

Basecamp Development ApS

C/O Galst Advokataktieselskab
Gammel Strand 44, 1202 København K

CVR no. 41 75 55 63

Annual report

for the year 1 January - 31 December 2022

Approved at the Company's annual general meeting on 8 June 2023

Chair of the meeting:

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David Heinemeier Hansson

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

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Statement by the Board of Directors and the Executive Board

Today, the Executive Board has discussed and approved the annual report of Basecamp Development ApS for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

I recommend that the annual report be approved at the annual general meeting.

Copenhagen, 8 June 2023
Executive Board:

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David Heinemeier Hansson

Independent auditor's report

To the shareholders of Basecamp Development ApS

Opinion

We have audited the financial statements of Basecamp Development ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the additional requirements applicable in Denmark 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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 Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 8 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Peter Andersen
State Authorised Public Accountant
mne34313

Management's review

Company details

Name	Basecamp Development ApS
Address, Postal code, City	C/O Galst Advokataktieselskab Gammel Strand 44, 1202 København K
CVR no.	41 75 55 63
Established	12 October 2020
Registered office	Københavns Kommune
Financial year	1 January - 31 December
E-mail	david@hey.com
Executive Board	David Heinemeier Hansson
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management commentary

Business review

The company's main activity is to conduct business with the provision of development and consultancy services.

Financial review

The income statement for 2022 shows a profit of DKK 382,413 against a profit of DKK 230,069 last year, and the balance sheet at 31 December 2022 shows equity of DKK 652,482.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2022 12 months	2020/21 15 months
	Gross profit	4,191,656	2,376,060
2	Staff costs	-3,695,385	-2,078,699
	Profit before net financials	496,271	297,361
3	Financial expenses	-4,833	-2,194
	Profit before tax	491,438	295,167
4	Tax for the year	-109,025	-65,098
	Profit for the year	382,413	230,069
	Recommended appropriation of profit		
	Retained earnings	382,413	230,069
		382,413	230,069

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2022	2020/21
	ASSETS		
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	234,930	0
	Other receivables	37,255	1,840
		<u>272,185</u>	<u>1,840</u>
	Cash	737,528	537,332
	Total non-fixed assets	<u>1,009,713</u>	<u>539,172</u>
	TOTAL ASSETS	<u>1,009,713</u>	<u>539,172</u>
	EQUITY AND LIABILITIES		
	Equity		
5	Share capital	40,000	40,000
	Retained earnings	612,482	230,069
	Total equity	<u>652,482</u>	<u>270,069</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	0	6,250
	Payables to group enterprises	0	104,009
	Corporation tax payable	109,025	65,098
	Other payables	248,206	93,746
		<u>357,231</u>	<u>269,103</u>
	Total liabilities other than provisions	<u>357,231</u>	<u>269,103</u>
	TOTAL EQUITY AND LIABILITIES	<u>1,009,713</u>	<u>539,172</u>

1 Accounting policies

6 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 12 October 2020	0	0	0
Transfer through appropriation of profit	0	230,069	230,069
Cash payments concerning formation of enterprise	40,000	0	40,000
Equity at 1 January 2022	40,000	230,069	270,069
Transfer through appropriation of profit	0	382,413	382,413
Equity at 31 December 2022	40,000	612,482	652,482

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Basecamp Development ApS for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2022 12 months	2020/21 15 months
2 Staff costs		
Wages/salaries	3,690,691	2,070,518
Other social security costs	4,694	8,181
	<u>3,695,385</u>	<u>2,078,699</u>
 Average number of full-time employees	 <u>1</u>	 <u>1</u>
 3 Financial expenses		
Other interest expenses	4,833	2,194
	<u>4,833</u>	<u>2,194</u>
 4 Tax for the year		
Estimated tax charge for the year	109,025	65,098
	<u>109,025</u>	<u>65,098</u>

5 Share capital

The Company's share capital has remained DKK 40,000 in the past year.

6 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
37Signals	Illinois, USA	2045 W Grand Ave Ste B. PMB 53289. Chicago, Illinois 60612-1577 US

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"By my signature I confirm all dates and content in this document."

David Heinemeier Hansson

Executive Board

On behalf of: Basecamp Development ApS

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David Heinemeier Hansson

Chair of the meeting

On behalf of: Basecamp Development ApS

Serial number: 187c0e0f-dab5-4e7b-9338-9a3b2765bbf0

IP: 87.49.xxx.xxx

2023-06-08 10:16:30 UTC



Peter Andersen

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: PID:9208-2002-2-104482734957

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