processing function, warehouse management, project management. The Company also establishes media infrastructure used for data processing and advertising. KADSOFT specializes in the complete life cycle of IT systems, which includes designing, implementing, and commissioning new systems. Additionally, KASOFT excels in improving and enlarging existing solutions, with a particular emphasis on robust infrastructure, such as LAN, WAN, and WLAN.

T2 serves as a trusted professional partner specializing in the installation and expansion of telecommunications systems. T2 focuses on ensuring the seamless setup and enhancement of telecommunication infrastructure. T2 has local presences in five distinct locations in Germany highlighting the Company's dedication to delivering outstanding client service and support.

Jonathan Sauppe, CEO of beaconsmind: "The acquisitions of both Kadsoft and T2 represents a significant milestone for our organization and in parallel concluded the end of the restructuring and strategic reorganization. Over the last 12 months we have turned a single-product, single company set up into a synergetic group with focus on profitability and growth. The new acquisitions allows us to substantially broaden our existing customer network on the Infrastructure segment, thereby enabling us to extend our solutions to a more extensive array of clientele. The balance sheet of the Company is solid and we can confirm the EBITDA and cash break even for the current second half year 2023. We are looking forward to demonstrating with 1H 2024 financials and further accretive acquisitions and paying back the trust that investors have given us in the last couple of transformative months."

About beaconsmind Group

Founded in Switzerland in 2015, beaconsmind Group is at the forefront of location-based marketing (LBM) software, WiFi infrastructure systems, and WiFi Guest Hotspots, catering to sectors such as retail chains, hospitality, healthcare, and the public sector. The subsidiaries under the beaconsmind Group umbrella are recognized for their expertise in digital transformation, Location-Based Marketing, infrastructure, and Wi-Fi services for SaaS clients. Through intelligent, entirely cloud-based technologies, we deliver tangible added value to our clients, empowering their omnichannel strategies with enhanced success.

For more information, please visit http://www.beaconsmind.com

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