beaconsmind®

DOCUMENT D'INFORMATION / *INFORMATION DOCUMENT*

February 10th 2021

ADMISSION DES ACTIONS AUX NEGOCIATIONS SUR LE MARCHE EURONEXT ACCESS+/
ADMISSION OF SHARES FOR NEGOTIATIONS ON EURONEXT ACCESS+

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Des exemplaires du présent document sont disponibles sans frais au siège de la société Beaconsmind. Ce document peut également être consulté sur le site internet de Beaconsmind (www.beaconsmind.com) ainsi que sur celui d'Euronext (www.euronext.com)./ Copies of the Information Document are available, free of charge, from Beaconsmind. *This document is also available on* Beaconsmind*'s website (www.beaconsmind.com) and on Euronext's website (www.euronext.com).*

L'opération proposée ne nécessite pas le visa de l'Autorité des marchés financiers (AMF). Ce document n'a donc pas été visé par l'AMF./ The proposed transaction does not require a visa from the Autorité des marchés financiers (AMF). This document was therefore not endorsed by the AMF.

INVEST CORPORATE FINANCE

Advisor and Listing Sponsor

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GENERAL REMARKS

In this information document, the terms "beaconsmind" or the "Company" refer to beaconsmind AG.

Warning Notice

Market and competition information

This information document contains information relating to the Company's markets and its competitive position. This information comes in particular from studies carried out by internal and external sources (specialized studies, publication of the sector, press releases etc.). The Company believes that this information gives a true and fair view of the market in which it operates and accurately reflect its competitive position. However, although this information is considered reliable by the Company, it has not been verified by a third party, and the Company cannot guarantee that an investor or any other third party using different methods to collect, analyse or calculate data on these markets would obtain the same results.

Forward-Looking Information

This information document contains information on the Company's development prospects and priorities. These indications are sometimes identified by the use of the future, the conditional or forward-looking terms such as "consider", "envisage", "think", "have as an objective", "expect", "hear", "should", "ambition", "estimate", "believe", "wish", "power" or, where applicable, the negative form of the same terms, or any other variant or similar terminology. This information is not historical data and should not be interpreted as guarantees that the facts and data stated will occur. This information is based on data, assumptions and estimates considered reasonable by the Company. They are subject to change or modification due to uncertainties related in particular to the economic, financial, competitive and regulatory environment. This information is mentioned in various paragraphs of this Information Statement and contains data relating to the Company's intentions, estimates and objectives concerning, in particular, the market in which it operates, its strategy, growth, results, financial position, cash-flow and cash-flow forecasts. The forward-looking information referred to in this Information document is given only as of the date of registration of this Information document.

The Company operates in a competitive and constantly evolving environment. It cannot therefore anticipate all the risks, uncertainties or other factors that may affect its business and their potential impact on its business or to what extent the materialization of a risk or combination of risks could have results that are significantly different from those mentioned in any forward-looking information, it being recalled that none of these forward-looking statements constitute a guarantee of actual results.

Risk factors

Investors are advised to carefully read the risk factors described in Chapter 4 "Risk Factors" of this Information document before making any investment decision. The occurrence of some or all of these risks is likely to have a material adverse effect on the Company's business, financial position, results or prospects. In addition, other risks, not yet identified or considered immaterial by the Company, on the registration date of this information document, could also have a material adverse effect.

I. Responsible persons

1. Persons in charge

1.1 Responsible of the information document

The person below assumes responsibility for the completeness and truthfulness of the data and information contained in this Information Document, subject to the confirmation under Section 1.3 below:
Mr. Max Weiland
Chief executive officer

1.2 Responsible of the financial information
The person below assumes responsibility for the completeness and truthfulness of the financial information contained in the Information Document, subject to the confirmation under Section 1.3 below:

Mr. Max Weiland
Chief executive officer

1.3 Statement of responsibility

"I declare that to the best of my knowledge, the information provided in this Information Document is accurate and that, to the best of my knowledge, the Information Document is not subject to any (material) omissions and that all relevant information is included in the Information Document."

Date: 10.02.2021
For the company,

Mr. Max Weiland
Chairman

1.4 Advisor & Listing sponsor

Invest Corporate Finance
73 Boulevard Haussmann, 75008 Paris, France

1.5 Auditors

Name: PricewaterhouseCoopers AG, Birchstrasse 160, CH-8050 Zürich
Date of appointment: 2017
Term of office: 2021
Duration of the mandate: 1 year

II. Selected financial information

2.1 Historical fiscal year data of beaconsmind AG

The following tables have been derived from:

- The audited financial statements as of and for the year ended 31 December 2017 (business year 2017).
- The audited financial statements as of and for the 18-month period ended 30 June 2019 (extended business year 2018/2019).
- The unaudited financial information as of and for the 12-month period ended 30 June 19.
- The reviewed interim financial statements as of and for the 6-month period ended 31 December 2019 (first half of business year 2019/2020).
- The audited financial statements as of and for the 12-month period ended 30 June 2020.

a) Condensed balance sheet

In CHF	31 Dec 2017	31 Dec 2018	30 Jun 2019	31 Dec 2019	30 Jun 2020
Assets					
Cash	23,989	37,302	3,730	12,442	68,472
Trade accounts receivable	35,374	75,224	11,619	251,306	18,342
Other short term receivables	7,499	9,258	1	11,456	15,043
Inventory	0	0	1	0	18,275
Other	1	10,600	1,940	70	14,866
Total current assets	**66,864**	**132,384**	**17,291**	**275,274**	**134,998**
Property, plant and equipment	19,050	11,400	9,120	7,300	22,955
Intangible assets	86,295	53,035	59,805	50,755	58,477
Other	2	10,036	2	2	2
Total non-current assets	**105,347**	**74,471**	**68,927**	**58,057**	**81,434**
Total assets	**172,211**	**206,855**	**86,218**	**333,331**	**216,432**
Liabilities and shareholders' equity					
Trade accounts payable	46,002	23,937	30,265	37,793	154,204
Short term interest bearing liabilities	10,000	3,218	0	0	0
Other	93,966	113,604	125,161	70,940	107,122
Total short-term liabilities	**149,969**	**140,759**	**155,426**	**108,733**	**261,326**
Long-term interest bearing liabilities	11,537	0	52,289	66,808	85,210
Other long-term liabilities	0	0	0	0	5,844
COVID-19 Credit	0	0	0	0	45,000
Total non-current liabilities	**11,537**	**0**	**52,289**	**66,808**	**136,054**
Total liabilities	**161,506**	**140,759**	**207,715**	**175,541**	**397,381**
Shareholders' equity	**10,705**	**66,096**	**-121,497**	**157,790**	**-180,949**
Total liabilities and shareholders' equity	**172,211**	**206,855**	**86,218**	**333,331**	**216,432**

b) Condensed profit & loss statements

In CHF	1 Jul 2017 – 30 Jun 2018	1 Jul 2018 – 30 Jun 2019	1 Jul 2019 – 30 Jun 2020
Duration	12 months PF	12 months PF	12 months
Revenue	**339,129**	**293,163**	**512,448**
EBITDA	**-120,271**	**-207,107**	**-457,847**
Operating result (EBIT)	**-311,424**	**-285,458**	**-518,534**
Ordinary result	-317,182	-308,929	-528,894
Net result	**-317,767**	**-309,107**	**-529,355**

c) Condensed Cash flow

In CHF	1 Jul 2017 – 30 Jun 2018	1 Jul 2018 – 30 Jun 2019	1 Jul 2019 – 30 Jun 2020
Duration	12 months PF	12 months PF	12 months
Operative cash flow	-145,020	-162,260	-415,733
Cash drain from investing activities	-113,757	-56,355	-73,193
Cash inflow from financing activities	294,159	184,628	553,668
Net change in cash	**35,382**	**-33,987**	**64,742**
Opening balance of cash	2,336	37,718	3,730
Closing balance of cash	37,718	3,730	68,472

2.2 IFRS reconciliation tables of beaconsmind AG

Reconciliation of comprehensive income

in CHF

		1 Jul 2019 - 30 June 2020 (12 month)	1 Jul 2018 - 30 Jun 2019 (12 month)	1 Jan 2018 -30 Jun 2019 (18 month)
Statutory net result		**-529'355**	**-309'107**	**-432'982**
Cost of sales	(1)	-10'826	10'826	10'826
Other operating expenses	(2)	15'143	10'284	10'284
Depreciation	(2)	-14'138	-7'069	-7'069
Financial expenses	(2)	-2'112	-1'203	-1'203
Income taxes	(3)	2'262	-2'439	-2'439
Comprehensive income - reconciled		**-539'026**	**-298'708**	**-422'583**

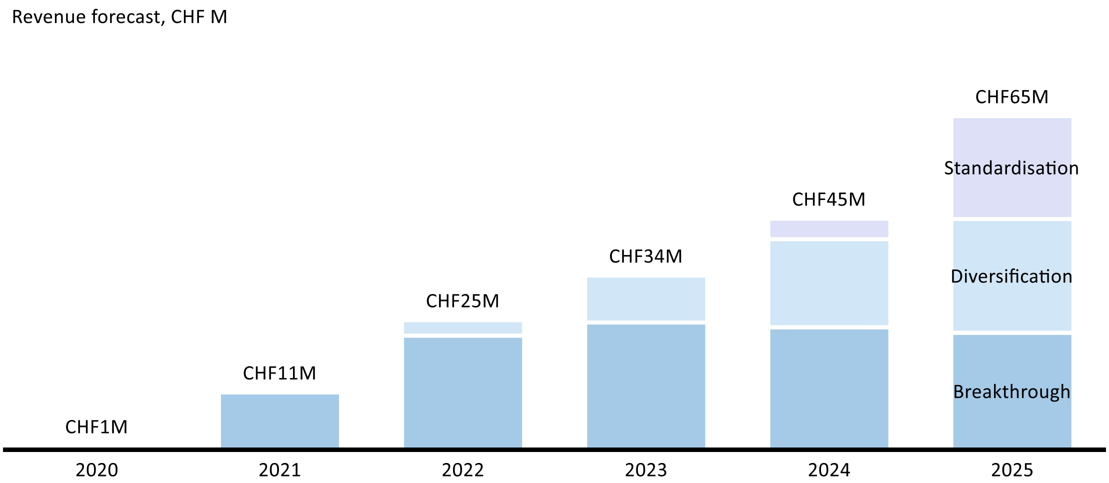
Remarks:

(1) While, for statutory purposes, in the 12-month period and in the 18 month 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 (see also section 4.1). 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.

(2) In accordance with IFRS 16 the lease of a company car had to be recognized as a right of use asset with the corresponding lease liability. The right of use asset is depreciated over the lease period. In the statutory financial statements, the lease payments are recognized as expense when due.

(3) As result of the recognition of a higher value for inventory and the company car as a lease in the balance sheet under IFRS a deferred tax liability would be recognized.

2.3 Main targeted business plan items



	2020	2021	2022	2023	2024	2025
EBITDA	-CHF1M	CHF1M	CHF6M	CHF11M	CHF14M	CHF18M
EBITDA %	-105%	7%	25%	31%	31%	28%

Note: 2020 is a calendar year estimate and does not correspond to the accounting year that finished in June 2020.

III. Risk Factors

An investment in shares of the Company is highly speculative and involves a high degree of risk. The attention of prospective investors is drawn to the fact that the company is subject to a variety of risks which, if any were to materialize, could have a significant adverse effect on the company's business and/or financial condition, results or future operations.
The following risk factors in this section should be considered carefully in evaluating whether to make an investment in the company. The following factors do not intend to be an exhaustive list or explanation of all the risk factors involved in investing in the company. Additionally, there may be risks not mentioned in this document of which the board is not aware or believes to be immaterial, but which may, in the future, adversely affect the company's business and the market price of its shares.

3.1 Risks related to the Company's activities

Risks related to the Issuer's growth strategy and management

The Company intends to pursue a growth strategy mainly based on the development of strategic client accounts and on the broadening of its clients and customer base either in markets it has already developed a consistent know how and track record as in new countries as per clients' requests.

According to the Company's management, the Company's envisaged growth strategy, together with the investments planned, should lead to an expansion of the current organizational structure specially for the sales activity. In this context, the Company will probably need to restructure its organizational model and internal procedures, adapt the working capital management policies to its new condition, and obtain adequate financial resources to cover the financial needs related to the growth and expansion strategy of the Company. If the Company results not to be able to efficiently and appropriately manage the growth process, adapt its organizational model to the increased management complexity, and cover its financial needs, this could have material adverse effects on the Company's business, the implementation of the targeted business plan presented in this document and on its financial, economic and asset situation.
The expansion into new international markets where the Company has limited or no experience should have limited risks considering that the main value of the Company's proposition resides in its software and platform which is already developed and operated out of its headquarters in Zürich. However, should the Company fail to deploy and manage its operations, especially in the first steps of its value proposition, the installation of the devices, which is outsourced through a number of suppliers, its business may suffer. In addition, as the Company's international operations will increase in the future, its expenses will be more and more denominated in currencies other than the Swiss Franc or Euro, so that operating results may be more greatly affected by fluctuations in the exchange rates of the currencies in which the Company does business. In addition, the Company is subject to a variety of risks inherent in doing business internationally, including:

- political, social, and economic instability;
- risk related to the legal and regulatory environment in foreign jurisdiction, including with respect to privacy, and unexpected changes in laws, regulatory requirements and enforcement;
- potential damage to brand and reputation due to compliance with local laws, including potential censorship and requirements to provide user information to local authorities;
- fluctuations in currency exchange rates;
- higher level of credit risk and payment fraud as well as credit card charge backs;
- complying with multiple tax jurisdiction, including VAT;
- enhanced difficulty of integrating any potential foreign acquisition;
- complying with a variety of foreign laws, including certain employment laws requiring national collective bargaining agreements that set minimum salaries, benefits, working conditions and termination requirements;

- reduced protection for intellectual-property right in some countries;
- difficulties in staffing and managing global operations and the increased travel, infrastructure and compliance costs associated with multiple international locations;
- regulations that might add difficulties in repatriating cash earned outside of Switzerland and otherwise preventing us from freely moving cash;
- complying with statutory equity regulation

Risks related to market's dynamics
The Company's market, the location based marketing (LBM)[1], is characterized by a consistent increase during the last 5 years due to, on the one hand, a change in retail consumption switching from a multi-channel to an omni-channel[2] sales approach, motivated partly by an increase of the use of smart phones, and on the other hand an increase in the budgets allocated by retailers to location based marketing services.
The location based marketing industry is in an early development stage, meaning it is still a niche market with few competitors and with significant growth perspectives. However, considering it hasn't consolidated itself yet among retailers and other potential clients, we could expect that a negative macroeconomic environment could have a negative impact on the industry dragged by a reduction in marketing budgets. A said reduction in marketing budgets could materialize in many ways including (i) Companies excluding location based marketing services completely from its budgets as many potential clients are not yet familiarized with the product and prefer to allocate their budgets differently, or (i) Companies delaying the implementation or reducing contracted location based marketing services only to basic features.
Should the Company be unable to adapt to the market's dynamics, this could have material adverse effects on the Company's business and on its financial, economic and asset situation.

Risks related to market competition
The market in which the Company operates is characterized by a low level of competition with few independent players and few well known competitors being acquired by large international players from the Tech and Media space with greater available resources. As a result of such acquisitions current competitors might be able to react more quickly to new customer needs, by devoting greater resources to the sale of their products and services, initiate or withstand substantial price competition, take advantage of other opportunities more readily or develop and expand their offerings more quickly.
Some current competitors of the Company have or may have greater financial resources and achieve higher market shares than the Company. The strengthening of competitive pressure and the eventual inadequacy of the countermeasures adopted could lead the Company to amend and/or resize its development targets.
Competing against global players which have greater financial and technical resources and the ability to rapidly launch new products and features represents constant uphill battle for the company.
The company's competitors may have various competitive advantages, such as brand and name recognition, a longer operating history or even a larger customer base. The shareholder base, their financial capacity and their reputation and expertise within the technological and marketing space may play a key differentiation factor as well. The company may face as well other points for competition related to its resources and its capacity to fund its operations, strategic acquisitions and developments, increasing its current capacity or offering complementary services or upgrading its current product offering
Should current and potential competitors engage in cooperative relationships among themselves or with third parties, that might further enhance their resources.
If the Company results to be unable to face the market competition or the entrance of new operators into the sector, this could have material adverse effects on the Company's business, and on its financial, economic and asset situation. Although there are some barriers to entry from a

[1] Location-based marketing involves online and offline tactics designed to help businesses plan and implement marketing activities based on consumers' geographic location.
[2] Omnichannel is a cross-channel content strategy that organizations use to improve their user experience and drive better relationships with their audience across points of contact.

technological point of view as from a pure industry know-how and client relationship development point of view, should the company's business model be imitated by a competitor, this could potentially have a detrimental effect on the company's sales potential.

Risk related to hardware suppliers & installation companies

At the present time, the Company depends on two main types of suppliers: (i) hardware/device suppliers and (ii) companies providing installation services of the devices.

On the hardware side the company counts with 2 main suppliers. Current and projected production capacity is currently meeting expectations, however, should suppliers start working with other companies to the detriment of the Company, this could have a negative impact on the capacity to provide the devices in time and number. Should as well the hardware suppliers decide to stop working with the company, or decide to increase their prices, the Company's costs and results of operations would be adversely affected.

Regarding installation service companies, the Company does currently work with 2 suppliers. Considering the Company's growth strategy both in terms of number of new clients as well as in terms of geographical reach, there are many considerable risks that could harm the Company's strategic development and its current and potential client relationships, including: (i) capacity to deploy the requested workforce in time and space being able to assure the quality of the installation (ii) learning capacity to properly install the devices. Current projected growth implies a significant increase of new clients and therefore of devices to be installed, meaning a considerable installation workforce to be mobilised. Should an elevated number of expected clients' requests arrive all on the same time and the installation services supplier not be able to deploy the requested workforce, it could have at least an impact on the time to deliver the product implying a deterioration of the relationship with the client. Furthermore, considering installation services are externally provided operational risks should be taken into account. A deteriorated learning curve on how to install the devices could lead as well to unsatisfied client relationships having a material adverse effect on the Company's business, and on its financial, economic situation. Should installation suppliers start working with other companies to the detriment of the Company, this could have a negative impact on the capacity to generate revenue. Should as well the suppliers decide to stop working with the company, or decide to increase their prices, the Company costs and results of operations would be adversely affected.

Risk related to dependency on major customers
At the present time, the Company has ~10 customers with a strong dependency on adidas. The Company has a strong client dependency heightened by the fact that there is no contract in place that allows to assure the retention of this client. Should this customer choose to change or continue with another location based marketing services provider, there is no contract in place that prevents him from doing that, which means that the Company's revenues are highly dependent on its main client's budgets and willingness to pursue the relationship. Bargaining power is also very limited. The customer can stop, change or continue the relationship with another provider. Today, the company plans to diversify its client base incorporating at least 3 new global accounts and reduce client dependency.
Customers do generally have a global presence implying that commercial practices will have to be framed in general by commercial contracts, which will be regularly reviewed. The company will contribute its best efforts but cannot guarantee that it will be able to anticipate future customer and market needs and opportunities or to be able to develop product enhancements or new products to meet such needs or opportunities in a timely manner, if at all. Even if it is able to anticipate, develop and commercially introduce enhancements and new products, there can be no assurance, that enhancements or new products will achieve widespread acceptance within existing and future customers.
The company's location-based marketing software / platform could fail to attain sufficient market acceptance for many reasons. An increased use of competitor's products instead of the Company's ones motivated by an earlier product introduction or simply by a greater product perception by the client, or competitors marketing similar products with a replicated business model would quickly harm the Company's results and development strategy. Should the Company face any type of errors in its systems / IT platform, any delays in the installation of its products or in future product enhancements, it will most probably imply competitors gaining market share against the Company. But not only from a product point of view, but more a reputational one, should the Company not pay enough attention to any concern about privacy implications, safety, security of the information collected or any reputational event, it would have a significant impact on its clients' perception and ultimately on its business and financial results. In brief, should the Company fail to anticipate market requirements or fails to further develop the product, platform, features and its offerings in a timely manner, it could cause it to lose existing customers and prevent it from gaining new customers, which would significantly harm its business, financial condition and result of operations.

Risk related to the technological platforms
The company depends on effectively operating with mobile devices, hardware, networks, regulations, and standards that are out of the control of the Company. Changes in those operating systems, hardware, networks, regulations, or standards may seriously harm the Company's ability to deliver its product and therefore putting under pressure the Company's growth, retention, and client engagement and ultimately negatively affecting its operations and business results.
Location based marketing services do by definition rely on customer's clients using smart phones with Bluetooth connectivity. The adoption of any laws or regulations that would adversely affect the growth, popularity, or use of Bluetooth connected smart phones, would decrease the demand for the Company's products and services. Linked to the Bluetooth technology, any negative impact that this technology will face will directly impact the company's ability to deliver its products and services. Whether for health reasons, safety concerns, or otherwise, any decrease in the adoption of the technology in personal devices will have a negative impact on the company which may not be able to deliver its products and services at all.
Another technological risk is the potential emergence of new technologies that could replace the current Bluetooth technology, on which the company's products and services are based. The company may not be able to adapt its products or services to any new technology and therefore suffer a significant negative impact to its prospects.
Furthermore, a significant risk the Company will be facing, will be that of online attacks, hacks, spam, virus and other digital threats that may affect the Company in many different ways such as: shutting down the company's platform, stealing data and information collected by the Company, sending misleading information about customers harming the Company's brand and reputation or even executing fraudulent transactions as a result of data theft.

Risk related to future potential acquisitions and joint ventures

The Company may plan any acquisition and or joint venture in the short term. The company may incorporate new entities and / or form joint ventures, which could require significant management attention, disrupt its business, dilute its stockholders, and harm its business.

Instead of acquiring existing companies the company may decide to incorporate new entities to launch new products, technologies and services. Newly incorporated entities may be 100% subsidiaries, minority investments or joint ventures with third parties including other investors, partners or management teams.

The company's ability to found new entities and successfully integrate and pair with them is unproven. In the future, the company may not be able to find suitable opportunities, and the company may not be able to complete launches or team integrations on favourable terms, if at all. The company's future incorporations or Joint Ventures may not achieve its goals, and any future transaction the company completes could be viewed negatively by users, advertisers, partners, or investors. In addition, if the company fails to successfully close transactions or integrate new teams, or integrate the products and technologies associated with these incorporations, its business could be harmed. Any integration or collaboration process may require significant time and resources, and the company may not be able to manage the process successfully.

Risk related to customer creditworthiness

Company's clients are usually multinational retailers or franchised store retailers. One-off revenues (installation and set-up of hardware and connectivity to platform) are usually but not always paid in advance by the customers. Regarding recurrent revenues for the use of the Company's platform, revenues will be paid either on a monthly or annual basis. Should any client encounter difficulties to pay, the Company may have to grant an extension for the non-payment as a commercial gesture or to shut down customer's access to the platform. The financial loss as result of the deterioration of the customer's creditworthiness may harm the viability of the company.

Risk related to the freelance collaborators

Outside of the full-time employees (as defined for legal, tax and social security purposes), many collaborators are externally hired and working remotely. Although this allows the Company to keep an agile and sufficiently light structure, there is a potential risk that the relationships could be reclassified as subordinate employment relationships, with the law, tax and social security consequences typical for such events (i.e. social security payments omitted majored of interest and administrative fines). The occurrence of these events could have material negative effects on the Company's business and on its financial, economic and asset situation.

Risk related to image & reputation

The Company's brand and reputation are highly important, being one of the key assets of the company for the consolidation within the market, recognition over competitors and gain of market share. The Company enjoys an outstanding reputation among its clients with predominant presence in Switzerland, Europe and the US, as it pays great attention to the quality of its products and the needs of its customers.

However, there is a risk that negative information of the Company's products and services and operational activities, founded or unfounded, may spread, having an adverse effect on the Company's business sometimes leading to litigations or other legal procedures. The occurrence of these events could have material negative effects on the Company's business and on its financial, economic and asset situation.

Risk related to intellectual property

The value of the Company's brands and other intangible assets may be diminished, and business seriously harmed, should the Company be unable to protect its intellectual property.

The Company protects its confidential proprietary information, in part, by entering into confidentiality agreements and invention assignment agreements with all its clients, partners, employees, consultants, advisors, and any third parties with access or contribution to the Company's proprietary know-how, information, or technology. It also relies on trademark, copyright, trade secret, and domain-name-protection laws to protect its proprietary rights. For the time being the Company has not foreseen to acquire any patent. Third parties may knowingly or unknowingly infringe the Company's proprietary rights, they may challenge proprietary rights held by the Company, and future trademark and patent applications may not be approved. In addition, effective intellectual property protection may not be available in every country in which the Company operates or intends to operate its business, however an effective protection can be expected across the different geographies as a result of a global client relationship having the same product/software installed across each POS. The Company may as well be required to expend significant time and expense to prevent infringement or to enforce its rights. Although it has taken measures to protect its proprietary rights, there can be no assurance that others will not offer products or concepts that are substantially similar, or copied, and therefore compete with the Company's business. In addition, the Company may include open-source software in its products, and from time to time, may face claims from third parties claiming ownership of, or demanding release of, the open-source software or derivative works that the Company has developed using such software, which could include proprietary source code. These claims could result in litigation and could require the Company to make its software source code freely available, seek licenses from third parties to continue offering its products for certain uses, or cease offering the products associated with such software unless and until we can re-engineer them to avoid infringement, which may be very costly. Should the Company be unable to protect its proprietary rights or prevent unauthorized use or appropriation by third parties, the value of the brand and other intangible assets may be diminished, and competitors may be able to more effectively copy the products and services of the Company. Any of these events could seriously harm the Company's business.

Risks related to infringement of intellectual property of third parties
beaconsmind may use or interact with intellectual property and systems that come from third parties and this could translate in a risk for the Company. The company is currently using hardware and software that have intellectual property protected by third Parties, for example Microsoft Azure and the various beacons the company uses. The company operates under the premise that the source code of the beaconsmind Suite based on Microsoft Azure is intellectual property of beaconsmind itself. Furthermore, the company is integrating into its clients' systems, websites and applications and as these software platforms may be protected by intellectual property rights, there is a risk that the company be legally challenged from its interaction with those systems, which could hurt its business and reputation.

Risks related to the collection, storage and processing of personal data by the Company
By carrying out its business activities, the Company comes into possession, collects, stores and processes personal data of its clients, employees, and client's customers, with the obligation to comply with the current EU and Swiss applicable regulations. As of the date hereof, the personal data of the Company's employees and customers are processed in substantial compliance with applicable regulations and are stored in the premises of the Company. The Company has also adopted internal procedures and measures to regulate access to and processing of data by its personnel to avoid violations.

Notwithstanding the foregoing, the Company remains exposed to the risk that the procedures implemented and the measures adopted might prove to be inadequate and/or that the necessary privacy safeguards might not be correctly implemented with reference to the different business areas, thus determining that the relevant data might be damaged, lost, stolen, disclosed or processed for unauthorized purposes.

In particular, on 14 April 2016, the EU General Data Protection Regulation 2016/679 ("GDPR") was adopted to set a common personal data regulatory framework for all the EU countries. The GDPR was implemented on 25 May 2018. As of the date hereof, the Company has adapted its internal personal data policies to GDPR requirements.

Furthermore, some countries and legislations where the company will operate may consider the software and hardware as spying devices, and may implement legal, penal or any other types of sanctions against the company. Whilst the company aims to receive all required approvals before operating in a certain legislation, any changes in the local sentiment may lead to unfavourable rulings. Similarly, individual consumer sentiment about the software and beacon technology may change for the worst, and on basis of privacy reasons or any other reason, may lead to destruction, removal or stop in usage of the company's products and services.

The occurrence of these circumstances could have a negative impact on the Company's activities and reputation and determine the imposition to the Company of administrative fines or penalties. This could have material adverse effects on the Company's business and on its financial, economic and asset situation.

Risks related to the inability of the Company to attract and retain key personnel
The Company's success and growth strategy depends in a large part on its ability to attract, retain and motivate within its management team highly skilled individuals who have expertise in the business sector in which the Company operates. There can be no assurance that the Company will continue to attract or retain the qualified personnel needed for its business. Competition for qualified senior managers in the Company's industry will be intensifying, and the availability of persons with the requisite knowledge and relevant experience will be more limited.
The Company may not be able to hire and retain such personnel at compensation levels consistent with its compensation structure. Some of the Company's competitors may be able to offer more attractive terms of employment. The inability to attract or retain qualified personnel could have material adverse effects on the Company's business and on its financial, economic and asset situation.
Furthermore, the company's performance depends on favourable labour relations with its employees and compliance with labour laws in the countries where it has employees and plans to hire new employees. Any deterioration of current relations or increase in labour costs due to compliance with labour laws could adversely affect the Company's business.

Dependence on key personnel and loss of such key personnel may have negative impact on the operations and profitability of the company.
The success of the Company depends in part on the continued service of its key personnel, particularly Max Weiland, CEO, Chairman and member of the Supervisory Board. There is little risk that he may choose to leave the Company, however, should this event arrive it would have a material impact for the Company in terms of revenue and profitability (key relationships, operational execution as well as retention of other personnel). Mrs. Langenbach is a great asset for the company as well due to her expertise (13-year career in digital marketing) and responsibility within the Company (employee #1 of the Company in 2015). This expertise makes her key, as finding a replacement in case of departure may prove hard and costly and may considerably harm the Company's business.

Risks related to compliance with environmental and safety regulations
The Company is subject to laws and regulations regarding environmental protection and safety in the workplace in relation to the operating procedures for carrying out its activities. The Company's management believes that, as of the date hereof, its activities are carried out in substantial compliance with existing environmental legislation and legislation on safety and health in the workplace, without any serious situations of non-compliance. However, it cannot be excluded that potential violations due to an insufficient system of prevention and protection and management powers to the Company's real needs could result in significant administrative fines, of a monetary or inhibitory nature against the Company or penalties against Company's directors.
In addition, it cannot be excluded that the individual risks referred to above might not be covered by the insurance policies currently in force or that the relevant coverage proves to be insufficient to cover damage that might concretely arise from time to time, thus exposing the Company to payment of a portion or the entire amount due in relation to the occurrence of the relevant event. The occurrence of these circumstances could have potential material adverse effects on the Company's business and on its financial, economic and asset situation.

Risk related to obligations as a public company.
Though the constraints are lower than those applicable for a company listed on a regulated market, as a public company, the Company will incur significant legal, accounting, audit, reporting and other expenses in connection with its obligations under applicable securities laws, including the internal and external costs of maintaining the system of internal controls as well as the costs of preparing and distributing periodic public reports, including financial statements and notes, and including the costs related to the ongoing reporting obligations under the EU regulation N°596/2014

of the European Parliament dated April 16th, 2014 on market abuse. Effective internal controls are necessary for the Company to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could cause the Company to fail to meet its reporting obligations.
In addition, changing laws, rules and regulations relating to corporate governance and public disclosure, including regulations implemented by Euronext for companies listed on the Euronext Access+ market, increase the Company's legal and financial costs, including costs relating to monitoring, evaluating and complying with such laws, rules and regulations. These laws, rules and regulations are subject to varying interpretations and may evolve over time as new guidance is provided by regulatory and governing bodies, which may result in increased compliance and governance costs and the diversion of management resources. If the Company's efforts to comply with such laws, rules and regulations are not successful, it could be subject to fines, penalties or regulatory proceedings, which can be time consuming and costly to litigate and could lead to negative publicity. If any of these risks occur, or if these requirements divert the management's attention from other business concerns, they could have a material adverse effect on the Company's business, financial condition and results of operations.

3.2 Financial risks

Risks related to the Company's management control and internal reporting systems
The Company counts with yearly audited consolidated financial statements. Therefore, any internal control and reporting systems have been assumed to be sufficient. The opening of new subsidiaries or the resizing of the company as a result of the company's growth strategy may force the Company to redesign or readapt the current internal reporting systems to assure quality. A delay or failure to readapt its current management control system and or relevant internal reporting systems could have material adverse effects on the Company's business and on its financial, economic and asset situation.

Risks related to possible future losses
For the last 4 years of published accounts (2016, 2017, 2018, 2019), the Company has recorded negative operating results. For the coming years, the Company expects losses in the year 2020, and after that its revenue base to increase to absorb its current cost base, and therefore reaching a breakeven position by the year 2021. However as of today there is no certainty, backlog or contract that allows to determine with certainty the revenue level for the year 2021 or beyond. Therefore, the company may not reach a breakeven and carry on delivering losses. The company's strategic plan contemplates a considerable increase in the Company's client/sales force to stimulate the business and the signing of new contracts. Should the Company fail to sign these contracts, the increase in these expenses could have a material adverse effect on the Company, its business, financial position, results, development and prospects.

Risks related to the macroeconomic framework, including the Covid-19 pandemic
Over the last years, the financial markets have been characterized by a low level of market volatility, an increased market appetite due to high levels of liquidity and an environment supported by low interest rates. However, since February 2020 the Covid-19 pandemic (known as Coronavirus disease), a severe public health emergency for citizens, societies and economies, has put the global economy at risk. The high degree of uncertainty over its economic implications have already had a clear impact on the financial markets, which have experienced a surge in volatility. Economic activity data are still scarce, but all the indicators suggest that the impact of the coronavirus, while possibly temporary, will be far from negligible. The financial markets have experienced an episode of major risk aversion, with capital flows shifting towards safe-haven assets, such as the dollar and US and German sovereign debt, while punishing assets more closely linked to the business cycle, such as stocks. According to the European Commission, substantial negative economic impact on Europe has already materialised, at least for the first half of this year and possibly longer if containment measures are not effective. Real GDP growth in 2020 might fall to well below zero or

even be substantially negative as a result of the COVID-19, and a coordinated economic response of EU institutions and Member States would be key to mitigating the economic repercussions.
Although governments and monetary authorities have responded to this situation with far-reaching interventions, at this stage it is not possible to predict whether and when the economy will return to levels prior to the Covid-19 breakout. If this situation of marked weakness and uncertainty should extend significantly or worsen in the markets in which the Company operates, the activities, strategies and prospects of the Company could be negatively seriously affected. This could have material adverse effects on the Company's business and on its financial, economic and asset situation questioning the viability of the Company in the short to medium term.
Specifically, the customer traffic to physical shops may be very negatively impacted, and this traffic may never return to the levels pre-Covid-19. This would have an impact on the company's clients, with many at risk of closing down stores and therefore not paying for the company's service anymore.

Future financing risks
In the future, the Company will continue to have significant funding needs for the development and continuation of its activity, the Company may not be able to self-finance its growth, which would lead it to seek other sources of financing, in particular through capital increases.
The level of the Company's financing requirements and their timing depend on factors that are largely beyond the control of the Company, and may lead to complications that could harm the company's business, financial position, results, development and prospects.

Liquidity risks
Liquidity risk is the risk that a company may be unable to meet short term financial demands. In the next 12-months, the Company's anticipates the capital expenditure and operational expenditure to add to approximately CHF ~1.6M.
Although the company had recurrent financing during the last 4 years to assure the liquidity of the Company, it estimates that current financing in place in addition to the funds provided by the issuance of new shares, together with the sales of its products and services will be sufficient to fund its financing needs of the next 12 months.

Dilution risks
To finance its operations, the Company may need to raise funds and issue shares or equity linked securities. Any issuance could result in dilution for the Company's current and future shareholders.
Also to be noted, as part of its policy of motivating its managers and employees and in order to attract additional skills, the Company has implemented an incentive Stock Option Plan, which could in the future lead the company to issue or grant shares or new financial instruments giving access to the capital of the Company which will result in additional dilution, potentially significant, for the current and future shareholders of the Company.

Risk related to the market and price of shares
The market for and price of Shares may be highly volatile and may decline suddenly and significantly. Investors may not be able to sell their Shares at or above the purchase price and may lose all or part of their investment.
The market price for and the price of the Shares is highly volatile and may be affected by events involving the Group, its competitors or the financial markets in general. In addition, investors might not be able to sell their Shares at the price which they were purchased at or at a higher price or at all. Factors that could cause this volatility in the market price of its Shares include, but are not limited to:

- the liquidity of the market for the Shares;
- actual or anticipated fluctuations in the Company's user growth, retention, engagement, revenue, or other operating and financial results;
- differences between the Group's actual or projected financial or operating results and those expected by investors and securities analysts, or between such projected results and actual results;
- market expectations for the Group's financial performance;
- future announcements concerning the Company's business and business model;

- change in revenue or earnings estimates and recommendations by securities analysts;
- speculation of the press or investment community:
- actual or anticipated disposals of Shares by shareholders;
- action of competitors,
- lawsuits threatened or filed against the Company, its employees or the Board of Directors;
- litigation or regulatory action involving the Group or industry sectors influencing its business;
- developments in new legislation and pending lawsuits or regulatory actions, including interim or final rulings by judicial or regulatory bodies;
- new laws or regulations, or changes in interpretations of existing laws and regulations affecting the Group's business
- unfavourable press coverage;
- arrival and departure of key personal;
- sale of a large amount of Shares in the public market in the future or the possibility or perception that such sales could occur;
- general market, economic and political conditions; and
- pandemic diseases, natural disasters, terrorist attacks and act of war.

Risk related to the Company's shareholders
Max Weiland, Chairman and CEO, is the Company's largest shareholder holding c.24% of the company at the time of this Information Document. This could lead to conflict of interests which could seriously harm the business and the development of the Share price.
Max Weiland is the largest shareholder at the time of this Offering Memorandum. Should Max Weiland for whatever reasons sell parts or all its position in the Company, or make such plans known to the market, this could lead to a decreasing price of the shares. Even without selling intentions, investors may perceive the dominance of a large shareholder as value reducing and the share price may be negatively impacted.

Risk related to future dividends

The Company has not declared or paid dividends or other distributions so far. The Company has no legal obligation to, and may not, declare distributions on the Shares in the future. In Addition, the Company's ability to declare and pay cash dividends on the Shares is restricted by, among other things, availability of sufficient distributable profits, freely distributable reserves and shareholders' approval. Furthermore, any distribution proposal by the Board of Directors will depend upon the Company's ongoing capital requirements, cash flow generation, general market conditions and other factors. If the Company does not pay any distributions after an investor purchased Shares, capital appreciation, if any, of such Shares, may be the sole source of gain for such investor.

Risk related to exchange rates for the share price
Shareholders may be subject to exchange rate risks. The Shares are quoted in Euros and future payments of dividends, if any, on the Shares will be denominated in Euros. Accordingly, holders of Shares resident outside of the Euro-zone are subject to risks arising from adverse movements in the value of their local currencies against the Euro, which may reduce the value of the Shares, as well as that of any dividends or other distributions paid.

Risk related to the exercise of shareholder rights
Shareholders in certain jurisdictions, including the United States, may not be able to exercise their Rights to acquire further Shares and their ownership and voting interest will be diluted accordingly. U.S. holders of the Shares may not be able to exercise their Rights unless a registration statement under the Securities Act is effective with respect to such Rights and the related Shares or an exemption from the registration requirement is available. Similar restrictions exist in certain other jurisdictions. The Company does not intend to register the Shares under the U.S. Securities Act or the laws of any other jurisdictions and no assurance can be given that an exemption from such registration requirements will be available to U.S. or other holders of the Shares. To the extent that U.S. or other holders of the Shares are not able to exercise their Rights because no registration statement under the U.S. Securities Act or the laws of another jurisdiction is effective with respect to such Rights and no exemption from the registration requirement is available, the Rights will lapse

without compensation and such shareholders' proportionate ownership and voting interest in the Company will be diluted accordingly.

Risk related to litigations

The Company may be subject to litigations processes as a result of its growing ordinary activity and relationship with suppliers, clients, employees, shareholders and other third parties, based on previous relationships or entering a new contractual relationship with the Company. However, there is no evidence that the Company should be more exposed than any other company.

A litigation process was initiated and resolved in 2018 by the Company and its historical partner Osram. No other litigation process is currently underway.

IV. Company's overview

4.1 Presentation of the company

beaconsmind AG is a location-based marketing software provider with headquarters in Stäfa, near Zurich, Switzerland. The Company enables retailers to fundamentally transform the shopping experience for customer in physical stores. The Company offers the beaconsmind software Suite[3], coupled with beaconsmind Track Bluetooth-Beacons[4] 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 retailers like adidas (beaconsmind's main global client), that want to transform the way shoppers experience physical stores. beaconsmind's solution represents a real differentiating factor for these retailers, allowing them to activate shoppers in a brand-new digital channel: the customer's own phone. As shoppers increasingly use their phone whilst spending time browsing in-store, the beaconsmind solution allows retailers to capture their attention, offer them personalised content and a new interactive experience. From the shopper's perception, this new interaction channel cements the convergence of the physical and online shopping experiences and brings together the best of both channels.
As a result, retailers witness an increase in customer basket size, visit frequency and customer loyalty in their physical and online stores. By offering a new experience in physical stores, retailers also seamlessly increase online sales whilst the customer is out of the store. Based on the rich behavioural data collected by the beacons and software, retailers can design marketing campaigns directly in the Suite, and pilot the campaigns in real time.
The beaconsmind Suite is easy to integrate for retailers, thanks to its API[5] that aggregates existing systems (CRM[6], POS[7] etc) and synthetises all data in one place. Since beaconsmind's solution is integrated into the retailer's existing systems, data security is guaranteed by the existing security and privacy policies put in place by each retailer's app. On the hardware side, beaconsmind's Track Bluetooth-Beacons are power-supplied, industrial-grade beacons, integrated directly into the store's existing lighting rails and therefore do not require maintenance. This ease of use and the high return on investment make the solution hard to replace.
beaconsmind has been awarded with different prizes since inception that support its outstanding product, technological edge, and customer-oriented approach. It was awarded Best Enterprise solution in 2016 and Best-In-Store Solution and Top Retail Supplier 2017 by Reta Europe[8]. It won as well a Microsoft BizSpark Plus Program sponsoring of USD 120K in software services from Microsoft. Industrial smart lighting German conglomerate OSRAM through its corporate ventures arm (Fluxunit) acquired a stake in beaconsmind in 2017.

4.2 History and evolution

Founded in 2015 by Max Weiland, beaconsmind AG is a pioneering location-based-marketing (LBM) software provider for retailers. It is the first iBeacon full-service provider helping companies to digitalize their business models providing brick and mortar[9] retailers with an immediate end-to-end solution for integrating location-based services (LBS). beaconsmind has been commercialising its product since 2015, with Hackett (London) as its first client (Q3 2015). It is headquartered in Stäfa,

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[3] In-house developed software by beacosnmind allowing companies to analyze and measure customer valuable data and identify revenue generating initiatives.
[4] Hardware transmitters, a class of Bluetooth low energy (LE) devices, that broadcast their identifier to nearby portable electronic devices.
[5] An application programming interface is a computing interface which defines interactions between multiple software intermediaries.
[6] Customer relationship management (CRM) is a technology for managing all the company's relationships and interactions with customers and potential customers.
[7] Point of Sale is the place at which a retail transaction is carried out.
[8] Reta Europe is the institution in charge of the Reta awards honoring outstanding solutions within the retail industry.
[9] Brick and mortar refers to a physical presence of an organization or business in a building or other structure.

near Zurich, in Switzerland, with an additional sales subsidiary for European markets in Munich, Germany.
The innovative solution revolves around allowing retailers to have a personalized approach with their customers, as well as gaining detailed customer behaviour data. Using the retailer's app, customers are informed in-store, based on their precise location, about special deals and offers that can be based on behavioural data like their purchase history or where they stand in the store. All customer behaviour data (offline, online and mobile) are intelligently aggregated and provided to the retailer in beaconsmind's software suite. With this information in hand, retailers can optimize their product portfolio, store layouts, customer segmentations, sales approaches, communications and, ultimately, in-store and online shopping experience.
beaconsmind is backed by a number of prominent Swiss HNW[10] investors. The company is currently owned by 80 shareholders, including:

- Max Weiland (CEO & Founder) – c. 24%
- Strategic Venture Partners – Europe – c. 19%
- OSRAM / Fluxunit – c. 12%
- Other investors – c. 45%

The three largest shareholders, that collectively account for ~55% of the shares, are introduced below:

About Max Weiland:

Max Weiland is the founder and CEO of beaconsmind AG. His profile is described in detail in the section 8.1 Representation of the Company.

About Strategic Venture Partners – Europe ltd:

Strategic Venture Partners – Europe ltd. (SVPE) is an independent growth equity partner, helping companies develop and implement growth strategies. SVPE co-creates solutions born from data-driven insights, working with a range of B2C and B2B companies across numerous sectors. SVPE entered the capital of the company in 2020, with the goal of bringing to the table an extensive network and the brightest entrepreneurial minds to support management. SVPE helps companies scale and build highly efficient commercialization engines by introducing them to potential customers and partners, with a focus on European markets.

About OSRAM:
OSRAM, based in Munich, is a leading global high-tech company with a history dating back more than 110 years. OSRAM GmbH manufactures lighting products. Primarily focused on semiconductor-based technologies, its products are used in highly diverse applications including virtual reality, autonomous driving, smartphones and networked, intelligent lighting solutions in buildings and cities. In automotive lighting, OSRAM is the global market and technology leader. OSRAM serves customers worldwide.
In 2017, OSRAM GmbH entered the share capital of beaconsmind through the acquisition of a minority interest of c.14% (via its venture capital unit, Fluxunit). The partnership initiated in 2015 relied on Osram's internal start-up Einstone supplying intelligent beacons, while beaconsmind provided the customized software.

4.3 Company's main activities and products

During the last 30 years, retailers have experienced a tremendous shift in their business models, and the marketing strategies required to properly address changing customer habits and new forms of buying. Up to the 1990s, retailers only operated with one single channel as customers' traditional way of buying was purely happening in physical stores, and only a minority through catalogue or TV/mail-order. It was in the beginning of the 2000s with the arrival of the Internet that customers

[10] High-net-worth individual (HNWI) is a person or family with liquid assets above a certain figure.

started embracing alternative shopping channels, and in the 2010s, with the democratisation of smartphones, consumers started expecting a seamless purchase experience across all channels available. This last stage is the omni-channel stage in which the company operates.

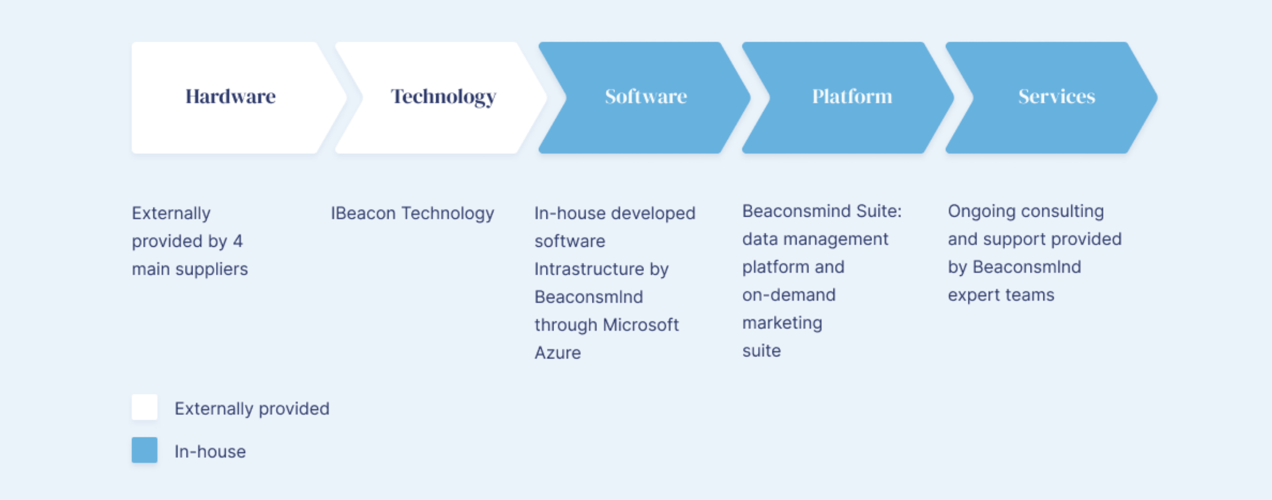
As a result of this retail transformation, retailers are facing several challenges in their physical stores:

1. Consumers are frequently using all buying channels and expect a seamless experience across all channels
2. Whilst retailers have heavily invested in their online shopping experience, the physical store experience has not significantly evolved
3. To increase customer loyalty, retailers need an experience which stands out in all channels
4. Siloed marketing infrastructures make it complicated to get messages across
5. Too many technologies exist to drive marketing / sales at POS for them to work together intelligently

In order to provide retailers with a tool able to transform the shopping experience in-store and deliver a consistent omni-channel proposition, beaconsmind has developed a Beacon-based software that helps retailers optimize their marketing strategy both at Point of sale (POS) and Digital Out of Home (DOOH)[11].

[11] DOOH stands for Digital Out-Of-Home. DOOH includes, among others, urban digital signage techniques and digital indoor signage in shopping centers or airports, for example.

The software has been designed and developed in-house, and maintenance is ensured by remote developers. Hardware beacons are provided by 4 suppliers, based in Germany, Poland and the US. beaconsmind is a full-service provider. It is typically the sole LBM hardware and LBM-software service provider for its clients. A simplified value chain of beaconsmind product and services is illustrated below:



beaconsmind's Track Bluetooth-Beacons

Beacons are low-powered transmitters equipped with Bluetooth Low Energy[12] (BLE, also called Bluetooth 4.0 or Bluetooth Smart) that can be used to deliver proximity-based, context-aware messages. A Beacon transmits signals which allow another device to determine its proximity to the broadcaster. In a store, a Beacon, working together with the retailer's app, determines a customer's exact location in the store. The Beacon does not transmit content; it simply transmits a signal that lets a user's phone or tablet compute what its proximity is to the Beacon.

Comparing to other localisation technologies, Beacons offer the best compromise for retailers. Their localisation accuracy, range and ability to function indoors surpass the other two alternatives, Near Field Communication (NFC)[13] and Global Positioning System (GPS)[14]. In terms of range, beacons are more effective than NFC (too narrow range) and GPS (too broad ranges). Beacons are ideal for precisely locating smartphones and customers indoors, where GPS isn't as effective due to frequent signal issues. Beacons easily communicate with apps on devices when they are indoors. As a comparison, NFC range is up to 5 cm but the optimal range is < 4 cm. With BLE technology, beacons have a significantly larger range, of approximately 70 m.

[12] Bluetooth Low Energy is a wireless personal area network technology designed and marketed by the Bluetooth Special Interest Group (Bluetooth SIG) aimed at novel applications in the healthcare, fitness, beacons, security, and home entertainment industries.

[13] Near-field communication (NFC) is a set of communication protocols for communication between two electronic devices over a distance of 4 cm (1 1⁄2 in) or less.

[14] A system of satellites, computers, and receivers that is able to determine the latitude and longitude of a receiver on Earth by calculating the time difference for signals from different satellites to reach the receiver

	NFC	beaconsmind Track Bluetooth-Beacons	GPS
Localisation accuracy	Within 5 cm	**Within 50 cm**	Within 2-5 m
Optimal range	< 4 cm	**Up to 70m**	N.A
Indoors	Yes	**Yes**	With issues

A typical scenario of Track Bluetooth-Beacons location-based marketing application inside a store would be the following:

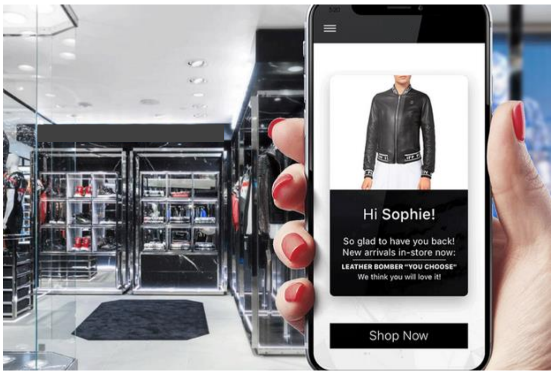
1. Beacons are installed and the beaconsmind Suite is configured with marketing campaigns
2. Mobile devices approaching the beacon will recognize the signal sent by the Beacon
3. The customer's mobile app, will display personalized messages based on the marketing campaign set up in the beaconsmind Suite.

Use cases of the beaconsmind Solution

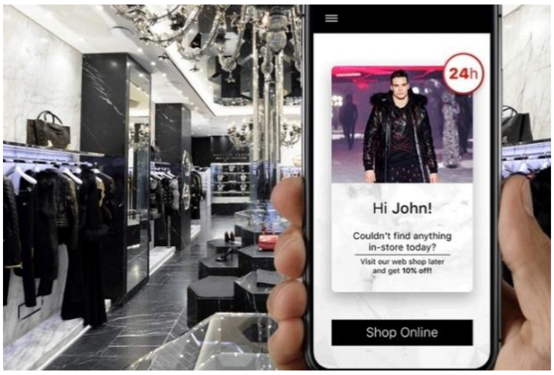
The marketing campaigns set up by the retailer in the Suite allow for personalised interaction with customers based on a rich set of proprietary data captured by the software: visits, purchase history, demographics etc.

These messages have several outcomes:

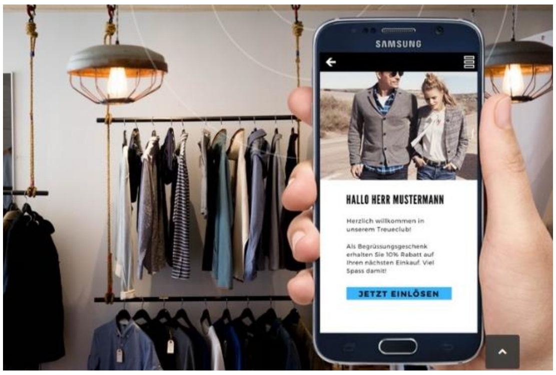
- **Increasing Footfall[15] at Point of sale**, through local, targeted customer activation at the right moment



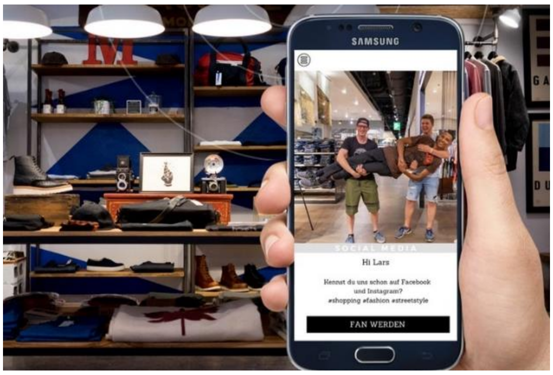
- **Connecting POS and Online Shop**. Cross-channel[16] optimization and conversion growth at the right time



- **Increasing Return Visits and Purchase Motivation at Point-of-Sale** thanks to relevant push notifications[17] based on visit and purchase data

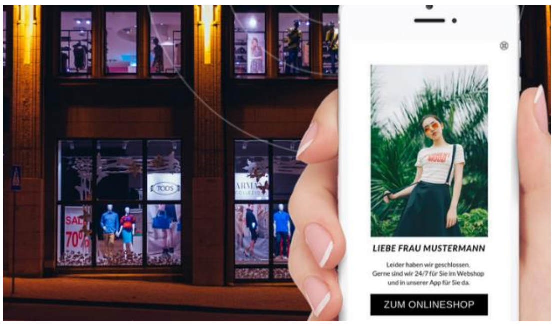


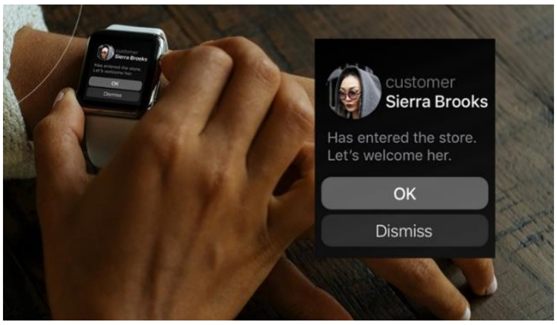
- **Connecting Point-of-Sale and Social Media** to turn store visitors into fans and followers



- **Using Shop Windows as Digital Retail Space.** Local contact with customers after closing time to increase revenue and sales in the online shop
- **Local Customer Identification Via Smartwatch** so that great customers become even better customers

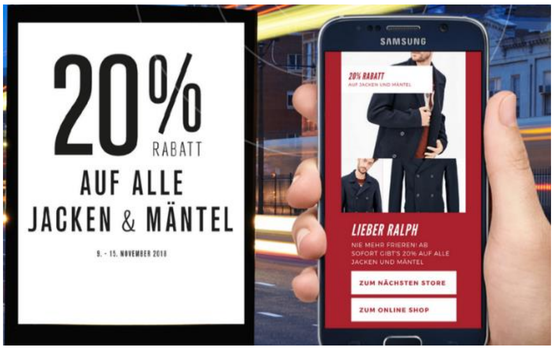
[15] The number of people who go into a shop or business in a particular period of time.
[16] Cross Channel Marketing is a practice that integrates the use of all available channels and devices to connect and engage with customers in a flexible and unique way and not separated into individual channels as was the case with previous marketing strategies.
[17] Message that pops up on a mobile device.

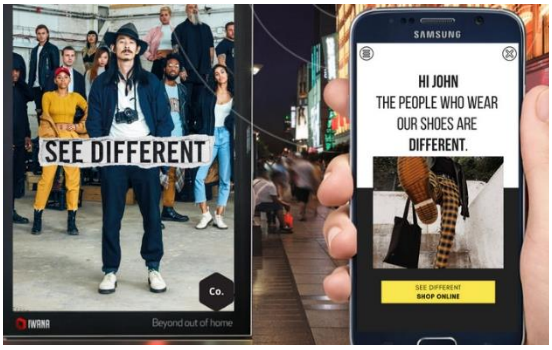




Thanks to the personalized push notifications displayed on their phones, customers may enter the store instead of walking past it. They can purchase online, buy a product in store, profit from a discount, be directed to a specific area of the store that is relevant to them; all these actions are then fed to the beaconsmind Suite which then helps the retailer to personalize its marketing strategy and improve sales and profits. Beacons also play a role out of home, with the personalised customer notifications having the following effects:

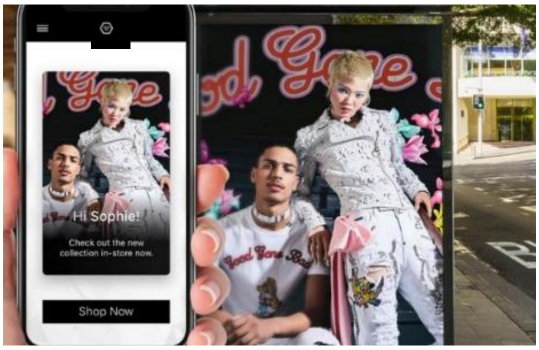
- **Connecting Outdoor Media Advertising[18] and Online Shops** tracking ad impressions and generating conversions in digital media screens
- **Digitizing Outdoor Media Screens** by boosting ad impact at the right moment





- **Tracking reach and boosting ad campaigns**

This location-based marketing approach allows clients to measure for the first time their outdoor media performance, allowing retailers to differentiate themselves while staying top of mind.



[18] Outdoor advertising, also known as out-of-home advertising, is advertising that reaches consumers when they are outside their homes.

Case study: adidas, ~100 flagship stores enabled

1. **Bring It To Me, global HQ strategy**

The relationship with adidas dates back to 2017, when adidas started testing beaconsmind's solution in its demo store in Herzogenaurach, near Nuremberg in Bavaria (Germany) – adidas' Global Headquarters. This is typically the first required step for all customer-facing propositions, with the store acting as the first retail laboratory for adidas. The top management of adidas is delivering an ambitious digital strategy, with a network of over 20K physical stores at the centre stage:

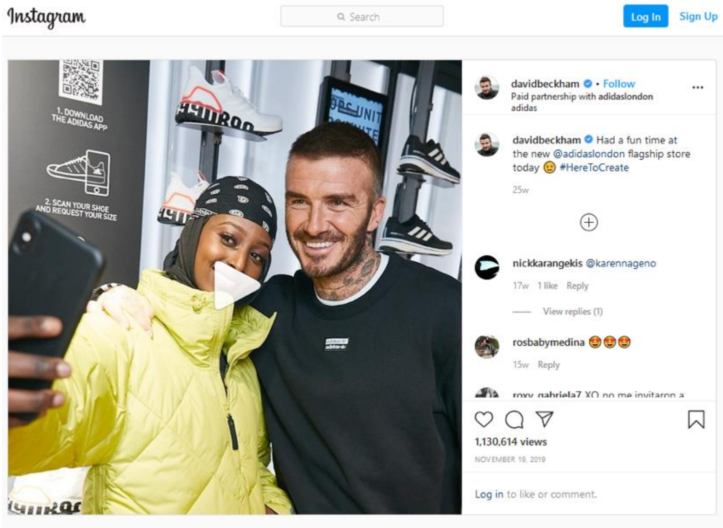
> *"The growth of the industry is coming from the growth in online, but as customers' life becomes more digital, we believe that they will appreciate places (stores) like this even more so. This is why we are building them."*
>
> **Kasper Rørsted, adidas CEO**

The beaconsmind solution enables adidas to deliver a brand-new customer shopping experience: **Bring It To Me**. Using the adidas app on their own phones, customers can scan a product (in this current case a shoe) and upon selecting their size and clicking on the "Bring It To Me" button, a sales associate will bring the requested product right where the customers are standing in the store.

This experience requires the exact identification and localisation of the customer in the adidas store, and this is enabled by the beaconsmind Track Bluetooth-Beacons solution, integrated into the adidas app. The solution pin-points the customer with an accuracy of 10cm.

2. **Further commercial roll-outs, London flagship**

Following a test success at the headquarters store, adidas extended the solution to a leading customer flagship store in Paris (France) on the Champs Elysees, by end of 2017. In 2018 beaconsmind further continued to roll-out the solution for adidas in the US (New York and Los Angeles) and in Russia (Moscow).



David Beckham's launch of the Bring It To Me solution in adidas London's Oxford Street flagship

The solution was launched in the 26,900-square-foot London flagship on Oxford Street. The reveal of the new feature was done with ambassador David Beckham playing the role of the

> *"It was great to come to the new adidas LDN store today to surprise some shoppers using the 'Bring It To Me' app feature. The scale of the store, and the interactivity for customers really is impressive. It feels like the future."*
> ***David Beckham***

store assistant and delivering pairs of shoes to shoppers. The launch was received with great customer and marketing response. Following this, the adidas marketing strategic direction was set on rolling out the solution to all remaining stores.

> *"The feedback and excitement that Bring-it-to-me brings to our stores has shown that our brand's traditional values combined with digital innovation are exactly what our customers need. We plan to roll out Bring-it-to-me in additional markets next year to ensure that as many adidas customers as possible can benefit from it"*
> ***Dominik Federschmidt, adidas Manager Digital Experience***

3. Roll-out to top ~100 global flagships

The London store is known as the testing ground for layouts and integrations that can be applied to the brand's other stores, clubs and Adidas spaces inside retail partners. adidas therefore requested the roll-out of the beaconsmind solution to some of the top ~100 flagship stores globally. So far, the adidas stores with a beaconsmind solution are located in the following countries:

- Europe: UK, France, Germany, Italy, Spain, Portugal, Austria, Sweden, Poland, Czech Republic, Bulgaria, Romania, Russia
- North America: USA, Canada
- Asia: Japan
- Middle East: UAE

4. Integration of beaconsmind into adidas' SAP procurement platform

adidas incorporated beaconsmind into its SAP Ariba[19] platform. This internal procurement platform is used for approved suppliers globally. Beaconsmind is the sole provider of location-based marketing Track Bluetooth-Beacons. Thanks to this integration, any adidas country marketing manager globally will be able to request the implementation of the beaconsmind solution in its store network. This step lays the final foundation for the global roll-out of the beaconsmind solution. With a further ~20K+ own stores, brands stores, franchises and retail partners, a centralised ordering solution had to be in place. Once beaconsmind reaches $1M in cumulative orders in the Ariba procurement platform (expected early 2021), each individual store globally will be able to order the solution directly on the platform.

[19] SAP Ariba is a cloud-based innovative solution that allows suppliers and buyers to connect and do business on a single platform.

Case study: Bollag-Guggenheim Fashion Group – 15 stores in Switzerland.

Project summary:

The beaconsmind Suite is implemented with the GUESS, Marc O'Polo & the Gallery retail stores in Switzerland, where it improves customer loyalty, basket sizes and personalised purchase experience.

Project description:

As part of its digitalization strategy, Bollag-Guggenheim Fashion Group needed a mobile app that would serve as a digital loyalty card for customers across its 15 fashion retail stores in Switzerland. The goal was to increase customers locally at point of sale with special offers, discounts and invitations using Beacon technology. Bollag-Guggenheim also needed a way to collect and analyse information about customer purchase behaviours to offer personalized shopping experiences and thereby increase basket sizes and improve shopping experience.

beaconsmind implemented its solution, connecting the existing "the Gallery" mobile app to the beaconsmind Suite and the client's POS/CRM system. The Beacons were installed in the existing lighting system of Bollag-Guggenheim's retail stores, enabling a highly homogeneous signal coverage.

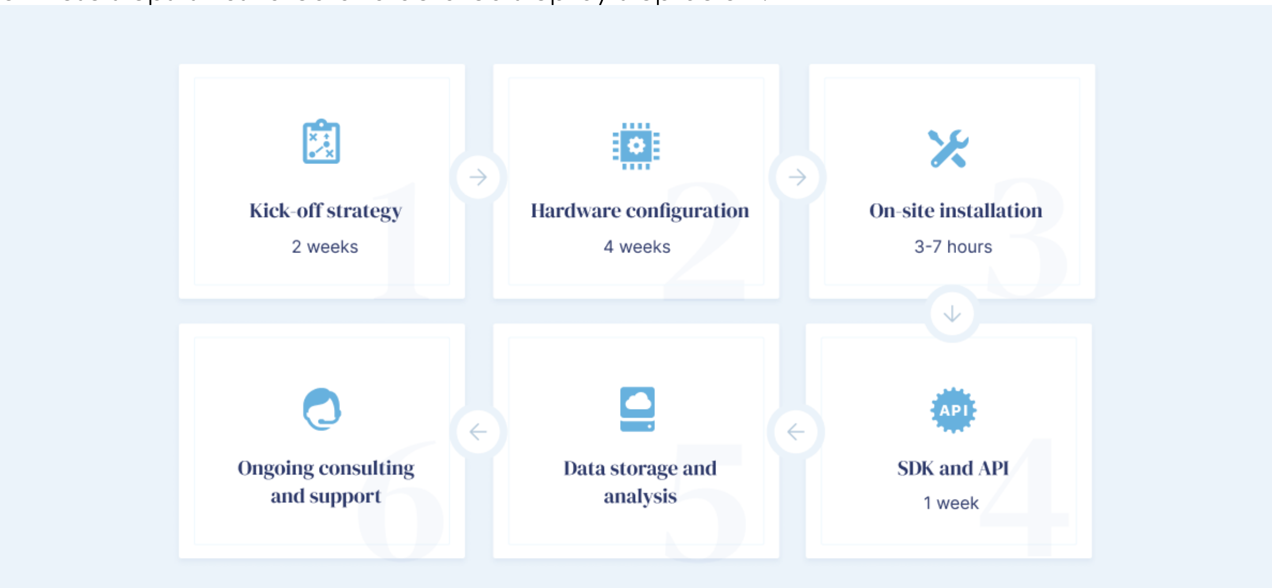
Examples of installed beaconsmind Track Bluetooth-Beacons

Customers entering the store benefit from personalized welcome messages and offers. In-store purchase behaviour is collected from customer entry to payment and made accessible to Bollag-Guggenheim via the beaconsmind Suite dashboard.

Bollag-Guggenheim drove higher revenues, lower costs and improved customer loyalty using beaconsmind technology. beaconsmind transformed online and offline customer data by enriching it with location-based insights. Furthermore, Bollag-Guggenheim does not only benefit from a stable, secure Beacon infrastructure, but also from lower maintenance costs. beaconsmind Suite technology now enables Bollag-Guggenheim to dynamically engage with its customers via the Gallery mobile app to continuously collect and analyse valuable data about purchase behaviour and adapt their marketing strategies.

As a result, the project generated a lift in average basket value of more than 10% coupled with a high double-digit offer redemption rate.

beaconsmind services and value proposition:
The beaconsmind solution can be operational at a retailer within 2 months. The key phases in the set-up of the hardware and software are the Kick-off strategy, followed by the hardware configuration, the on-site installation, and the Software development and integration into the client's API. Following these steps, the software is operational, and the retailer is able to directly program marketing campaigns in-store through the beaconsmind Suite. The typical timings of each of these steps is illustrated and detailed step-by-step below:



1. **Kick off-strategy:**
   When creating an omnichannel marketing strategy for clients, beaconsmind starts by analysing the current strategy and determining the objectives together with the client (scope, targets). Following this, beaconsmind establishes processes, planning, roles and responsibilities, reporting, as well as specifications for the design and development of the client's mobile app and push notifications.

   This analysis will determine the number of Beacons to be installed in each store type and across the portfolio, what their function will be in the data collection strategy. A standard store with a size of 350 sqm would typically need 10 Beacons. Should the client be interested in incorporating heat maps analysis to its Suite the number of Beacons necessary will be larger given that the more Beacons, the more accurate the heat maps will be. This phase usually takes circa 2 weeks.

2. **Beacon Hardware configuration:**
   Depending on the client strategy designed in phase 1, beaconsmind will configure each Beacon for the purposes defined. Beaconsmind will handle all hardware configuration including reach, frequency and positioning in its beaconsmind Suite. Working together with 4 different iBeacon hardware providers allows beaconsmind to remain independent and meet all demands even from a large retailer. Hardware ordering, delivery and programming will take on average 4 weeks.

   Competitors' Beacons range from 25 to 65 USD in price vs. c.90 USD for beaconsmind, however these Beacons would require a new battery approx. every 18 months. This type of maintenance would incur the store a cost of around CHF 300/store (dispatch installer for a min. of 2 hours, quality control, documentation) for each replacement. The Beacons provided by beaconsmind do not require this type of maintenance as they are directly integrated into the lighting rails and therefore always powered up.

3. **On-site installation:**

Beaconsmind specifies the precise in-store location of each Beacon on a detailed deployment plan. This serves as a basis for the team to deploy the Track Bluetooth-Beacons on-site. For global projects beaconsmind works with a sub-contractor who is in charge of iBeacon deployment and maintenance (beaconsmind's main providers are Kinettix, Inc.[20], the go-to global leader in providing IT field technicians anywhere and IRON Systems, Inc.[21], global leader in IT field services). Installation will take on average between 3-7 hours depending on the number of Beacons and the size of the store. The retail client pays for the installation through beaconsmind's all-inclusive invoice. Following this, the Company pays the installation sub-contractor.

4. **Software development kit (SDK)[22] and Application Programming Interface (API):**
   beaconsmind then enables the client's mobile app for iBeacon communication by integrating their own SDK and API. In case the client's app already has an SDK, beaconsmind will customize it. SDK and API configuration will be done in parallel and will take c. 1 week if features already exist, otherwise depending on complexity it will typically take less than 1 month, with options to speed up the process depending on the retailer's needs.

5. **Data storage and analysis**
   iBeacon-specific data about user and shopping behaviour, purchases, visits, time spent in store and heat maps can be tracked via the beaconsmind Suite. Dashboards and customized reporting help clients make sense of their data and identify revenue generating initiatives. The beaconsmind Suite contains add-ons that can be purchased and can be tailored for specific customer KPIs and designed to match the client's internal system's appearance.

6. **Ongoing consulting and support**
   Thanks to the ongoing support by beaconsmind Project Managers, clients will get to know their customers better and implement efficient marketing campaigns. Data analysis and reporting is provided by Project Managers to their clients on a quarterly basis. These reports contain insights and recommendations on campaigns and strategies to increase marketing performance through the Suite.

Impact for retailers and shoppers
beaconsmind's solution represents a real competitive advantage for retailers, allowing them to transform the customer experience in physical stores. With beaconsmind's solution, retailers can activate shoppers in a brand-new digital channel: the customer's own digital wearable (typically phone but also digital watch). As shoppers increasingly use their phone whilst spending time browsing in-store, the beaconsmind solution allows retailers to capture their attention, offer them personalised content and a new interactive experience. From the perception of the shoppers, this new interaction channel cements the convergence of the physical and online shopping experiences and brings together the best of both channels.
The beaconsmind Suite is easy to integrate for retailers, thanks to its API that aggregates existing systems (CRM, POS etc) and synthetises all data in one place. This ease of use, the customisation potential and the high return on investment makes the solution hard to replace. Furthermore, on the hardware side, beaconsmind's Track Bluetooth-Beacons are power-supplied, industrial-grade beacons, integrated directly into the store's existing lighting rails and therefore do not need any further maintenance. Competitor beacons are typically battery-powered and need to be replaced on a continuous basis.

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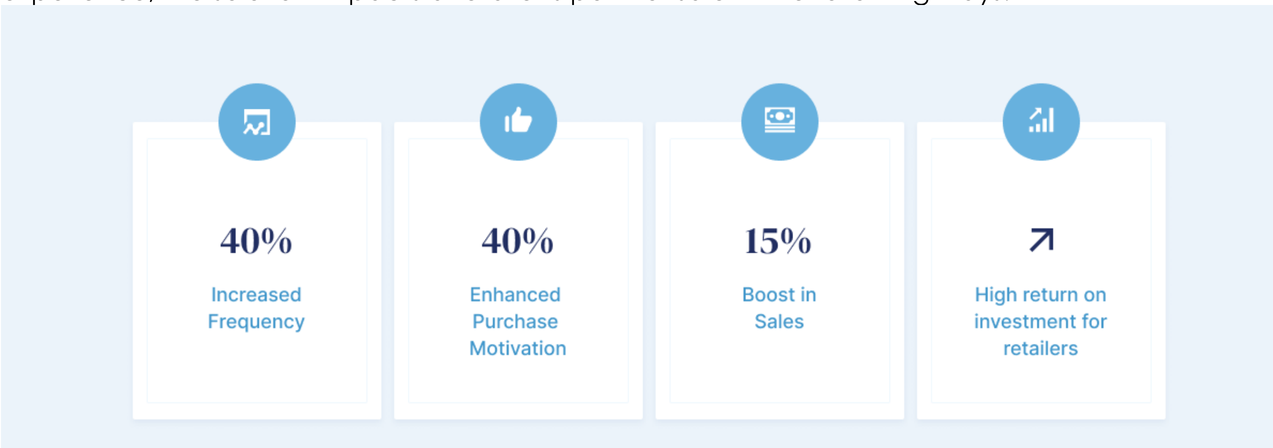
[20] Kinettix is the go-to global leader in providing IT field technicians and break/fix dispatches to U.S.-based enterprises and managed service providers. It services its clients' needs in over 90 countries worldwide through their operation service centers in Cincinnati, Ohio and Cebu, Philippines.
[21] IRON Systems, Inc., established in 2002, is a leading purpose-built, application-specific, server-appliance and embedded systems platforms provider.
[22] A software development kit (SDK) is a collection of software development tools in one installable package. They ease creation of applications by having compiler, debugger and perhaps a software framework. They are normally specific to a hardware platform and operating system combination.

As a result, customer retention is very high (c. 95%). On average, based on beaconsmind historical experience, the solution impacts a retailer's point of sale in the following ways:



And for retailer's digital out-of-home in:

4.4 Business Model

A. Revenue

beaconsmind's business model is based on 2 revenue sources: Installation and Recurring. Both have attractive unit economics and are scalable. The Installation revenue stems from the installation fee and sale of the Track Bluetooth-Beacons. The recurring revenue comes from the software fees, and since the software can be sold as is, with limited variable costs, this stream is particularly scalable.

Installation revenue

When gaining a new client or setting up new store portfolios, beaconsmind generates one-off revenues related to the sale of Track Bluetooth-Beacons and their installation. The strategic study and configuration of the systems and Beacons are included in this fee. The Track Bluetooth-Beacons are sold per unit.

Recurring revenue

After installing the hardware, beaconsmind generates a recurrent revenue stream from the beaconsmind Suite software, in the form of a subscription fee. Clients pay mostly on a monthly basis, and some pre-pay for 12 months.

In the beginning of setting up a new client, the income is typically ~80% from installation in the first years during which the stores roll-out the Track Bluetooth-Beacons. Following this, the income progressively shifts to being recurring, all the way to being entirely recurring once all stores are rolled out.

The level of recurring income generated by beaconsmind depends on the solution purchased by retailers:

1. **Traffic Solutions:**
   Services: customer localisation/Identification in-store, traffic and layout analysis.
   Main clients: multichannel retailers, shopping malls, public advertising companies and petrol stations.
   Client examples: Migrolino, Sihlcity, Goldbach Group

2. **Customer Experience based on localisation / SaaS features:**
   Services: location-based customer engagement.
   Main clients: multichannel retailers
   Client examples: adidas, Manor, Unilever, Kitag cinemas

3. **Full Marketing Suite / Analytics features:**
   Services: all traffic solutions and customer experience, plus added advanced marketing services, customer data analysis (customer segmentations) and marketing recommendations (notification strategy, marketing campaign management).
   Main clients: multichannel retailers
   Client examples: Bollag Guggenheim, Zumtobel, Mode Küng

Geographical distribution
At the date of the present document, clients are mainly located in Switzerland. However, taking into account that adidas is rolling out the beaconsmind location-based Bring It To Me feature to all its stores globally (through their Ariba procurement platform), beaconsmind expects to quickly diversify its geographical reach. So far, the adidas stores with a beaconsmind solution are located in the following countries:

- Europe: UK, France, Germany, Italy, Spain, Portugal, Austria, Sweden, Poland, Czech Republic, Bulgaria, Romania, Russia
- North America: USA, Canada
- Asia: Japan
- Middle East: UAE

Contractual contacts
Beaconsmind's main points of contacts are typically Directors in the marketing department of large retailers. Framework contracts and pricing of the beaconsmind Suite are typically negotiated at the company level, and then applied to all stores where the solution is rolled out to. The decision to implement resides in most cases with the store managers, with the guidance from the marketing strategy, where the digital guidelines are laid out. In the case of adidas, the decision to roll out is strongly driven by the CEO-level, through the implementation of the global marketing strategy.

B. Costs

beaconsmind incurs three types of costs: hardware, software and operating costs.

(i) **Hardware**: External costs related to the acquisition of hardware (Track Bluetooth-Beacons) and to the sub-contracted installation services

(ii) **Software**: beaconsmind employs top freelance software developers remotely to work on software features. This allows for a highly scalable, flexible and cost-effective staffing model. In terms of platform, the main development platform provider is Microsoft Azure which ensures a very cost efficient and scalable model.

(iii) **Operating expenses**: costs related to employees (HQ, sales force/client service team).

Working capital: beaconsmind has a working capital position of ~15% of sales. This is driven by most of its clients opting to pay 12 months in advance. The company does not hold iBeacon inventories, as orders are done on-demand thanks to a fast turn-around time from the iBeacon manufacturers. Finally, payment terms for Track Bluetooth-Beacons or installation subcontracting typically allow for the company to aim to collect client payment before (Beacon suppliers being paid 30 days post-delivery and suppliers providing installation services paid in 30 days as well, after job completion).

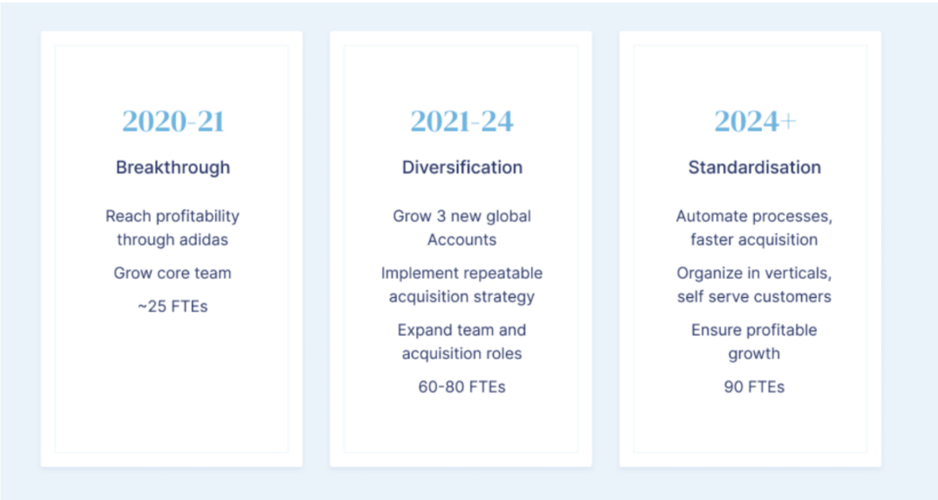
4.5 Main clients

beaconsmind is strategically focused on the retail sector, a unique competitive advantage compared to other location-based services players who focus more on asset tracking, supply chains and smart buildings.
Thanks to its focus and specialised retail solution, beaconsmind enjoys a longstanding and fruitful relationship (c.95% retention rate of installed points of sales) with a diversified customer base from the retail, wholesale, consumer goods, distribution, and food service industries such as adidas, Marc O´Polo, GUESS, the Gallery, Bollag-Guggenheim Fashion Group, Manor, Unilever. The largest current clients are adidas, Marc O´Polo, GUESS, the Gallery and Manor. The relationship with adidas represented ~50% of revenues in 2019. beaconsmind's main clients' presence in terms of number of stores and geographical reach is summarized below:

Client	# of stores	Countries
adidas	~100 retail stores	Austria, Bulgaria, Canada, China, Croatia, Czech Republic, France, Germany, Hungary, Italy, Japan, Poland, Portugal, Romania, Russia, Spain, Sweden, UAE, UK, USA
Client 2	14 retail stores	Switzerland
Client 3	2 cinemas	Switzerland
Client 4	4 shopping centres	Switzerland
Client 5	3 fashion stores	Switzerland
Client 6	1 department store	Switzerland

4.6 Corporate strategy

beaconsmind's full potential strategy is laid out in 3 waves. The first – breakthrough - consists of establishing the company with a global innovative retailer like adidas (Sportswear apparel), attaining profitability in the process thanks to the high lever effect. The second – diversification - consists in replicating a global roll-out success-story in three new verticals (with the core targets in Electronics, Food and Beverage, FMCG[23], Cosmetics and Fashion), targeting large, global clients with large retail store portfolios. In the next phase of growth – standardisation - beaconsmind will be established across 4 core retail verticals, and will replicate the solution for relatively smaller retailers in those key verticals, developing a self-service platform with flexible subscriptions and products adapted to each vertical.



1. Breakthrough

As of 2019, adidas rolled into key flagship stores the "bring it to me" feature. This feature enables customers to take a photo of a shoe, and using the adidas app, to request that the item be brought to them where they stand, in their size, by a member of staff. The priority for adidas and beaconsmind was to test and implement the solution across the top flagship stores (~100 stores), located in the main streets of the capitals of the world. These stores serve

[23] Fast-moving consumer goods (FMCG) are products that are sold quickly and at a relatively low cost.

as "retail-laboratories" for adidas and success in these environments determine whether future solutions are rolled-out globally.

The feature was a wide international success, and the executive management of adidas decided to roll out the feature to the entire store network (c. 20k+ owned by adidas, partner stores or franchised).

The roll-out of the adidas account is planned to be carried out in 3 phases:

- 1st Phase: installation of the hardware (Beacons, configuration with the adidas app). The bulk of the work in this phase is expected to last until late 2022. This is driven by the ordering pattern by country where adidas wishes to have a digital shopping experience first. Management estimates that given the different digital maturity levels of target countries, even though adidas indicated that all stores should have the digital BITM feature, only ~50% of the stores will end up being enable with the beaconsmind solution. By end 2022, approximately ~10k adidas stores will be enabled with the beaconsmind solution. These stores will have the ability to offer the "Bring It To Me" feature and transform the customer shopping experience. As geographies mature and their digital adoption increases, a further ~2'000 stores are expected to be enabled with the solution by end 2024.
- 2nd Phase: once the hardware is enabled across the network, adidas can go further in transforming the customer experience and enable the interaction with customers through the beaconsmind Suite. These further features bring up the subscription fee whilst bringing a very high return on investment for the retailer through increased sales (increased basket size and shopping frequency). This phase would begin to run from mid-2022 on all stores already set-up in the first phase.
- 3rd phase: as the beaconsmind Suite will have built an extensive, multi-country database of customer behaviours, store level insights, and marketing campaign performance cases, adidas will have the option to access the full beaconsmind Suite for an additional fee. Each store and each country marketing manager will have access to the data and analytics tools offered by beaconsmind: store footprints optimisation, customer segmentations, assortment optimisation etc. This phase is expected to start in 2023 across all stores already set-up in the first and second phases.

2. Diversification

In parallel to the full integration of the adidas account, beaconsmind will aim to expand its business model with new, non-competing clients of similar size and global retail store portfolios. Expanding away from the sportswear vertical, beaconsmind is focused on acquiring clients from at least three new and distinct verticals. The main target sectors are the Electronics, Food and Beverage, FMCG, Cosmetics and Fashion verticals. All these sectors are ripe with mature, global retailers with large physical store networks and online presence.
Acquiring and developing new clients will allow to diversify the sources of income, and to demonstrate the added value of the beaconsmind solution across several retail verticals. Beaconsmind has already experience in several of these sectors thanks to 5 years if projects with its legacy clients. Below examples of clients in the target pipeline.

Solutions	Revenue	Stores	Beacons/POS	Potential Revenue
Prospect 1	USD 346m	312	~ 10	CHF 5-10m
Prospect 2	USD 1.2bn	~1'400	~30	CHF 5-10m
Prospect 3	USD 4bn	~2'600	~40-50+	CHF 40-50m

Prospect 4	USD 40bn	330	~500+	CHF 20-25m
Prospect 5	USD 60bn	~4'000	30-50	CHF 15-20m

Extracts from beaconsmind target pipeline

3. Standardisation

From 2024 onwards, beaconsmind will be established across 4 core retail verticals, and will offer the solution to relatively smaller retailers in those key verticals, developing a self-service platform with flexible subscriptions and products adapted to each vertical.
The convergence of physical and digital shopping is expected to be in full swing by then, and all retailers will have to follow the most innovative leaders to stay relevant in the eyes of consumers. Omnichannel retailing will have given way to a more **harmonised retailing[24],** and the ability to interact with customers in stores on their phones will be increasingly a standard feature of in-store shopping experience and new marketing solution. In this context, beaconsmind expects the trends to broaden, and to require different skills and products, with very short time to market. The company will therefore automate processes and adopt a vertical organization. beaconsmind will offer the software on a self-service basis to smaller clients. Clients will be able to order the installation directly online, uploading floorplans and generating instantly a recommendation on the number and position of the Track Bluetooth-Beacons to install. Clients will have access to a calendar system which will allow them to arrange the installation and finally, in regards to the software, clients will be able to customize it themselves, by opting-in for add-ons and the platform automatically adding them to their subscriptions.

4. Listing

The listing will enable beaconsmind to grow its sales and support team to accompany the adidas global roll-out, over-deliver on customer support and acquire new clients. beaconsmind will also add key in-house resources in finance, technology, product development and project management.
The main benefits the company expects from the listing are:

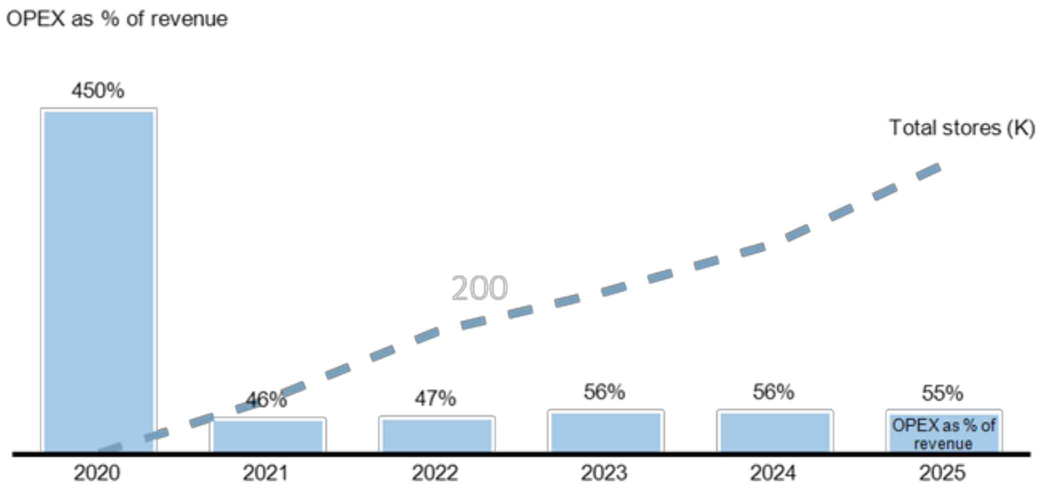
- Increased global credibility and visibility
- Broadening of funding sources
- Gaining an international investor base, especially institutional
- Gaining access to investors with deep experience in the tech sector
- Increased access to international talent
- Increased access to retailers, shorter sales cycle
- Access to capital markets in case of increased demand
- Strengthen the company profile
- Gaining on transparency

4.7 Financial highlights and business plan

Operating leverage
beaconsmind, as a software provider, benefits from high operating leverage. This is illustrated by the share of Operating Expenses (OPEX) as a % of revenues. In 2020, the company has not yet, but is very close to reach break-even with only ~200 stores (less than 3% of what a large account can yield). The ratio of OPEX on revenue is therefore 450%. As the number of stores increases from the roll-outs, the OPEX increase at a much slower rate and therefore the OPEX/revenue ratio become ~40-50% in one year. Even as the company ramps up its team and grows the OPEX to accompany

[24] Harmonised Retail describes the next evolutionary step in retail implying a shift beyond converged commerce where online and offline experiences do to only integrate, but interact, enrich and react to one another to create a living, harmonised brand expression throughout the customer journey.

the growth in accounts and support required, the operating leverage guarantees that most of the contribution margin flows through to the bottom line.



Total stores (K)	0.2	5.7	12.8	17.0	22.0	30.3
First account % of stores	82%	100%	85%	71%	55%	39%

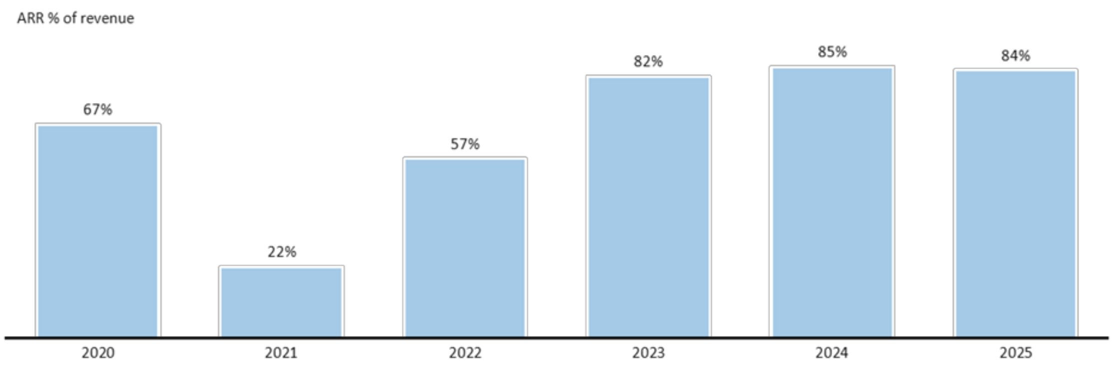
Note: 2020 figures are non-audited estimates of the Company.

OPEX as % of revenue, forecast

Revenue recurrence (ARR)

A growing share of revenue is recurring, as defined by the ARR (Annual Recurring Revenue). This is driven by software fees collected each year from retailers for each store where the solution is implemented. In years where, as for adidas in 2021, a large number of stores are expected to be implementing the company's solution, the share of recurring revenue may decrease as non-recurring installation revenue increases.

The average cost paid per store by a retailer is relatively low, making it one of the smallest operating expenses for stores, considerably cheaper than window decorations for example, whilst delivering a completely different customer experience and measurable results. This ensures the high defensibility of the solution and supports the high quality of the ARR stream.

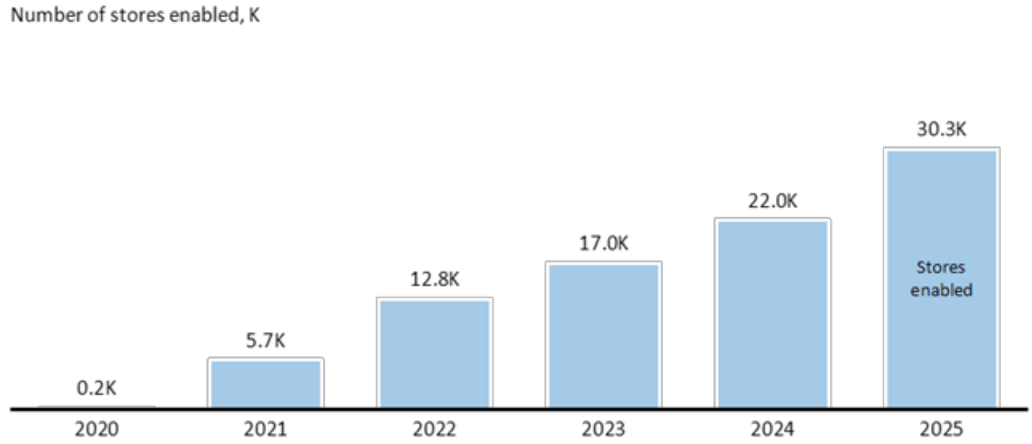


Note: 2020 figures are non-audited estimates of the Company.

% of ARR (Annual Recurring Revenue), forecast

Churn, Customer Acquisition Costs and Lifetime Value

beaconsmind's management expects an annual churn of 3% going forward. This is based on the 5-year historical churn of the company. In order to maintain this level of churn, the company plans to invest in customer support to over-deliver when accompanying roll-outs and receiving software queries. This is illustrated by the metric “growth cost as a % of sales”. Growth costs are defined by the wages of the future team in charge of support and growth, as well as the sales and marketing and R&D expenses. Finally, since the account acquisition focus of management is on large retailers, management expects the Lifetime Value to be significantly higher than 10, with a quick payback period of the customer acquisition costs around the 2-year mark.



	2020	2021	2022	2023	2024	2025
Growth costs as % of sales	69%	21%	31%	39%	39%	39%
Churn %	3%	3%	3%	3%	3%	3%

Note: This chart is made based on the store roll-out assumptions in the business plan. 2020 figures are non-audited estimates of the Company.

Number of stores enabled, forecast

Capital expenditures and suppliers

beaconsmind’s management plan does not require any CAPEX on manufacturing or software development. The company is planning to keep all Track Bluetooth-Beacons manufacturing done by third parties to protect the asset light characteristic of the company, and focus on the software development. In terms of supplier base, beaconsmind does not need to change its current suppliers, as they are able to support beaconsmind globally, and have a combined production capacity such that beaconsmind can order all amount of Track Bluetooth-Beacons in the management plan, with a considerable margin of safety.

No software development costs are expected to be capitalised. The key talent and resources required for the development of the software will be progressively integrated to full-time employees as revenue growth will permit. Finally, all expenses linked to staff required to serve clients and reach new clients will also be operating expenses, and the materials (laptops, equipment) are minimal and negligible.

Overall revenue and profitability

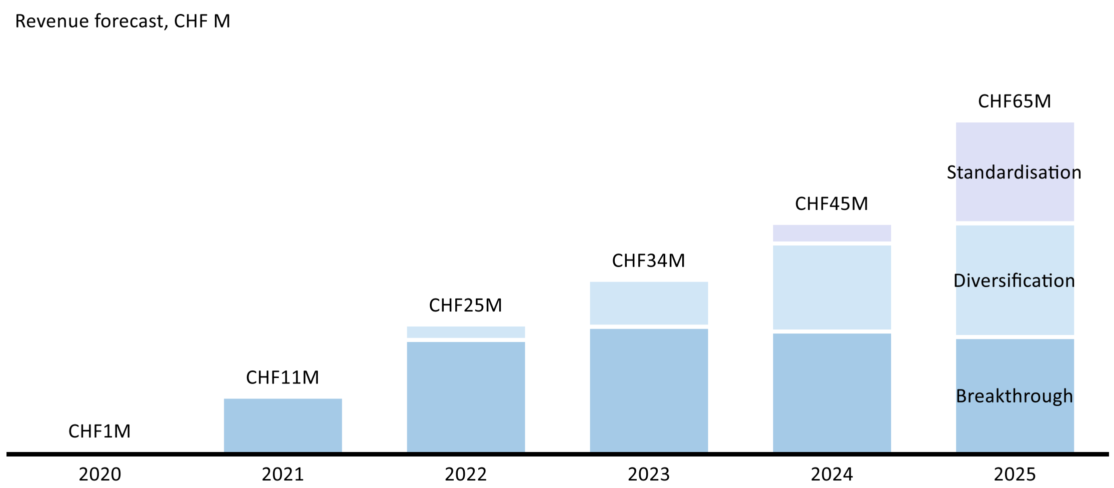
The revenue forecast is driven by the planned roll-outs of the existing solution to new stores. The current forecast articulates the 3 strategic phases and their profitability

1. On top of the legacy clients, establishing the company with a global retailer should lead to a full potential of ~CHF 23M revenue by year 2025. Management expects this to be the ramped-up figure. In the case of the adidas roll-out, management assumes that 50% of all potential stores will not be enabled with the solution and therefore represent a potential upside to the management plan.

2. Replicating the business model in three new verticals should lead to a revenue of c. CHF 22M by 2025. This is not the ramped-up figure as new accounts are expected to be gained at the rate of 1 new account per year, starting from 2022. A quicker conversion of the pipeline, more accounts than 3 in this time-frame, or larger accounts would represent an upside to

the management plan. Management plans, for conservative reasons, that the next accounts will be relatively smaller, with an average POS network of only 4k stores, and only implementing the Software Suite in 80% of them.

3. Expanding the solution for relatively smaller retailers (~100 POS each) in those key verticals and developing a self-service platform with flexible subscriptions and products adapted to each vertical is expected to yield a revenue of ~ CHF 20M by 2025. This is not a ramped-up figure, as the management plan only assumes ~100 small-medium sized accounts by year 2025, which represents a negligible penetration (<1%) of the retailer pool in operation globally in those combined sectors.



	2020	2021	2022	2023	2024	2025
EBITDA	-CHF1M	CHF1M	CHF6M	CHF11M	CHF14M	CHF18M
EBITDA %	-105%	7%	25%	31%	31%	28%

Note: 2020 is a calendar year and does not correspond to the accounting year that finished in June 2020

Management plan of revenue and profitability, forecast

V. Industry and competitive analysis

5.1 Market analysis

beaconsmind plays at the core of the omnichannel evolution, allowing retailers to reach customers in a digital, targeted way in their physical store, the very heart of their brand identity.

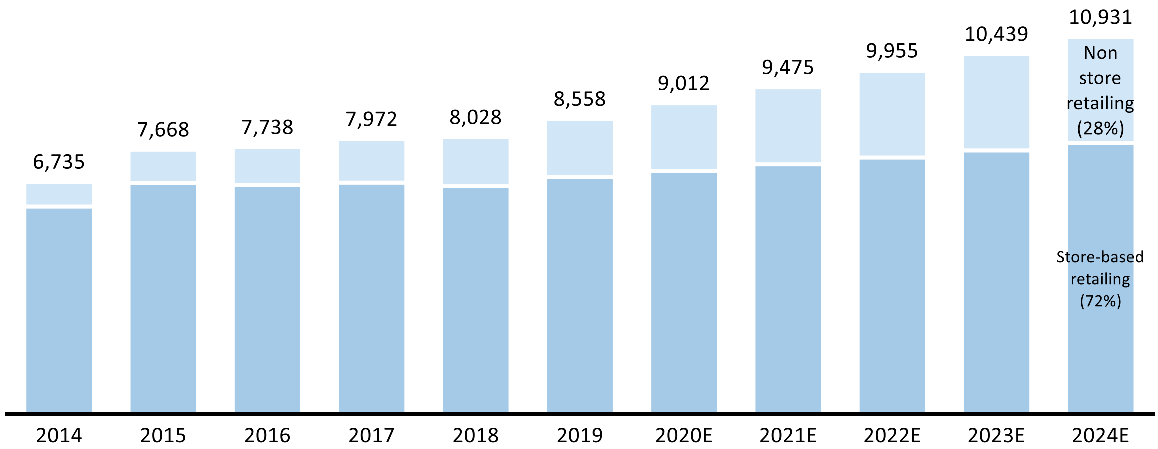
5.1.1. Physical stores are still by far the largest channel for retailers

The retail industry has experienced a significant transformation during the last decades as a result of digitalization. The industry developed new ways to interact with customers through different types of devices (Pc, tablet, mobile) taking profit of the advantages of digitalization to increase customer's shopping basket and loyalty, facilitating the way of shopping, making it more attractive, efficient, appealing, or simply providing a value added to the customer, while obtaining valuable information about customers shopping habits. However, these new channels do not outpace the existing ones, but they complete them, shifting from a single channel to an omnichannel retailing.

a. Highest volume of purchase in most countries.

Store based retailing remains still, by far, the largest channel for retailers. Over the last years store-based retailing has kept growing in absolute terms, whilst progressively new channels have appeared (non-store retailing). Store-based retailing remains the dominant shopping channel, amounting in 2019 up to 80% of the total global retail value. The role of physical stores has been evolving instead of declining in significance. Retail value for physical stores grew at 2.3% annually compared to non-store retailing which grew at 17.4% on an annual basis during the period 2014-2019. For the period 2019-2024 retail value for physical stores is expected to continue growing at 2.73% while non-store retailing is expected to continue growing at 12.71% annually.

Global retail sales by segment 2014 - 2019 (EUR billion)



Source: Euromonitor.
Notes:
1. Retail value RSP excl. sales tax 2014-2019 for Austria, Belgium, Brazil, China, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Russia, Spain, Sweden, Switzerland, Turkey, United Kingdom, USA.
2. Non-store retailing includes: direct selling, home shopping, vending and e-commerce. E-commerce includes mobile e-commerce and cross-border e-commerce.

b. Brands express their identities in stores

The physical store is the main channel available to consumers to engage with a retailer's brand. Physical stores are increasingly becoming a place for experiential shopping[25] (vs. transactional shopping, which is being claimed by online channels due to its greater convenience on certain aspects, like research, payment and re-ordering). The shopping experience uniquely offered by physical stores explains why many digitally-native retailers invested in physical stores to convince consumers of their service levels and product quality (known today as "clicks to bricks"[26]).
For example, Amazon started opening physical stores in 2016 - both pop-up [27]and more permanent fixed stores. The retailer understood that physical stores played a significant role to build its brand that it could not do online. In addition, Amazon leveraged these stores to showcase its own hardware products that were not sold by many other retailers. By building its own stores and using them to showcase its hardware products (i.e. Amazon Kindle and Echo), the retailer could tightly control its brand image and help customers understand how the products worked.
Apple would be another example of a company successfully leveraging its network of brick-and-mortar stores to build its brand. Retailers such as Apple demonstrate how important it is to

[25] Experiential retail is a type of retail marketing whereby customers coming into a physical retail space are offered experiences beyond the traditional ones, such as browsing merchandise, advice from live salespeople, dressing rooms and cashiers.
[26] Clicks to bricks strategy is a business model whereby businesses have both an online store and a physical location integrated into a single retail strategy.
[27] Pop-up retail is a trend of opening short-term sales spaces that last for days to weeks before closing down, often to catch onto a fad or timely event.

maintain a strong network of physical stores (c. 510 Apple stores worldwide) to build its brand by showcasing its products and creatively interacting with its shoppers.
Meanwhile, some retailers, such as Lululemon[28], used their physical stores to build community centres. In addition to selling fashionable athleisure apparel, the retailer also started hosting community-centred events such as Run Club and in-store yoga. These events served as brand-building exercises and enabled the retailer additional opportunities to engage with its customers.

c. Retailers have large retail networks and must improve return per square foot/metres
Attracted by the potential return on investment, many brick-and-mortar retailers closed their physical stores in favour of operating online. Reduced rent and labour were the main reasons for this strategy, as online-only players showed how profitable business models could meet rising consumer expectations for fast delivery, free returns and product availability. But traditional brick-and-mortar retailers faced challenges when they stepped into the online business. One of the consequences of this strategy of closing physical stores in prime locations was that rental rates decreased and property owners offered more flexible short-term leases. This gave online-only retailers the possibility to respond to challenges related to the fact that consumers trust online stores less because they cannot check product quality before buying – and because of concerns about online fraud. As a result, physical stores proved to be necessary for retailers, both for traditional and online retailers. Today, store concepts have evolved and require retailers to adapt to new formats, to incorporate innovations and digital solutions to stimulate the shopping experience, meet the demands of a new type of consumer and increase profitability in a very competitive environment.

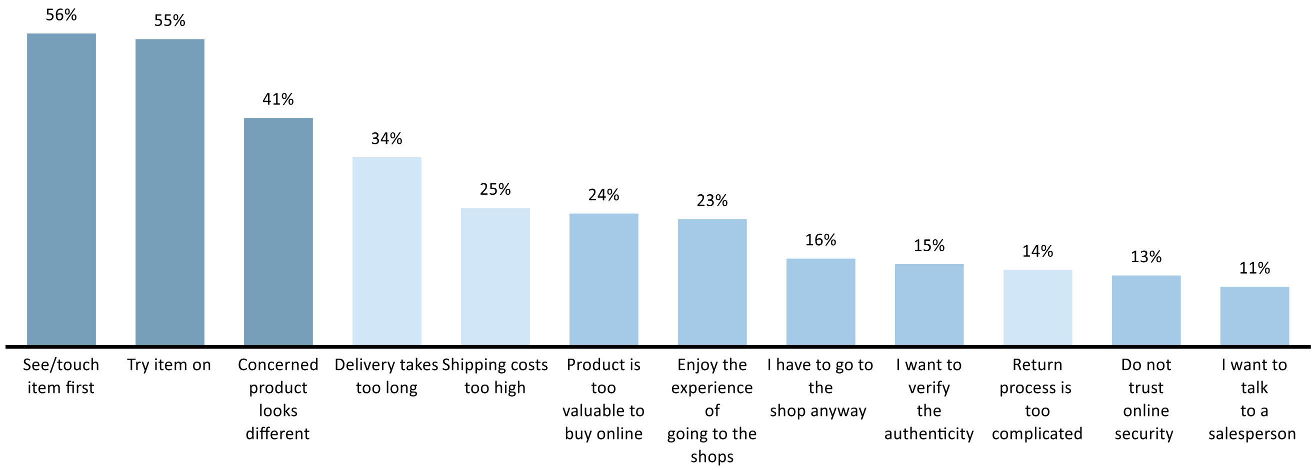
5.1.2. Physical stores will remain critical in purchase paths, even as online picks up

a. Reasons for why physical stores remain unique despite digital revolution

Consumers have changed their attitude to physical stores over the last years. While customers previously expected a broad product range in stores, they now see stores as places where they can experience products and brands, and access additional services. However, consumers still want stores to provide the things online shops/mobile applications cannot offer, including face-to-face customer service and the possibility to see and touch the products. Shopping in physical stores offers consumers something unique and valuable compared to the digital domain: a social experience and a tactile experience.
A recent study published by KPMG Global Online Consumer Report[29], on the reasons for customers to shop in-store vs. online shows that the primary motivation (56%) for shopping in stores is to see and try out products before purchasing. The second reason right after for consumers to shop in-store (55%), would be the possibility to try items on.
The study mentioned as well, however at a lower rate, other reasons for consumers to shop in-store, as: (i) the concern that the product might look different; (ii) the delivery timing might be too long or (iii) that the shipping costs might be too high.

[28] Lululemon athletica inc. is a designer, distributor, and retailer of healthy lifestyle inspired athletic apparel and accessories through company-operated stores and direct to consumer segments. At the end of 2019 it operated 491 stores in 17 countries across the globe and obtained a net revenue of €3.9bn.
[29] KPMG International, "Global Online Consumer report", 2017

Reasons consumers shop in stores instead of online



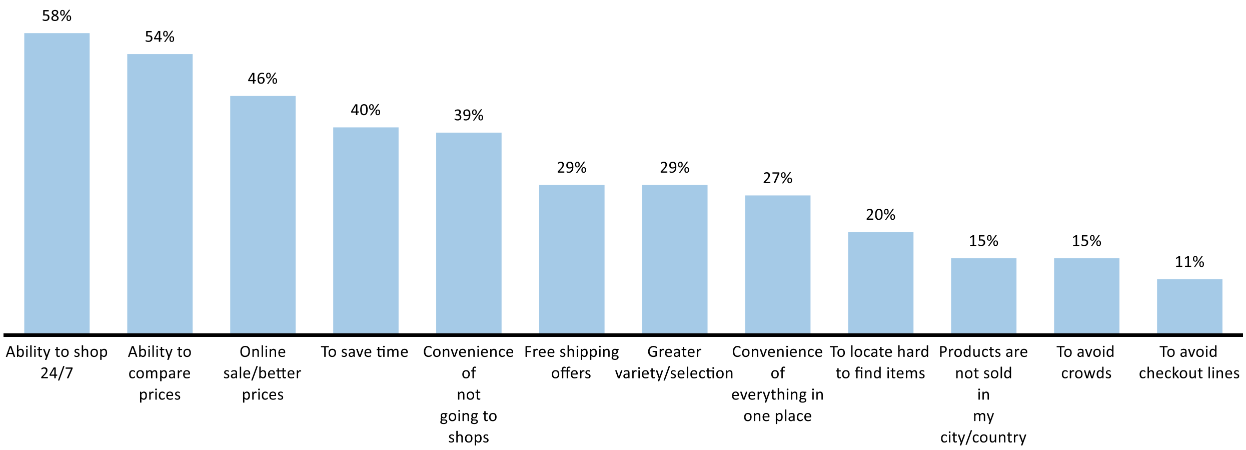
Source: Global Online Consumer Report, KPMG International, 2017

b. However, online retail disposes of significant advantages

Online shopping has however proven not only to be more cost effective for some retailers, but also that customers do prefer sometimes to shop online and not in physical stores as they obtain certain advantages they could not obtain in a store. This is also featured in the same study conducted by KPMG that revealed consumer motivating factors to buy online instead of going to a shop: the top reasons were time flexibility (58% of consumers affirmed to prefer to shop online instead of in store given the time flexibility and the possibility to shop 24/7) and cost savings (54% of consumers valuated positively the possibility to compare prices when shopping online compared to shopping in store).

Consumers preferred as well to shop online to avoid the negative experiences associated with going out to shops (39% of consumers asked preferred to shop online to avoid inconveniences of traveling to a shop, being in a crowd, or standing in checkout lines).

Reasons consumers shop online instead of in stores



Source: Global Online Consumer Report, KPMG International, 2017

In terms of geographical reach, the countries where consumers were most likely to shop online out of necessity tend to be those where product availability or selection was limited, or where much of the population lives in remote areas with limited access to shops or certain goods.

c. Online and physical shopping synergies

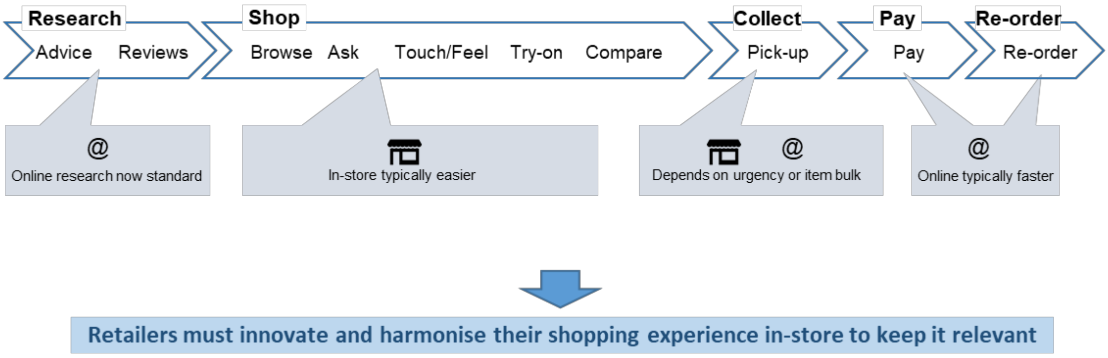
Although the physical store is still by far the largest channel for retailing, the rules of brick-and-mortar retail have changed and the two formats, online and store based, are developing synergistically.

While some consumers use the internet for research purposes, comparing prices and product specifications before visiting stores to obtain specialist advice from sales assistants, others use bricks-and-mortar stores as showrooms, to study and inspect products before going online to find the most competitive prices. For this reason, most retailers have taken a holistic view to attract consumers, enhancing in-store experience while making e-commerce[30] sites user friendly.

This has led to the development of a number of digital solutions, utilising technology as a competitive advantage to create a unique shopping experience for the consumer such as electronic or QR barcodes[31] which consumers can scan through their smartphones to obtain more information about a product such as origin and manufacturing details. Many retailers are also interacting with customers through downloadable mobile apps that appeal to customers because they enable them to perform a multitude of activities on their smartphones, including paying using mobile wallets[32] or simply guide the customer inside the store.

d. Consumers increasingly mix digital and physical channels

Omnichannel retailing comprises among others a move towards adding digital concepts to stores to enhance the shopping experience. Without harmonised channels, a retail store is never fully convenient as the chart below demonstrates. Indeed, online tends to be more convenient to research, pay and re-order. This is partly driven by the fact that the payment is digital, there are no lines, and the re-ordering is based on past purchase history. Furthermore, retailers have designed smart ways to interact online with customers, offering simply recommendations based on browsing habits, all the way to determining when a customer is about to leave a page based on their mouse location, and therefore deploy a pop-up window to attempt to keep the client shopping.



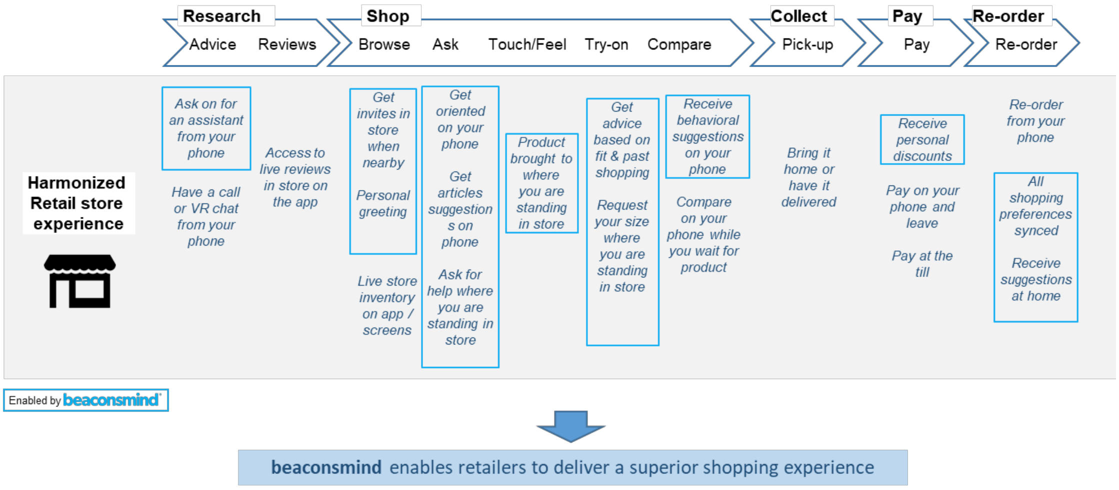
In light of this, in a harmonised store, a shopper is able to experience the best of physical and digital shopping. This is that convergence of the experiences that beaconsmind enables retailer to do. By knowing precisely where a customer stands in the store, retailers can replicate the digital engagement methods that were born online, in their physical stores. For example, as illustrated in the chart below, retailers can greet personally customers on their smartphones as they come through the doors. Retailers can offer to orientate precisely a shopper to a given section of the store. Retailers can suggest products to try based on past purchases, reviews, and

[30] E-commerce (electronic commerce) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet. These business transactions occur either as business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer or consumer-to-business.

[31] Trademark for a square scannable barcode image that allows smart phone users to link directly to a website.

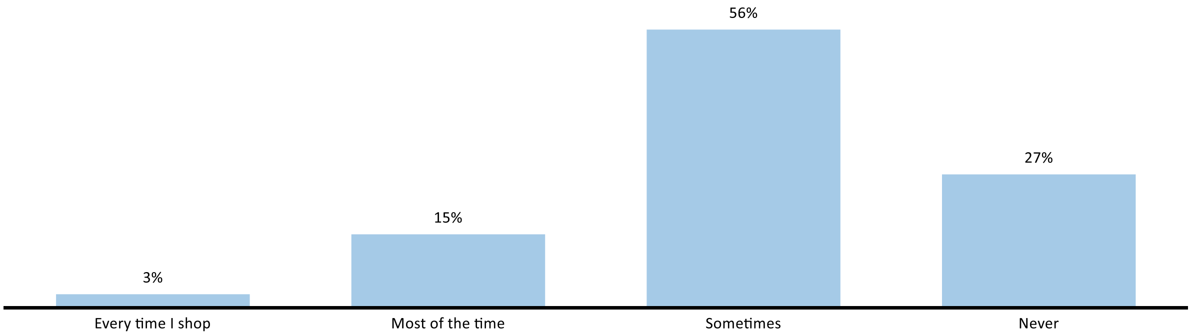
[32] Virtual wallet that stores payment card information on a mobile device. Mobile wallets are a convenient way for a user to make in-store payments and can be used at merchants listed with the mobile wallet service provider.

where the shopper stands. Shoppers can request an item to be brought to them, in their size, where they stand. Retailers can identify when a customer is about to stop browsing and leave, and can anticipate this with customised engagements that increase purchase motivation like a free beverage or a specific discount. The list of use cases is virtually limitless, as marketing and campaign performance is analysed across digital stores, and retailers design best practices that will, in the future, become standard features in physical stores.



The goal of retailers is therefore to upgrade their physical stores to the advantages of digital solutions in a harmonised way. The most known digital applications within physical stores, at time of writing, are those related to payment solutions, allowing customers to pay with their mobile device or the click and collect[33] solutions. Six out of 10 US internet users have used digital tools to compare product prices while shopping in-store, according to a November 2018 survey from TD Bank. And 57% of US digital buyers say they check prices through a retailer's mobile app while shopping in its physical store, per a May 2018 study from RIS News[34].

Frequency of Using a Retailer's Mobile App in the Store



Source: RIS News, "Retail 2025 Shopper Study: The future of Retail is already here"
Note: ages 15-74; numbers may not add up to rounding

The shopping experience and the fields for cooperation between digital and physical are wider than collections and payment. As a consequence, retailers are harnessing this convergence by developing proprietary mobile applications.

33 Click & collect is a service that allows consumers to order online and then pick up their item in a store.
34 RIS News, "Retail 2025 Shopper Study: The future of Retail is Already Here", August 2018.

5.1.3. Retailers see mobile apps as key strategic priority

Throughout the last decade, mobile has become a mainstream channel for shoppers, and consumers expect to be able to make purchases via mobile devices as easily as with a laptop or PC.

Sales growth in the coming years is expected to come significantly from smartphones, rather than tablets. Although young tech-savvy consumers[35] are the main drivers, older age groups are increasingly valuing mobile e-commerce, with convenience a key factor. Smartphones and tablets have become very present in every developed country. Furthermore, the recent Covid-19 crisis has accelerated the adoption of digital devices across all demographic tranches.

According to GSMA real-time intelligence data, 5.17 billion people have a mobile device in the world in 2019 (66.77% of the world's population) and 98% of Gen Z (born 1997-2012), generation expected to surpass Millennials as the largest generation (c. 32% of the global population), report owing a smartphone.

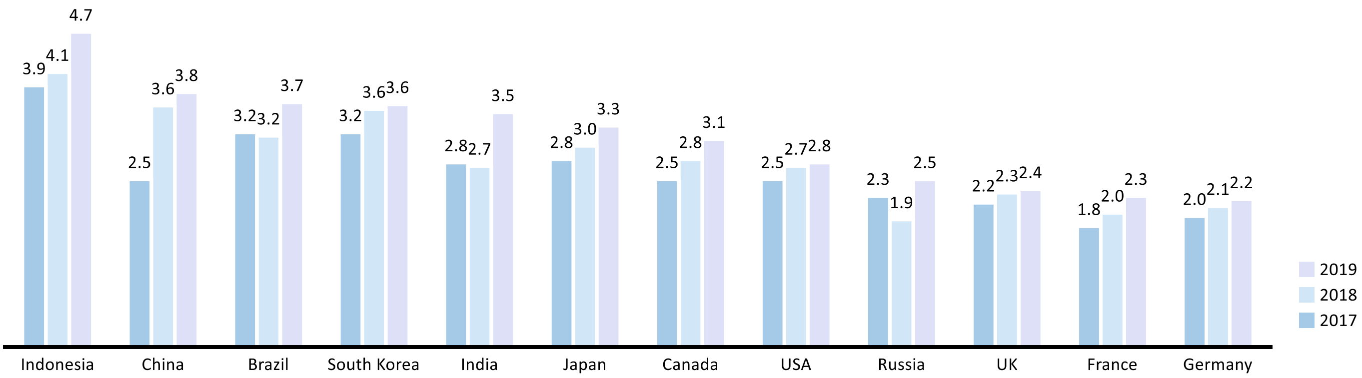
People's reliance on mobile phones in their daily lives has made mobile e-commerce a natural channel for purchasing products, especially as it offers increased convenience, user-friendly interfaces and a variety of trusted payment options. Over the next 5 years, to address consumer demand for convenient shopping, retailers are expected to continue to enhance customers' shopping experience by making it easier and more enjoyable to shop in physical stores, with the complete inclusion of shoppers' mobile devices in the process: by developing their own apps.

a. Number of retailer apps on the increase

During the last years, leading retailers have identified mobile sales as being a growth area, due to the high penetration rate of smartphones. As such, most retailers have developed in-house smartphone applications through which purchases can be made. The mobile channel has transformed consumer behaviour when it comes to purchasing in the sense that consumers are connected to the internet throughout the day (users spent 3h 40 min on average per day on their mobile in 2019, 35% more time than 2 years before) and as a result, can make purchases anytime anywhere through their mobile devices.

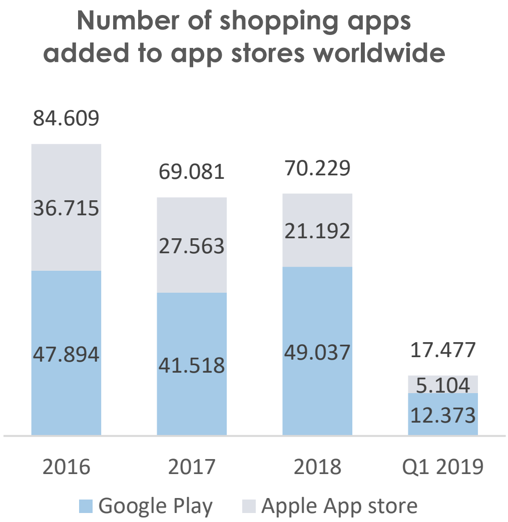
Average daily hours spent per device on mobile

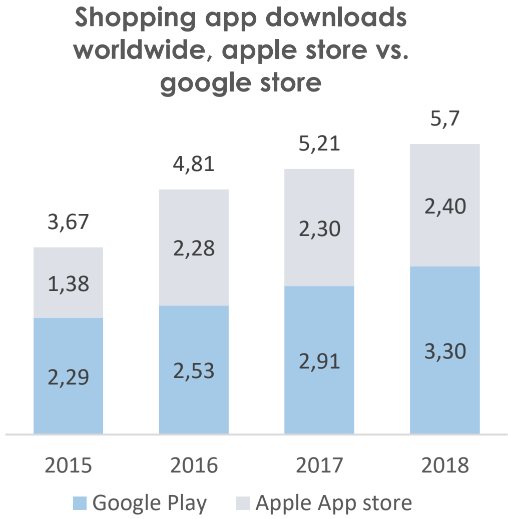
Source: State of Mobile 2020, App Annie
Note: Android phones



Considering the opportunity, leading retailers have already invested into in-house developed apps and are expected to further invest in mobile applications technologies. According to Apptopia[36] between 70,000 and 80,000 shopping apps where added by retailers to the app stores every year for the last 4 years. These figures have been supported as well by an increase in demand of shopping adds going from 3.67 billion downloads of shopping apps in 2015 to 5.7 billion downloads in 2018 (CAGR +15.8%).

[35] A consumer who is well informed about the modern technology, and also uses its skills in order to take advantage of the current technology.
[36] Data from app analytics platform Apptopia as of May 2019

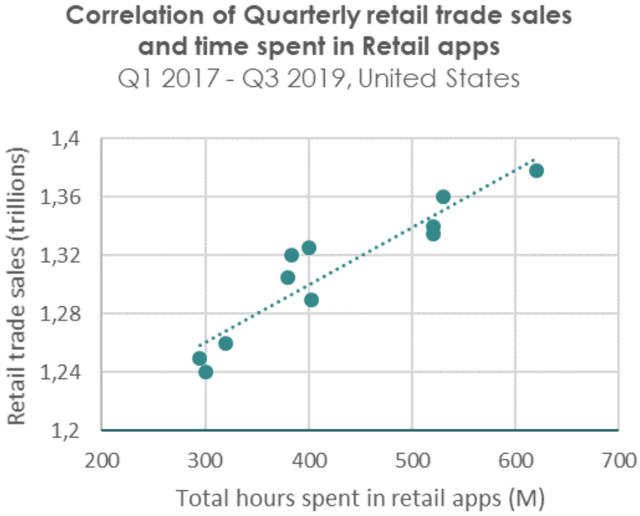




Source: Apptopia, May 2019

During the next 5 years, growth is set to be facilitated by a growing digital approach of retailers, aiming to improve the customer experience and to take advantage of personalised marketing.

b. Targets pursued: more active & loyal customer base



Source: US Census and App Annie
Note: Android phones: Average of 10 shopping apps (Digital-First, Bricks and clicks, peer to peer marketplaces) by MAU

Mobile has become increasingly important over time for omni-channel growth as it facilitates research and consideration, fulfilment, such as through in-store pickup and tracking of packages. The strong correlation presented by App Annie[37] between total retail sales (online and in-store) and time spent in shopping apps indicates that not only are consumers turning to mobile to shop, but retailers are enhancing mobile experiences to better serve all phases of the buying journey, whether a user is browsing, checking out, facilitating pickup, or tracking a purchase.

For example, McDonald's Japan sends mobile discount offers to targeted customers at specific times—for instance, to students after school or to families at lunchtime on Saturdays, or as a way to increase traffic on rainy days.

[37] App Annie, Total Mobile report 2020

Established brick-and-mortar retailers are therefore developing new ways to draw foot traffic and to compete on other more than just price, since they tend to be at a cost disadvantage against pure e-tailers[38] in many product categories. By enabling in-store Wi-Fi, push notifications, mobile maps and beacons, retailers are trying to facilitate the experience for shoppers to find what they are looking for and to give them a reason to make a purchase.

c. Increased customer engagement in store: tailored & personalized interactions with clients

A primary motivation for retailers to develop mobile applications is their potential to enhance customer engagement. Mobile apps allow retailers to engage personally with their customers and facilitate a new type of conversation between the brand and the customer. Personalized customer engagement is a huge driver of sales and customer loyalty. By engaging customers via mobile apps, retailers are able to deepen their understanding of their customers' wants and needs, and at the same time engage with the customer in a personal way providing personalized offers or discounts.

Personalization means for retailers to track, record, and analyse customer's needs, preferences, and buying patterns, in order to recommend to them the relevant products accordingly. Applying deep analytics to big data gathered from point-of-sale systems, social media channels and customer loyalty programs can provide insights about customers' shopping baskets, interests, promotions and messages most likely to appeal to customers. Digital marketing tools also allow retailers to measure how customers are influenced by certain marketing campaigns, as opposed to more traditional marketing methods like TV, print advertising or shop window decorations and designs.

Push messaging, in-app messaging and other tools such as widgets and interactive notifications allow to send relevant and personalised communications to consumers. According to a Salesforce study[39], 51% of consumers expect that companies will anticipate their needs and make relevant suggestions before they even make contact. That expectation also applies to stores, and for example, personalised notifications for customers about special discounts, in-store through the brand's mobile app, will helps retailers drive in-store traffic and, subsequently, sales. According to a BCG research[40], brands creating personalized experiences by integrating advanced digital technologies and proprietary data for customers are seeing revenue increase by 6% to 10%.

5.1.4. Location based marketing (LBM) is set to grow

As a result of omni-channel retail absorbing digital characteristics, new forms of marketing have surged. In this regard, location-based marketing, a technique that uses real-time geographical data from a mobile device to provide information or advertising to a given customer, presents itself as one of the main techniques to interact with customers when nearby or inside a store. Within this type of marketing, proximity targeting is a technology that allows businesses to target people within the radius around a specific location. This can be done using technologies like GPS, RFID[41], NFC and beacons.

There are three categories of location-based marketing depending on the technology used and the radius of action:

1. Geo-targeting[42]
2. Geo-fencing[43] and
3. Proximity Marketing[44]

All three target customers at varying levels of distance and can be used to trigger automated messages, such as push notifications.

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[38] Retailer selling goods via electronic transactions on the Internet

[39] Salesforce, "Please Take My Data: Why Consumers Want More Personalized Marketing", 2016

[40] Boston Consulting Group, "Profiting from personalization", 2017

[41] RFID (radio frequency identification) is a form of wireless communication that incorporates the use of electromagnetic or electrostatic coupling in the radio frequency portion of the electromagnetic spectrum to uniquely identify an object, animal or person.

[42] Geotargeting is the practice of customizing an advertisement for a product or service to a specific market based on the geographic location of potential buyers.

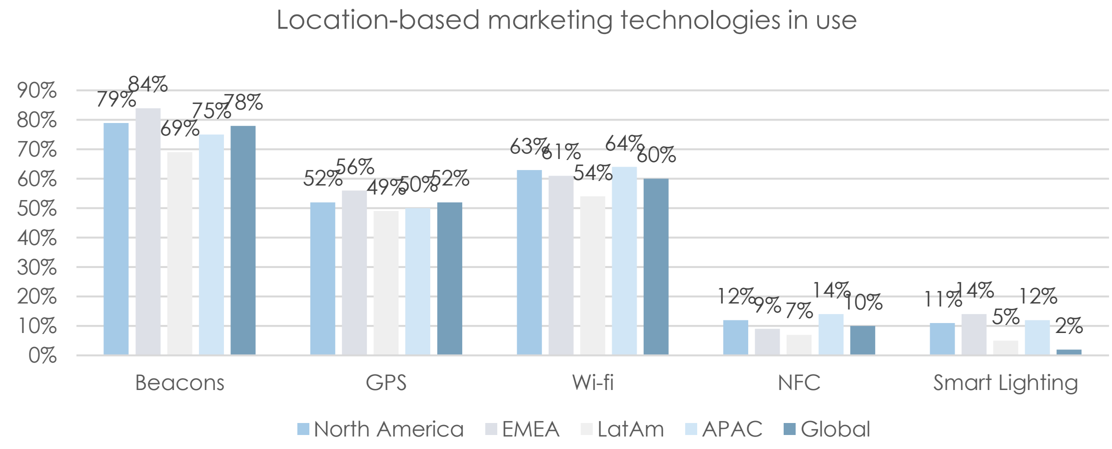
[43] Geofencing implies the use of GPS or RFID technology to create a virtual geographic boundary, enabling software to trigger a response when a mobile device enters or leaves a particular area.

[44] Proximity marketing is the localized wireless distribution of advertising content associated with a particular place.

1. Geotargeting targets only people who match specific criteria. It generally uses a visitor's IP address rather than GPS location.

2. Geofencing uses a mobile device's GPS location rather than its IP address, allowing to obtain more precise data. When a customer allows to share its location with a mobile retailer's app and enters the designated geofenced area, it may receive a push notification from the app, a text message, or location-based content and advertising while using the app in this location.

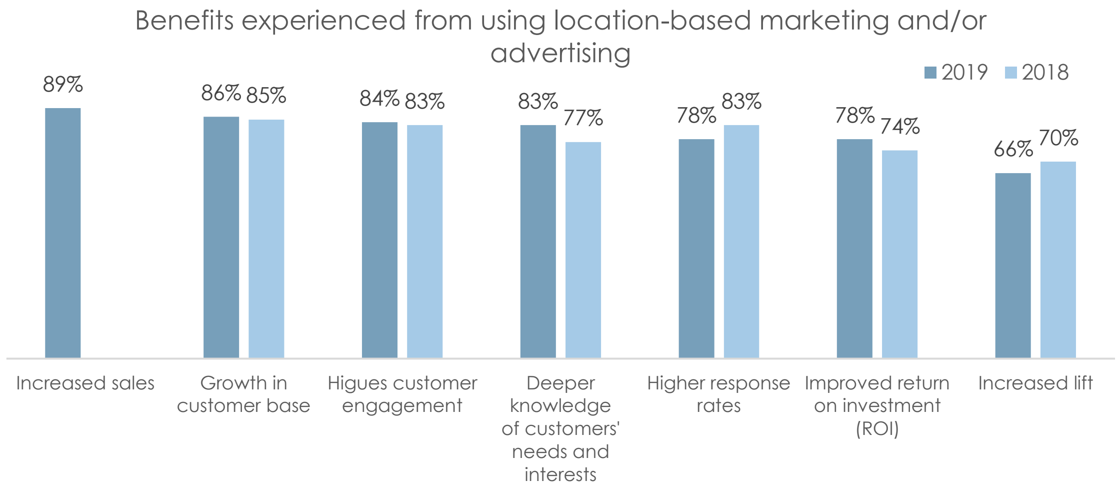
3. Proximity marketing is characterised by the use of other technologies as: (i) Bluetooth low energy beacons (ii) Near Field Communication, or (iii) Wi-Fi. These technologies allow to track mobile devices within buildings, or even specific alleys of a store, where geo-targeting and geo-fencing are not able to locate a customer accurately.
Proximity marketing within Location-based marketing has been gaining popularity within the retail industry thanks to its proven efficiency and impact on consumer's shopping basket and engagement.
Location Based Marketing is growing in importance across all markets, with 95% of marketers considering LBM important or very important, according to the Location Based Marketing Association (LBMA)[45]. The predicted expenditure by marketers on geo-targeted campaigns for 2019 only in the US was more than $26 billion (research by BIA Advisory Services[46]), and is expected to increase throughout 2020 and beyond.



Source: Global Location Trends Report 2020 (Location Based Marketing Association)

The main benefits or features of proximity marketing for data marketers are: (i) the ability to target customers within a narrow geofence (ii) driving foot traffic to store and (iii) the ability to engage the targeted audience with meaningful, personalized messaging. According to Factual[47], almost 9 out of 10 marketers said location-based advertising and marketing resulted in higher sales, followed by growth in their customer base (86%) and higher customer engagement (84%).

[45] The Location Based Marketing Association is a group dedicated to the fostering of a community of interest around all avenues of advertising and marketing as it relates to location-specific opportunities.
[46] BIA/Kelsey services, "BIA/Kelsey Sees Significant Growth in Local Mobile Ad Spending in 2018 and Beyond, as Advertisers Embrace Location-Targeted, Social and Web Platforms", February 2018
[47] Factual, "2019 Location-Based Marketing Report", 2019



Source: Factual, 2019 Location-Based Marketing Report

As a result, according to LBMA[48] spending on location-based marketing in 2019, measured by its share of the total marketing budget, increased across all markets by an average of about 9%, and overall share of marketing budgets going into Location based marketing represented as of 2019 over 50%.

[48] Location Based Marketing Association, "Global Location Trends Report 2019", 2019

5.2 Competitive analysis

5.2.1 Main competitors and competitive landscape

The competitive landscape for beaconsmind needs to be divided following the positioning across the value chain. Three segments can be distinguished across the value chain: (i) hardware producers; (ii) software developers; (iii) location-based marketing companies, although some players may position themselves across various activities, through vertical integration or for complementarity reasons:

beaconsmind is primarily positioned as a pure location-based marketing player. However, in order to be able to deliver a customised and plug-and-play product, it has developed its own beacon-based software and customised beacon hardware.
Players within the beaconsmind competitive landscape are represented below:

A first look at the location-based marketing industry allows to state that the market counts with few players in relation to the size of the market addressed. Furthermore, most of them are so far focusing on small and medium retailers, with no competitor announcing that a global roll-out had been completed. In the past, when a competitor had managed to grow to a significant size with a larger, local retailer, that competitor was typically acquired (Swirl acquired by BestBuy, a large US retailer). Most acquirers are from the retail or tech space.
A list of selected acquisitions in the industry is presented in the following table.

Date	Company	Country	Activity	Buyer
Aug-19	Radius Networks	USA	Location technology company focused on helping businesses locate, engage, and transact with their customers	Pendrell Corp. Core Capital Contour Venture Partners

May-19	Placed LLC	USA	Provider of business insights solutions for app developers	Foursquare Labs
Jun-17	Placed LLC	USA		Snap Inc.
Jan-19	Swirl Networks	USA	Company engaged in providing online marketing service	Best Buy Co.
May-17	Minodes Gmbh	Germany	Provider of software solutions for tracking customer behaviour and analysing related data to offline retailing market	Telefonica Gmbh
Feb-16	Minodes Gmbh	Germany		Market Tech Holdings
Jan-16	Euclid Analytics	USA	Provider of data analytics platform for the retail sector	Groupe Arnault SAS
Apr-15	Retailnext	USA	Provider of analytics that enable retailers and manufacturers to monitor, collect, analyse and visualize in store data	Siguler Guff & Company

Source: Mergermarket, Company press release

In order to position beaconsmind in its competitive environment the Company's management has selected below a few companies that have a greater relevance in the market and that would be more comparable to beaconsmind in terms of value proposition. 7 competitors have been listed and their offering has been valued in terms of software, hardware, ease of implementation, clients and price from 1-10 (being 1=poor and 10=good). In the view of the Company's management, its offer should be the best in terms of overall value, followed by Kontakt.io, should all criteria be of equal importance.

Company	Software	Hardware	Ease of Implementation	Clients	Price
Beaconsmind	8	8	7	8	9
Swirl Networks	7	1	7	9	7
Sensorberg	6	1	5	6	7
Moca Platform	9	1	9	4	5
Minodes	8	1	7	7	6
Placed	8	1	7	8	7
Kontakt.io	5	9	8	9	6

Source: beaconsmind analysis

The scoring of competitors on software is driven by the richness of the features, the specialisation of the use cases, the ability to integrate easily to APIs and the ability to tailor to specific needs. Scoring on the hardware is driven by several aspects: competitor beacons are battery supplied, meaning maintenance costs; competitor beacons often require specific power supplies, adaptors, and ethernet connections and are therefore impractical in retail stores; Scoring on ease of implementation considers the planning time and installation time of both software and hardware, from survey to live use. Scoring on clients evaluates the scale, breadth, depth and recurrence of the clients that competitors managed to acquire. Finally, price compares the value for money of the solution on a standalone basis and compared to the return on investment for the user.

From a historical funding and investment point of view the market of beacon-based location-based marketing companies, although still at an early stage, has already seen significant funding rounds from several venture capital players but as well from well-known retail and tech companies.

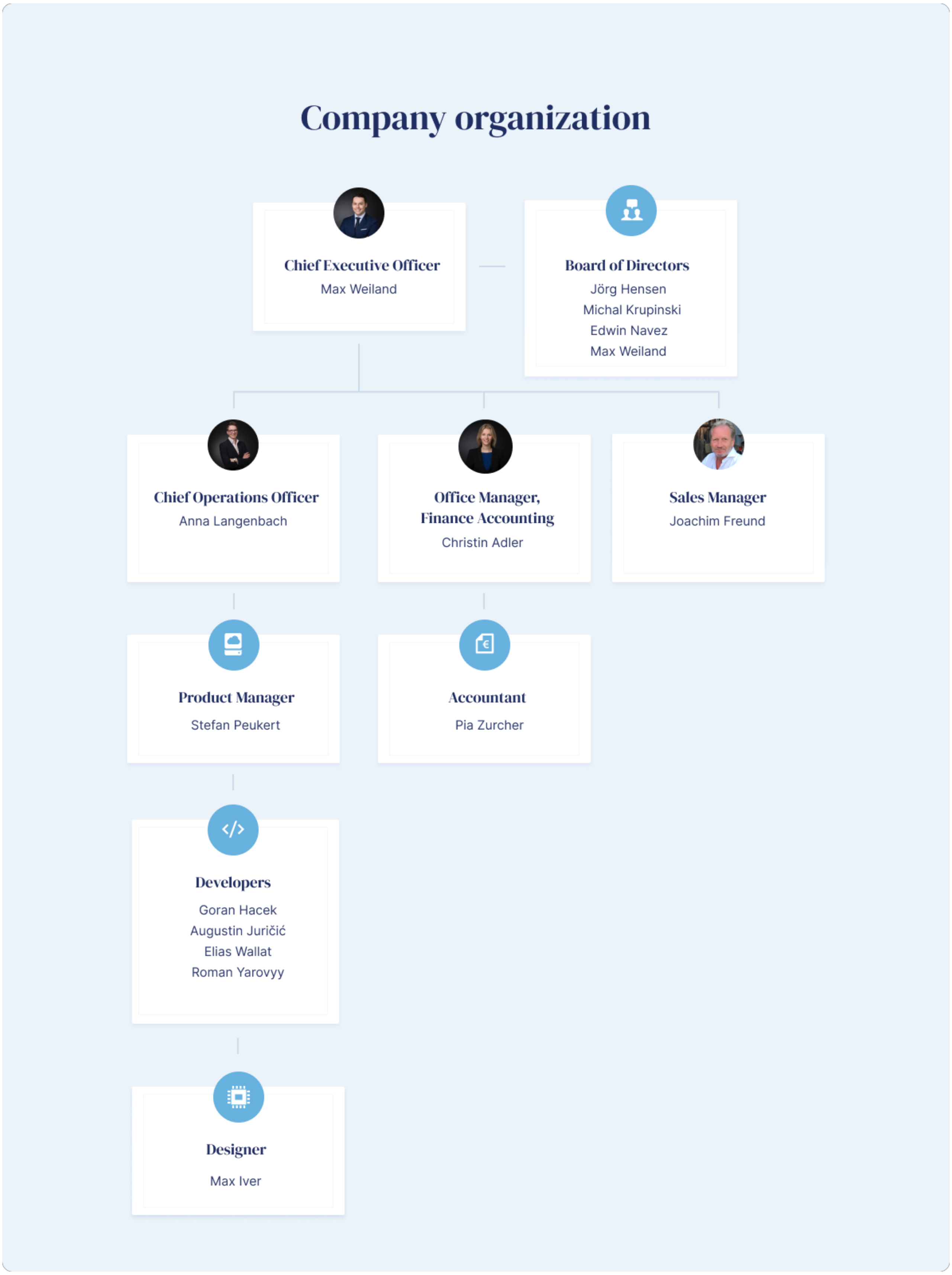
Among the selected players, the US companies Swirl Networks and Placed are the ones that have raised the most funds. Swirl Networks raised USD 32m in a combination of Series A, B and C, from Twitter Ventures, Hearst Ventures and Softbank Capital as main sponsors being recently acquired by Best Buy. Placed raised USD 13.4M before being acquired by Snap Inc in 2017 from Madrona Venture and Two Sigma for c. USD 125m and being later on acquired in 2019 by Foursquare on the heels of a USD 150m financing round led by The Raine Group.

Company	Country	Acquired by	Investors	Total funds raised	Funding detail
Beaconsmind	Switzerland	-	Max Weiland Osram Fluxunit	Seed: CHF 200k	Seed: CHF 200k

Swirl Networks	USA	Best Buy (Jan 2019)	Hearst Ventures Softbank Capital Twitter Ventures	USD 32M	Series A: USD 6M Series B: USD 8M Series C: USD 18M
Sensorberg	Germany	-	Microsoft Accelerator Xange WestTech Ventures Berlin Technologie Holding	EUR 2M	Seed: EUR 2M
Moca Platform	Spain	-	Inveready 15k Angels	EUR 1.8M	Seed : EUR 1.8M
Minodes	Germany	Telefónica NEXT (May 2017)	Berlin Technologie Holding Market Tech Project A Ventures	EUR 7.6M	Debt: EUR 1M Venture: EUR 3.5M Seed: EUR 3M
Placed	USA	Foursquare (May 2019)	Madrona Venture Group Two Sigma Ventures	Series A: USD 3.4M Series B: USD 10M	USD 13.4M
Kontakt.io	Poland	-	Credo Ventures Heartcore Capital Sunstone Capital Tech5	USD 8.3M	Series A: USD 2M Series B: USD 5M Venture: USD 1.3M

Source: Crunchbase

VI. Company organization



The company currently counts with 4 employees (as defined for legal, tax and social security purposes). As described on the organization chart above, 7 collaborators are externally hired (on-demand consulting contract) and working remotely.

As a result of the company’s strategic plan, a significant budget has been foreseen for total staff costs by the first half of 2021. This will imply new hires for the following positions:

- 1 Head of Finance
- 1 Project leader for business development
- 1 Sales manager
- 1 Software engineer
- 1 Marketing/PR manager
- 1 Human Resources manager

VII. Beaconsmind's Intellectual Property

For a description of the risks related to intellectual property rights, please refer to section 3.1 Risks related to Intellectual Property.

7.1 Patents and patents applications

None.

7.2 Data Bases, Software Programs, and Copyright

In order to provide retailers with a tool able to transform the shopping experience in-store and deliver a consistent omni-channel proposition, beaconsmind has developed a proprietary Beacon-based software.

The Company protects its confidential proprietary information, in part, by entering into confidentiality agreements and invention assignment agreements with all its clients, partners, employees, consultants, advisors, and any third parties with access or contribution to the Company's proprietary know-how, information, or technology.

7.3 Trademarks and Trademark Applications

The trademark BEACONSMIND which is exclusively owned by the Company is protected in Europe and the United States.

7.4 Domain Names

The Company uses and owns the following domain names: www.beaconsmind.com, www.beaconsmind.de, www.beaconsmind.ch, www.beaconsmind.at, www.beaconminds.com

VIII. Governance and share capital

8.1 Representation of the Company

Max Weiland, born 1985, German national, residing Uetikon am See, Switzerland, Chairman of the Board

Mr. Weiland is a German entrepreneur, based in Switzerland since 2014, specialised in digital marketing for close to 20 years. Mr. Weiland founded beaconsmind in 2015 and is currently the CEO. Prior to this, Mr. Weiland co-founded eviom Group in 2010, a digital marketing and advertising agency with offices in Switzerland, Germany and China. Mr. Weiland led eviom Group to €2.5M revenue and 50 employees in 5 years, with key accounts like Nestle, Toyota, Tui, Fitness First etc. Prior to this, Mr. Weiland was an Associate Professor of Online Marketing for 3 years at the MEDIADESIGN HOCHSCHULE in Berlin, Germany. Prior to that, Mr. Weiland worked for the media conglomerate Scout24 in Munich and other leading media agencies.

Mr. Max Weiland has the following mandates:

Within the beaconsmind Group
Companies in Switzerland
Chief Executive Officer and Chairman ・ beaconsmind AG ・Limited Company ・2015
Overseas Companies
None
Outside of the Beaconsmind Group
Companies in Switzerland
None
Overseas Companies
None

Anna Langenbach, born 1980, German national, residing Mannedorf, Switzerland, Chief Operating Officer

Anna Langenbach has over 13 years of experience working in digital marketing. Beaconsmind's employee #1, Anna currently serves as Chief Operations Officer, working with retail clients on award winning Beacon projects. Prior to joining beaconsmind, Anna worked at eviom Group as Managing Consultant, creating and implementing digital strategies across web and mobile.

Ms. Anna Langenbach has the following mandates:

Within the beaconsmind Group
Companies in Switzerland
Chief Operating Officer ・ beaconsmind AG ・ Limited Company ・ 2018

Overseas Companies
None
Outside of the Beaconsmind Group
Companies in Switzerland
None
Overseas Companies
None

Jörg Hensen is member of the Board of Directors.
Mr Hensen is a German Retail-Manager, based in Switzerland, specialised in digital marketing and consulting for close to 25 years. Mr. Hensen is currently CEO of Dress-For-Less GmbH in Frankfurt, Germany a subsidiary of the German KARSTADT Kaufhof Group. Prior to this, Mr. Hensen co-founded Loomish SA a Swiss-based investment management firm specialised in Lifestyle Tech, focussed on Fashion, Food, Travel and Design Industries. Prior to this, Mr. Hensen was CEO of the Quelle Versand AG a subsidiary of the German Quelle Versand and worked as a CEO for several well-known Swiss ecommerce and retail companies in Switzerland and Germany.

Mr. Hensen has the following mandates:

Within the beaconsmind Group
Companies in Switzerland
Board Member ・ beaconsmind AG ・Limited Company ・2020
Overseas Companies
None
Outside of the Beaconsmind Group
Companies in Switzerland
None
Overseas Companies
Chief Executive Officer ・Dress-For-Less GmbH ・Limited Company ・2019

Edwin Navez is member of the Board of Directors.

Mr Navez is a Swiss Manager, based in Switzerland, specialised in finance, consulting and digital marketing for close to 25 years. Mr. Navez is currently CFO and COO of the Swiss cycling apparel e-commerce ASSOS of Switzerland. Prior to this, Mr. Navez was CFO/COO of the Swiss Fashion Retailer PHILIPP PLEIN and advisor to the CEO of the Fashion Retailer VERSACE for special projects finance and operations. Prior to this, Mr. Navez worked for the Fashion Retailer MICHAEL KORS as VP Finance Europe and Finance Director Europe. Prior to that, Mr. Navez worked for Imerys a world leader in mineral-based specialties for industry as Manager Internal Consulting and Vice President of Finance Graphite Division and other well-known consulting companies such as KPMG.

Mr. Navez has the following mandates:

Within the beaconsmind Group
Companies in Switzerland
Board Member・beaconsmind AG・Limited Company・2020
Overseas Companies
None
Outside of the Beaconsmind Group
Companies in Switzerland
Chief Financial and Operations Officer・Assos of Switzerland GmbH・Limited Company・2020
Overseas Companies
None

Michal Krupinski is member of the Board of Directors.
Mr Krupinski is a Polish executive, based in Switzerland and Poland. Until November 2019, Michal Krupinski served as Chief Executive Officer of Bank Pekao, 2nd largest universal bank and a leading corporate and investment bank in Poland. Prior to joining the Bank, held number of senior managerial roles in leading financial institutions. Most recently, as Chief Executive Officer, PZU Group, the region's largest financial group, repositioned the firm for growth and strengthened its presence in banking. Previously, from 2011, was Head of Global Banking and Markets for Central and Eastern Europe at Bank of America Merrill Lynch, responsible for M&A projects, financing and capital advisory. Also has broad-based public sector experience. 2008-11, Alternate Executive Director of the Board of Directors, World Bank Group, Washington. Prior to this, served as Undersecretary of State in the Ministry of Treasury. Graduate, Warsaw School of Economics, KU Leuven; MBA, Columbia University. Young Global Leader, World Economic Forum (2012).

Mr. Krupinski has the following mandates:

Within the beaconsmind Group

Companies in Switzerland
Board Member ▪ beaconsmind AG ▪ Limited Company ▪ 2020
Overseas Companies
None
Outside of the Beaconsmind Group
Companies in Switzerland
Owner ▪ Krupinski ▪ Sole proprietorship ▪ 2020
Overseas Companies
None

8.2 Compensation committee

The Compensation committee, provided for in Article 26a of the Articles of Association, is currently composed of Mr. Navez, Mr. Hensen and Mr. Krupinksi.

8.3 Share capital

8.3.1 Main Shareholders

The share capital of the Company beaconsmind AG amounts to CHF 210,888.40 and is divided into 2,108,884 registered shares with a nominal value of CHF 0.10 per share.

The latest capital increases are as follows:

Latest capital increases (other than stock options below) include:

Date	Total shares	Price per share	Total amount raised	Investors	Rationale
03.12.2020	91'600	CHF 25	CHF 2,290,000	Private	Growth Capital
15.09.2020	25,200	CHF 25	CHF 630,000	Private	Growth Capital
25.05.2020	5,000	CHF 25	CHF 125,000	Private	Growth Capital
14.10.2019	14,000	CHF 25	CHF 350,000	Private	Growth Capital

8.3.2 Other securities

There are no securities other than those described below:

Stock-options

On May 4th, 2020 the board of directors of the Company, acting upon delegation of the authorisation granted by the general meeting of the shareholders dated May 4th 2020, implemented an incentive stock option plan with the following characteristics:

- Beneficiaries: employees of the Company, members of the Board of Directors and/or advisory board, respectively, and consultants and independent advisors

- Initial number of stock options granted: 180,644 stock-options giving right to 180,644 shares of the Company. All options have been exercised: 180,644 shares issued based on 180,644 exercised options, out of the conditional capital.

8.3.3 Authorized share capital

General authorization to the board of directors to increase the share capital

Pursuant to Article 3a of the Articles of Association, the Board of Directors is authorized to increase the share capital at any time until September 3, 2021 in the maximal amount of CHF76,042 by issuing at most 760,420 fully paid in registered shares with a nominal value of CHF 0.10 each. Increases in partial amounts are allowed.

Specific authorization to the board of directors to increase the share capital to employees, members of the Board of Directors and advisors of the Company

Pursuant to Article 3b of the Articles of Association, the share capital of the Company may be increased by an amount not to exceed CHF 50 through the issuance of up to 500 fully paid up registered shares with a par value of CHF 0.10 each through issuance of shares to employees, members of the Board of Directors and advisors of the Company

The preemptive rights and advance subscription rights of the existing shareholders of the Company for the new shares in proportion to their existing participations shall be excluded. The issuance of shares (issue amount, start date of dividend rights, type of contributions) or of options related thereto or a combination of shares and options shall be made pursuant to one or more plans to be issued by the Board of Directors. The issuance of shares or options may occur at a price below the market price.

IX. Listing

9.1 Conditions of the Listing of the Shares on Euronext Access+

9.1.1 The Listing of the Shares

The Shares, which constitute the Company's entire share capital as of the date of this Information Document, are subject to the Company's application for admission to trading on Euronext Access+. Prior to the admission to trading on Euronext Access+, there was no public market for the Company's Shares.

9.1.2 Purpose of the Listing of the Shares

The admission to trading described in this Information Document will allow the Company to:

- increase its visibility on the market by listing on Euronext Access+, located in Paris;
- allow the Company to achieve better access to the capital markets; and
- allow the Company to gain first capital markets experience.

A private placement seems for the company to be the most convenient way given the relatively low funding needs.

The main use of proceeds of the amount raised would be:

1. Support the adidas roll-out, having currently a visibility over 9 000 stores to roll out over 2021-2022.
2. Build a sales and marketing team, for the acquisition of new customers.
3. Develop talent and operations.

The main benefits from the Listing are:

- Broadening of funding sources
- Gain an international investor base, especially institutional
- Gain access to investors with deeper experience in the tech sector
- Strengthen the company profile
- Gain on transparency.

9.1.3 Approval of the Listing

The request for admission to trading of the Shares on Euronext Access+ was authorized by the Board of Directors on 18 December 2019.

9.1.4 The private placement

The admission to trading of the Shares on Euronext Access+ is requested after the implementation of a private placement conducted in September 15th, 2020 and December 3rd, 2020 with 10 qualified investors, in a total amount of CHF 2,920,000 or EUR 2,686,400 (at an exchange rate of CHF/EUR of 0.92) and the issuance of 116,800 new shares at a price of CHF25 per Share (*i.e.*, a market capitalization of CHF 52,722,100 or EUR 48,504,332 at an exchange rate of CHF/EUR of 0.92)

9.1.5 First trading price of the Shares

The share price of the Shares on the date of admission for trading on Euronext Access+ is CHF25 or EUR 23.0, equals to the subscription price of the recent private placement. Thus, the market capitalization of the Company will be circa EUR 48.6 million at the date of the Listing (the "**Listing Date**").

9.1.6 Timetable for the Listing of the Shares

Milestone	Date
Board of directors meeting that approved the listing of the Shares on Euronext	18 December 2019
General Meeting that (i) amended the bylaws to align them with a listed company and abolished restrictions to the transferability of shares and (ii) authorized the capital increase as part of the private placement	4 May 2020
Closing of the capital increase	December 3rd, 2020
Publication of the Euronext notice	10.02.2021

Publication of the Information Document	10.02.2021
Listing Date	12.02.2021

9.2 Ongoing listing obligations

In accordance with the Euronext Access+ rules and subject to compliance with applicable laws and regulations, the Company is subject to the following ongoing obligations after the Listing:

- to make available on its own website and make it available to Euronext for posting on its website, at the same time as it is published in any other media, the following information in French or in English, and to keep the following information online:

    - Within four (4) months after the end of its financial year its annual report, which will comprise the annual consolidated financial statements, the group management discussion and analysis and the auditor's report in respect of the annual financial statements;
    - Within four (4) months after the end of the second quarter of its financial year, a semi-annual report, which will comprise the half-year consolidated financial statements and an operations report in respect of the half-year financial statements;
    - General information on its activities, governance and contact points as well as insider information in accordance with the rules on market abuse as defined in the rules of Euronext Access+;
    - Its annual financial statements drawn up within the time limits provided for by local regulations. In the absence of a deadline provided for by such regulations, the issuer shall make public the annual financial statements in the first half of the year following the financial year;

- to comply with the European regulations on money laundering and EU sanctions restrictions as well as any related regulations or national legislation applicable to the Company;
  to permanently have a listing sponsor.
- to deliver to Euronext in December of each year a certificate in the form prescribed by Euronext, the purpose of which is to confirm, among other things, that it has complied and will continue to comply with the market abuse regime edicted by Euronext and that changes to its management team, management and supervisory bodies and shareholders have been duly notified to Euronext;

- to communicate to Euronext, at least two trading days before they are carried out, any information relating to transactions affecting the admitted shares that Euronext deems necessary to facilitate the fair, orderly and efficient operation of the market; and

- to take any action it deems necessary to dispose of its LEI throughout the period during which the shares are admitted to trading on Euronext Access+.

The aforementioned obligations are subject to amendments of the applicable regulations (in particular, the Euronext Access+ Rules).

9.3 Information on the Shares to be listed on Euronext Access+

Please see below certain information in relation to the Shares to be listed on Euronext Access+. For further details, please see section 2 (Share capital - shares) and section 3a (Shareholders meetings) of the Articles of Association at Appendix B – Articles of Association of the company.

9.3.1 Type and class of the Shares to be listed on Euronext Access+

Number of Shares to be listed	2,108,884
Listing price	23 euros*
Par value of the Shares	CHF 0.10 per share
Nature and form of the Shares	Ordinary registered shares

Currency	EUR
Shares denomination	Beaconsmind
ISIN code	CH0451123589
Mnemonic	ALBMD
Quotation method	Fixing
LEI number	894500DB5P9YR5T76656

* corresponds to placement price of 25CHF at an exchange rate of CHF/EUR of 0.92)

9.3.2 Form and certification of the Shares

Form of the shares

The Shareholders Meeting may, at any time, resolve to convert registered shares (*Namenaktien)* into bearer shares (*Inhaberaktien)* or bearer shares into registered shares by amending the Articles of Association.

Certification of the shares

The Shares are and will be registered shares issued as uncertificated securities (*Wertrechte*) within the meaning of article 973c of the Swiss Code of Obligations, and will be intermediated securities (*Bucheffekten*) within the meaning of the Swiss Federal Intermediated Securities Act of October 3, 2008). Delivery of the Shares will be made in book-entry form through the facilities of SIX SIS Ltd.

The Company shall maintain a share register listing the surname and first name (in case of legal entities, the company name) and address of the holders and usufructuaries of the registered shares. Only those registered in the share register shall be recognized as shareholders or usufructuaries' by the Company.

9.3.3 Share capital and authorized share capital

Share capital

The registered share capital of the Company amounts to CHF 210,888.40 and is divided into 2,108,884 registered shares with a nominal value of CHF 0.10 per share. The share capital is fully paid-in.

Shareholder	Number of common shares	Percentage
Max Weiland	500,193	24%
Strategic Venture Partners - Europe	403,279	19%
Fluxunit GmbH*	261,640	12%
Private placement investors	116,800	6%
Other management	34,064	2%
Other investors	792,908	38%
Total	**2,108,884**	100%

** Conditional upon listing, Fluxunit GmbH has the option to sell a portion of its shareholding amounting up to ~3% of the share capital to a third party.*

Authorized share capital and conditional share capital

Pursuant to Article 3a of the Articles of Association, the Board of Directors is authorized to increase the share capital at any time until September 3, 2021in the maximal amount of CHF 76,042by issuing at most 760,420 fully paid in registered shares with a nominal value of CHF 0.10 each. Increases in partial amounts are allowed

Pursuant to Article 3b of the Articles of Association, the share capital of the Company may be increased by an amount not to exceed CHF 50.00 through the issuance of up to 500 fully paid up registered shares with a par value of CHF 0.10 each through issuance of shares to employees, members of the Board of Directors and advisors of the Company. The pre-emptive rights and advance subscription rights of the existing shareholders of the Company for the new shares in proportion to their existing participations shall be excluded. The issuance of shares (issue amount, start date of dividend rights, type of contributions) or of options related thereto or a combination of shares and options shall be made pursuant to one or more plans to be issued by the Board of Directors. The issuance of shares or options may occur at a price below the market price.

9.3.4 Voting rights

The Company shall only accept one representative per share.
The voting right and the rights associated therewith may be exercised vis-à-vis the Company by a shareholder, usufructuary or Nominee only to the extent that such person is registered in the share register with voting rights.
Each share entitles to one vote.

9.3.5 Transferability of shares; clearance and lock-up agreements

Transferability of shares
The shares will be transmitted by transfer from account to account, and the transfer of rights resulting from the shares will occur by their registration and recording in the relevant share account.

Admission to clearance
The Company will apply for the listing of the Shares to the transactions of Euroclear France, which will ensure clearance of shares between and among holders of custodial accounts.

Lock-up agreements
The Company has entered into a lock-up agreement with the Listing Sponsor that would prohibit the Company for a period of 6 months after the start of trading of the Shares, to (i) announce or effect an increase of its share capital, (ii) propose to its general meeting an increase of the share capital, or (iii) announce, effect or propose the issuance of securities with conversion or option rights on Shares of the Company or economically similar transactions.
In addition, shareholders of the Company representing 100% of the capital, have undertaken towards the Issuer a specific lock-up commitment for up to 18 months after the start of trading of the Shares, not to directly or indirectly carry out sale transactions or other disposals relating to the Shares they hold in the Company.
The shares under lock-up will be released pursuant to the following schedule:

Shares	**Duration Lock-Up**
Up to 2,000 shares	3 months from date of listing (1st trading day)
From 2,001 shares - 5,000 shares	4 months from date of listing (1st trading day)
From 5,001 shares - 25,000 shares	5 months from the date of listing (1st trading day)
25,001 shares - 100,000 shares	6 months from the date of listing (1st trading day)
From 100,001 shares	7 months from the date of listing (1st trading day)
From 500,000 shares	12 months from the date of listing (1st trading day)
Special case I: Mr. Max Weiland with 499,693 shares	18 months from the date of listing (1st trading day)
Special case II: shares resulting from stock-option plans	6 months from the date of listing (1st trading day) For clarification purposes, it is noted that any additional shares held by beneficiaries under stock-option plans are subject to the normal shareholder lock-up period according to this table.

The lock-up agreement is supplemented by the following additional exception (sec. 1.4(a) of the lock-up agreement):

Shares which a party sells after listing (including by means of a granted put option), whereby this exception applies only on the condition that (cumulatively)

(i) the transfer of ownership of those shares to be sold to the buyer does not take place until after expiry of the lock-up period relevant to the seller pursuant, the duration being determined by the number of shares to be sold (e.g. ownership of 50,000 shares, sale of 5,000 shares: transfer of ownership after 4 months from the date of listing), and

(ii) those sales must be covered (i.e. no short sales by the seller), and

(iii) the buyer is a party to the lock-up agreement or becomes a party to it at the latest at the time of the sale.

The foregoing exception does not apply to so-called management shareholders, i.e. shareholders who are or have been members of the Board of Directors of the Company and who are or have been members of the senior management of the Company, and to management shareholders who leave the management of the Company upon their resignation of the management.

9.3.6 Dividend and liquidation rights

Earnings – Legal reserves – Right to dividends

Each share shall be entitled to share in the earnings on the terms and conditions set forth in Article 660 of the Swiss Code of Obligations and in the liquidating dividend in a portion that is proportional to the portion of the share capital that it represents.

Dividends may be paid out by the Company only if it has sufficient distributable profits from prior years or sufficient free reserves to allow the distribution of a dividend, as presented on the Company's annual statutory unconsolidated balance sheet prepared in accordance with Swiss law.

In accordance with the requirements of Swiss company law, out of the earnings for the financial year, reduced by prior years' losses, if any, there shall be charged five percent (5%) to constitute the general reserve. This charge will no longer be mandatory, when such general reserve reaches an amount equal to twenty percent (20%) of the paid-in share capital; payment shall once again be required, when, for any reason, the legal reserve falls below this percentage. In the event of a dividend payment of 5% or more of the nominal value of the share capital, 10% of the amounts that are distributed as a portion of earnings must also be credited to such reserve. Distributable earnings consist of the earnings for the period reduced by prior losses and by the charge described in the foregoing paragraph and increased by retained earnings and any reserves created for such purpose.

Distribution of dividends (including by way of distribution against reserves from capital contribution) for a given financial year and the amount and payment date thereof, are resolved by the shareholders' meeting (*Generalversammlung*) of the subsequent financial year. According to Article 14 of the Articles of Association, such resolution requires the absolute majority of the share votes cast excluding abstentions and empty or invalid ballots. The Company's auditors must confirm that the dividend proposal of the Company's board of directors to the shareholders' meeting conforms to statutory requirements and the Articles of Association.

Any dividend that has not been claimed within five years of becoming payable shall be barred automatically and ipse iure ("*de plein droit*") in favor of the Company (allocated to the Company's reserves).

The Articles of Association state that the proposal of the Board of Directors to distribute dividends requires, and such dividends may be paid only, after approval by the Shareholders Meeting by an absolute majority of the votes cast and adoption of the annual accounts that show a distributable profit. Furthermore, the Company's auditors must confirm that the dividend proposal by the Board of Directors conforms to law and the Articles of Association.

The Company has not distributed any dividends in the last three financial years. Dividends, if declared by the Company, will be declared and paid in Swiss francs.

9.3.7 Tender offers, take-over bids and squeeze-out

Under French law, the AMF may not apply the rules applicable to mandatory tender offers with obligatory withdrawal to public take-over bids or tender offers for financial securities issued by companies the registered or principal office of which, as defined in their Articles of Association, is located outside a Member State of the European Union or in a State that is a party to the Convention on the European Economic Area and that is traded on a French securities exchange (Article 231-1 of the AMF's General rules and Regulations). The Swiss public takeover law is mainly set forth in articles 125 to 141 of the Financial Market Infrastructure Act and its corresponding Ordinance on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 25 November 2015. These provisions are only applicable to public takeover offers relating to equity securities of target companies with (i) their registered office in Switzerland whose equity securities are at least partly listed on a stock exchange in Switzerland; or (ii) with their registered office abroad whose equity securities are at least in part mainly listed in Switzerland. Since the Company does not fall in this scope, the Swiss takeover law is not applicable to the Company. Therefore, the acquisition of a controlling stake of the Company would not trigger any obligation to file a public bid to buy out all of the Company's shareholders at a minimum price.
However, the repurchase of minority shareholders' interests may be decided on a contractual basis as part of a voluntary take-over bid.
The competent regulatory authority in the case of voluntary take-over bid is the French financial markets authority (AMF).
Since no security of the Company was listed and traded on a regulated market on the date of this Prospectus, no public take-over bid or tender offer from a third party was made for the Company's shares during the most recent financial year or the current financial year.

9.4 Technical information

9.4.1 Listing Sponsor

On the Listing Date, Invest Corporate Finance will enter into a listing sponsor agreement, according to which Invest Corporate Finance shall assist the Company as its listing sponsor after the Listing Date and shall assist the Company with reporting and other post-listing obligations.
In accordance with Euronext Access+ rules, the ongoing obligations of the listing sponsor are:

- The listing sponsor shall advise the Company in respect of the legal and regulatory requirements and contractual obligations resulting from the first admission to trading, including, without limitation, disclosure obligations following from Market Abuse Regime and monitor that the Company, upon admission and thereafter, complies with the admission and ongoing requirements;

- The listing sponsor shall advise the Company in respect of the legal and regulatory requirements and contractual obligations resulting from the first admission to trading, including, without limitation, disclosure obligations in respect of price-sensitive information;

- The listing sponsor shall maintain regular contact with the Company, to be aware of developments and changes within the Company and the shares admitted to trading and shall notify Euronext in case of breach of the relevant Market Rules and/or national regulations by the Company as soon as it becomes aware of it;

- The listing sponsor shall do its utmost to advise and accompany the Company by organizing one investor meeting per year at the minimum;

- The listing sponsor shall contact and provide advice to the Company if the Company does not comply with the Euronext Access+ rules or with other legal and regulatory requirements resulting from the first admission to trading in order to remedy the non-compliance. Upon request, the listing sponsor shall provide Euronext with information in relation to the Company.

9.4.2 Liquidity provider

None.

9.4.3 Equity research provider

From the Listing Date, the Company and Hauck & Aufhäuser have entered into an equity research coverage and marketing agreement, pursuant to which Hauck & Aufhäuser will perform various tasks in relation to financial analysis and marketing.

9.4.4 Securities services provider and paying agent

On 6th October 2020, the Company and BNP Paribas Securities Services entered into a central paying agency agreement pursuant to which BNP Paribas Securities Services is appointed as French paying agent.

The main paying agent affiliated with SIX in Switzerland is Zürcher Kantonalbank. As a result, any new shares will be issued through Zürcher Kantonalbank and delivered to BNP Paribas Securities Services as Euroclear France affiliated member, for remittance to all the subscribers of the placement.

9.4.5 Calendar of forthcoming communications

Publication of the unaudited half-yearly situation for the first half of 2021: expected April 15th, 2021

Publication of annual results for the year ended 30 June 2021: expected October 15th, 2021

X. Management discussion & answers on Financial figures

10.1 Comparison of the 2018 accounting period (Jan 18-Jun 19) to the 2017 accounting period (Jan 17-Dec 17)

Income statement of beaconsmind AG

for the period 1 January 2018 to 30 June 2019

in CHF

	1 Jan 2018 - 30 Jun 2019	01 Jan 2017 - 31 Dec 2017
Revenue from sales of services and goods	429'649	429'335
Cost of sales	-20'861	0
Personnel expenses	-496'425	-435'828
Other operating expenses	-189'581	-185'404
EBITDA	**-277'217**	**-191'897**
Depreciation and amortization on PP&E and intangible assets	-107'222	-72'124
Impairment on investments and financial assets	-10'611	-59'508
Impairment on other short-term receivables from subsidiaries	-10'570	-36'049
Operating result (EBIT)	**-405'620**	**-359'579**
Financial income	1	75
Financial expenses	-26'959	-2'809
Ordinary result	**-432'578**	**-362'312**
Income taxes	-402	-361
Net result	**-432'981**	**-362'673**

Income statement:

Overall the net loss increased from CHF -362K to CHF -433K. This is driven by the increase in personnel expenses, an increase in other operating costs (incl. rents, advertising, consulting services, audit, bookkeeping, office materials, IT expenses) as well as an increase in D&A of PP&E and intangible assets result of the comparison of a 12 month vs. an 18-month period. The revenue was stable at CHF 429K. Cost of sales for 2017 amounted to 0 as revenues were originated exclusively from software and consulting services and no hardware was sold. Financial expenses (mainly related to interest expenses. e.g. there were loans converted into equity during the reporting period) decreased by CHF 74 during the period.

Balance sheet of beaconsmind AG

as per 30 June 2019

in CHF

	30 Jun 2019	31 Dec 2017
Assets		
Cash	3'730	23'989
Trade accounts receivable	11'619	35'374
Other short-term receivables	0	7'499
Other short-term receivables from subsidiaries	1	1
Inventory	1	0
Prepayments and accrued income	1'940	0
Total current assets	**17'291**	**66'864**
Financial assets from subsidiaries	1	1
Investments	1	1
Property, plant and equipment	9'120	19'050
Intangible assets	59'805	86'295
Total non-current assets	**68'927**	**105'347**
Total Assets	**86'218**	**172'211**

	30 Jun 2019	31 Dec 2017
Liabilities and shareholders' equity		
Trade accounts payable	30'265	46'002
Short-term interest-bearing liabilities	0	10'000
Other short-term liabilities	92'747	81'183
Accrued expenses and deferred income	32'414	12'783
Total short-term liabilities	**155'426**	**149'969**
Long-term liabilities due to shareholders[1]	52'289	11'537
Total non-current liabilities	**52'289**	**11'537**
Total liabilities	**207'715**	**161'506**
Share capital	179'244	159'602
Reserves from capital contributions	1'045'535	764'398
Accumulated losses	-913'295	-550'622
Loss of the period	-432'981	-362'673
Total shareholders' equity	**-121'497**	**10'705**
Total liabilities and shareholders' equity	**86'218**	**172'211**

[1] Thereof CHF 15'000 subordinated as at 30 June 2019

Balance sheet:
The company's assets decreased from CHF 172K to CHF 86K. This is driven by a decrease in current assets (decrease in cash of CHF 20.2k in addition to a decrease in trade and other receivables of CHF 31.3k related to the reception of the paid rent deposit), coupled with a decrease in non-current assets (decrease in tangible and intangible assets of CHF 36.4k due to the amortisation of beaconsmind Suite software).
On the liabilities' side, short-term liabilities (incl. an advance payment by Advanon AG on short term interest bearing liabilities) remained stable (CHF155K vs CHF150K the previous year), as a result of stable revenues from client projects and trade payables were reduced as a result of the normal business fluctuation. Non-current liabilities increased by CHF 40.7k in relation to a company's shareholder loan. The shareholder's equity decreased from CHF 10K to CHF -121K, driven by an increase in accumulated losses and loss of the period.

Cash flow statement of beaconsmind AG

for the period 1 January 2018 to 30 June 2019

in CHF

	1 Jan 2018 - 30 Jun 2019	01 Jan 2017 - 31 Dec 2017
Net result	-432,981	-362,673
Depreciation and amortization on PP&E and intangible assets	107,222	72,124
Loss from impairments	21,181	95,557
Other expense/income that do not affect the fund	6,097	-64
Operative cash flow before change in operating working capital	**-298,480**	**-195,055**
Increase/decrease of trade accounts receivable	23,755	-24,352
Decrease of other short-term receivables and prepayments and accrued income	-5,011	-19,643
Increase of inventory	-1	0
Decrease /increase of trade accounts payable	-15,738	17,803
Increase of other short-term liabilities and accrued expenses and deferred income	31,194	37,900
Operative cash flow through change in operating working capital	**34,200**	**11,708**
Operative cash flow	**-264,280**	**-183,347**
Outflows for investment (purchase) of Property, plant and equipment	0	-9,118
Outflows for investment (purchase) of financial assets	-10,611	-32,760
Outflows for investment (purchase) of intangible assets	-70,803	-77,876
Cash drain from investing activities	**-81,414**	**-119,754**
Inflows from capital increase (including agio)	294,682	250,000
Repayment/issuance of short-term financial liabilities	-10,000	10,000
Issuance/repayment of long-term financial liabilities	40,752	-6,150
Cash inflow from financing activities	**325,434**	**253,850**
Net change in cash	**-20,259**	**-49,251**
Opening balance of cash	23,989	73,240
Closing balance of cash	3,730	23,989
Net change in cash	**-20,259**	**-49,251**

Cash-flow statement:

The company's change in cash increased from CHF -49K to CHF -20K. This is mainly driven by a negative operating cash flow, result of a negative net result of CHF 432k (including CHF 128k of non-cash items related to D&A and loss from impairments recognized during the period) partially offset by a positive change in working capital (change in trade receivables, short term receivables and prepayments, inventory, trade accounts payable and short term liabilities and accrued expenses) amounting to CHF 34k. Investing cash flow decreased significantly compared to the previous year to CHF -81k mainly driven by investments on intangible assets (beaconsmind Suite software) (CHF -71k). Investments in property, plant and equipment in 2017 were mainly related to furniture and equipment and investments on financial assets were related to the German subsidiary. The financing cash flow increased compared to the previous year from CHF 254k to CHF 325k. The increase is essentially driven by the issuance of long-term financial debt as well as a capital increase amounting up to CHF 41k. Short-term liabilities amounting CHF 10k were repaid during the period.

10.3 Comparison of the first interim period of the 2019 accounting period (Jul 19-Dec 19) to the same period the previous accounting period (Jul 18-Dec 18)

Interim income statement of beaconsmind AG

for the period 1 July 2019 to 31 December 2019

in CHF

	1 Jul 2019 - 31 Dec 2019	1 Jul 2018 - 31 Dec 2018
Revenue from sales of services and goods	362'085	216'278
Cost of sales	-49'565	-5'909
Personnel expenses	-163'470	-163'150
Other operating expenses	-187'940	-81'763
EBITDA	**-38'889**	**-34'543**
Depreciation and amortization on PP&E and intangible assets	-29'757	-30'120
Operating result (EBIT)	**-68'646**	**-64'664**
Financial income	0	1
Financial expenses	-2'067	-21'673
Ordinary result	**-70'713**	**-86'336**
Income taxes	0	-178
Net result	**-70'713**	**-86'514**

Income statement:
Overall the net loss decreased slightly from CHF -87K to CHF -70K. This is driven by an increase in other operating costs (incl. rents, advertising, consulting services, audit, bookkeeping, office materials, IT expenses) (from CHF 82k to CHF 188k during the period), coupled with an increase in cost of sales in relation to the sale of hardware and the provision of installation services (from CHF 6k to CHF 50k). The revenue increased by 67% or CHF145k during the period thanks to new client roll-outs (mainly related to adidas) of the solution. These new roll-outs contribute at a lower margin compared to the recurrent revenue stream that will follow from those points-of-sales. Financial expenses decreased from CHF 22k to CHF 2k considering that financing costs paid by beaconsmind to Avanon AG during the second half of 2018 are no longer applicable for 2019.

Interim balance sheet of beaconsmind AG

as per 31 December 2019

in CHF

	31 Dec 2019	31 Dec 2018
Assets		
Cash	12 442	37 302
Trade accounts receivable from third parties	251 306	75 224
Other short-term receivables	6 997	52
Other short-term receivables from subsidiaries	4 459	8 460
Other short-term receivables from shareholders	0	746
Inventory	1	1
Prepayments and accrued income	70	10 600
Total current assets	**275 274**	**132 384**
Financial assets from subsidiaries	1	10 035
Investments	1	1
Property, plant and equipment	7 300	11 400
Intangible assets	50 755	53 035
Total non-current assets	**58 057**	**74 471**
Total Assets	**333 331**	**206 855**
Liabilities and shareholders' equity		
Tade accounts payable	37 793	23 937
Short-term interest-bearing liabilities	0	3 218
Other short-term liabilities	30 345	79 239
Accrued expenses and deferred income	40 595	34 365
Total short-term liabilities	**108 733**	**140 759**
Long-term liabilites due to shareholders[1]	66 808	0
Total non-current liabilities	**66 808**	**0**
Total liabilities	**175 541**	**140 759**
Share capital	180 644	179 244
Reserves from capital contributions	1 394 135	1 010 535
Accumulated losses	-1 346 276	-1 037 169
Loss of the period	-70 713	-86 514
Total shareholders' equity	**157 790**	**66 096**
Total liabilities and shareholders' equity	**333 331**	**206 855**

[1] Thereof CHF 15'000 subordinated

Balance sheet:
The company's assets increased from CHF206K to CHF333K. This is driven by an increase in current assets (increase in trade accounts receivables mostly related to the adidas client account by CHF176K), coupled with a decrease in non-current assets (decrease in intangible assets). Intangible assets net decrease of c. 2k was driven by the amortisation of intangible assets (software) and the capitalisation of related costs. The decrease in PP&E was driven by the depreciation of the company's equipment. Financial assets decreased by c. 10k in relation to an impairment recognised for the German subsidiary.
On the liabilities' side, short-term liabilities (liabilities related to personnel such as social security, withholding tax and expenses and value added taxes) were slightly reduced (CHF108K vs CHF141K the previous year). There was an increase in non-current liabilities by CHF67K in relation to a company's shareholder loan. The shareholder's equity increased from CHF 66K to CHF 158K, driven by an increase in reserves from capital contributions.

Interim cash flow statement of beaconsmind AG

for the period 1 July 2019 to 31 December 2019

in CHF

	HY2 2019	HY2 2018
Net result	-70,713	-86,514
Depreciation and amortization on PP&E and intangible assets	29,757	30,120
Other expense/income that do not affect the fund	0	6,097
Operative cash flow before change in operating working capital	**-40,956**	**-50,297**
Increase of trade accounts receivable	-239,687	-61,070
Increase of other short-term receivables and prepayments and accrued income	-9,584	-6,496
Increase of trade accounts payable	7,528	9,194
Decrease/increase of other short-term liabilities and accrued expenses and deferred income	-54,221	31,935
Operative cash flow through change in operating working capital	**-295,964**	**-26,437**
Operative cash flow	**-336,920**	**-76,734**
Outflows for investment (purchase) of financial assets	0	-2,921
Outflows for investment (purchase) of intangible assets	-18,887	-21,317
Cash drain from investing activities	**-18,887**	**-24,238**
Inflows from capital increase (including agio)	350,000	97,682
Repayment/issuance of short-term financial liabilities	0	3,218
Issuance/repayment of long-term financial liabilities	14,519	-344
Cash inflow from financing activities	**364,519**	**100,557**
Net change in cash	**8,711**	**-416**
Opening balance of cash as per 1 July 2019/2018	3,730	37,718
Closing balance of cash as per 31 December 2019/2018	12,442	37,302
Net change in cash	**8,711**	**-416**

Cash-flow statement:

The company's change in cash increased from CHF 0K to CHF9K. This is mainly driven by a negative operating cash flow, result of a negative net result of CHF -70k (including CHF 30k of non-cash items related to D&A recognized during the period) coupled with a negative change in working capital amounting to CHF -296k. Investing cash flow remained low over the period amounting up to CHF 19k exclusively related to the investments on intangible assets (beaconsmind Suite software). The financing cash flow increased significantly compared to the previous reporting period from CHF 101k to CHF 365k. The increase is essentially driven by inflows from capital increase of CHF 350k and the issuance of long-term financial debt amounting CHF 15k.

10.4 Comparison of the "pro forma" information of the 2019 accounting period (Jul 18-Jun 19) to the same period the previous accounting period (Jul 17-Jun 18)

Proforma information is included exclusively for comparative purposes on the basis of the same accounting standards as the annual financial statements (Swiss Gaap) and only for the purposes of this document. The proforma information has not been reviewed by the statutory auditors.

Pro forma income statement of beaconsmind AG

for the period 1 July 2018 to 30 June 2019

in CHF

	1 Jul 2018 - 30 Jun 2019	1 Jul 2017 - 30 Jun 2018
Revenue from sales of services and goods	293'163	339'129
Cost of sales	-20'051	-810
Personnel expenses	-332'665	-363'001
Other operating expenses	-147'554	-95'589
EBITDA	**-207'107**	**-120'271**
Depreciation and amortization on PP&E and intangible assets	-57'170	-95'596
Impairment on investments and financial assets	-10'611	-59'508
Impairment on other short-term receivables from subsidiaries	-10'570	-36'049
Operating result (EBIT)	**-285'458**	**-311'424**
Financial income	1	75
Financial expenses	-23'471	-5'833
Ordinary result	**-308'929**	**-317'182**
Income taxes	-178	-585
Net result	**-309'107**	**-317'767**

Income statement:
Overall, the net result slightly increased from CHF -318K to CHF -309K. This is driven by an increase in other operating costs (incl. rents, advertising, consulting services, audit, bookkeeping, office materials, IT expenses) (from CHF 96k to CHF 148k during the period), coupled with an increase in cost of sales from beacons and installation costs (from CHF 1k to CHF 20k) and a reduction of personnel expenses (reduction in staff) (from CHF -363k to CHF -332k). The revenue decreased by 14% or CHF46k during the period because of the OSRAM revenue in the earlier period not being re-conducted in the later period after their investment in the company. Indeed, before OSRAM invested into beaconsmind in late 2017, OSRAM was a client of beaconsmind and when they invested, the work carried out by the company (creating white-label mobile apps, creating sales presentations, consulting, beacon set-up, events and presentations etc.) was not invoiced anymore. D&A decreased by CHF 38k considering that the Company had capitalised more costs in the past in the previous period. Financial expenses increased by CHF 18k as Advanon AG's financing costs at the end of 2018 and the beginning of 2019 were considerably higher than in the previous year. In addition, interest on loans were paid.

Pro forma balance sheet of beaconsmind AG

as per 30 June 2019

in CHF

	30 Jun 2019	30 Jun 2018
Assets		
Cash	3'730	37'718
Trade accounts receivable	11'619	14'153
Other short-term receivables from third parties	0	11'012
Other short-term receivables from subsidiaries	1	2'349
Inventory	1	1
Prepayments and accrued income	1'940	0
Total current assets	**17'291**	**65'233**
Financial assets from subsidiaries	1	7'114
Investments	1	1
Property, plant and equipment	9'120	19'050
Intangible assets	59'805	54'188
Total non-current assets	**68'927**	**80'353**
Total Assets	**86'218**	**145'586**
Liabilities and shareholders' equity		
Trade accounts payable	30'265	14'742
Other short-term liabilities	92'747	71'089
Accrued expenses and deferred income	32'414	10'580
Total short-term liabilities	**155'426**	**96'411**
Long-term interest bearing liabilities due to shareholders[1]	52'289	162'344
Total non-current liabilities	**52'289**	**162'344**
Total liabilities	**207'715**	**258'755**
Share capital	179'244	159'602
Reserves from capital contributions	1'045'535	764'398
Accumulated losses	-1'037'169	-719'402
Loss of the period	-309'107	-317'767
Total shareholders' equity	**-121'497**	**-113'169**
Total liabilities and shareholders' equity	**86'218**	**145'586**

[1] Thereof CHF 15'000 subordinated as per 30 June 2019

Balance sheet:
The company's assets decreased from CHF 146K to CHF 86K. This is driven by a decrease in current assets (decrease in cash by CHF34K and in short term receivables by CHF 11K), coupled with a decrease in non-current assets (depreciation of Property Plant and Equipment together with an impairment of financial assets, and an increase of intangible assets). Other-short term receivables from third parties mainly include credit balance of the rental deposit and the credit card. The decrease from the previous period can be explained by the payment of the rental deposit and the inexistence of open credit balances on the credit card.
On the liabilities' side, short-term liabilities increased (CHF 155K vs CHF 96K the previous year), driven by an increase in accounts payable as a result of normal business fluctuations of payment timings, short term liabilities (liabilities related to personnel expenses such as social security, withholding tax and expenses, and value added taxes) and accrued expenses. There was a decrease in non-current liabilities by CHF110K due to the repayment and offsetting of loans due to shareholders in the event of a capital increase. The shareholder's equity decreased from CHF -113K to CHF -121K, driven by an increase in reserves from capital contributions coupled with a larger decrease in accumulated losses.

Pro forma cash flow statement of beaconsmind AG

for the period 1 July 2018 to 30 June 2019

in CHF

	1 Jul 2018 - 30 Jun 2019	1 Jul 2017 - 30 Jun 2018
Net result	-309,107	-317,767
Depreciation and amortization on PP&E and intangible assets	57,170	95,596
Loss from impairments	10,611	95,557
Other expense/income that do not affect the fund	6,097	0
Operative cash flow before change in operating working capital	**-235,229**	**-126,614**
Decrease of trade accounts receivable	2,534	43,015
Decrease of other short-term receivables and prepayments and accrued income	11,420	-21,393
Increase of inventory	0	-1
Increase/decrease of trade accounts payable	15,523	-45,858
Increase of other short-term liabilities and accrued expenses and deferred income	43,492	5,831
Operative cash flow through change in operating working capital	**72,969**	**-18,406**
Operative cash flow	**-162,260**	**-145,020**
Outflows for investment (purchase) of Property, plant and equipment	0	-2,433
Outflows for investment (purchase) of financial assets	-3,498	-39,873
Outflows for investment (purchase) of intangible assets	-52,857	-71,451
Cash drain from investing activities	**-56,355**	**-113,757**
Inflows from capital increase (including agio)	132,682	250,000
Repayment of short-term financial liabilities	0	-10,000
Issuance/repayment of long-term financial liabilities	51,946	54,159
Cash inflow from financing activities	**184,628**	**294,159**
Net change in cash	**-33,987**	**35,382**

Cash-flow statement:
The company's change in cash decreased from CHF35K to CHF -34K. This is mainly driven by a negative operating cash flow, result of a negative net result of CHF -309k (including CHF 68k of non-cash items related to D&A recognized during the period). Investing cash flow was negative over the period amounting up to CHF -56k mainly related to the investments on intangible assets (beaconsmind Suite software). Investments in financial assets were related to the German non-operative subsidiary. The financing cash flow decreased compared to the previous year from CHF 294k to CHF 184k. The decrease is essentially driven by less inflows from capital increase of CHF 133k and the issuance of long-term financial debt amounting CHF 52k.

10.5 Comparison of the 2019 accounting period (Jul 19-Jun 20) to the 2018 accounting period (Jul 18-Jun 19)

Income statement of Beaconsmind AG

for the period 1 July 2019 to 30 June 2020

in CHF

	1 Jul 2019 - 30 Jun 2020	1 Jul 2018 - 30 Jun 2019
Revenue from sales of services and goods	512 448	293 163
Cost of sales	-68 745	-20 051
Personnel expenses	-309 472	-332 665
Other operating expenses	-592 078	-147 554
EBITDA	**-457 847**	**-207 107**
Depreciation and amortization on PP&E and intangible assets	-51 887	-57 170
Impairment on investments and financial assets	0	-10 611
Impairment on other short-term receivables from subsidiaries	-8 800	-10 570
Operating result (EBIT)	**-518 534**	**-285 458**
Financial income	0	1
Financial expenses	-10 360	-23 471
Ordinary result	**-528 894**	**-308 928**
Income taxes	-461	-178
Net result	**-529 355**	**-309 107**

Income statement:
Overall the net loss increased from CHF -309K to CHF -529K. This is driven by an increase in other operating expenses (incl. listing preparation fees, consulting services, audit fees linked to the listing, bookkeeping, rents, advertising) coupled with an increase of revenues from CHF 293K up to CHF 512K not sufficient to compensate the increase in other operating expenses. The company has been directly affected by the COVID19 pandemic, with end clients having to close down their retail stores as part of lockdowns across the world and invoices to the company having to be deferred, resulting in a temporary loss of revenue and liquidity. For example, an already planned, global project roll-out in approx. 500 stores with a sales volume of approx. MCHF 1 could not be carried out due to lockdowns and store closures. This resulted in a loss of potential sales for the company. The annual result was in below budget expectations and the COVID19 pandemic effect has already been taken into consideration into the business plan as described on section 4.7. Personnel expenses decreased thanks to the Swiss government scheme which contributed to the salaries of employees put on reduced hours due to COVID19.
Financial expenses (mainly related to interest expenses) decreased from CHF 23k to CHF 10k during the period driven by the lower interest expenses compared to last period where more loans were producing interest.

Balance sheet of Beaconsmind AG

as per 30 June 2020

in CHF

	30 Jun 2020	30 Jun 2019
Assets		
Cash	68'472	3'730
Trade accounts receivable	18'342	11'619
Other short-term receivables from third parties	15'042	0
Other short-term receivables from subsidiaries	1	1
Inventory	18'275	1
Prepayments and accrued income	14'866	1'940
Total current assets	**134'998**	**17'291**
Financial assets from subsidiaries	1	1
Investments	1	1
Property, plant and equipment	22'955	9'120
Intangible assets	58'477	59'805
Total non-current assets	**81'434**	**68'927**
Total Assets	**216'432**	**86'218**

Liabilities and shareholders' equity

	30 Jun 2020	30 Jun 2019
Trade accounts payable	154'204	30'265
Other short-term liabilities	34'734	92'747
Accrued expenses and deferred income	72'388	32'414
Total short-term liabilities	**261'326**	**155'426**
COVID-19 Credit	45'000	0
Other long-term liabilities	5'844	0
Long-term interest bearing liabilities due to shareholders[1]	85'210	52'289
Total non-current liabilities	**136'054**	**52'289**
Total liabilities	**397'381**	**207'715**
Share capital	181'144	179'244
Reserves from capital contributions	1'513'538	1'045'535
Accumulated losses	-1'346'276	-913'295
Loss of the period	-529'355	-432'981
Total shareholders' equity	**-180'949**	**-121'497**
Total liabilities and shareholders' equity	**216'432**	**86'218**

[1] Thereof CHF 15'000 subordinated

Balance sheet:
The company's assets increased from CHF 86K to CHF 216K. This is driven by an increase in current assets (increase in cash, trade accounts receivables, inventory and other short term receivables from third parties, related to new client projects and recurring fees coming from existing clients, coupled with an increase in non-current assets (increase in property, plant and equipment). The increase in PP&E was driven by the furniture purchased in the move to a new office that will be able to accommodate the future needs of the company until it reaches 30 full time employees. The inventory increase from CHF 0K to CHF 18K is due to hardware purchased for a project that got delayed due to the COVID19 pandemic and the subsequent closing of the client's stores. The pre-payment increase from CHF 2K to CHF 15K is driven by the software subscriptions pre-paid by clients and that will carry over into the next accounting period. On the liabilities' side, short-term liabilities increased from CHF 155k up to CHF 261k driven by an increase in trade payables of CHF 124k in relation to client projects and consulting services payable within 12 months, coupled with a decrease in other short term liabilities of CHF 68k and an increase in accrued expenses and deferred income of CHF 40k. There was an increase in non-current liabilities of CHF 84K in relation to the obtention of a COVID-19 credit of CHF 45k and an increase of long-term interest bearing liabilities by CHF 33K, which correspond to loans from Mr. Weiland to the company. As part of the COVID-19 crisis, the company decided on 26 March 2020 to apply for a COVID-19 bridging loan of CHF 45k from its main bank. The shareholder's equity decreased from CHF -121K to CHF -181K, driven by an increase of the loss of the period and an increase in accumulated losses. Measures were taken to provide the company with further growth capital of CHF 630k by Q3/2020 as part of the completion of a capital increase. A further capital increase was carried out in Q4/2020 for an amount of CHF 2.29M in order to provide the company with further growth capital.

Pro forma cash flow statement of beaconsmind AG

for the period 1 July 2019 to 30 June 2020

in CHF

	1 Jul 2019 - 30 Jun 2020	**1 Jul 2018 - 30 Jun 2019**
Net result	-529 355	-309 107
Depreciation and amortization on PP&E and intangible assets	51 887	57 170
Loss from impairments	8 800	10 611
Other expense/income that do not affect the fund	0	6 097
Operative cash flow before change in operating working capital	**-468 668**	**-235 229**
Decrease of trade accounts receivable	-6 723	2 534
Decrease of other short-term receivables and prepayments and accrued income	-27 968	11 420
Increase of inventory	-18 274	0
Increase/decrease of trade accounts payable	123 939	15 523
Increase of other short-term liabilities and accrued expenses and deferred income	-18 039	43 492
Operative cash flow through change in operating working capital	**52 935**	**72 969**
Operative cash flow	**-415 733**	**-162 260**
Outflows for investment (purchase) of Property, plant and equipment	-19 208	0
Outflows for investment (purchase) of financial assets	-8 800	-3 498
Outflows for investment (purchase) of intangible assets	-45 185	-52 857
Cash drain from investing activities	**-73 193**	**-56 355**
Inflows from capital increase (including agio)	469 903	132 682
Repayment of short-term financial liabilities	0	0
Issuance/repayment of long-term financial liabilities	83 765	51 946
Cash inflow from financing activities	**553 668**	**184 628**
Net change in cash	**64 742**	**-33 987**

Cash Flow statement:
The company's change in cash increased from CHF -34K to CHF 65K. This is mainly driven by a negative operating cash flow, result of a negative net result of CHF -529k (including CHF 61k of non-cash items related to D&A recognized during the period), partially offset by an increase in

trade accounts payable up to CHF 124k. Investing cash flow was negative over the period amounting up to CHF -73k mainly related to the investments on intangible assets for CHF 45k (beaconsmind Suite software). The financing cash flow increased compared to the previous year from CHF 185k to CHF 554k. The increase is essentially driven by the inflows from a capital increase amounting to CHF 470k and the issuance of long-term financial debt amounting CHF 84k.

XI. Appendices

Appendix A – Financial statements

11.A.1 Annual accounts 2017

Independent auditor's report

to the Board of Directors of beaconsmind AG

Stäfa (formerly Erlenbach)

Opinion

On your instructions, we have audited the financial statements of beaconsmind AG ("the Company"), which comprise the balance sheet, income statement, cash flow statement and notes, for the year ended 31 December 2017.

In our opinion, the financial statements for the year ended 31 December 2017 comply with Swiss law.

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 entity in accordance with the requirements of the Swiss audit profession and the IESBA Code of Ethics for Professional Accountants, 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.

Emphasis of matter

We draw attention to note 9 to the financial statements which indicates that the Company incurred a net loss of CHF 362'673 during the year ended 31 December 2017 and, as of that date. This, along with other matters as set forth in note 9, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, the financial statements would have to be prepared on the basis of liquidation values. This could result in an impairment of the intangible assets. Our opinion is not qualified in respect of this matter.

Other matter

For the financial statements of the Company for the year ended 31 December 2016 a limited statutory examination has been performed.

Other information

Management is responsible for the other information. The other information comprises all information included in the information document but does not include the financial statements of beaconsmind AG.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 Management and the Board of Directors for the financial statements

Management is responsible for the preparation of the financial statements in accordance with Swiss law, and for such internal control as Management 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, Management is responsible for assessing the entity'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 Management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the entity's financial reporting process.

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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's 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 entity'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 entity 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 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.

PricewaterhouseCoopers AG

Thomas Wallmer	Marcel Aeberhard
Audit expert	Audit expert

Zürich, 15 June 2020

Enclosure:

- Financial statements (balance sheet, income statement, cash flow statement and notes)

Balance sheet of beaconsmind AG
as per 31 December 2017

in CHF

	31 Dec 2017	31 Dec 2016
Assets		
Cash	23,989	73,240
Trade accounts receivable	35,374	11,022
Other short-term receivables from third parties	7,499	8,987
Other short-term receivables from subsidiaries	1	14,187
Prepayments and accrued income	0	670
Total current assets	**66,864**	**108,106**
Financial assets from subsidiaries	1	0
Investments	1	26,750
Property, plant and equipment	19,050	22,600
Intangible assets	86,295	67,875
Total non-current assets	**105,347**	**117,225**
Total Assets	**172,211**	**225,331**
Liabilities and shareholders' equity		
Trade accounts payable	46,002	28,200
Short-term interest-bearing liabilities	10,000	0
Other short-term liabilities	81,183	48,566
Accrued expenses and deferred income	12,783	7,500
Total short-term liabilities	**149,969**	**84,266**
Long-term liabilities due to shareholders	11,537	17,687
Total non-current liabilities	**11,537**	**17,687**
Total liabilities	**161,506**	**101,953**
Share capital	159,602	119,702
Reserves from capital contributions	764,398	554,298
Accumulated losses	-550,622	-357,451
Loss of the period	-362,673	-193,172
Total shareholders' equity	**10,705**	**123,378**
Total liabilities and shareholders' equity	**172,211**	**225,331**

Income statement of beaconsmind AG

for the period 1 January 2017 to 31 December 2017

in CHF

	2017	2016
Revenue from sales of services	429,335	278,423
Personnel expenses	-435,828	-231,615
Other operating expenses	-185,404	-189,340
EBITDA	**-191,897**	**-142,532**
Depreciation and amortization on PP&E and intangible assets	-72,124	-49,587
Impairment on investments and financial assets	-59,508	0
Impairment on other short-term receivables from subsidiaries	-36,049	0
Operating result (EBIT)	**-359,579**	**-192,119**
Financial income	75	0
Financial expenses	-2,809	-1,019
Ordinary result	**-362,312**	**-193,137**
Income taxes	-361	-34
Net result	**-362,673**	**-193,172**

Cash flow statement of beaconsmind AG

for the period 1 January 2017 to 31 December 2017

in CHF

	2017	**2016**
Net result	-362'673	-193'172
Depreciation and amortization on PP&E and intangible assets	72'124	49'587
Loss from impairments	95'557	0
Other expense/income that do not affect the fund	-64	0
Decrease/increase of trade accounts receivable	-24'352	4'190
Decrease of other short-term receivables and prepayments and accrued income	-19'643	-17'203
Increase/decrease of trade accounts payable	17'803	-55'051
Increase of other short-term liabilities and accrued expenses and deferred income	37'900	52'944
Operative cash flow	**-183'347**	**-158'705**
Outflows for investment (purchase) of Property, plant and equipment	-9'118	-28'663
Outflows for investment (purchase) of financial assets	-32'760	-26'750
Outflows for investment (purchase) of intangible assets	-77'876	-100'699
Cash drain from investing activities	**-119'754**	**-156'112**
Inflows from capital increase (including agio)	250'000	300'000
Issuance of short-term financial liabilities	10'000	0
Repayment/issuance of long-term financial liabilities	-6'150	41'685
Cash inflow from financing activities	**253'850**	**341'685**
Net change in cash	**-49'251**	**26'868**
Opening balance of cash	73'240	46'373
Closing balance of cash	23'989	73'240
Net change in cash	**-49'251**	**26'868**

Notes to the financial statements of beaconsmind AG as per 31 December 2017

1. General Information

beaconsmind AG was incorporated in December 2014 in Switzerland and is domiciled in Stäfa.

These financial statements were prepared according to the provision of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Financial reporting under the Code of Obligations requires estimates and assumptions to be made by management. These are made continuously and are based on past experience and other factors. In order to ensure the long-term prosperity of the company and in accordance with the prudence principle depreciation, amortization, value adjustments and provisions may exceed the economically necessary extent.

The totals in the financial statements may not add up due to rounding.

2. Significant accounting principles

2.1 Cash

Cash comprise cash held in Swiss Francs at banks that can be withdrawn without notice.

2.2 Trade accounts receivable and other non-current receivables

A receivable is recognized once the company has an unconditional right to payment. Initially, accounts receivable are recognized at the transaction value according to contractual terms and conditions. They do not carry any interest. Subsequently, accounts receivable are measured at amortized cost, which equals their transaction value less bad debt allowances. Foreign currency revaluations and impairment losses are recognized in the income statement. On derecognition, gains and losses are recognized in the income statement.
Bad debt allowances are calculated based on an individual assessment of the receivables. There is no general allowance for doubtful debts recognized.

2.3 Investment

An investment in a non-operative, German wholly owned subsidiary is measured at amortized cost and is impaired to the amount of CHF 1.

2.4 Property, plant and equipment

Property, plant and equipment consist of hardware and equipment and is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced or disposed of. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Hardware and equipment are both depreciated over 5 years using the diminishing balance method.
The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

2.5 Intangible assets

Intangible assets consist mainly of a software (beaconsmind Suite) which was developed by third parties and through internal resources. The software is already in use and generated revenues for the company during all reporting periods. Expenditure connected with the further development of this software is capitalized only if the expenditure can be measured reliably and future economic benefits are probable and attributable to this software. Otherwise, expenditure is recognized in profit or loss as incurred.
Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.
Software is amortized over its estimated useful life of 3 years using the straight-line method. Amortization method, useful life and residual value are reviewed at each reporting date and adjusted if appropriate.

2.6 Trade accounts payable and other short-term liabilities

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.7 Short-term and long-term interest bearing liabilities

These loans are initially recognized at fair value, net of transaction costs incurred and are subsequently measured at amortized cost.

2.8 Revenue from sales of services

The company generates revenue primarily from the sale of software as well as providing installation services, app development and consulting services.

Revenue from sale of software (beaconsmind Suite software): beaconsmind grants licenses for the beaconsmind Suite software to clients usually for a contract period of 12 months. During the contract period the company continuously enhances the software and performs support services for the clients. Therefore, software license revenue is recognized on a straight-line basis over the contractual duration.

Revenue from installation, app development and consulting services: Revenue from providing services is recognized in the accounting period in which the services are rendered.

The company does not expect to have any contracts where the period between the transfer of the promised goods or services to the clients and payment by the clients exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

3. Number of full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, did not exceed 10.

4. Investments

Company name, domicile	**Capital**		**Share in capital and voting rights in %**	
	Currency	31/12/2017	31/12/2017	31/12/2016
Beaconsmind Deutschland GmbH, Gründwald, Germany	EUR	25,000	100%	100%

5. Pension scheme liabilities

	31/12/2017	31/12/2016
BVG SwissLife	CHF 20,224	CHF 11,694

The pension scheme liabilities are included in the balance sheet position „Other short-term liabilities“.

6. Shares held by Board of Directors and employees

	31/12/2017		31/12/2016	
	Quantity	Value in CHF (nominal)	Quantity	Value in CHF (nominal)
Board of Directors	34,504	69,008	35,402	70,804
Employees	1,598	3,196	1,598	3,196

7. Significant events after the balance sheet date

The new coronavirus (COVID-19) has a negative impact on the entire global economy. The financial impact on the upcoming reporting period and beyond of beaconmind AG cannot currently be estimated as it depends strongly on how long and to what extent the measures to contain the new coronavirus will be sustained worldwide. In the short-run revenues will drop as clients had to close their stores and therefore stopped further investments. During the crisis, the company is able to reduce its personnel expenses (as its biggest cost item) through successfully applying for short-term working. Once the economy regains strength, the business model of beaconsmind AG might also lead to an increase in revenue as it offers a possibility among others to enhance the overall user experience in a store and providing location-based data of customers which will gain highly benefits. This might be more in the focus of the company's clients as they might need to take further action to get people back to stores after online shopping was on the rise during the crisis.

8. Other information

		31/12/2017	31/12/2016
Used foreign exchange rate for balance sheet items	EUR	CHF 1.17	CHF 1.07

Transactions in foreign currency are recorded and translated into CHF using the actual exchange rate (monthly average rates). The resulting currency exchange differences are included in the income statement as exchange gains or losses.

9. Going concern assessment of the Board of Directors

The balance sheet as per 31 December 2017 shows a tight situation regarding liquidity and equity (art. 725 para 1 CO). The Board of Directors state that further capital increases must be performed.
In October 2018 and November 2019 the company performed capital increases in the total amount of KCHF 616 and executed another capital increase in May 2020 in the amount of KCHF 125. Furthermore, beaconsmind AG is in the process to obtain further capital in near future to secure the growth strategy of the company. Yet, according to the current business plan this further capital increase is not necessary to secure the ability of the company to continue as a going concern.
The Board of Directors are of the opinion that current business plan depicts a realistic scenario. Therefore, the board of directors prepared the financial statements based on the going concern assumption. However, if the targets of the current business plan could not be met and if the company will not able to obtain further capital, there is a material uncertainty that raises serious doubts about the ability of the company to continue as a going concern.

11.A.2 Annual accounts 2018 – H1 2019

Independent auditor’s report

to the Board of Directors of beaconsmind AG

Stäfa (formerly Erlenbach)

Opinion

On your instructions, we have audited the financial statements of beaconsmind AG (“the Company”), which comprise the balance sheet, income statement, cash flow statement and notes, for the for the period from 1 January 2018 to 30 June 2019.

In our opinion, the financial statements for the year ended 30 June 2019 comply with Swiss law.

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 entity in accordance with the requirements of the Swiss audit profession and the IESBA Code of Ethics for Professional Accountants, 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.

Emphasis of matter

We draw attention to note 11 to the financial statements which indicates that the Company incurred a net loss of CHF 432'981 during the period from 1 January 2018 to 30 June 2019. and, as of that date, the Company’s liabilities exceeded its total assets by CHF 121’497. These conditions, along with other matters as set forth in note 11, indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Should the Company be unable to continue as a going concern, the financial statements would have to be prepared on the basis of liquidation values. This could result in an impairment of the intangible assets. Our opinion is not qualified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises all information included in the information document but does not include the financial statements of beaconsmind AG.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 Management and the Board of Directors for the financial statements

Management is responsible for the preparation of the financial statements in accordance with Swiss law, and for such internal control as Management 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, Management is responsible for assessing the entity'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 Management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the entity's financial reporting process.

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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's 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 entity'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 entity 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 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.

PricewaterhouseCoopers AG

Thomas Wallmer	Marcel Aeberhard
Audit expert	Audit expert

Zürich, 15 June 2020

Enclosure:

- Financial statements (balance sheet, income statement, cash flow statement and notes)

Balance sheet of beaconsmind AG

as per 30 June 2019

in CHF

	30 Jun 2019	31 Dec 2017
Assets		
Cash	3'730	23'989
Trade accounts receivable	11'619	35'374
Other short-term receivables	0	7'499
Other short-term receivables from subsidiaries	1	1
Inventory	1	0
Prepayments and accrued income	1'940	0
Total current assets	**17'291**	**66'864**
Financial assets from subsidiaries	1	1
Investments	1	1
Property, plant and equipment	9'120	19'050
Intangible assets	59'805	86'295
Total non-current assets	**68'927**	**105'347**
Total Assets	**86'218**	**172'211**

	30 Jun 2019	31 Dec 2017
Liabilities and shareholders' equity		
Trade accounts payable	30'265	46'002
Short-term interest-bearing liabilities	0	10'000
Other short-term liabilities	92'747	81'183
Accrued expenses and deferred income	32'414	12'783
Total short-term liabilities	**155'426**	**149'969**
Long-term liabilities due to shareholders[1]	52'289	11'537
Total non-current liabilities	**52'289**	**11'537**
Total liabilities	**207'715**	**161'506**
Share capital	179'244	159'602
Reserves from capital contributions	1'045'535	764'398
Accumulated losses	-913'295	-550'622
Loss of the period	-432'981	-362'673
Total shareholders' equity	**-121'497**	**10'705**
Total liabilities and shareholders' equity	**86'218**	**172'211**

[1] Thereof CHF 15'000 subordinated as at 30 June 2019

Income statement of beaconsmind AG

for the period 1 January 2018 to 30 June 2019

in CHF

	1 Jan 2018 - 30 Jun 2019	**01 Jan 2017 - 31 Dec 2017**
Revenue from sales of services and goods	429'649	429'335
Cost of sales	-20'861	0
Personnel expenses	-496'425	-435'828
Other operating expenses	-189'581	-185'404
EBITDA	**-277'217**	**-191'897**
Depreciation and amortization on PP&E and intangible assets	-107'222	-72'124
Impairment on investments and financial assets	-10'611	-59'508
Impairment on other short-term receivables from subsidiaries	-10'570	-36'049
Operating result (EBIT)	**-405'620**	**-359'579**
Financial income	1	75
Financial expenses	-26'959	-2'809
Ordinary result	**-432'578**	**-362'312**
Income taxes	-402	-361
Net result	**-432'981**	**-362'673**

Cash flow statement of beaconsmind AG

for the period 1 January 2018 to 30 June 2019

in CHF

	1 Jan 2018 - 30 Jun 2019	01 Jan 2017 - 31 Dec 2017
Net result	-432'981	-362'673
Depreciation and amortization on PP&E and intangible assets	107'222	72'124
Loss from impairments	21'181	95'557
Other expense/income that do not affect the fund	6'097	-64
Increase/decrease of trade accounts receivable	23'755	-24'352
Decrease of other short-term receivables and prepayments and accrued income	-5'011	-19'643
Increase of inventory	-1	0
Decrease /increase of trade accounts payable	-15'738	17'803
Increase of other short-term liabilities and accrued expenses and deferred income	31'194	37'900
Operative cash flow	**-264'280**	**-183'347**
Outflows for investment (purchase) of Property, plant and equipment	0	-9'118
Outflows for investment (purchase) of financial assets	-10'611	-32'760
Outflows for investment (purchase) of intangible assets	-70'803	-77'876
Cash drain from investing activities	**-81'414**	**-119'754**
Inflows from capital increase (including agio)	294'682	250'000
Repayment/issuance of short-term financial liabilities	-10'000	10'000
Issuance/repayment of long-term financial liabilities	40'752	-6'150
Cash inflow from financing activities	**325'434**	**253'850**
Net change in cash	**-20'259**	**-49'251**
Opening balance of cash	23'989	73'240
Closing balance of cash	3'730	23'989
Net change in cash	**-20'259**	**-49'251**

Notes to the financial statements of beaconsmind AG as per 30 June 2019

1. General Information

beaconsmind AG was incorporated in December 2014 in Switzerland and is domiciled in Stäfa.

These financial statements were prepared according to the provision of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Financial reporting under the Code of Obligations requires estimates and assumptions to be made by management. These are made continuously and are based on past experience and other factors. In order to ensure the long-term prosperity of the company and in accordance with the prudence principle depreciation, amortization, value adjustments and provisions may exceed the economically necessary extent.

The totals in the financial statements may not add up due to rounding.

2. Significant accounting principles

2.1 Cash

Cash comprise cash held in Swiss Francs at banks that can be withdrawn without notice.

2.2 Trade accounts receivable and other non-current receivables

A receivable is recognized once the company has an unconditional right to payment. Initially, accounts receivable are recognized at the transaction value according to contractual terms and conditions. They do not carry any interest. Subsequently, accounts receivable are measured at amortized cost, which equals their transaction value less bad debt allowances. Foreign currency revaluations and impairment losses are recognized in the income statement. On derecognition, gains and losses are recognized in the income statement.
Bad debt allowances are calculated based on an individual assessment of the receivables. There is no general allowance for doubtful debts recognized.

2.3 Investment

An investment in a non-operative, German wholly owned subsidiary is measured at amortized cost and is impaired to the amount of CHF 1.

2.4 Property, plant and equipment

Property, plant and equipment consist of hardware and equipment and is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced or disposed of. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Hardware and equipment are both depreciated over 5 years using the diminishing balance method.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.5 Intangible assets

Intangible assets consist mainly of a software (beaconsmind Suite) which was developed by third parties and through internal resources. The software is already in use and generated revenues for the company during all reporting periods. Expenditure connected with the further development of this software is capitalized only if the expenditure can be measured reliably and future economic benefits are probable and attributable to this software. Otherwise, expenditure is recognized in profit or loss as incurred.
Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.
Software is amortized over its estimated useful life of 3 years using the straight-line method. Amortization method, useful life and residual value are reviewed at each reporting date and adjusted if appropriate.

2.6 Trade accounts payable and other short-term liabilities

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.7 Short-term and long-term interest bearing liabilities

These loans are initially recognized at fair value, net of transaction costs incurred and are subsequently measured at amortized cost.

2.8 Revenue from sales of services and goods

The company generates revenue primarily from the sale of hardware and software as well as providing installation services, app development and consulting services.

Revenue from sale of hardware (beacons): Revenue is recognized when the goods are delivered to the retail outlets.

Revenue from sale of software (beaconsmind Suite software): beaconsmind grants licenses for the beaconsmind Suite software to clients usually for a contract period of 12 months. During the contract period the company continuously enhances the software and performs support services for the clients. Therefore, software license revenue is recognized on a straight-line basis over the contractual duration.

Revenue from installation, app development and consulting services: Revenue from providing services is recognized in the accounting period in which the services are rendered.

The company does not expect to have any contracts where the period between the transfer of the promised goods or services to the clients and payment by the clients exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

3. Number of full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, did not exceed 10.

4. Investments

Company name, domicile	Capital		Share in capital and voting rights in %	
	Currency	30/06/2019	30/06/2019	31/12/2017
Beaconsmind Deutschland GmbH, Gründwald, Germany	EUR	25,000	100%	100%

5. Pension scheme liabilities

	30/06/2019	31/12/2017
BVG SwissLife	CHF 20,189	CHF 20,224

The pension scheme liabilities are included in the balance sheet position „Other short-term liabilities“ and "Accrued expenses and deferred income" (prior year: „Other short-term liabilities“).

6. Shares held by Board of Directors and employees

	30/06/2019		31/12/2017	
	Quantity	Value in CHF (nominal)	Quantity	Value in CHF (nominal)
Board of Directors	614,817	61,482	34,504	69,008
Employees	33,560	3,356	1,598	3,196

7. Significant events after the balance sheet date

The new coronavirus (COVID-19) has a negative impact on the entire global economy. The financial impact on the upcoming reporting period and beyond of beaconsmind AG cannot currently be estimated as it depends strongly on how long and to what extent the measures to contain the new coronavirus will be sustained worldwide. In the short-run revenues will drop as clients had to close their stores and therefore stopped further investments. During the crisis, the company is able to reduce its personnel expenses (as its biggest cost item) through successfully applying for short-term working. Once the economy regains strength, the business model of beaconsmind AG might also lead to an increase in revenue as it offers a possibility among others to enhance the overall user experience in a store and providing location-based data of customers which will gain highly benefits. This might be more in the focus of the company’s clients as they might need to take further action to get people back to stores after online shopping was on the rise during the crisis.

8. Residual amount of leasing liabilities

	30/06/2019	31/12/2017
Company car	CHF 57,081	CHF 0

9. Other information

		30/06/2019	31/12/2017
Used foreign exchange rate for balance sheet items	EUR	CHF 1.12	CHF 1.17

Transactions in foreign currency are recorded and translated into CHF using the actual exchange rate (monthly average rates). The resulting currency exchange differences are included in the income statement as exchange gains or losses.

Comparing the business year 2018/19 with the prior year figures, it must taken into account that business year 2018/19 is covering 18 months, whereas the prior year figures are covering 12 months.

10. Reserves from capital contributions

Reserves from capital contributions in the amount of KCHF 281 (of total KCHF 1'046 as per 30 June 2019) have not yet been confirmed by the Federal Tax Administration (ESTV). 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.

11. Going concern assessment of the Board of Directors

The balance sheet as per 30 June 2019 shows a tight situation regarding liquidity and equity (art. 725 para 2 CO). The Board of Directors state that further capital increases must be performed.

After balance sheet date the Board of Directors has taken measures to increase revenues and decrease costs. In addition the company executed a capital increase in the amount of KCHF 350 in October 2019 and another capital increase in May 2020 in the amount of KCHF 125. Furthermore, beaconsmind AG is in the process to obtain further capital in near future to secure the growth strategy of the company. Yet, according to the current business plan this further capital increase is not necessary to secure the ability of the company to continue as a going concern.
The Board of Directors are of the opinion that current business plan depicts a realistic scenario. Therefore, the board of directors prepared the financial statements based on the going concern assumption. However, if the targets of the current business plan could not be met and if the company will not able to obtain further capital, there is a material uncertainty that raises serious doubts about the ability of the company to continue as a going concern.

11.A.3 Half year accounts 2019

Report on the Review

of Interim financial statements to the Board of Directors of beaconsmind AG

Stäfa (formerly Erlenbach)

Introduction

We have reviewed the accompanying interim financial statements (balance sheet, income statement, cash flow statement and notes) of beaconsmind AG ("the Company") for the period from 1 July 2019 to 31 December 2019. The Board of Directors is responsible for the preparation and presentation of these interim financial statements in accordance with Swiss law. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Swiss Auditing Standard 910 and International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Swiss Auditing Standards and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements have not been prepared, in all material respects, in accordance with Swiss law.

Emphasis of Matter

We draw attention to note 11 to the financial statements which indicates that the Company incurred a net loss of CHF 70'713 during the six months period ended 31 December 2019. This, along with other matters as set forth in note 11, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, the financial statements would have to be prepared on the basis of liquidation values. This could result in an impairment of the intangible assets. Our conclusion is not qualified in respect of this matter.

PricewaterhouseCoopers AG

Thomas Wallmer

Marcel Aeberhard

Zürich, 15 June 2020

Enclosure:

- Interim financial statements (balance sheet, income statement, cash flow statement and notes)

Interim balance sheet of beaconsmind AG

as per 31 December 2019

in CHF

	31 Dec 2019	31 Dec 2018
Assets		
Cash	12'442	37'302
Trade accounts receivable from third parties	251'306	75'224
Other short-term receivables	6'997	52
Other short-term receivables from subsidiaries	4'459	8'460
Other short-term receivables from shareholders	0	746
Inventory	1	1
Prepayments and accrued income	70	10'600
Total current assets	**275'274**	**132'384**
Financial assets from subsidiaries	1	10'035
Investments	1	1
Property, plant and equipment	7'300	11'400
Intangible assets	50'755	53'035
Total non-current assets	**58'057**	**74'471**
Total Assets	**333'331**	**206'855**
Liabilities and shareholders' equity		
Tade accounts payable	37'793	23'937
Short-term interest-bearing liabilities	0	3'218
Other short-term liabilities	30'345	79'239
Accrued expenses and deferred income	40'595	34'365
Total short-term liabilities	**108'733**	**140'759**
Long-term liabilites due to shareholders[1]	66'808	0
Total non-current liabilities	**66'808**	**0**
Total liabilities	**175'541**	**140'759**
Share capital	180'644	179'244
Reserves from capital contributions	1'394'135	1'010'535
Accumulated losses	-1'346'276	-1'037'169
Loss of the period	-70'713	-86'514
Total shareholders' equity	**157'790**	**66'096**
Total liabilities and shareholders' equity	**333'331**	**206'855**

[1] Thereof CHF 15'000 subordinated

Interim income statement of beaconsmind AG

for the period 1 July 2019 to 31 December 2019

in CHF

	1 Jul 2019 - 31 Dec 2019	1 Jul 2018 - 31 Dec 2018
Revenue from sales of services and goods	362'085	216'278
Cost of sales	-49'565	-5'909
Personnel expenses	-163'470	-163'150
Other operating expenses	-187'940	-81'763
EBITDA	**-38'889**	**-34'543**
Depreciation and amortization on PP&E and intangible assets	-29'757	-30'120
Operating result (EBIT)	**-68'646**	**-64'664**
Financial income	0	1
Financial expenses	-2'067	-21'673
Ordinary result	**-70'713**	**-86'336**
Income taxes	0	-178
Net result	**-70'713**	**-86'514**

Interim cash flow statement of beaconsmind AG

for the period 1 July 2019 to 31 December 2019

in CHF

	HY2 2019	**HY2 2018**
Net result	-70'713	-86'514
Depreciation and amortization on PP&E and intangible assets	29'757	30'120
Other expense/income that do not affect the fund	0	6'097
Increase of trade accounts receivable	-239'687	-61'070
Increase of other short-term receivables and prepayments and accrued income	-9'584	-6'496
Increase of trade accounts payable	7'528	9'194
Decrease/increase of other short-term liabilities and accrued expenses and deferred income	-54'221	31'935
Operative cash flow	**-336'920**	**-76'734**
Outflows for investment (purchase) of financial assets	0	-2'921
Outflows for investment (purchase) of intangible assets	-18'887	-21'317
Cash drain from investing activities	**-18'887**	**-24'238**
Inflows from capital increase (including agio)	350'000	97'682
Repayment/issuance of short-term financial liabilities	0	3'218
Issuance/repayment of long-term financial liabilities	14'519	-344
Cash inflow from financing activities	**364'519**	**100'557**
Net change in cash	**8'711**	**-416**
Opening balance of cash as per 1 July 2019/2018	3'730	37'718
Closing balance of cash as per 31 December 2019/2018	12'442	37'302
Net change in cash	**8'711**	**-416**

Notes to the interim financial statements of beaconsmind AG as per 31 December 2019

1. General Information

beaconsmind AG was incorporated in December 2014 in Switzerland and is domiciled in Stäfa.

These financial statements were prepared according to the provision of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Financial reporting under the Code of Obligations requires estimates and assumptions to be made by management. These are made continuously and are based on past experience and other factors. In order to ensure the long-term prosperity of the company and in accordance with the prudence principle depreciation, amortization, value adjustments and provisions may exceed the economically necessary extent.

The totals in the financial statements may not add up due to rounding.

2. Significant accounting principles

2.1 Cash

Cash comprise cash held in Swiss Francs at banks that can be withdrawn without notice.

2.2 Trade accounts receivable and other non-current receivables

A receivable is recognized once the company has an unconditional right to payment. Initially, accounts receivable are recognized at the transaction value according to contractual terms and conditions. They do not carry any interest. Subsequently, accounts receivable are measured at amortized cost, which equals their transaction value less bad debt allowances. Foreign currency revaluations and impairment losses are recognized in the income statement. On derecognition, gains and losses are recognized in the income statement.
Bad debt allowances are calculated based on an individual assessment of the receivables. There is no general allowance for doubtful debts recognized.

2.3 Investment

An investment in a non-operative, German wholly owned subsidiary is measured at amortized cost and is impaired to the amount of CHF 1.

2.4 Property, plant and equipment

Property, plant and equipment consist of hardware and equipment and is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced or disposed of. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Hardware and equipment are both depreciated over 5 years using the diminishing balance method.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.5 Intangible assets

Intangible assets consist mainly of a software (beaconsmind Suite) which was developed by third parties and through internal resources. The software is already in use and generated revenues for the company during all reporting periods. Expenditure connected with the further development of this software is capitalized only if the expenditure can be measured reliably and future economic benefits are probable and attributable to this software. Otherwise, expenditure is recognized in profit or loss as incurred.
Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.
Software is amortized over its estimated useful life of 3 years using the straight-line method. Amortization method, useful life and residual value are reviewed at each reporting date and adjusted if appropriate.

2.6 Trade accounts payable and other short-term liabilities

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.7 Short-term and long-term interest bearing liabilities

These loans are initially recognized at fair value, net of transaction costs incurred and are subsequently measured at amortized cost.

2.8 Revenue from sales of services and goods

The company generates revenue primarily from the sale of hardware and software as well as providing installation services, app development and consulting services.

Revenue from sale of hardware (beacons): Revenue is recognized when the goods are delivered to the retail outlets.

Revenue from sale of software (beaconsmind Suite software): beaconsmind grants licenses for the beaconsmind Suite software to clients usually for a contract period of 12 months. During the contract period the company continuously enhances the software and performs support services for the clients. Therefore, software license revenue is recognized on a straight-line basis over the contractual duration.

Revenue from installation, app development and consulting services: Revenue from providing services is recognized in the accounting period in which the services are rendered.

The company does not expect to have any contracts where the period between the transfer of the promised goods or services to the clients and payment by the clients exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

3. Number of full-time equivalents

The average number of full-time equivalents for the reporting period, as well as the previous period, did not exceed 10.

4. Investments

Company name, domicile	**Capital**		**Share in capital and voting rights in %**	
	Currency	31/12/2019	31/12/2019	31/12/2018
Beaconsmind Deutschland GmbH, Gründwald, Germany	EUR	25,000	100%	100%

5. Pension scheme liabilities

	31/12/2019	31/12/2018
BVG SwissLife	CHF 17,811	CHF 16,339

The pension scheme liabilities are included in the balance sheet position „Other short-term liabilities“ (prior year: "Other short-term liabilities" and "Accrued expenses and deferred income").

6. Shares held by members of the Board of Directors and employees

	31/12/2019		**31/12/2018**	
	Quantity	Value in CHF (nominal)	Quantity	Value in CHF (nominal)
Board of Directors	572,377	57,238	34,504	69,008
Employees	33,560	3,356	1,598	3,196

7. Significant events after the balance sheet date

The new coronavirus (COVID-19) has a negative impact on the entire global economy. The financial impact on the upcoming reporting period and beyond of beaconsmind AG cannot currently be estimated as it depends strongly on how long and to what extent the measures to contain the new coronavirus will be sustained worldwide. In the short-run revenues will drop as clients had to close their stores and therefore stopped further investments. During the crisis, the company is able to reduce its personnel expenses (as its biggest cost item) through successfully applying for short-term working. Once the economy regains strength, the business model of beaconsmind AG might also lead to an increase in revenue as it offers a possibility among others to enhance the overall user experience in a store and providing location-based data of customers which will gain highly benefits. This might be more in the focus of the company’s clients as they might need to take further action to get people back to stores after online shopping was on the rise during the crisis.

8. Residual amount of leasing liabilities

	31/12/2019	31/12/2018
Company car	CHF 48,926	CHF 65,235

9. Other information

		31/12/2019	31/12/2018
Used foreign exchange rate for balance sheet items	EUR	CHF 1.09	CHF 1.13

Transactions in foreign currency are recorded and translated into CHF using the actual exchange rate (monthly average rates). The resulting currency exchange differences are included in the income statement as exchange gains or losses.

10. Reserves from capital contributions

Reserves from capital contributions in the amount of KCHF 630 (of total KCHF 1'394 as per 31 December 2019) have not yet been confirmed by the Federal Tax Administration (ESTV). 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.

11. Going concern assessment of the Board of Directors

The balance sheet as per 31 Dec 2019 shows a tight situation regarding liquidity and equity (art. 725 para 1 CO). The Board of Directors state that further capital increases must be performed.
The company executed a capital increase in May 2020 in the amount of KCHF 125. Furthermore, beaconsmind AG is in the process to obtain further capital in near future to secure the growth strategy of the company. Yet, according to the current business plan this further capital increase is not necessary to secure the ability of the company to continue as a going concern.
The Board of Directors are of the opinion that current business plan depicts a realistic scenario. Therefore, the board of directors prepared the financial statements based on the going concern assumption. However, if the targets of the current business plan could not be met and if the company will not able to obtain further capital, there is a material uncertainty that raises serious doubts about the ability of the company to continue as a going concern.

11.A.4 Annual accounts 2019 – 2020

Independent auditor's report

to the Board of Directors of beaconsmind AG

Stäfa

Opinion

On your instructions, we have audited the financial statements of beaconsmind AG ("the Company"), which comprise the balance sheet, income statement, cash flow statement and notes, for the year ended 30 June 2020.

In our opinion, the financial statements for the year ended 30 June 2020 comply with Swiss law.

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 entity in accordance with the requirements of the Swiss audit profession and the IESBA Code of Ethics for Professional Accountants, 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.

Other information

Management is responsible for the other information. The other information comprises all information included in the information document but does not include the financial statements of beaconsmind AG.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 Management and the Board of Directors for the financial statements

Management is responsible for the preparation of the financial statements in accordance with Swiss law, and for such internal control as Management 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, Management is responsible for assessing the entity'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 Management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the entity's financial reporting process.

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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's 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 entity'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 entity 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 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.

PricewaterhouseCoopers AG

Qualified electronic signature - Swiss law

Thomas Wallmer

Audit expert

Marcel Aeberhard

Audit expert

Zürich, 18 November 2020

Enclosure:

- Financial statements (balance sheet, income statement, cash flow statement and notes)

Balance sheet of Beaconsmind AG

as per 30 June 2020

in CHF

	30 Jun 2020	30 Jun 2019
Assets		
Cash	68'472	3'730
Trade accounts receivable	18'342	11'619
Other short-term receivables from third parties	15'042	0
Other short-term receivables from subsidiaries	1	1
Inventory	18'275	1
Prepayments and accrued income	14'866	1'940
Total current assets	**134'998**	**17'291**
Financial assets from subsidiaries	1	1
Investments	1	1
Property, plant and equipment	22'955	9'120
Intangible assets	58'477	59'805
Total non-current assets	**81'434**	**68'927**
Total Assets	**216'432**	**86'218**

	30 Jun 2020	30 Jun 2019
Liabilities and shareholders' equity		
Trade accounts payable	154'204	30'265
Other short-term liabilities	34'734	92'747
Accrued expenses and deferred income	72'388	32'414
Total short-term liabilities	**261'326**	**155'426**
COVID-19 Credit	45'000	0
Other long-term liabilities	5'844	0
Long-term interest bearing liabilities due to shareholders[1]	85'210	52'289
Total non-current liabilities	**136'054**	**52'289**
Total liabilities	**397'381**	**207'715**
Share capital	181'144	179'244
Reserves from capital contributions	1'513'538	1'045'535
Accumulated losses	-1'346'276	-913'295
Loss of the period	-529'355	-432'981
Total shareholders' equity	**-180'949**	**-121'497**
Total liabilities and shareholders' equity	**216'432**	**86'218**

[1] Thereof CHF 15'000 subordinated

Income statement of Beaconsmind AG

for the period 1 July 2019 to 30 June 2020

in CHF

	1 Jul 2019 - 30 Jun 2020	**1 Jan 2018 - 30 Jun 2019**
Revenue from sales of services and goods	512'448	429'649
Cost of sales	-68'745	-20'861
Personnel expenses	-309'472	-496'425
Other operating expenses	-592'078	-189'581
EBITDA	**-457'847**	**-277'218**
Depreciation and amortization on PP&E and intangible assets	-51'887	-107'222
Impairment on investments and financial assets	0	-10'611
Impairment on other short-term receivables from subsidiaries	-8'800	-10'570
Operating result (EBIT)	**-518'534**	**-405'621**
Financial income	0	1
Financial expenses	-10'360	-26'959
Ordinary result	**-528'894**	**-432'579**
Income taxes	-461	-402
Net result	**-529'355**	**-432'981**

Cash flow statement of Beaconsmind AG
for the period 1 July 2019 to 30 June 2020

in CHF

	1 Jul 2019 - 30 Jun 2020	1 Jul 2018 - 30 Jun 2019
Net result	-529'355	-432'981
Depreciation and amortization on PP&E and intangible assets	51'887	107'222
Loss from impairments	8'800	21'181
Other expense/income that do not affect the fund	0	6'097
Increase/decrease of trade accounts receivable	-6'723	23'755
Increase of other short-term receivables and prepayments and accrued income	-27'968	-5'011
Increase of inventory	-18'274	-1
Decrease/increase of trade accounts payable	123'939	-15'738
Increase of other short-term liabilities and accrued expenses and deferred income	-18'039	31'194
Operating cash flow	**-415'733**	**-264'280**
Outflows for investment (purchase) of Property, plant and equipment	-19'208	0
Outflows for investment (purchase) of financial assets	-8'800	-10'611
Outflows for investment (purchase) of intagible assets	-45'185	-70'803
Cash drain from investing activities	**-73'193**	**-81'414**
Inflows form capital increase (including agio)	469'903	294'682
Repayment/issunace of short-term financial liabilities	0	-10'000
Issuance/repayment of long-term financial liabilities	83'765	40'752
Total short-term liabilities	**553'668**	**325'434**
Net change in cash	**64'742**	**-20'259**
Opening balance of cash	3'730	23'989
Closing balance of cash	68'472	3'730
Net change of cash	**64'742**	**-20'259**

Notes to the financial statements of beaconsmind AG as per 30 June 2020

1. General Information

beaconsmind AG was incorporated in December 2014 in Switzerland and is domiciled in Stäfa.

These financial statements were prepared according to the provision of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Financial reporting under the Code of Obligations requires estimates and assumptions to be made by management. These are made continuously and are based on past experience and other factors. In order to ensure the long-term prosperity of the company and in accordance with the prudence principle depreciation, amortization, value adjustments and provisions may exceed the economically necessary extent.

The totals in the financial statements may not add up due to rounding.

Comparing the business year 2019/20 with the prior year figures, it must taken into account that business year 2017/18 was covering 18 months, whereas the current year figures are covering 12 months.

2. Significant accounting principles

2.1 Cash

Cash comprise cash held in Swiss Francs at banks that can be withdrawn without notice.

2.2 Trade accounts receivable and other non-current receivables

A receivable is recognized once the company has an unconditional right to payment. Initially, accounts receivable are recognized at the transaction value according to contractual terms and conditions. They do not carry any interest. Subsequently, accounts receivable are measured at amortized cost, which equals their transaction value less bad debt allowances. Foreign currency revaluations and impairment losses are recognized in the income statement. On derecognition, gains and losses are recognized in the income statement.
Bad debt allowances are calculated based on an individual assessment of the receivables. There is no general allowance for doubtful debts recognized.

2.3 Investment

An investment in a non-operative, German wholly owned subsidiary is measured at amortized cost and is impaired to the amount of CHF 1.

2.4 Property, plant and equipment

Property, plant and equipment consist of hardware and equipment and is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced or disposed of. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Hardware and equipment are both depreciated over 5 years using the diminishing balance method.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.5 Intangible assets

Intangible assets consist mainly of a software (beaconsmind Suite) which was developed by third parties and through internal resources. The software is already in use and generated revenues for the company during all reporting periods. Expenditure connected with the further development of this software is capitalized only if the expenditure can be measured reliably and future economic benefits are probable and attributable to this software. Otherwise, expenditure is recognized in profit or loss as incurred.
Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.
Software is amortized over its estimated useful life of 3 years using the straight-line method. Amortization method, useful life and residual value are reviewed at each reporting date and adjusted if appropriate.

2.6 Trade accounts payable and other short-term liabilities

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.7 Short-term and long-term interest bearing liabilities

These loans are initially recognized at fair value, net of transaction costs incurred and are subsequently measured at amortized cost.

2.8 Revenue from sales of services and goods

The company generates revenue primarily from the sale of hardware and software as well as providing installation services, app development and consulting services.

Revenue from sale of hardware (beacons): Revenue is recognized when the goods are delivered to the retail outlets.

Revenue from sale of software (beaconsmind Suite software): beaconsmind grants licenses for the beaconsmind Suite software to clients usually for a contract period of 12 months. During the contract period the company continuously enhances the software and performs support services for the clients. Therefore, software license revenue is recognized on a straight-line basis over the contractual duration.

Revenue from installation, app development and consulting services: Revenue from providing services is recognized in the accounting period in which the services are rendered.

The company does not expect to have any contracts where the period between the transfer of the promised goods or services to the clients and payment by the clients exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

3. Number of full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, did not exceed 10.

4. Investments

Company name, domicile	Capital		Share in capital and voting rights in %	
	Currency	30.06.2020	30.06.2020	30.06.2019
Beaconsmind Deutschland GmbH, Grünwald, Germany	EUR	25'000	100%	100%

5. Pension scheme liabilities

	30.06.2020	30.06.2019
BVG SwissLife	CHF 18'911	CHF 20'189

The pension scheme liabilities are included in the balance sheet position „Other short-term liabilities" and "Accrued expenses and deferred income".

6. Shares held by Board of Directors and employees

	30.06.2020		30.06.2019	
	Quantity	Value in CHF (nominal)	Quantity	Value in CHF (nominal)
Board of Directors	597'087	59'709	614'817	61'482
Employees	34'064	3'406	33'560	3'356

7. Residual amount of leasing commitments

	30.06.2020	30.06.2019
Company car	CHF 42'131	CHF 57'081
Rental agreement	CHF 63'399	CHF 0

8. Other information

		30.06.2020	30.06.2019
Used foreign exchange rate for balance sheet items	EUR	CHF 1.07	CHF 1.12
Used foreign exchange rate for balance sheet items	EUR	CHF 0.95	CHF 0.98

Transactions in foreign currency are recorded and translated into CHF using the actual exchange rate (monthly average rates). The resulting currency exchange differences are included in the income statement as exchange gains or losses.

9. Reserves from capital contributions

Reserves from capital contributions in the amount of KCHF 468 (of the total reported capital contribution reservers of MCHF 1.513) have not yet been confirmed by the Federal Tax Administration (ESTV). 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.

10. Going concern assessment of the Board of Directors

The annual result is roughly in line with budget expectations. The balance sheet as at 30 June 2020 shows an over-indebtness (Art. 725 para. 2 CO). The Board of Directors states that further capital increases are to be carried out. After the balance sheet date, measures were taken to provide the company with further growth capital of KCHF 630 by Q3/2020 as part of the completion of a capital increase. This increase was entered in the commercial register on 15 September 2020. A further capital increase in Q4/2020 is planned in order to provide the company with further growth capital. Therefore the Board of Directors has refrained from notifying the court and has prepared the financial statements under the going concern assumption.
As part of the COVID-19 crisis, the company decided on 26 March 2020 to apply for a COVID-19 bridging loan of KCHF 45 from its principal bank, Credit Suisse AG. The bridging loan was approved by the Federal Council on 25 March 2020 as part of a COVID-19 package of measures to cushion the economic consequences of the corona pandemic. The Swiss Confederation is guaranteeing the loan and it qualifies as subordinated loan. As the company is directly affected by the Corona pandemic, as, among other things, end clients had to close down their businesses as part of the lockdown and therefore some invoices to the company had to be deferred, which led to a temporary loss of revenue and liquidity.
In addition, the company has temporarily announced short-time working for its operating departments from April 2020 to conserve liquidity and compensate for lost revenue and received a compensation payment of CHF 32'102 for the reporting period. In addition to loss of sales from projects already underway on the part of existing customers, the COVID-19 crisis led to a temporary pause in all budget planning, project planning and project roll-outs. This was particularly serious for Adidas, the company`s most important end client. An already planned, global project roll-out in approx. 500 stores with a sales volume of approx. MCHF 1 could not be carried out due to lockdowns and store closures and associated sales losses and budget provisions of the end client. Also affected were all new customer projects and budget and contract negotiations, which also had to be paused for an indefinite period of time, leading to a further loss of sales of approx. KCHF 250.

11.A.5 IFRS reconciliation tables

Report on the Review

of the Reconciliation to the Board of Directors of beaconsmind AG

Stäfa

Introduction

According to your request, we have reviewed the accompanying Reconciliation of beaconsmind AG for the period ending 30 June 2020. This Reconciliation has been prepared by Management in accordance with the accounting policies described in the notes to the Reconciliation for inclusion in a prospectus for initial public offering and listing of the entity's shares on the Growth Market of Euronext.

Management is responsible for the preparation and presentation of the Reconciliation in accordance with the accounting policies described in the notes. Our responsibility is to express a conclusion on this Reconciliation based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Reconciliation for the period ending 30 June 2020 has not been prepared, in all material respects, in accordance with the accounting policies described in the notes.

Other matter

We draw to readers' attention the fact that the Reconciliation does not comprise a full set of financial statements. Accordingly, the Reconciliation is not intended to give a true and fair view of the financial position of beaconsmind AG, or the results of its operations or its cash flows in accordance with IFRS. Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers AG

Qualified electronic signature - Swiss law

Thomas Wallmer

Marcel Aeberhard

Zürich, 18 November 2020

Enclosure: - Reconciliation including notes

IFRS reconciliation tables of beaconsmind AG

1. Context/general information

As beaconsmind AG is registered in Switzerland and prepares its financial statements according to the Swiss Code of Obligations (CO), the company prepared, in addition, this IFRS reconciliation table in accordance with the stipulations of the Euronext Growth Markets Rule Book in para. 3.2.3 (iii).

This IFRS reconciliation table is not a complete set of financial statements in the sense of IFRS. However, this reconciliation table has been prepared by determining the financial position and financial performance of the entity in accordance with accounting principles as stipulated by IFRS and comparing these to the respective statutory values. Swiss CO art. 963a para. 1 exempts smaller entities from preparing consolidated financial statements. Accordingly beaconsmind AG financial statements have been prepared on a stand-alone basis.
For reasons of simplicity the pension plan of beaconsmind AG was recognized as a defined contribution plan. As of 30 June 2020 only three employees were part of this pension plan and the pension benefits of beaconsmind AG are covered by a pension plan with an insured investment risk.

The information presented below has been derived from:

- the audited financial statements as of and for the 18-month period ended 30 June 2019 (extended business year 2018/2019)
- the unaudited financial information as of and for the 12-month period ended 30 June 2019
- the audited financial information as of and for the 12-month period ended 30 June 2020

The significant accounting policies applied in the preparation of this IFRS reconciliation table are set out in section 3 and 4 on the following pages.

2. Reconciliation of comprehensive income

in CHF

		1 Jul 2019 - 30 June 2020 (12 month)	1 Jul 2018 - 30 Jun 2019 (12 month)	1 Jan 2018 -30 Jun 2019 (18 month)
Statutory net result		**-529'355**	**-309'107**	**-432'982**
Cost of sales	(1)	-10'826	10'826	10'826
Other operating expenses	(2)	15'143	10'284	10'284
Depreciation	(2)	-14'138	-7'069	-7'069
Financial expenses	(2)	-2'112	-1'203	-1'203
Income taxes	(3)	2'262	-2'439	-2'439
Comprehensive income - reconciled		**-539'026**	**-298'708**	**-422'583**

Besides the above shown effects on the net result in the respective periods there are no further differences in equity between Swiss Code of Obligations and IFRS.

Remarks:

(1) While, for statutory purposes, in the 12 month period and in the 18 month 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 (see also section 4.1). 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.

(2) In accordance with IFRS 16 the lease of a company car had to be recognized as a right of use asset with the corresponding lease liability. The right of use asset is depreciated over the lease period. In the statutory financial statements the lease payments are recognized as expense when due.

(3) As result of the recognition of a higher value for inventory and the company car as a lease in the balance sheet under IFRS a deferred tax liability would be recognized.

3. Significant accounting principles (Swiss Code of Obligations and IFRS)

3.1 Cash

Cash comprise cash held in Swiss Francs at banks, that can be withdrawn without notice.

3.2 Trade accounts receivable and other non-current receivables

A receivable is recognized once the company has an unconditional right to payment. Accounts receivable are initially recognized at the transaction value according to contractual terms and conditions. They do not carry any interest. Subsequently, accounts receivable are measured at amortized cost, which equals their transaction value less bad debt allowances for expected credit losses. Foreign currency revaluations and impairment losses are recognized in the income statement. On derecognition, gains and losses are recognized in the income statement.
Bad debt allowances are calculated based on an individual assessment of the receivables. There is no general allowance for doubtful debts recognized.

3.3 Inventory

As at 30 June 2020 inventory, which comprises hardware components, were stated at the lower of cost and net realizable value. For the accounting as at 30 June 2019 see note 4.1.

3.4 Investment

An investment in a non-operative, German wholly owned subsidiary is measured at amortized cost (see exemptions under "purpose of this reconciliation table") and is impaired to the amount of CHF 1.

3.5 Property, plant and equipment

Property, plant and equipment consist of hardware and equipment and is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced or disposed of. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Hardware and equipment are both depreciated over 5 years using the diminishing balance method.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

3.6 Intangible assets

Intangible assets consist mainly of a software (beaconsmind Suite) which was developed by third parties and through internal resources. The software is already in use and generated revenues for the company during all reporting periods. Expenditure connected with the further development of this software is capitalized only if the expenditure can be measured reliably and future economic benefits are probable and attributable to this software. Otherwise, expenditure is recognized in profit or loss as incurred.

Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.
Software is amortized over its estimated useful life of 3 years using the straight-line method. Amortization method, useful life and residual value are reviewed at each reporting date and adjusted if appropriate.

3.7 Trade accounts payable and other short-term liabilities

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

3.8 Short-term and long-term interest bearing liabilities

These loans are initially recognized at fair value, net of transaction costs incurred and are subsequently measured at amortized cost.

3.9 Revenue from sales of services and goods

The company generates revenue primarily from the sale of hardware and software as well as providing installation services, app development and consulting services.

Revenue from sale of hardware (beacons): Revenue is recognized when the goods are delivered to the retail outlets.

Revenue from sale of software (beaconsmind Suite software): beaconsmind grants licenses for the beaconsmind Suite software to clients usually for a contract period of 12 months. During the contract period the company continuously enhances the software and performs support services for the clients. Therefore, software license revenue is recognized on a straight-line basis over the contractual duration.

Revenue from installation, app development and consulting services: Revenue from providing services is recognized in the accounting period in which the services are rendered.

The company does not expect to have any contracts where the period between the transfer of the promised goods or services to the clients and payment by the clients exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

4. Significant accounting principles (IFRS only)

4.1 Inventory

For purposes of this reconciliation, inventory, which comprises hardware components, were stated at the lower of cost and net realizable value as at 30 June 2019. In the 12 month period and in the 18 month ending 30 June 2019, for statutory purposes, the prudence principle was applied and hence, the company recognized all inventory purchases as cost of sales in the period in which they occured. To reflect the effects of changes in inventory in this reconciliation table the company made estimates about the stock on hand for the balance sheet date as at 30 June 2019.

4.2 Leasing

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company uses the definition of a lease in IFRS 16.

The company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the company by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, there is periodically an assessment if the right-of-use asset needs to be reduced by impairment losses and adjusted for certain remeasurements of the lease liability.
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease.

The company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.3 Deferred taxes

Deferred taxes are calculated on the taxable temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax bases. Deferred tax assets and liabilities are measured at the applicable tax rates (19.6% as at 30 June 2020 and 19.0% as at 30 June 2019).

11.A.6 Pro forma information

Proforma information is included exclusively for comparative purposes on the basis of the same accounting standards as the annual financial statements (Swiss Gaap) and only for the purposes of this document. The proforma information has not been reviewed by the statutory auditors.

Pro forma balance sheet of beaconsmind AG

as per 30 June 2019

in CHF

	30 Jun 2019	30 Jun 2018
Assets		
Cash	3'730	37'718
Trade accounts receivable	11'619	14'153
Other short-term receivables from third parties	0	11'012
Other short-term receivables from subsidiaries	1	2'349
Inventory	1	1
Prepayments and accrued income	1'940	0
Total current assets	**17'291**	**65'233**
Financial assets from subsidiaries	1	7'114
Investments	1	1
Property, plant and equipment	9'120	19'050
Intangible assets	59'805	54'188
Total non-current assets	**68'927**	**80'353**
Total Assets	**86'218**	**145'586**
Liabilities and shareholders' equity		
Trade accounts payable	30'265	14'742
Other short-term liabilities	92'747	71'089
Accrued expenses and deferred income	32'414	10'580
Total short-term liabilities	**155'426**	**96'411**
Long-term interest bearing liabilities due to shareholders[1]	52'289	162'344
Total non-current liabilities	**52'289**	**162'344**
Total liabilities	**207'715**	**258'755**
Share capital	179'244	159'602
Reserves from capital contributions	1'045'535	764'398
Accumulated losses	-1'037'169	-719'402
Loss of the period	-309'107	-317'767
Total shareholders' equity	**-121'497**	**-113'169**
Total liabilities and shareholders' equity	**86'218**	**145'586**

[1] Thereof CHF 15'000 subordinated as per 30 June 2019

Pro forma income statement of beaconsmind AG

for the period 1 July 2018 to 30 June 2019

in CHF

	1 Jul 2018 - 30 Jun 2019	1 Jul 2017 - 30 Jun 2018
Revenue from sales of services and goods	293'163	339'129
Cost of sales	-20'051	-810
Personnel expenses	-332'665	-363'001
Other operating expenses	-147'554	-95'589
EBITDA	**-207'107**	**-120'271**
Depreciation and amortization on PP&E and intangible assets	-57'170	-95'596
Impairment on investments and financial assets	-10'611	-59'508
Impairment on other short-term receivables from subsidiaries	-10'570	-36'049
Operating result (EBIT)	**-285'458**	**-311'424**
Financial income	1	75
Financial expenses	-23'471	-5'833
Ordinary result	**-308'929**	**-317'182**
Income taxes	-178	-585
Net result	**-309'107**	**-317'767**

Pro forma cash flow statement of beaconsmind AG

for the period 1 July 2018 to 30 June 2019

in CHF

	1 Jul 2018 - 30 Jun 2019	1 Jul 2017 - 30 Jun 2018
Net result	-309'107	-317'767
Depreciation and amortization on PP&E and intangible assets	57'170	95'596
Loss from impairments	10'611	95'557
Other expense/income that do not affect the fund	6'097	0
Decrease of trade accounts receivable	2'534	43'015
Decrease of other short-term receivables and prepayments and accrued income	11'420	-21'393
Increase of inventory	0	-1
Increase/decrease of trade accounts payable	15'523	-45'858
Increase of other short-term liabilities and accrued expenses and deferred income	43'492	5'831
Operative cash flow	**-162'260**	**-145'020**
Outflows for investment (purchase) of Property, plant and equipment	0	-2'433
Outflows for investment (purchase) of financial assets	-3'498	-39'873
Outflows for investment (purchase) of intangible assets	-52'857	-71'451
Cash drain from investing activities	**-56'355**	**-113'757**
Inflows from capital increase (including agio)	132'682	250'000
Repayment of short-term financial liabilities	0	-10'000
Issuance/repayment of long-term financial liabilities	51'946	54'159
Cash inflow from financing activities	**184'628**	**294'159**
Net change in cash	**-33'987**	**35'382**
Opening balance of cash	37'718	2'336
Closing balance of cash	3'730	37'718
Net change in cash	**-33'987**	**35'382**

Notes to the pro forma information of beaconsmind AG as per 30 June 2019

1. General Information and applied accounting principles

beaconsmind AG was incorporated in December 2014 in Switzerland and is domiciled in Stäfa.

This pro forma information was prepared according to the provision of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Financial reporting under the Code of Obligations requires estimates and assumptions to be made by management. These are made continuously and are based on past experience and other factors. In order to ensure the long-term prosperity of the company and in accordance with the prudence principle depreciation, amortization, value adjustments and provisions may be exceed the economically necessary extent.

The totals in the financial statements may not add up due to rounding.

Appendix B – Articles of Association of the company

Articles of Association of Beaconsmind AG

Section 1: General Provisions

Article 1

Under the corporate name Beaconsmind AG, (Beaconsmind SA), (Beaconsmind Ltd) there exists a company (hereinafter "Company") pursuant to art. 620 et seq. of the Swiss Code of Obligations (hereinafter "CO") with its registered office in Stäfa. The duration of the Company shall be unlimited.

Article 2

The Company's purpose is to offer comprehensive beacon services based on Bluetooth Low Energy (BLE) technology. It can produce beacons, develop and dis-tribute mobile application software (AAPs) and transfer data to mobile devices. It can also develop software that gives customers access to user data and coordinates the transmission of data to mobile devices. It can offer consulting services for customers in the areas of data evaluation, analysis, online and mobile marketing and the creation of customer-specific solutions for data exploitation.

The Company may purchase, hold and sell shares or interests in other companies in Switzerland or abroad. It may establish and maintain branches and subsidiaries in Switzerland and abroad. The Company may purchase, hold and sell real estate and carry out other investments. The Company may purchase, hold and sell every kind of intellectual property and licences.

It can also arrange financing for its own or third party account, manage assets and enter into guarantees and sureties for subsidiaries or third parties.

Section 2: Share Capital, Shares

Article 3

The share capital of the Company amounts to CHF 210,888.40 and is divided into 2,108,884 registered shares with a nominal value of CHF 0.10 per share. The share capital is fully paid-in.

Article 3a

The Board of Directors is authorized to increase the share capital at any time until September 3, 2021in the maximal amount of CHF 76,042by issuing at most 760,420 fully paid in registered shares with a nominal value of CHF 0.10 each. Increases in partial amounts are allowed.

The Board of Directors shall determine the issue price, the type of contribution, the date of issue, the conditions for the exercise of preemptive rights and the start date for dividend entitlement. The Board of Directors may issue new shares by means of an underwriting by a financial institution, a syndicate of financial institutions or another third party and a subsequent offer of these shares to the existing shareholders or third par-ties (if the preemptive rights of the existing shareholders have been excluded or not been duly exercised). The Board of Directors is authorized to permit, restrict or exclude the trade with preemptive rights. It may permit preemptive rights that have not been exercised to expire, or it may place such rights or shares with respect to which preemptive rights have been granted, but not exercised, at market conditions or use them otherwise in the interest of the Company.

The Board of Directors is further authorized to restrict or exclude preemptive rights of existing shareholders and allocate such rights to third parties, the Company or any of its group companies:

1. in connection with a listing of shares on domestic or foreign stock exchanges, including for the purpose of granting an over-allotment option (green-shoe); or
2. to initial purchasers or underwriters in a placement or offer of shares; or
3. for the purpose of national or international offerings of shares in order to broaden the Company's share-holder base or in order to increase the free float or to meet applicable listing requirements; or
4. if the issue price of the new shares is determined by reference to the market price; or
5. for raising capital in a fast and flexible manner which could only be achieved with difficulty without excluding the preemptive rights of shareholders; or
6. for the acquisition of companies, parts of companies, participations, products, intellectual property or licenses, or for investment projects or for the financing or refinancing of such transactions through a placement of shares; or
7. for purposes of the participation of a strategic partner.

Article 3b

The share capital of the Company may be increased by an amount not to exceed CHF 50 through the issuance of up to 500 fully paid up registered shares with a par value of CHF 0.10 each through issuance of shares to employees, members of the Board of Directors and advisors of the Company. The preemptive rights and advance subscription rights of the existing shareholders of the Company for the new shares in proportion to their existing participations shall be excluded.

The issuance of shares (issue amount, start date of dividend rights, type of contributions) or of options related thereto or a combination of shares and options shall be made pursuant to one or more plans to be issued by the Board of Directors. The issuance of shares or options may occur at a price below the market price.

Article 4

The Shareholders Meeting may, at any time, resolve to convert registered shares into bearer shares or bearer shares into registered shares by amending the Articles of Association as well as split Shares into shares with a lower nominal value.

Article 5

The Company may abstain from issuing share certificates or may in lieu of certificates for individual shares issue share certificates representing one or more share or issue the shares in the form of dematerialised securities (in the sense of the CO) and intermediated securities (in the sense of the Swiss Federal Intermediated Securities Act). Subject to applicable law, the Company may convert its registered shares from one form into another form at any time and without the approval of the shareholders. The Company shall bear the costs associated with any such conversion.

Following his registration in the share register, the shareholder may request the Company to issue a writ-ten statement in respect of his registered shares at any time; however, he has no entitlement to the printing and delivery of share certificates. In contrast, the Company may print and deliver share certificates for registered shares (single certificates, certificates representing multiples of shares or global certificates) at any time. It may withdraw registered shares issued as inter-mediated securities from the respective custody system.

Intermediated securities based on registered shares of the Company cannot be transferred by way of assignment. A security interest in any such intermediated securities also cannot be granted by way of assignment.

Article 6

The Company shall maintain a share register listing the surname and first name (in case of legal entities, the company name) and address of the holders and usufructuaries of the registered shares. Only those registered in the share register shall be recognized as shareholders or 134 usufructuaries' by the Company.

Article 7

The Company shall only accept one representative per share.

The voting right and the rights associated therewith may be exercised vis-à-vis the Company by a shareholder, usufructuary or Nominee only to the extent that such person is registered in the share register with voting rights.

Section 3: Organization of the Company

Article 8

The corporate bodies are:

A. The Shareholders Meeting
B. The Board of Directors
C. The Auditors

A. Shareholders Meeting

Article 9

The ordinary Shareholders Meeting shall be held annually within six months after the close of the business year.

Extraordinary Shareholders Meetings shall be called as often as necessary, in particular when provided by law.

Article 10

Shareholders Meetings shall be called by the Board of Directors and, if needed, by the Auditors.

One or more shareholders with the registered right to vote who own shares of the Company representing at least 10% of the share capital of the Company may request that a Shareholders Meeting be held. Such request must be submitted to the Board of Directors in writing setting forth the items to be discussed and the proposed motions by the shareholders requesting the meeting.

Article 11
Notice of the Shareholders Meeting is given by way of a single announcement in the Swiss Official Gazette of Commerce at least 20 calendar days prior to the day of the Shareholders Meeting. Registered shareholders, usufructuaries and nominees may in addition be notified in writing by registered mail or e-mail.
The notice shall state the day, time and place of the meeting, the agenda, the proposed motions of the Board of Directors and the proposed motions of the shareholders who have requested the Shareholders Meeting or an item to be included in the agenda.
One or more shareholders with the registered right to vote who own shares of the Company representing at least 10% of the share capital of the Company may re-quest no later than 30 calendar days prior to the day of the Shareholders Meeting that an item be included in the agenda. Such request must be made in writing and specify the proposed motions.
No resolutions may be passed at a Shareholders Meeting on proposals concerning agenda items for which proper notice was not given. This provision shall not apply to proposals made during a Shareholders Meeting to convene an extraordinary Shareholders Meeting or to initiate a special audit.
No prior notice is required to bring motions related to items already on the agenda or for the discussion of matters on which no resolution is to be taken.
The annual business report and the auditors' report and, if required, the compensation report including the examination reports by the Auditors must be put on display at the registered office of the Company at least 20 calendar days prior to the date of the ordinary Shareholders Meeting for inspection by the shareholders.
Article 12
The Shareholders Meeting shall be chaired by the chairman, or, in his absence, by another member designated by the Board of Directors. If no member of the Board of Directors is available and no other person has been designated by the Board of Directors, the acting chair shall be elected by the Shareholders Meeting.
The chairman designates a secretary for the minutes as well as a scrutineer, neither of whom needs to be a shareholder. The Board of Directors is responsible for the keeping of the minutes, which are to be signed by the chairman and the secretary.
The acting chair of the Shareholders Meeting shall have all powers and authority necessary and proper to ensure the orderly conduct of the Shareholders Meeting.
Article 13
The Shareholders Meeting is the highest corporate body of the Company and has the following non-transferable powers:
1. to adopt and amend the Articles of Association;
2. to elect and remove
   - the members of the Board of Directors,
   - the chairman of the Board of Directors,
   - the members of the Compensation Committee,
   - an independent shareholder representative, and
   - the Auditors;
3. to approve the annual respectively business report, the consolidated financial statements and the annual accounts and to pass resolutions regarding the allocation of profits, in particular to determine the dividends;
4. to discharge the members of the Board of Directors and the persons entrusted with the management;
5. to adopt resolutions on all matters reserved to the Shareholders Meeting by law or these Articles of Association or that are, subject to article 716a CO, submitted to the Shareholders Meeting by the Board of Directors;
6. to approve the compensations of the Board of Directors and the persons entrusted by the Board of Directors, in whole or in part, with the management of the Company ("Executive Management").

Article 14
Each share entitles to one vote.
The Shareholders Meeting shall adopt resolutions and carry out its elections with the absolute majority of the share votes cast excluding abstentions and empty or invalid voting ballots, to the extent that

neither the law nor the Articles of Association provide otherwise. The chairman shall have no casting vote.

Elections are made and resolutions adopted by open ballot, unless the chairman or shareholders representing at least 10% of the share capital request a secret ballot. If the open ballot does not yield an unambiguous result, the chairman may order to repeat the ballot by secret ballot. In such case, only the secret ballot shall count. For the secret ballot, the chairman may make use of electronic means.

Article 15

A resolution of the Shareholders Meeting adopted by at least two thirds of the represented share votes and the absolute majority of the represented par value of shares is required for:

1. the change of the purpose of the Company;
2. the creation of shares with privileged voting rights;
3. the restriction of the transferability of registered shares;
4. an increase of capital, authorized or subject to a condition;
5. an increase of capital out of equity, against contributions in kind, or in anticipation of a subsequent acquisition of assets, and the granting of special benefits;
6. the limitation or withdrawal of pre-emptive rights;
7. the change of the registered office of the Company;
8. the dissolution of the Company with or without liquidation.

Article 16

The Board of Directors shall adopt procedural regulations about the right to participate in, and the representation at the Shareholders Meeting.

A shareholder with the registered right to vote who does not personally participate in the Shareholders Meeting may be represented by a legal representative, by means of a written proxy by a duly authorized third party proxy (who does not need to be a shareholder) or by the independent shareholder representative.

The Shareholders Meeting shall elect the independent shareholder representative for a term of office until completion of the following ordinary Shareholders Meeting. Re-election is permitted.

If the Company does not have an independent share-holder representative, the Board of Directors shall ap-point the independent shareholder representative for the next Shareholders Meeting

B. Board of Directors

Article 17

The Board of Directors shall consist of at most 5 members.

Article 18

The Shareholders Meeting shall individually appoint the members of the Board of Directors. The Shareholders Meeting shall further elect the chairman of the Board of Directors out of the members of the Board of Directors.

The term of office of the members of the Board of Directors and the chairman expires not later than together with the closure of the ordinary Shareholders Meeting following their election. Re-election is permitted.

In the event that the position of the chairman is vacant, the Board of Directors appoints a new chairman for the remaining term of office.

Article 19

The Board of Directors constitutes itself, subject to art. 13 para. 2 and art. 18 of the Articles of Association.

Article 20

The Board of Directors shall meet at the invitation of its chairman or, if he is unable to do so, of the vice-chairman or of another member of the Board of Directors as often as is deemed necessary or if a member requests it in writing indicating the reasons.

Article 21

The Board of Directors may adopt procedural regulations governing the adoption of resolutions by the Board of Directors in the organizational by-laws.

The Board of Directors adopts resolutions by a majority of the votes cast. In the event of a tie, the chairman shall have the casting vote.

Resolutions may also be adopted by way of written con-sent (incl. by e-mail or fax), unless a member requests oral discussion thereof.

In order to validly adopt resolutions, the presence of the majority of the Board of Directors' members is required (incl. via telephone or video conferences or the like). A single member of the Board of Directors is authorized to declare that an increase of capital has been made, that further capital has been paid in, or that full capital has been paid in, and to make the corresponding amendments by notarization of the Articles of Association.

Article 22

The Board of Directors has, in particular, the following non-delegable and inalienable duties:

1. the ultimate direction of the business of the Company and the issuance of the necessary instructions;
2. the determination of the organization of the Company;
3. the regulation of accounting, financial control and financial planning;
4. the appointment and removal of the persons entrusted with the management and representation of the Company;
5. the ultimate supervision of the persons entrusted with the management of the Company, specifically in view of their compliance with law, these Articles of Association, the regulations and directives;
6. the preparation of the business report and the compensation report as well as the preparation of the Shareholders Meeting and the implementation of their resolutions;
7. the adoption of resolutions concerning an increase in share capital to the extent that such power is vested in the Board of Directors (art. 651 para. 4 CO) and of resolutions concerning the confirmation of capital increases and corresponding amendments of the Articles of Association, as well as making the required report on the capital increase;
8. the examination of the professional qualifications of the qualified Auditors; and
9. notification of the court if liabilities exceed assets.

In addition, the Board of Directors may pass resolutions with respect to all matters that are not reserved to the authority of other corporate bodies by law or under these Articles of Association.

Article 23

The Board of Directors may delegate the preparation and execution of its resolutions to committees or to individual board members.

Subject to art. 22 of these Articles of Association, the Board of Directors may, pursuant to organizational by-laws, delegate the management in whole or in part to individual members or to other individual persons who do not need to be shareholders. Under the mentioned requirements, the asset management may also be dele-gated to legal entities.

Article 24

The due and valid representation of the Company by members of the Board of Directors or other persons shall be set forth in organizational by-laws.

C. Auditors

Article 25

The Shareholders Meeting elects each year one or several auditors as corporate Auditors. Individuals, commercial companies or cooperatives that fulfil the legal requirements may be elected as corporate Auditors. Re-election is permitted.

The Auditors do not need to be shareholders; they may not be members of the Board of Directors or employees of the Company. They may not undertake any duties for the Company which are not compatible with their auditing mandate and they must be independent.

Article 26

The Auditors' rights and obligations are those set forth in Art. 727 et seq. CO. The Auditors must attend the Shareholders Meeting to which they must report.

Section 3bis: Compensation of the Board of Directors and the Executive Management

Article 26a

The Shareholders Meeting elects a Compensation Committee consisting of two or more members. The members of the Compensation Committee are elected individually. Only members of the Board of Directors are eligible for election. The term of the members of the Compensation Committee ends at the latest with the closing of the ordinary Shareholders Meeting following their election. Re-election is admissible.

The Compensation Committee constitutes itself.

If the Compensation Committee is not fully staffed, the Board of Directors elects the missing members for the rest of the term.

The task of the Compensation Committee is to prepare the resolution of the Board of Directors concerning compensations of members of the Board of Directors and members of Executive Management and to submit a corresponding proposal to the Board of Directors. The Board of Directors resolves based on the proposal of the Compensation Committee on the compensation of the members of the Board of Directors and the members of Executive Management and submits these resolutions to the Shareholders Meeting to be voted on in accordance with art. 26d of the Articles of Association.
To fulfill its duties, the Compensation Committee may consult other persons and external consultants and have them participate in its meetings.
The Board of Directors may assign further tasks to the Compensation Committee.

Article 26b

The compensation of the non-executive members of the Board consists of fixed compensation, variable compensation elements as well as further compensation elements and benefits. The compensation of the executive members of the Board of Directors and of the members of the Executive Management consists of fixed and variable compensation elements as well as further compensation elements and benefits. Total compensation shall take into account the position and level of responsibility of the recipient.
Variable compensation shall take into account the achievement of specific performance targets. The performance targets may include individual targets, targets of the Company, group or parts thereof or targets in relation to the market, other companies or comparable benchmarks, taking into account position and level of responsibility of the recipient. The Board of Directors or, to the extent delegated to it, the Compensation Committee shall determine the relative weight of the performance targets and the respective target values.
Compensation may be paid in the form of cash, shares, options or comparable instruments or units or other types of benefits. The Board of Directors shall determine grant, vesting, exercise, restriction and forfeiture conditions and periods. In particular, they may provide for continuation, acceleration or removal of vesting, exercise, restriction and forfeiture conditions and periods, for payment or grant of compensation based upon assumed target achievement, or for forfeiture, in each case in the event of predetermined events such as a change of control or termination of service. The Company may source the required shares or other securities through purchases in the market or by using its conditional share capital.
The allocation of equity securities, conversion rights, option rights or other rights with equity securities as underlying that members of the Board of Directors or members of Executive Management receive in their function as shareholders of the Company (e.g. subscription rights within a capital increase or option rights within a capital reduction) shall not be regarded as compensations and are not subject to this provision.

Article 26c

Once a year, the Shareholders Meeting votes separately and in a binding manner on the approval of the maximum total compensation the Board of Directors has proposed for:

1. the Board of Directors for the business year following the ordinary Shareholders Meeting;
2. the Executive Management for the following financial year.

The Board of Directors may submit for approval by the Shareholders Meeting deviating or additional proposals relating to the same or different periods.
In the event that the Shareholders Meeting does not approve a proposal of the Board of Directors, the Board of Directors shall determine, taking into account all relevant factors, the respective (maximum) aggregate amount or (maximum) partial amounts, and submit the amount(s) so determined either at the same or a following Shareholders Meeting for approval.
The Company or companies controlled by it may pay or grant compensation prior to approval by the Share-holders Meeting subject to subsequent approval.

Article 26d

If the maximum aggregate amount of compensation al- ready approved by the Shareholders Meeting is not sufficient to also cover the compensation of one or more persons who become members of the Executive Management or are being promoted within the Executive Management after the Shareholders Meeting has approved the compensation of the Executive Management for the relevant period, then the Company or companies controlled by it shall be authorized to pay such member(s) a supplementary amount during the compensation period(s) already approved. The supplementary amount per compensation period shall in total not exceed 50% of the aggregate amounts of the compensation of the Executive Management last ap-proved.

Article 26e

The Company or companies controlled by it may enter into agreements with non-executive members of the Board of Directors relating to their compensation for a fixed term or for an indefinite term. Duration and termination shall comply with the term of office and the law.

The Company or companies controlled by it may enter into employment agreements with executive members of the Board of Directors and members of the Executive Management for a fixed term or for an indefinite term. Employment agreements for a fixed term may have a maximum duration of one year; renewal is possible. Employment agreements for an indefinite term may have a notice period of maximum twelve months.

The Company or companies controlled by it may enter into non-compete agreements with executive members of the Board of Directors and members of the Executive Management for the time after termination of employment. Their duration shall not exceed one year, and consideration paid for such non-compete under-taking shall not exceed the total annual compensation of such member during the preceding financial year.

Article 26f

The members of the Board of Directors and the members of Executive Management shall not occupy or exercise more mandates in the highest managing or supervising body of other entities that are obliged to be entered into the commercial register or a comparable foreign register and that are neither controlled by nor that control the Company:

- 5 mandates in publicly listed companies whereby positions in several different companies that form part of the same group of companies are regarded as one position; and
- 10 paid mandates with other entities, whereby positions in several different companies that form part of the same group of companies are regarded as one position; and
- 10 unpaid mandates, whereby mere expense recovery is not deemed to be compensation and positions in several different companies that form part of the same group of companies are regarded as one position.

Not subject to these limitations are mandates that are held by a member of the Board of Directors or a member of Executive Management (1) based on the instructions of the Company or (2) mandates in associations, charitable organizations, foundations, trusts as well as employee welfare foundations, provided that not more than 10 of such mandates for each (1) and (2) are held.

Article 26g

Loans and credits may only be granted to the members of the Board of Directors or the members of Executive Management at market terms. Outstanding loans and credits to such members shall not exceed the total annual compensation of such individual.

Section 4: Miscellaneous

Article 27

The beginning and the close of the business year shall be determined by the Board of Directors.

For each business year, the Board of Directors shall prepare a business report including the annual financial statements (consisting of the profit and loss statements, balance sheet and notes to the financial statements) and the possible annual respective business report, as well as a compensation report.

Article 28

The profit shown on the balance sheet shall be allocated by the Shareholders Meeting within the limits set by applicable law. The Board of Directors shall submit its proposals to the Shareholders Meeting.

Further reserves may be taken in addition to the re-serves required by law.

Dividends that have not been collected within five years after their expiry date shall pass to the Company and be allocated to the general reserves.

Article 29

The Shareholders Meeting may at any time resolve to dissolve and liquidate the Company in accordance with legal requirements and these Articles of Association.

The liquidation shall be effected by the Board of Directors, unless the Shareholders Meeting appoints other persons as liquidators.

Article 30

The official publication organ of the Company shall be the Swiss Official Gazette of Commerce.

To the extent that personal notification is not mandatory by law or by these Articles of Association, all communications to the shareholders shall be deemed valid if published in the Swiss Official Gazette of Commerce. If the names and addresses of the shareholders are known to the Company, and if not otherwise provided by law, communications may be made in writing by letter or e-mail to the address last recorded in the share register.

Article 32

In the event of deviations between the German version of these Articles of Association and any version in an-other language, the German authentic text prevails.

Appendix C – Additional items

Additional dates of interest:

- Date scheduled for book closing: End of June
- Scheduled date for the publication of the half year accounts: April 19, 2021
- Date of the first annual general shareholder meeting following the application: December 21st, 2020

XII. Glossary

Term / Acronym	Definition
API (application program interface)	An application programming interface (API) is a computing interface which defines interactions between multiple software intermediaries. It defines the kinds of calls or requests that can be made, how to make them, the data formats that should be used, the conventions to follow, etc. It can also provide extension mechanisms so that users can extend existing functionality in various ways and to varying degrees.
beaconsmind software Suite	In-house developed software by beacosnmind allowing companies to analyse and measure customer valuable data and identify revenue generating initiatives. The beaconsmind Suite contains add-ons that can be purchased and can be tailored for specific customer KPIs and designed to match the client's internal system's appearance.
beaconsmind Track Bluetooth-Beacons	Bluetooth beacons are hardware transmitters, a class of Bluetooth low energy (LE) devices that broadcast their identifier to nearby portable electronic devices. The technology enables smartphones, tablets and other devices to perform actions when in close proximity to a beacon. Bluetooth beacons use Bluetooth low energy proximity sensing to transmit a universally unique identifier picked up by a compatible app or operating system. The identifier and several bytes sent with it can be used to determine the device's physical location, track customers, or trigger a location-based action on the device such as a check-in on social media or a push notification.
BLE (Bluetooth Low Energy)	Bluetooth Low Energy (Bluetooth LE, colloquially BLE, formerly marketed as Bluetooth Smart) is a wireless personal area network technology designed and marketed by the Bluetooth Special Interest Group (Bluetooth SIG) aimed at novel applications in the healthcare, fitness, beacons, security, and home entertainment industries. It is independent of Bluetooth BR/EDR and has no compatibility, but BR/EDR and LE can coexist.
Brick and mortar	Brick and mortar (also bricks and mortar or B&M) refers to a physical presence of an organization or business in a building or other structure. The term brick-and-mortar business is often used to refer to a company that possesses or leases retail shops, factory production facilities, or warehouses for its operations.
Click and collect	Click & collect is a service that allows consumers to order online and then pick up their item in a store.
Clicks to bricks	Clicks to bricks strategy is a business model whereby businesses have both an online store and a physical location integrated into a single retail strategy.
CRM (Customer Relationship Management)	Customer relationship management (CRM) is a technology for managing all the company's relationships and interactions with customers and potential customers. A CRM system helps companies stay connected to customers, streamline processes, and improve profitability.
Cross-channel	Cross Channel Marketing is a practise that integrates the use of all available channels and devices to connect and engage with customers in a flexible and unique way and not separated into individual channels as was the case with previous marketing strategies.

DOOH (Digital Out Of Home)	DOOH is the acronym used to designate digital or digital outdoor advertising. DOOH includes, among others, urban digital signage techniques and digital indoor signage in shopping centres or airports, for example. The term DOOH is used, among other things, to distinguish between digital out-of-home advertising and digital advertising on the Internet.
e-commerce	E-commerce (electronic commerce) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet. These business transactions occur either as business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer or consumer-to-business.
e-tailers	An e-tailer is a store or individual who does business only or primarily on the Internet.
Experiential shopping	Experiential retail or experiential commerce is a type of retail marketing whereby customers coming into a physical retail space are offered experiences beyond the traditional ones (such as in a clothing store: browsing merchandise, advice from live human salespeople, dressing rooms and cashiers). Amenities provided may include art (often interactive art), live music, virtual reality, cafés and lounges, and large video display walls.
FMCG (Fast Moving Consumer Goods)	Fast-moving consumer goods (FMCG) are products that are sold quickly and at a relatively low cost. Examples include non-durable household goods such as packaged foods, beverages, toiletries, over-the-counter drugs and other consumables.
Footfall	The number of people who go into a shop or business in a particular period of time. Footfall is an important indicator of how successful a company's advertising is at bringing people into its shops.
Geo-fencing	The use of GPS or RFID technology to create a virtual geographic boundary, enabling software to trigger a response when a mobile device enters or leaves a particular area.
Geo-targeting	Geotargeting is the practice of customizing an advertisement for a product or service to a specific market based on the geographic location of potential buyers. A common usage of geo targeting is found in online advertising, as well as internet television.
GPS (Global Positioning System)	A system of satellites, computers, and receivers that is able to determine the latitude and longitude of a receiver on Earth by calculating the time difference for signals from different satellites to reach the receiver.
Harmonized retailing	Harmonic Retail describes the next evolutionary step in retail. It is a shift beyond converged commerce where online and offline experiences don't just integrate, but they interact, enrich and react to one another to create a living, harmonized brand expression throughout the customer journey.
HNWI (High-Net-Worth-Individual)	High-net-worth individual (HNWI) is a person or family with liquid assets above a certain figure. The term is often used by the financial services industry.
LBM (Location Based Marketing)	Location-based marketing involves online and offline tactics designed to help businesses plan and implement marketing activities based on consumers' geographic location. At the heart of location-based-marketing is the use of consumer data to display relevant brand messaging to a highly-targeted audience.

LBMA (Location Based Marketing Association)	The Location Based Marketing Association is a group dedicated to the fostering of a community of interest around all avenues of advertising and marketing as it relates to location-specific opportunities. This community is comprised of mobile, out-of-home, digital and print advertisers.
Mobile wallets	A mobile wallet is a virtual wallet that stores payment card information on a mobile device. Mobile wallets are a convenient way for a user to make in-store payments and can be used at merchants listed with the mobile wallet service provider.
NFC (Near Field Communication)	Near-field communication (NFC) is a set of communication protocols for communication between two electronic devices over a distance of 4 cm (1 1⁄2 in) or less. NFC offers a low-speed connection with simple setup that can be used to bootstrap more-capable wireless connections. NFC devices can act as electronic identity documents and keycards. They are used in contactless payment systems and allow mobile payment replacing or supplementing systems such as credit cards and electronic ticket smart cards.
Omni-channel	Omnichannel is a cross-channel content strategy that organizations use to improve their user experience and drive better relationships with their audience across points of contact.
Outdoor Media Advertising	Outdoor advertising, also known as out-of-home advertising, is advertising that reaches consumers when they are outside their homes.
POS (Point Of Sale)	The place at which a retail transaction is carried out.
Pop-up stores	Pop-up retail, also known as pop-up store or flash retailing, is a trend of opening short-term sales spaces that last for days to weeks before closing down, often to catch onto a fad or timely event.
Proximity marketing	Proximity marketing is the localized wireless distribution of advertising content associated with a particular place. Transmissions can be received by individuals in a particular location chosen and where they have the necessary equipment to do so. Distribution may be via a traditional localized broadcast, or more commonly to specifically targeted devices known to be in a particular area.
Push notifications	A push notification is a message that pops up on a mobile device.
QR barcodes	QR code, or quick response code, is the trademark for a square scannable barcode image that allows smart phone users to link directly to a website.
Reta Europe	Institution in charge of the reta awards honouring outstanding solutions in retail. Three equally-ranked award winners are chosen in four categories: (i) Best Customer Experience; (ii) Best Instore Solution; (iii)Best Enterprise Solution; (iv) Best Omnichannel solution. The jury, composed of representatives of industry, universities and research institutions, will select the reta award-winners among the many submissions received in four categories.
RFID (radio frequency identification)	RFID (radio frequency identification) is a form of wireless communication that incorporates the use of electromagnetic or electrostatic coupling in the radio frequency portion of the electromagnetic spectrum to uniquely identify an object, animal or person.
SAP ARIBA procurement platform	SAP Ariba is an American software and information technology services company located in Palo Alto, California. SAP Ariba is a cloud-based innovative solution that allows suppliers and buyers to connect and do business on a single platform.
SDK (Software Development Kit)	A software development kit (SDK) is a collection of software development tools in one installable package. They ease creation of applications by having

	compiler, debugger and perhaps a software framework. They are normally specific to a hardware platform and operating system combination.
Tech-savvy consumers	A consumer who is well informed about the modern technology, and also uses his/her skills in order to take advantage of the current technology.