

search result

Surname	Area	information	V. date
BuildingMinds GmbH Berlin	Accounting/ Financial Reports	Annual financial statements for the financial year from January 1st, 2021 to December 31st, 2021	03/06/2023

BuildingMinds GmbH

Berlin

Annual financial statements for the financial year from January 1st, 2021 to December 31st, 2021**MANAGEMENT REPORT****TABLE OF CONTENTS****BUSINESS AND GENERAL CONDITIONS****COMPANY PROFILE****RESEARCH AND DEVELOPMENT****MACROECONOMIC CONDITIONS****EARNINGS****FINANCIAL POSITION****FINANCIAL POSITION****ANTICIPATED DEVELOPMENT 2022****EXPECTED BUSINESS DEVELOPMENT BUILDINGMINDS****RISK MANAGEMENT****RISKS****OPPORTUNITIES****BUSINESS AND GENERAL CONDITIONS****COMPANY PROFILE**

On behalf of an affiliated company within the Schindler Group, BuildingMinds GmbH (BuildingMinds) is developing a software-as-a-service (SaaS) solution that consists of a combination of an integrated cloud platform, a digital building twin and data-driven knowledge exists. By processing previously unknown data treasures, BuildingMinds supports real estate investment companies and companies with its platform in effectively combining sustainability strategies, satisfaction goals and profitability indicators and in future-proofing their real estate business in a sustainable way.

RESEARCH AND DEVELOPMENT

Our research and development (R&D) activities are consistently geared towards developing innovative and sustainable solutions for our customers on behalf of an affiliated company of the Schindler Group and at the same time strengthening the competitiveness of all affiliated companies. For these reasons, we focus our commissioned R&D activities on improving and expanding the range of applications of the software solutions.

MACROECONOMIC CONDITIONS

According to initial calculations by the Federal Statistical Office (Destatis), real gross domestic product (GDP) rose by 2.7% in 2021 compared to the previous year. The economic development in 2021 was also heavily dependent on the occurrence of corona infections and the associated protective measures.

Despite the ongoing pandemic situation and increasing supply and material bottlenecks, the German economy was able to recover after the slump in 2020, although economic output has not yet reached the pre-crisis level (Federal Statistical Office, press release no. 20 of January 14, 2022).

Price-adjusted private consumer spending stabilized in 2021 at the low level of the previous year (+0%). State consumer spending was also a growth driver for the German economy in 2021. Despite the already high level of the previous year, they rose by a further 3.4% in price-adjusted terms in the second year of the corona pandemic. Above all, the state spent more money to procure the free rapid antigen tests that were introduced nationwide in spring 2021 and the corona vaccines, as well as to operate test and vaccination centers (Federal Statistical Office, press release no. 20).

Real gross fixed capital formation recorded an expected growth of 1.6% in 2021. At the same time, construction investments in 2021 increased by only 1.3% due to labor and material shortages. Price-adjusted investments in equipment - above all investments in machinery and equipment as well as vehicles - were 2.9% higher in 2021, albeit after a sharp decline in the crisis year 2020 (-11.2%) (ifo economic forecast winter 2021).

Foreign trade recovered in 2021 from the sharp declines in the previous year. Germany exported 9.4% more goods and services abroad in real terms than in 2020. At the same time, imports increased by 8.6% in real terms. This means that Germany's foreign trade in 2021 was only slightly below the level of 2019 (Federal Statistical Office, press release no. 20).

Economic output was generated by an annual average of 44.9 million people in employment in 2021. That was about the same number of people in employment as in the previous year. The number of unemployed fell by around 80,000. The unemployment rate was 5.7% in 2021. In 2020 it was 5.9% (ifo economic forecast winter 2021, December 14, 2021).

The consumer price level rose by around 3.1% on average in 2021. The energy component of the price index, which reflects the significantly higher world market prices for oil and gas, made a particular contribution to this price surge. On average in 2021, energy prices rose by around 8.4% compared to the previous year. At 2.3%, the core inflation rate, which includes the price increase of all other goods and services, was also noticeably higher than in previous years (ifo economic forecast winter 2021, December 14, 2021).

In 2022, the economy in Germany will be shaped by two very different economic drivers. On the one hand, the full order books of industrial companies and the gradual normalization of the corona situation should give the economy a strong boost. On the other hand, the consequences of Russia's military attack on Ukraine are dampening the economy through significantly higher raw material prices, economic sanctions against Russia, increasing supply bottlenecks for raw materials and intermediate products and increased economic uncertainty (ifo economic forecast spring 2022, March 23, 2022).

In order to take into account the imponderables with regard to the further course of the military conflict, two scenarios were considered for the ifo economic forecast for spring 2022. The baseline scenario assumes only a temporary increase in commodity prices, supply shortages and uncertainty. In the alternative scenario, the situation initially worsens before things gradually ease from the middle of the year. Based on these assumptions, gross domestic product is only likely to grow by 3.1% (base scenario) or 2.2% (alternative scenario) this year, which is noticeably less than previously expected (3.7%). In the coming year, growth should then be 3.3% (baseline scenario) or 3.9% (alternative scenario) higher than this year. At 5.1% (base scenario) and 6.1% (alternative scenario), consumer prices will rise significantly faster this year than previously expected (3.3%). In the coming year, the inflation rate will slow down again, but at around 2% it will still be significantly higher than in the years before the corona crisis.

The management points out that this presentation is based on the forecasts of the Ifo Institute of December 14, 2021 and March 23, 2022. Up until the time the annual financial statements and the management report were prepared, there were developments that could affect these forecasts. In this regard, reference is made to the description of the risks in this management report.

EARNINGS

After the first release of the BuildingMinds platform was officially launched in the 4th quarter of the previous year, the functionalities could be continuously supplemented and expanded in 2021. As in previous years, additional customers were won over the course of 2021, mainly due to the increasing sales activity and the supporting marketing measures (including online trade fair appearances, online campaigns, publication of articles and committee work). At the same time, strategic cooperation with relevant customers was intensified.

The most important financial performance indicators are sales, personnel costs and other operating expenses.

Specifically, BuildingMinds was able to generate sales of EUR 8,311 thousand (previous year: EUR 7,464 thousand). The increase vs. compared to the previous year results both from higher internal allocations for product development and from external sales of our products and services.

Personnel costs increased from EUR 8,992 thousand in the previous year to EUR 11,373 thousand. The reason for this is the further internal expansion of product development and the sales department. The number of employees vs. increased by more than 25% over the previous year.

Compared to 2020, other operating expenses increased from EUR 6,081 thousand to EUR 8,964 thousand, mainly due to increased legal and consulting costs.

The significant increase in sales forecast in the previous year was achieved in the year under review with a total increase of +11%, or +97% with non-group companies. The actual personnel expenses of EUR 11,373 thousand in the 2021 financial year are only slightly above the forecast in the management report of the previous year and other operating expenses of EUR 8,964 thousand have risen sharply by +47% compared to the previous year, as forecast.

As a consequence, a net loss of EUR 12,136 thousand (previous year: EUR 7,736 thousand) arose in the 2021 financial year, which is due to the more extensive expansion of operations, sales and high marketing activities.

Business development in 2021 was largely as expected. Overall, the management sees the overall development as very positive.

FINANCIAL POSITION

The balance sheet total increased from EUR 10,431 thousand as of December 31, 2020 to EUR 19,780 thousand as of December 31, 2021. Receivables from affiliated companies increased from EUR 9,064 thousand to EUR 18,702 thousand. The background is the additional payment made into the capital reserve by the parent company at the end of 2021, through which the annual loss was covered. The funds received from this are deposited with the ultimate parent company under a deposit agreement. There were no other significant changes. Against this background, the asset situation can be classified as positive.

Despite the increase in the net loss for 2021 to EUR 12,136 thousand, BuildingMinds has positive equity of EUR 10,452 thousand.

FINANCIAL POSITION

Provisions increased from EUR 4,108 thousand as of December 31, 2020 to EUR 6,714 thousand as of December 31, 2021, mainly due to the expansion of the "Long-term Incentive Plan" to a larger group of employees.

Liabilities increased from EUR 735 thousand as of December 31, 2020 to EUR 2,611 thousand as of December 31, 2021, on the one hand due to increased open supplier invoices with longer payment terms, and on the other hand due to the temporary raising of a short-term loan from an affiliated company.

The short-term liquidity of the company was secured by the financial restructuring in December 2021. In the medium to long term, payment obligations are settled with funds from the operating cash flow and - if necessary - with the loan from the parent company.

ANTICIPATED DEVELOPMENT 2022

EXPECTED BUSINESS DEVELOPMENT BUILDINGMINDS

Despite the ongoing COVID-19 pandemic and the Russia/Ukraine crisis, a positive macroeconomic outlook for 2022 can be drawn.

The expected sales in 2022 will be significantly higher than in 2021. On the one hand, higher development costs are expected to be passed on, and on the other hand, sales of products and services will grow in the double-digit percentage range.

Due to the expansion of business activities and the ongoing expansion of the company in 2022, we also expect a further sharp increase in current expenses overall. In addition to rising costs for service providers (including external developers) as part of other operating expenses, personnel expenses will also increase from around EUR 11,373 thousand in 2021 to more than EUR 13,000 thousand in 2022.

Taking into account depreciation on intangible assets and property, plant and equipment, interest and similar expenses, we are assuming a net loss for the year of around EUR 10,000 thousand in 2022.

RISK MANAGEMENT

In the course of the further development of the financial control systems with different focus areas, the control systems as a whole also benefit. Due to the significantly better information situation, the identified risks can be better evaluated. Countermeasures can therefore be taken immediately to respond to changes in risk.

RISKS

Despite the Russia/Ukraine crisis and the economic risks triggered by the COVID-19 crisis, the risk assessment has not changed significantly compared to the previous year.

The sharp rise in inflation is being closely monitored. A large part of the costs of BuildingMinds consists of personnel costs, which can be controlled by yourself and increases due to the long-standing "War of Talents" have already been taken into account. Other cost blocks, such as consulting or software costs, have not risen very sharply at the moment because they are less affected by price increases in the raw materials or transport sectors. Corresponding clauses have been negotiated in the contracts with the customers, which provide for a price adjustment based on the consumer price index. In this way, expected additional costs can be compensated for by a plus on the income side.

The main strategic risk for BuildingMinds continues to be the market entry of multinational companies and start-ups into the BuildingMinds market segment, which focus on individual topics covered by BuildingMinds.

Operational risks lie primarily in the highly complex software and interface development. The risks from cyber attacks and IT failures are regularly analyzed and assessed with external support and are tested as part of the ISO 27001 certification. Against the background of the shortage of skilled workers in the field of information technology, there are further operational risks fundamentally in the field of personnel recruitment. Due to the long sales cycles that prevail in the real estate sector and the ongoing further development of the platform, the company will continue to be dependent on the financing of the shareholder.

OPPORTUNITIES

Despite the macroeconomic development described above, the market opportunities for BuildingMinds are better than ever, as the pressure on the real estate industry in the area of digitization of processes and products, in relation to the sustainability of economic activities and due to increasing government regulations is constantly increasing. In addition, the COVID-19 pandemic has highlighted the weaknesses in our global economy. Accordingly, there is a global trend to break down data silos for more transparency and to use artificial intelligence and machine learning to gain a competitive advantage from the data.

Berlin, May 25, 2022

Jens Mueller, Managing Director
Duncan Binger, Managing Director
Tobias Decker, Managing Director
Christoph Korzenek, Managing Director
Marcel Steffen, Managing Director
Maite Ullah, Managing Director

BALANCE SHEET

ASSETS

	Fiscal year	previous year
	EUR	EUR
A. Fixed assets		
I. Tangible assets		
Other equipment, factory and office equipment	178,272.00	185,285.00
	178,272.00	185,285.00
B. Current Assets		
I. Receivables and other assets		
1. Trade accounts receivable	29,773.80	32,578.74
2. Receivables from affiliated companies	18,702,234.41	9,064,238.98
3. Other Assets	285,557.45	208,523.42
	19,017,565.66	9,305,341.14
II. Bank balances	295,421.05	810,866.71
	295,421.05	810,866.71
	19,312,986.71	10,116,207.85
C. Prepaid expenses	289,104.50	129,700.00
	19,780,363.21	10,431,192.85

LIABILITIES

	Fiscal year	previous year
	EUR	EUR
A. Equity		
I. Drawn capital	100,000.00	100,000.00
II. Capital Reserve	37,900,000.00	20,900,000.00
III. loss carried forward	-15,411,377.57	-7,675,006.63
IV. Loss for the year	-12,136,239.58	-7,736,370.94
	10,452,382.85	5,588,622.43
B. Provisions		
Other provisions	6,714,410.00	4,107,510.00
	6,714,410.00	4,107,510.00
C. Liabilities		
1. Trade accounts payable	1,340,820.35	331,178.47
2. Liabilities to affiliated companies	1,067,013.46	199,352.99
3. Other Liabilities	202,736.55	204,528.96
	2,610,570.36	735,060.42
D. Accruals and Accruals	3,000.00	0.00

Fiscal year	previous year
EUR	EUR
19,780,363.21	10,431,192.85

Profit and Loss Account for the period from January 1, 2021 to December 31, 2021

	scroll ↔	
	2021	2020
	€	€
1. Revenue	8,311,227.40	7,463,562.36
2. other operating income	47,538.66	10,956.01
3. Cost of Materials	8,358,766.06	7,474,518.37
a) Expenses for raw materials, auxiliary materials and supplies and for purchased goods	-47,086.96	0.00
	-47,086.96	0.00
4. Personnel expenses		
a) Wages and salaries	-10,305,745.79	-8,152,712.81
b) social security contributions and expenses for pensions and for assistance	-1,067,626.87	-839,291.00
	-11,373,372.66	-8,992,003.81
5. Depreciation of property, plant and equipment	-111,649.44	-81,838.74
6. other operating expenses	-8,963,707.72	-6,080,733.00
7. Other Interest and Similar Income	1,386.14	3,861.37
8. Interest and Similar Expenses	-575.00	-60,175.13
9. Earnings after tax	-12,136,239.58	-7,736,370.94
10th Annual Loss	-12,136,239.58	-7,736,370.94

Appendix for the 2021 financial year

of BuildingMinds GmbH, Berlin

A. Accounting Policies

The provisions of Book Three of the HGB (§§ 238 et seq. HGB) and the relevant provisions of the GmbHG have been applied to the accounting and valuation in the annual financial statements of BuildingMinds GmbH, Berlin (registration court Berlin (Charlottenburg), HRB 198420 B). The supplementary provisions for corporations in the second section (§§ 264 ff. HGB) were observed.

The appendix has been prepared in part taking into account size-related simplification regulations in accordance with Section 288 HGB.

The presentation, structure, approach and valuation of the annual financial statements correspond to the principles of the previous year.

The profit and loss account is prepared according to the nature of expense method.

Due to the stock of liquid funds, the existing equity as well as existing and not yet utilized credit lines, which can also be provided with a subordination, the management assumes that there are no actual or legal obstacles to the continuation of the company. In this respect, the annual financial statements and the management report as of December 31, 2021 were prepared under the premise of going concern.

Property, **plant and equipment** are stated at the acquisition costs that must be capitalized and, where depreciable, reduced by scheduled depreciation. The customary useful lives are between three and seven years.

Receivables and other assets are stated at nominal value. All identifiable individual risks are taken into account in the assessment.

Bank balances are stated at their nominal value.

Expenses before the balance sheet date are recognized as prepaid expenses if they represent expenses for a specific period after this date.

Equity is accounted for at nominal value.

The other **provisions** take into account all recognizable risks and uncertain obligations and are valued at the settlement amount necessary according to prudent business judgement.

Liabilities are recognized at the settlement **amount**.

Deferred income is created for income that represents earnings in subsequent periods.

B. Notes to the Balance Sheet and Profit and Loss Account

I. Balance sheet

1. Fixed assets

The separately presented development of fixed assets is an integral part of the notes.

2. Claims

Trade accounts receivable have or had a remaining term of less than one year.

Receivables from affiliated companies consist of trade accounts receivable in the amount of EUR 1,702 thousand and other receivables in the amount of EUR 17,000 thousand. The remaining terms are or were less than one year.

3. Other Assets

The amount of other assets with a remaining term of more than one year and less than five years is EUR 0 thousand (previous year: EUR 156 thousand).

4. Prepaid expenses

The active prepaid expenses consist of expenses for the following financial year and are broken down as follows:

scroll ↔

	12/31/2021 EUR thousand
license expenses	109
consulting services	88
fair costs	58
other expenditures	34
	289

5. Equity

The company's subscribed capital remains unchanged at EUR 100 thousand.

An amount of EUR 17,000 thousand was allocated to the capital reserve in the financial year.

6. Other Provisions

The other provisions essentially include provisions for obligations from the personnel area (EUR 6,316 thousand), invoices issued in the following year that relate to the current financial year (EUR 368 thousand) and expenses for the preparation and auditing of the annual financial statements (EUR 30 thousand).

7. Liabilities

All liabilities have or had a remaining term of less than one year.

Liabilities to affiliated companies consist of trade payables of EUR 204 thousand and other liabilities of EUR 863 thousand.

8. Other Liabilities

Other **liabilities** break down as follows:

scroll ↔

	12/31/2021 EUR thousand	12/31/2020 EUR thousand
Liabilities from taxes	173	172
Social security liabilities	30	32
Miscellaneous other liabilities	0	1
	203	205

II. Profit and Loss Account

1. Personnel expenses

The item "Social security contributions and expenses for pensions" includes **expenses for pensions** in the amount of EUR 7 thousand (previous year: EUR 6 thousand).

2. Other operating expenses

Other operating expenses include **expenses from currency translation** in the amount of EUR 6 thousand (previous year: EUR 11 thousand). Of this, unrealized expenses account for EUR 0 thousand (previous year: EUR 0 thousand).

3. Other interest and similar income

Other interest and similar income relates to **affiliated companies** in the amount of EUR 1 thousand (previous year: EUR 4 thousand) .

4. Interest and Similar Expenses

Interest and similar expenses relate to **affiliated companies** in the amount of EUR 1 thousand (previous year: EUR 60 thousand) .

C. Other information

1. staff

The average number of employees during the financial year is:

scroll ↔

	Number
Research and Development	64
distribution	18
Administration	7
The total number of employees on average is thus	89

2. Contingent Liabilities and Other Financial Obligations

There is **another financial obligation** from a membership agreement in the amount of EUR 739 thousand with a remaining term of up to one year.

3. Bodies of the company

Managing directors are or were:

scroll ↔

According to our assessment based on the knowledge gained during the audit

scroll ↔

- the attached annual financial statements comply in all material respects with the provisions of German commercial law and, in compliance with the German principles of proper accounting, convey a true and fair view of the assets and financial position of the company as of December 31, 2021 and its earnings position for the financial year from January 1 to December 31, 2021 and
- the attached management report as a whole provides an accurate picture of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

In accordance with § 322 Para. 3 Sentence 1 HGB, we declare that our audit has not led to any objections to the regularity of the annual financial statements and the management report.

Basis for the test results

We conducted our audit of the annual financial statements and the management report in accordance with Section 317 of the German Commercial Code, taking into account the German generally accepted auditing principles established by the Institute of Public Auditors in Germany (IDW). Our responsibility under those requirements and standards is further described in the "Auditor's responsibility for the audit of the financial statements and management report" section of our auditor's report. We are independent of the company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe

Responsibility of the legal representatives for the annual financial statements and the management report

The legal representatives are responsible for the preparation of the annual financial statements, which comply with the German commercial law provisions in all material respects, and for the fact that the annual financial statements, in compliance with the German principles of proper accounting, give a true and fair view of the net assets, financial position and results of operations of the society conveys. Furthermore, the legal representatives are responsible for the internal controls which they have determined, in accordance with the German principles of proper accounting, to be necessary in order to enable the preparation of annual financial statements that are free from material - intentional or unintentional - misstatements.

In preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

In addition, the legal representatives are responsible for preparing the management report, which as a whole provides a suitable view of the company's position and is consistent with the annual financial statements in all material respects, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) they have deemed necessary to enable the preparation of a management report in accordance with the applicable German legal provisions and to provide sufficient suitable evidence for the statements in the management report can.

Auditor's responsibility for the audit of the annual financial statements and the management report

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material - intentional or unintentional - misstatements and whether the management report as a whole provides a suitable view of the company's position and, in all material respects, with the annual financial statements and is consistent with the findings obtained in the audit, complies with German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report which contains our audit opinions on the annual financial statements and on the management report.

Adequate assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code, taking into account the German principles of proper auditing established by the Institut der Wirtschaftsprüfer (IDW) will always uncover a material misstatement. Misstatements may 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 made on the basis of these financial statements and management report.

During the audit, we exercise professional judgment and maintain a critical attitude. Over and beyond

scroll ↔

- We identify and assess the risks of material - intentional or unintentional - misstatements in the annual financial statements and in the management report, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is greater than that arising from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- We gain an understanding of the internal control system relevant to the audit of the annual financial statements and the precautions and measures relevant to the audit of the management report in order to plan audit procedures that are appropriate in the given circumstances, but not with the aim of providing an audit opinion on the effectiveness of these systems of society.
- We evaluate the appropriateness of the accounting methods used by the legal representatives and the justifiability of the estimated values presented by the legal representatives and the related disclosures.
- Conclude on the appropriateness of 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 cast significant doubt on the Company's ability to continue as a going concern can raise. If we conclude that there is a material uncertainty, we are required to draw attention to the related disclosures in the financial statements and management report in the auditor's report or, if such disclosures are inappropriate, to modify our respective audit opinion. We base our conclusions on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- We evaluate the overall presentation, the structure and the content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements, in compliance with the German principles of proper accounting, give a true and fair view of the assets, financial and earnings situation of the company.
- We assess the consistency of the management report with the annual financial statements, its compliance with the law and the view it conveys of the company's situation.
- we perform audit procedures on the future-oriented information presented by the legal representatives in the management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not provide a separate audit opinion on the future-oriented information and the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We discuss with those charged with governance, among other things, the planned scope and timing of the audit and significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

Berlin, May 25, 2022

PricewaterhouseCoopers GmbH
auditing company

Katharina Woythe, auditor

ppa. Frank Horschke, auditor

The annual financial statements as of December 31, 2021 were approved on August 26, 2022.
